

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 8577 / May 31, 2005

SECURITIES EXCHANGE ACT OF 1934
Release No. 51762 / May 31, 2005

ADMINISTRATIVE PROCEEDING
File No. 3-11935

In the Matter of

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

Respondents.

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

Smith Barney Fund Management LLC (the “Adviser”) and Citigroup Global Markets, Inc. (“Global Markets”)(together, “Respondents”) have submitted a letter, dated March 25, 2005, requesting waivers 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”). On May 31, 2005, pursuant to Respondents’ Offer of Settlement, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940 and Section 15(b)(4) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”) against Respondents. The Order finds that Respondents (1) willfully violated Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 (“Advisers Act); (2) requires Respondents to cease and desist from committing or causing any violations and any future violations of Sections 206(1) and 206(2) of the Advisers Act; (3) censures Respondents; (4) requires Respondents to pay, on a joint and several basis, disgorgement in the amount of \$109,004,551, plus prejudgment interest of \$19,055,630; (5) requires the Adviser to pay a civil monetary penalty in the amount of \$80,000,000; and (5) requires Respondents to comply with certain undertakings.

The safe harbor provisions of Section 27(A)(c) of the Securities Act and Section 21E of the Exchange Act are not available for any forward looking statement that is “made with respect to the business or operations of the issue, if the issuer ... during the 3-year period preceding the date on which the statement was first made ... has been made the subject of a judicial or administrative decree or order arising out of a governmental action that (I) prohibits future violations of the antifraud provisions of the securities laws; (II) requires that the issuer cease and desist from violating the antifraud provisions of the securities law; or (III) determines that the issuer violated the antifraud provisions of the securities laws[.]” Section 27A(b)(1)(A)(ii) of the Securities Act; Section 21E(b)(1)(A)(ii) of the Exchange Act. The disqualification may be waived to the extent otherwise specifically provided by rule, regulation, or order of the Commission. Section 27A(b) of the Securities Act; Section 21E(b) of the Exchange Act.

Based on the representations set forth in Respondents’ request, the Commission has determined that, under the circumstances, the request for waivers 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 21E(b) of the Exchange Act, that waivers 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 the Adviser and Global Markets are hereby granted.

By the Commission.

Jonathan G. Katz
Secretary