

CITIGROUP/SMITH BARNEY IN HOT WATER AGAIN

JANUARY 2005

Securities regulators have ordered Smith Barney to pay a \$275,000 fine plus restitution for selling very high-risk commodity futures to individuals who had no business owning them, plus never disclosing the risks.

Citigroup/Smith Barney is also returning \$203,000 to 45 customers to whom it made the unsuitable recommendations. The funds sold were the Citigroup Diversified Futures Fund and the Salomon Smith Barney Diversified 2000 Futures Fund. As usual Citigroup/Smith Barney neither admitted nor denied wrongdoing.

In one case according to Forbes Magazine a customer with a net worth of \$25,000, just lost her job and the \$4000 she invested in the commodity fund came from her IRA. The firm failed to maintain required records on its sales to more than 8,200 investors.

Every time I see Citigroup/Smith Barneys brand new "*Live Richly*" ad campaign I get nauseous. You should as well! The only people living richly are the crooks working at that firm.