

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 8800 / May 7, 2007

SECURITIES EXCHANGE ACT OF 1934
Release No. 55713 / May 7, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12629

In the Matter of

**Citigroup Global Markets, Inc., successor by
merger to Legg Mason Wood Walker Inc.,**

Respondent.

**ORDER UNDER SECTION 27A(b)
OF THE SECURITIES ACT OF 1933
AND SECTION 21E(b) OF THE
SECURITIES EXCHANGE ACT OF
1934, GRANTING WAIVERS OF
THE DISQUALIFICATION
PROVISIONS OF SECTION
27A(b)(1)(A)(ii) OF THE
SECURITIES ACT OF 1933 AND
SECTION 21E(b)(1)(A)(ii) OF THE
SECURITIES EXCHANGE ACT OF
1934**

Citigroup Global Markets, Inc. has submitted a letter on behalf of itself and its affiliates, dated February 28, 2007, for a waiver of the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act of 1933 (“Securities Act”) and Section 21E(b)(1)(A)(ii) of the Securities Exchange Act of 1934 (“Exchange Act”) arising from its settlement of an administrative proceeding commenced by the Commission. On May 7, 2007, pursuant to the Offer of Settlement by Citigroup Global Markets, Inc., successor by merger to Legg Mason Wood Walker Inc., the Commission issued an Order Instituting Administrative Proceedings, Making Findings, and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Securities Exchange Act of 1934 (the “Order”). Under the Order, the Commission found that Citigroup Global Markets willfully violated Section 17(a)(2) of the Securities Act because Legg Mason Wood Walker, which subsequently was merged into Citigroup Global Markets, engaged in a violative practice in connection with certain auctions for auction rate securities.

The Order censures Citigroup Global Markets and requires Citigroup Global Markets, within 10 days of the entry of this Order, to pay a civil money penalty in the amount of \$200,000 to the United States Treasury.

The safe harbor provisions of Section 27A(c) of the Securities Act and Section 21E(c) of the Exchange Act are not available for any forward looking statement that is “made with respect to the business or operations of an issuer, if the issuer . . . during the 3-year period preceding the

date on which the statement was first made . . . has been made the subject of an . . . administrative decree or order arising out of a governmental action that (I) prohibits future violations of the antifraud provisions of the federal securities laws; (II) requires that the issuer cease and desist from violating the antifraud provisions of the securities laws; or (III) determines that the issuer violated the antifraud provisions of the securities laws[.]” Section 27A(b)(1)(A)(ii) of the Securities Act and Section 21E(b)(1)(A)(ii) of the Exchange Act. The disqualifications may be waived “to the extent otherwise specifically provided by rule, regulation, or order of the Commission.” Section 27A(b) of the Securities Act and Section 21E(b) of the Exchange Act.

Based on the representations set forth in Citigroup Global Markets’ letter, the Commission has determined that, under the circumstances, the request for a waiver of the disqualifications resulting from the entry of the Order is appropriate and should be granted.

Accordingly, **IT IS ORDERED**, pursuant to Section 27A(b) of the Securities Act and Section 27E(b) of the Exchange Act, that a waiver from the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act and Section 21E(b)(1)(A)(ii) of the Exchange Act as to Citigroup Global Markets and its affiliates resulting from the entry of the Order is hereby granted.

By the Commission.

Nancy M. Morris
Secretary