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January 7, 2011

By Federal Express

Gary J. Cohen, Esq.
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Financial Crisis Inquiry Commission
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Financial Crisis Inquiry Commission ("FCIC" or "Commission")

Dear Gary:

We represent Citigroup Inc. ("Citi" or the "Company") and Thomas Maheras in connection with the Commission's inquiry and write in response to your January 4, 2011 letter (the "January 4 letter") regarding the potential public release of a purported statement made by Mr. Maheras in his FCIC interview.

In the January 4 letter, you provide a "quote" from the FCIC's March 10, 2010 interview of Mr. Maheras that you indicate the Commission "may include or paraphrase" in its final report.

The excerpt reads:

“Maheras told the FCIC that he spent less than 1% of his time thinking about or dealing with the CDO business. ‘It was actually through that whole period very far from the core activity, so it would have been a very limited amount of time.’”

We are disappointed that the Commission has indicated its intent to rely upon this excerpt in its report. As you know, we objected to the usefulness of this line of questioning at the time of the interview for reasons that should be obvious: it is impossible for an individual to quantify how much time he spends thinking about or dealing with an issue—particularly during a time of unprecedented crisis, when nothing was business as usual—and the usefulness of any testimony that purports to provide such a quantification is highly suspect at best.

Moreover, even to the extent that the FCIC finds some value in this line of inquiry, the selected excerpt—coupled with the FCIC’s own editorializing—does not accurately represent what Mr. Maheras said during his March 10 interview. The misleading nature of the Commission’s selective quotation is particularly egregious, given that a transcript exists of Mr. Maheras’s interview.

Specifically, Mr. Maheras’s statement was made with respect to a specific time period during his tenure at Citi—as is obvious from the transcript. The failure to provide this contextual information improperly suggests that Mr. Maheras spent less than 1% of his time thinking about or dealing with the CDO business throughout the entire time he was Citi. In fact, Mr. Maheras expressly stated that, in the latter half of 2007, he spent up to 5% of his time thinking about CDOs or issues related to CDOs.¹ The FCIC’s mischaracterization implies that Mr. Maheras was not focused on CDOs even at a time when issues related to the structured credit business were of increasing prominence at Citi. We respectfully request that the Commission remove the quote from its report or, at a minimum, provide an accurate description of any excerpts of Mr. Maheras’s testimony that it intends to use.

¹ Indeed, a more accurate excerpt would reveal that Mr. Maheras testified that, from 2004 to 2006, while head of Citi’s global capital markets department, he spent a fraction of 1% of his time thinking about or dealing with the CDO business. In 2002, while head of Citi’s global fixed income department, Mr. Maheras stated that he spent 1% of his time thinking about CDOs or anything related to CDOs. It was regarding the 2002 time period—and only that time period—that Mr. Maheras stated that “[i]t was actually through that whole period very far from the core activity, so it would have been a very limited amount of time.”

* * *

On behalf of Citi, we object to the inclusion in your public report of inaccurate or misleading information or quotes, such as the quote identified above and those identified in our prior submissions. We reserve the right to supplement this letter with additional objections.

Respectfully submitted,

A handwritten signature in black ink that reads "Brad S. Karp / A.I.K". The signature is written in a cursive, slightly slanted style.

Brad S. Karp

cc: Lee S. Richards III
Daniel C. Zinman