

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 61917 / April 15, 2010

Administrative Proceeding File No. 3-11935

In the Matter of

Smith Barney Fund Management
LLC and Citigroup Global
Markets Inc.,

Respondents.

**ORDER APPROVING PLAN
OF DISTRIBUTION**

On May 31, 2005, the Commission issued an Order instituting settled administrative and cease-and-desist proceedings against Smith Barney Fund Management LLC and Citigroup Global Markets Inc. (together, “Respondents”) in this matter. *See In the Matter of Smith Barney Fund Management LLC and Citigroup Global Markets, Inc.*, Admin. Proc. File No. 3-11935 (May 31, 2005) (Rel. No. 34-51761) (the “Order”). In the Order, the Commission authorized and established a Fair Fund, comprised of \$183,704,031 in disgorgement, prejudgment interest and penalties paid by the Respondents. The Order provided that the Fair Fund was to be distributed pursuant to a distribution plan developed by the Respondents.

On January 7, 2010, the Commission gave notice, pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1103 (“Notice”), that the Respondents have submitted to the Commission a proposed plan for the distribution of the Fair Fund in this matter (Rel. No. 34-61312) (“Distribution Plan”). On February 25, 2010, the Commission gave notice that because “exhibits to the proposed plan were inadvertently not attached to the plan that was published on the Commission’s web site, the period for comment on the plan has been extended for an additional 30 days from the date of this notice.” (Rel. No. 34-61587) The Commission received no comments on the Distribution Plan.

Pursuant to the Distribution Plan, disgorgement-related portions of the Fair Fund will be distributed to funds from the Smith Barney Family of Funds (the “Funds”) that engaged a Citigroup affiliate, Citicorp Trust Bank fsb or a predecessor entity (collectively, “CTB”), as their transfer agent and paid transfer agent fees to CTB between October 1, 1999, and November 30, 2004, or to successors to such Funds, in proportion to the total transfer agent fees paid to CTB by each Fund or class of a Fund (subject to certain adjustments). Funds that were liquidated prior to the initial submission of this Plan will not participate in the proposed distribution. Further, the

Respondents have advanced the estimated distribution amounts under the Plan to Funds that were liquidated after the initial submission of the Plan but before the proposed distribution. Under the Plan, the Respondents will recover the amounts advanced to those liquidated Funds, plus interest. Under the Plan, undistributed funds will be transferred to the U.S. Treasury after the final accounting is approved by the Commission.

The Division of Enforcement proposes that the Commission approve the Distribution Plan as written and appoint Alison T. Conn, Assistant Regional Director in the Commission's New York Regional Office, as Fund Administrator, as proposed in the Distribution Plan.

Accordingly, IT IS HEREBY ORDERED that:

- A. Pursuant to Rule 1104 of the Commission's Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1104, the Distribution Plan is approved; and
- B. Pursuant to Rules 1105(a) and (c) of the Commission's Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. §§ 201.1104(a) & (c), Alison T. Conn, Assistant Regional Director in the Commission's New York Regional Office, is appointed as Fund Administrator in accordance with the terms of the Distribution Plan, and no bond is required because the Fund Administrator is a Commission employee.

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

Elizabeth M. Murphy
Secretary