

# Citi Fined for Charging Investors Excessive Markups and Markdowns

By: Debra Speyer

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FINRA recently announced that it has fined Citi International Financial Services LLC, a subsidiary of Citigroup, Inc., \$600,000 for [charging excessive markups and markdowns](#) on corporate and agency bond transactions. [FINRA](#) also ordered more than \$648,000 in restitution and interest to more than 3,600 customers.

Thomas Gira, Executive Vice President, FINRA Market Regulation, said, "FINRA is committed to ensuring that customers who purchase and sell securities, including corporate and agency bonds, receive fair prices. The markups and markdowns charged by Citi International were outside of appropriate standards for fair pricing in debt transactions, and FINRA will continue to identify and address transactions that violate fair pricing standards, regardless of whether a markup or markdown is above or below 5 percent." FINRA found that from July 2007 through September 2010, Citi International charged excessive corporate and agency bond markups and markdowns. The markups and markdowns ranged from 2.73 percent to over 10 percent, and were excessive given market conditions, the cost of executing the transactions, and the value of the services rendered to the customers, among other factors.

FINRA also found that Citi International failed to use reasonable diligence to buy or sell corporate bonds so that the resulting price to its customers was as favorable as possible under prevailing market conditions.

In addition to the financial penalties, Citi International was also ordered to revise its written supervisory procedures regarding supervisory review of markups and markdowns, and best execution in fixed income transactions with its customers.

## *The Message for Investors*

Investors should always find out what fees and commissions they will be charged before making any investment decision. Going forward, investors should also closely monitor their account statements for any discrepancies or other signs of fraud.

## About Debra Speyer

At [Wall Street Fraud](#), we are dedicated to offering assistance to those who have been hurt by improper corporate or investment practices.

*If you have been the victim of stock brokerage fraud, securities fraud, mutual fund fraud, stockbroker fraud, annuities fraud, or any other type of investment fraud, please [contact us](#) today for a free case evaluation. Our talented and aggressive legal and professional staff is eager to help you recover your losses.*

