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# Shocker at Citigroup as CEO Vikram Pandit Abruptly Resigns

By Jeff Macke | Breakout – 3 hours ago

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0:21 / 4:43

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In a stunning move Citigroup (C) announced this morning that CEO Vikram Pandit and COO John Havens were resigning effective immediately. The departures come just one day after the big bank reported what was generally regarded as a strong quarter, sending the stock higher by 5% in Monday trading. Pandit also stepped down from Citi's Board of Directors.

This departure marks the end of a controversial and often troubled tenure. Pandit first came on the scene at Citigroup in July of 2007 when his hedge fund, Old Lane Partners LP, was bought for \$800 million. Pandit reportedly pocketed \$165 million for his portion of the company. Named CEO in December of 2007, Pandit steered Citi through the worst financial crisis since

the Great Depression. The company's stock has fallen some 90% since he took the corner office, underperforming most of the industry.

The circumstances surrounding the abrupt exit are murky, at best. Pandit was far from beloved in the industry or by investors, but he was hardly seen as someone whose job was on the line. In his mid-50s, Pandit isn't considered a dinosaur and if this was a planned departure it was an utterly inept succession execution by the Board of Directors. If Pandit's performance was the issue it would have been exposed in the quarterly report yesterday. (**See related: [Citigroup Touts Core Business Momentum in Otherwise Baffling Quarter](#)**)

That leaves speculation as to what the real story may be. The most oft repeated guess is that Pandit and Havens are leaving over issues of compensation. Pandit was earning a \$1 salary for years, both by way of a savvy PR move and as something akin to a gesture of "give back" to shareholders after Citi closed Old Lane less than a year after paying Pandit the better part of \$1 billion for it.

Did Pandit demand to get paid after leading Citi to a 2012 gain of over 35%? Did he grow weary of the still-mounting headaches associated with running a massive bank with the Volcker Rule looming? Was this just a horribly botched succession plan, in which case the Board of Citi has some serious questions to answer?

No one knows yet, but the real story will emerge, most likely in the next few days. All that is known for sure is that Vikram Pandit is gone from Citi, [expunged from the website](#) already. A man named Michael Corbat is Citi's new CEO. Corbat's first job as the new boss is explaining to Wall Street what, exactly, happened to the old guy.

**Do you think Pandit's abrupt resignation is good or bad for Citigroup shareholders? Please answer our poll question below and visit us on [Facebook](#)!**

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