

**UNITED STATES JUDICIAL PANEL
on
MULTIDISTRICT LITIGATION**

IN RE: CITIGROUP INC. SECURITIES LITIGATION

Leslie G. Shumsker v. Citigroup Global Markets, Inc.,)
D. Massachusetts, C.A. No. 1:13-10175) MDL No. 2070

TRANSFER ORDER

Before the Panel:* Pursuant to Panel Rule 7.1, plaintiff in a District of Massachusetts action moves to vacate our order that conditionally transferred her action to MDL No. 2070. Defendant Citigroup Global Markets, Inc. (Citigroup) opposes the motion.

After considering all argument of counsel, we find that this action involves common questions of fact with the actions previously transferred to MDL No. 2070, and that transfer will serve the convenience of the parties and witnesses and promote the just and efficient conduct of the litigation. Transfer also is warranted for all the reasons set out in our original transfer order in MDL No. 2070. There, we centralized actions involving allegations that the Citigroup defendants unlawfully mislead investors, with material misstatements or omissions in Citigroup's disclosures, among other things, about the nature of Citigroup's investments and the company's financial condition and, in particular, its holding in and exposures to subprime-related assets. *See In re Citigroup Inc. Sec. Litig.*, 648 F. Supp. 2d 1382 (J.P.M.L. 2009). This action likewise involves allegations relating to the financial condition of Citigroup, its exposure to the subprime mortgage market, and that plaintiff was misled about Citigroup's disclosures. Thus, this action clearly involves common questions of fact with the actions previously transferred.

Plaintiff advances two arguments against transfer, but neither is persuasive. First, plaintiff contends that it would be unduly burdensome and prejudicial to require her to conduct discovery in the Southern District of New York. However, we have already concluded that the corporate Citigroup defendants are located within the transferee district and that relevant witnesses and documents are likely located there. *See* 648 F. Supp. 2d at 1384. Thus, irrespective of transfer of this action, plaintiff's discovery against Citigroup, in large part, will occur in the transferee district. Moreover, transfer will enable plaintiff to cooperate with other plaintiffs in this litigation and to pool their resources with respect to common discovery matters. Accordingly, we anticipate that plaintiff will experience little, if any, inconvenience, but rather an overall savings of time and expense as a result of transfer.

Plaintiff's second argument against transfer is that her action is distinct from those in the Southern District of New York because she asserts only Massachusetts statutory and common law

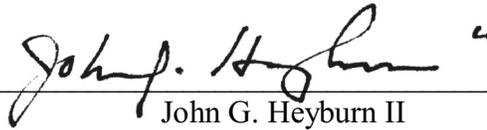
* Judge Lewis A. Kaplan took no part in the decision of this matter.

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claims in her complaint. Again, however, plaintiff's argument is unconvincing. We have previously observed that "the presence of additional or differing legal theories is not significant when the actions still arise from a common factual core." *In re Reciprocal of Am. (ROA) Sales Practices Litig.*, 560 F. Supp. 2d 1357, 1359 (J.P.M.L. 2008). Here, there is no doubt that the plaintiff's action arises from the same factual core as those in the MDL—namely, that Citigroup misled her about the nature of its investments and financial condition. Plaintiff concedes as much in her briefing. Furthermore, at least three of the pending centralized actions likewise contain state common law claims for fraud and negligent misrepresentation, and we have already transferred an action to this MDL that alleged violation of only state common law and statutory claims. *See In re Citigroup Inc. Sec. Litig.*, MDL No. 2070, ECF No. 60 (J.P.M.L. Dec. 13, 2011) (finalizing transfer of action asserting claims for fraud, negligent misrepresentation, and violations of the Florida Securities Law).

IT IS THEREFORE ORDERED that pursuant to 28 U.S.C. § 1407, this action is transferred to the Southern District of New York and, with the consent of that court, assigned to the Honorable Sidney H. Stein for inclusion in the coordinated or consolidated pretrial proceedings.

PANEL ON MULTIDISTRICT LITIGATION



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