

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933  
Release No. 8559 / March 23, 2005

ADMINISTRATIVE PROCEEDING  
File No. 3-11869

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In the Matter of	:	
	:	ORDER UNDER RULE 602(e) OF THE
	:	SECURITIES ACT OF 1933 GRANTING
Citigroup Global Markets, Inc.,	:	A WAIVER OF THE DISQUALIFICATION
	:	PROVISION OF RULE 602(c)(3)
Respondent.	:	

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Citigroup Global Markets, Inc. (“CGMI”) has submitted a letter, dated March 22, 2005, requesting a waiver of the disqualification from the securities registration exemption under Regulation E arising from CGMI’s settlement of administrative and cease-and-desist proceedings commenced by the Commission. On March 23, 2005, pursuant to CGMI’s offer of settlement, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”). The Order: (i) imposes a censure against CGMI; (ii) requires CGMI to cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”) and Rule 10b-10 under the Securities Exchange Act of 1934 (“Exchange Act”); (iii) requires CGMI to pay a civil monetary penalty in the amount of \$20 million to the United States Treasury; and (iv) requires CGMI to comply with certain undertakings.

Rule 602(c)(3) makes the Regulation E exemption unavailable for the securities of an issuer if a director, officer, principal security holder, investment adviser or underwriter of the securities to be offered, or any partner, director or officer of such investment adviser or underwriter, is subject to a Commission order pursuant to Section 15(b) of the Exchange Act. Rule 602(e) provides that the Commission may waive this disqualification upon a showing of good cause.

Based on the representations set forth in CGMI’s request of March 17, 2005, the Commission has determined that a showing of good cause has been made pursuant to Rule 602(e) and that the request for a waiver of the disqualification should be granted.

Accordingly, IT IS ORDERED, pursuant to Rule 602(e) under the Securities Act, that a waiver from the application of the disqualification provision of Rule 602(c)(3) under the Securities Act resulting from the entry of the Order is hereby granted.

By the Commission.

Jonathan G. Katz  
Secretary