

# Class Action Against Citigroup Over Hedge Fund Losses

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**Infovest21 News** - Several legal firms are representing investors who wish to sue Citigroup following losses in fixed income hedge funds. The law firms are Aidikoff, Uhl & Bakhtiari of Beverly Hills, Calif.; Maddox, Hargett & Caruso of Indianapolis and New York; Page Perry of Atlanta; and David P. Meyer & Associates Co of Columbus, Ohio.

So far, a class action lawsuit has been filed against Citigroup in the United States District Court for the Southern District of Florida for investors in the Falcon Fund. The case is Robert Zeff v. Citigroup Alternative Investments. The lawyers are calling on investors who lost more than \$100,000 to join the action. Brokers who sold the hedge funds, however, are not targets of investor claims, say the lawyers.

**"We are investigating the decline of fixed income portfolios that Citibank sold. The Falcon, ASTA and MAT funds employed leverage to purchase municipal bonds," said attorney Ryan K. Bakhtiari of Aidikoff, Uhl & Bakhtiari. "Falcon appears to have lost more than 30% of its value while ASTA and MAT appear to have suffered losses in the range of 60% to 80%."**

The lawyers have established a website, [www.subprimelosses.com](http://www.subprimelosses.com), to explain the implications for investors who have been hurt in the subprime crunch.

"Many investors relied on Wall Street and the rating agencies assignment of investment grade relative to these investments prior to investing," the firms say. "The Wall Street underwriters and the teams they assembled in the structuring, rating, accumulating collateral and managing the investment pools which make up these investments may be liable to investors under a number of legal theories including but not limited to: negligence, breach of fiduciary duty, breach of contract, violation of state and federal securities laws and fraud."

Citigroup reportedly placed \$661 million in ASTA and MAT hedge funds in recent weeks and devised a restructuring plan that would allow investors potentially to recoup some of their money. subscribers, arguing that it's an unlawful penalty under Georgia law.