



May 16, 2008

Nancy M. Morris
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

**Re: Reproposal of Amendments to Part 2 of Form ADV
and Related Rules Under the Investment Advisers
Act of 1940 [Release No. IA-2711; File No. S7-10-00]**

Dear Ms. Morris:

Citigroup Global Markets Inc. ("CGMI")¹ appreciates the opportunity to comment on the Commission's rep proposal of the amendments to Part 2 of Form ADV that were originally published by the Commission in April, 2000 (the "Proposed Amendments").² CGMI filed a comment letter in response to the original proposal on June 13, 2000.³

We generally support the Commission's efforts to revise the current check-the-box format and filing requirements for Part 2 of Form ADV ("Part 2") under the Investment Advisers Act of 1940 (the "Advisers Act"). We also believe that clients and prospective clients will benefit from the ability to access an adviser's brochure through the Commission's website. However, we believe that some of the proposed revisions should be reconsidered to provide a more reasonable method of delivering information to clients.

Rule 204-3 under the Advisers Act currently requires a registered investment adviser to update its Part 2 (or its "brochure") whenever the information becomes materially inaccurate. A registered adviser also must annually provide, or make a written offer to clients to deliver, a current copy of the adviser's brochure. In the Proposed Amendments, the Commission has proposed that a registered adviser actually deliver a current copy of its brochure to clients annually and make interim delivery of its brochure when the brochure is amended to add a disciplinary event or materially change a disciplinary event already disclosed.

¹ CGMI is dually registered with the Securities and Exchange Commission (the "Commission") as a broker-dealer and investment adviser.

² See *Electronic Filing by Investment Advisers; Proposed Amendments to Form ADV*, Advisers Act Release No. 1862 (April 5, 2000).

³ Available at: <http://www.sec.gov/rules/proposed/s71000/rosenba1.htm>.

CGMI currently has approximately one million advisory accounts. These clients receive reams of paperwork and CGMI regularly receives client complaints due to the large volume of written material already required to be delivered to clients. The proposed requirement that brochures be delivered to clients on an annual basis will further increase this paper overload.

Due to the historical administrative burdens and expense associated with administering an affirmative-consent process and monitoring revocation, relatively few of these advisory clients receive electronic delivery of brochures today. The Commission should facilitate the electronic delivery of information by clearly stating that advisers can satisfy their annual and interim delivery requirements by posting the updated brochure to a firm website. Clients would be notified annually that the brochure was available on a specific portion of the website and that the brochure would be updated periodically. Moreover, clients would continue to have the ability to obtain the hard-copy brochure by contacting their investment professional.

The Proposed Amendments also would require that an adviser provide clients with “brochure supplements” containing information about an adviser’s “supervised persons.” Advisers would be required to give each client, subject to certain exceptions, a brochure supplement for every supervised person who formulates investment advice for that client and has direct client contact or makes discretionary investment decisions for that client’s assets (or, alternatively, a group supplement containing the required information about each such supervised person).

We agree with the Securities Industry and Financial Markets Association (“SIFMA”) position on the proposed brochure supplements. This information already is available to investors from other sources. Investors who utilize the advisory services of dual-registrants such as CGMI have the full benefit of broker-dealer regulation including reporting of disciplinary and other information through FINRA’s Central Registration Depository System. This system enables investors to obtain detailed information on their financial professional’s qualifications, training, registration, employment history, and customer-dispute and disciplinary history by clicking on “FINRA Broker Check” on the FINRA home page (www.finra.org).⁴ If the Commission is concerned that investors may not be aware of “FINRA Broker Check,” the Commission could require that its availability be prominently disclosed in the brochure.

Additionally, as noted by SIFMA and other commentators, the supplement requirement would pose daunting and perhaps insurmountable operational and cost burdens on advisers without providing significant added value for investors. CGMI has well over 8,000 investment-adviser representatives servicing approximately one million advisory-client accounts. Many of these investment professionals are organized into teams, and these teams change over time. Moreover, account assignments change, representatives join or leave the firm, new client accounts are added, and existing client accounts are closed. Building a system that accurately monitors all of these variables, and then generates the appropriate supplement that is then delivered to the client, will be

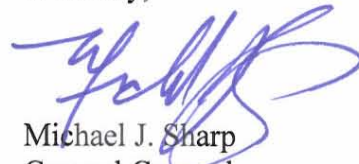
⁴ Investors lacking computer access may obtain this information by calling the toll-free FINRA BrokerCheck Hotline at (800) 289-9999.

a monumental undertaking. The ultimate benefit to clients will be no different than a plain English disclosure directing them to FINRA Broker Check where this information is routinely updated and available today.

In conclusion, we support the efforts of the Commission to facilitate the disclosure of information that investors need to make informed decisions. For the reasons described above, we are concerned with certain portions of the Proposed Amendments and urge that a more reasonable method of delivering information to clients be adopted.

Please contact me if you need any additional information.

Sincerely,



Michael J. Sharp
General Counsel
Citi Global Wealth Management