

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 52762 / November 10, 2005**

**Administrative Proceeding**  
**File No. 3-12101**

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<b>In the Matter of</b>	:	
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	:	<b>ORDER INSTITUTING</b>
	:	<b>ADMINISTRATIVE PROCEEDINGS</b>
	:	<b>PURSUANT TO SECTION 15(b) OF</b>
	:	<b>THE SECURITIES EXCHANGE ACT</b>
	:	<b>OF 1934, MAKING FINDINGS, AND</b>
<b>Ralph D. Casbarro,</b>	:	<b>IMPOSING REMEDIAL SANCTIONS</b>
	:	
<b>Respondent.</b>	:	
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**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Ralph D. Casbarro (“Respondent” or “Casbarro”).

**II.**

In anticipation of the institution of these proceedings, Casbarro has submitted an Offer of Settlement (“Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over Casbarro, the subject matter of these proceedings, and the finding contained in Section III.B below, which are admitted, Casbarro consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

### III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

A. Casbarro, age 43, was, between February 1995 and March 2005, employed as a registered representative by Salomon Smith Barney, Inc. and its successor Citigroup Global Markets, Inc. (together, "Citigroup"), each a broker-dealer registered with the Commission pursuant to Section 15(b) of the Exchange Act. In connection with his employment, Casbarro held Series 7, Series 63, and Series 65 licenses.

B. On October 7, 2005, Casbarro pleaded guilty to conspiracy to commit securities fraud in violation of 18 U.S.C. § 1349, a felony. *United States v. Casbarro*, Cr. No. 05-613 (ILG), United States District Court for the Eastern District of New York.

C. The count of the criminal indictment to which Casbarro pleaded guilty alleged, *inter alia*, the following. While employed by Citigroup as a retail stock broker in New York, New York, Casbarro conspired to carry out a fraudulent scheme whereby Casbarro furnished a group of day traders with material, non-public information concerning large orders to purchase and sell securities that had been placed by Citigroup's customers. Casbarro furnished such information by allowing the day traders to listen to Citigroup's "squawk box," an internal speaker system that Citigroup used to disseminate information concerning such customer orders, which involved quantities of stock that were sufficiently large that the transactions could be expected to influence the market price for the stocks in question. As a part of the scheme, the day traders used the material, non-public information disseminated through the squawk box to buy or sell the stocks in question and to profit from a rise or fall in the price of the stock in question caused by the execution of the large order for Citigroup's customer. Casbarro provided such material, non-public information to the day traders in violation of fiduciary and other duties of trust and confidence that Casbarro owed to Citigroup and its customers. In exchange for allowing the day traders to listen to the Citigroup squawk box, Casbarro accepted from the day traders bribes in the form of commissions and other things of value.

### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Casbarro's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act that Casbarro be, and hereby is barred from association with any broker or dealer.

Any reapplication for association by Casbarro will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against Casbarro, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

For the Commission, by its Secretary, pursuant to delegated authority.

Jonathan G. Katz  
Secretary