

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

**SECURITIES ACT OF 1933**  
**Release No. 9626 / August 6, 2014**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 72780 / August 6, 2014**

**In the Matter of**

**CITIGROUP 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 AS TO  
CITIGROUP INC. AND ITS AFFILIATES**

Citigroup Inc. (“Citigroup”) has submitted a letter on behalf of itself and any of its current and future affiliates, dated October 17, 2011, requesting 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 injunctive action filed by the Commission.

On October 19, 2011, the Commission filed a civil injunctive action in the United States District Court for the Southern District of New York, alleging that Citigroup Global Markets, Inc. (“CGMI”), an affiliate of Citigroup, violated Sections 17(a)(2) and (3) of the Securities Act. In its complaint, the Commission alleged that the marketing materials for a CDO structured and marketed by CGMI were misleading because they suggested that CGMI, along with certain of its affiliates, was acting in the traditional role of an arranging bank, when in fact CGMI had allegedly exercised influence over the selection of the assets and had retained a proprietary short position of the assets it had helped select, which gave CGMI allegedly undisclosed economic interests adverse to those of the investors in the CDO. On August 5, 2014, pursuant to CGMI’s consent, the United States District Court for the Southern District of New York entered a Final Judgment as to Defendant Citigroup Global Markets Inc. (“Final Judgment”) permanently enjoining CGMI from violating Sections 17(a)(2) and (3) of the Securities Act [15 U.S.C. §77q(a)(2) and (3)], among other relief.

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 a judicial or 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’s letter, the Commission has determined that, under the circumstances, the request for a waiver of the disqualifications resulting from the entry of the Final Judgment is appropriate and should be granted solely as to an exclusion that would result from the entry of the Final Judgment, and not as to any previously existing and ongoing exclusion.

Accordingly, **IT IS ORDERED**, pursuant to Section 27A(b) of the Securities Act and Section 21E(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 and any current or future affiliates resulting from the entry of the Final Judgment is hereby granted with respect to any exclusion resulting from the entry of the Final Judgment.

By the Commission.

Kevin M. O’Neill  
Deputy Secretary