

VIRTUS INVESTMENT PARTNERS, INC.

Form SC 13D/A

January 19, 2012

[Table of Contents](#)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 3)

Virtus Investment Partners, Inc.

(Name of Issuer)

Common Stock, par value \$0.01 per share

(Title of Class of Securities)

92828Q109

(CUSIP Number)

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Bank of Montreal

Colleen Hennessy

111 W. Monroe Street

Chicago, IL 60603

Tel. No.: (312) 461-7745

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

January 6, 2012

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. "

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page. The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Table of Contents

CUSIP No. 92828Q109

1 NAMES OF REPORTING PERSONS

2 Bank of Montreal
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) " (b) "

3 SEC USE ONLY

4 SOURCE OF FUNDS (SEE INSTRUCTIONS)

5 WC*
CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) "

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Canada

7 SOLE VOTING POWER

NUMBER OF

SHARES **8** 1,727,746
SHARED VOTING POWER

BENEFICIALLY

OWNED BY **9** 0
EACH SOLE DISPOSITIVE POWER

REPORTING

PERSON **10** 1,727,746
SHARED DISPOSITIVE POWER

WITH

11 0
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,727,746 **
12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) x

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

23.0%
14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

HC,BK

* The source of funds for acquiring 45,000 shares of Series B Voting Convertible Preferred Stock of the issuer (Preferred Stock) was the working capital of BMO Bankcorp, Inc. (BMO Bankcorp), a wholly-owned subsidiary of BMO Financial Corp. (BFC), which is a wholly-owned subsidiary of Bank of Montreal (BMO), and together with BFC, the Reporting Persons). 378,446 shares of common stock of the issuer (Common Stock) owned by the Reporting Persons were acquired by converting 9,783 shares of the Preferred Stock held by BMO Bankcorp on August 5, 2010. On November 30, 2011, BMO Bankcorp was dissolved and all Common Stock and Preferred Stock held by BMO Bankcorp was transferred to BFC. 1,349,300 shares of Common Stock owned by the Reporting Persons were acquired by converting the remaining 35,217 shares of Preferred Stock on January 6, 2012.

** This number does not include 291 shares of Common Stock held by sub-advisors of Harris myCFO Investment Advisory Services, LLC (myCFO, a wholly-owned subsidiary of BFC) in the name of clients of myCFO.

Table of Contents

CUSIP No. 92828Q109

1 NAMES OF REPORTING PERSONS.

2 BMO Financial Corp.
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) " (b) "

3 SEC USE ONLY

4 SOURCE OF FUNDS (SEE INSTRUCTIONS)

5 WC*
CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

NUMBER OF

SHARES **8** 1,727,746
SHARED VOTING POWER

BENEFICIALLY

OWNED BY **9** 0
EACH SOLE DISPOSITIVE POWER

REPORTING

PERSON **10** 1,727,746
SHARED DISPOSITIVE POWER

WITH

11 0
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,727,746 **
12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) x

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

23.0%
14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

HC, CO

- * The source of funds for acquiring 45,000 shares of Series B Voting Convertible Preferred Stock of the issuer (Preferred Stock) was the working capital of BMO Bankcorp, Inc. (BMO Bankcorp), a wholly-owned subsidiary of BMO Financial Corp. (BFC), which is a wholly-owned subsidiary of Bank of Montreal (BMO), and together with BFC, the Reporting Persons). 378,446 shares of common stock of the issuer (Common Stock) owned by the Reporting Persons were acquired by converting 9,783 shares of the Preferred Stock held by BMO Bankcorp on August 5, 2010. On November 30, 2011, BMO Bankcorp was dissolved and all Common Stock and Preferred Stock held by BMO Bankcorp was transferred to BFC. 1,349,300 shares of Common Stock owned by the Reporting Persons were acquired by converting the remaining 35,217 shares of Preferred Stock on January 6, 2012.
- ** This number does not include 291 shares of Common Stock held by sub-advisors of myCFO in the name of clients of myCFO.

Table of Contents

TABLE OF CONTENTS

Introductory Statement

Item 1. Security and Issuer

Item 2. Identity and Background

Item 3. Source and Amount of Funds or Other Consideration

Item 4. Purpose of Transaction

Item 5. Interest in Securities of the Issuer

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Item 7. Material to be Filed as Exhibits

SIGNATURE

Table of Contents

Introductory Statement and Explanatory Note

On January 17, 2012, BFC (using its former legal name, Harris Financial Corp.) erroneously filed a Schedule 13G with the Securities and Exchange Commission with respect to the Issuer. The Schedule 13G should be disregarded in its entirety, and this Schedule 13D, as amended, shall continue to remain in effect.

This Third Amendment to Schedule 13D (this Amendment) is being filed to amend certain information provided in the Schedule 13D filed by the Reporting Persons on January 12, 2009, as amended on August 20, 2010 and further amended on November 15, 2011 (the Original Filing). Any capitalized term used in this Amendment but not defined herein shall have the meaning given to such term in the Original Filing. This Amendment supplements or amends certain items in the Original Filing as indicated below.

On November 30, 2011, BMO Bankcorp was dissolved and all of its assets and liabilities were transferred to its parent, BFC. Unless otherwise specified, all other information in the Original Filing remains unchanged.

Item 1. Security and Issuer

There are no changes to Item 1 of the Original Filing.

Item 2. Identity and Background

This Amendment amends the Original Filing to provide a new Schedule A listing the name, residence or business address, position, present principal occupation or employment, the name and, if other than any Reporting Person, the principal business and address of any corporation or organization in which such employment is conducted and citizenship of each director and executive officer of each Reporting Person.

Table of Contents

In addition, the final paragraph of Item 2 in the Original Filing is deleted in its entirety and replaced with the following:

During the last five years, none of the Reporting Persons and, to the best of the Reporting Persons' knowledge, none of the persons listed on Schedule A attached hereto, has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Because of the dissolution of BMO Bankcorp, Inc. as described above, all references to BMO Bankcorp in Item 2 of the Original Filing are stricken.

Item 3. Source and Amount of Funds or Other Consideration

Item 3 of the Original Filing is hereby amended by deleting the first paragraph.

Item 3 of the Original Filing is hereby amended by deleting the final paragraph of such item and replacing it with the following:

On August 5, 2010, Harris exercised its right to convert 9,783 shares of Series B Preferred Stock into 378,446 shares of Common Stock. In connection with the dissolution of BMO Bankcorp on November 30, 2011, BMO Bankcorp's remaining Series B Preferred Stock and its Common Stock were transferred to BFC. On January 6, 2012, BFC converted all shares of its Series B Preferred Stock pursuant to the Series B Conversion in accordance with the terms of the Conversion and Voting Agreement (each as defined below in Item 4). No consideration was paid by BMO, BFC, BMO Bankcorp or any of their subsidiaries with respect to the conversions described in this paragraph.

Item 4. Purpose of Transaction

Item 4 is hereby supplemented with the following information:

In connection with the dissolution of BMO Bankcorp on November 30, 2011, BMO Bankcorp's remaining Series B Preferred Stock and its Common Stock were transferred to BFC.

On January 6, 2012, BFC converted all shares of its Series B Preferred Stock pursuant to the Series B Conversion in accordance with the terms of the Conversion and Voting Agreement. As a result, BMO, BFC and BMO Bankcorp no longer own Series B Preferred Stock or have any rights with respect to Series B Preferred Stock.

Item 5. Interest in Securities of the Issuer

Item 5 of the Original Filing is hereby deleted in its entirety and replaced with the following:

- (a) As of the date of this Statement on Schedule 13D, the Reporting Persons beneficially own 1,727,746 shares of Common Stock.
- (b) The Reporting Persons have the sole power to vote and dispose of the 1,727,746 shares of Common Stock that they beneficially own.
- (c) In connection with the dissolution of BMO Bankcorp on November 30, 2011, BMO Bankcorp's remaining Series B Preferred Stock and its Common Stock were transferred to BFC. On January 6, 2012, BFC converted all shares of its Series B Preferred Stock pursuant to the Series B Conversion in accordance with the terms of the Conversion and Voting Agreement.
- (d) Not applicable.
- (e) Not applicable.

Table of Contents

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Item 6 of the Original Filing is hereby amended by incorporating by reference the information set forth in Items 4 and 5 hereof.

Item 7. Material to be Filed as Exhibits

None.

Table of Contents**SCHEDULE A****DIRECTORS AND EXECUTIVE OFFICERS OF****BANK OF MONTREAL**

(as of January 1, 2012)

The name, address, position, present principal occupation or employment of each of the directors and executive officers of Bank of Montreal (BMO) are set forth below.

Name	Address	Position/Principal Occupation/Employment	Citizenship
Robert Murray Astley	574 Strathmere Court Waterloo, Ontario, Canada N2T 2K2	Director of BMO; Corporate Director	Canadian
David Ross Beatty	c/o Beatinvest Limited 98 Teddington Park Toronto, Ontario, Canada M4N 2C8	Director of BMO; Chairman and Chief Executive Officer of Beatinvest Limited, an investment services company	Canadian
Sophie Brochu	c/o Gaz Métro 1717 Du Havre Montreal, Quebec, Canada H2K 2X3	Director of BMO, President and Chief Executive Officer of Gaz Métro, a utilities company	Canadian
Robert Chevrier	c/o Société de gestion Roche Inc. 200, Avenue des Sommets, Apt 2001 Ile des Soeurs, Verdun, Quebec, Canada H3E 2B4	Director of BMO; President of Société de gestion Roche Inc., a management and investment company	Canadian
George A. Cope	c/o Bell Canada 483 Bay Street, 9 th Floor South Tower Toronto, Ontario, Canada M5G 2C9	Director of BMO; President and Chief Executive Officer of BCE Inc. and Bell Canada, each a telecommunications company	Canadian
William A. Downe	c/o Bank of Montreal, 100 King Street West, 1 First Canadian Place, 24 th Floor Toronto, Ontario, Canada M5X 1A1	Director, President and Chief Executive Officer of BMO; Director and Vice Chairman of the Board of Directors of BMO Financial Corp.	American and Canadian
Christine A. Edwards	35 W. Wacker Drive Chicago, IL 60601	Director of BMO; Partner, Winston & Strawn LLP, a law firm	American
Ronald Farmer	2 Devon Court		Canadian

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	Markham, Ontario, Canada L6C 1B3	Director of BMO; Managing Director of Mosaic Capital Partners, a Toronto-based holding company with interests in several private companies	
David Galloway	c/o Bank of Montreal 100 King Street West, 1 First Canadian Place, 24 th Floor Toronto, Ontario, Canada M5X 1A1	Director and Chairman of the Board of Directors of BMO; Director of BMO Financial Corp.	Canadian

Table of Contents

Name	Address	Position/Principal	Citizenship
Harold N. Kvisle	c/o TransCanada Corporation 450 1 st St. SW Calgary, Alberta, Canada T2P 5H1	Director of BMO; Former President and Chief Executive Officer of TransCanada Corporation, a North American energy company focused on natural gas transmission and power generation	Canadian
Bruce H. Mitchell	c/o Permian Industries Limited First Canada Place, Suite 5330, Box 183 Toronto, Ontario, Canada M5X 1A6	Director of BMO; President and Chief Executive Officer of Permian Industries Limited, a management and holding company with interests in the North American food processing and technology industries	Canadian
Philip S. Orsino	68 Yorkville Avenue Suite 205 Toronto, Ontario, Canada M5R 3V7	Director of BMO; President of Jeld-Wen, a building services company	Canadian
Martha C. Piper	6028 Chancellor Boulevard Vancouver, British Columbia, Canada V6T 1E7	Director of BMO; Corporate Director	American and Canadian
Robert Prichard	c/o Torys LLP 79 Wellington St. West Suite 3000, Box 279 TD Centre Toronto, Ontario, Canada M5K 1N2	Director of BMO; Chair of Torys LLP, a law firm	British and Canadian
Guylaine Saucier	1000 rue de la Gauchetiere Ouest #2500 Montreal, Quebec, Canada H3B 0A2	Director of BMO; Corporate Director	Canadian
Don M. Wilson III	543 North Street Greenwich, Connecticut 06830	Director of BMO; Corporate Director	American
Jean-Michel Ares	100 King Street West, 1 First Canadian Place, 24 th Floor Toronto, Ontario, Canada M5X 1A1	Group Head, Technology and Operations	Canadian
Simon Fish	c/o Bank of Montreal 100 King Street West, 1 First Canadian Place, 21 st Floor	Executive Vice President and General Counsel of BMO Financial Group	British

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Surjit Rajpal	Toronto, Ontario, Canada M5X 1A1 c/o Bank of Montreal 100 King Street West, 1 First Canadian Place, 24 th Floor Toronto, Ontario, Canada M5X 1A1	Executive Vice President and Chief Risk Officer of BMO Financial Group	Canadian
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Table of Contents

Name	Address	Position/Principal	Citizenship
Thomas Voysey Milroy	c/o Bank of Montreal 100 King Street West, 1 First Canadian Place, 4 th Floor Toronto, Ontario, Canada M5X 1A1	Chief Executive Officer of BMO Capital Markets, BMO Financial Group	Canadian
Gilles G. Ouellette	c/o Bank of Montreal 100 King Street West, 1 First Canadian Place, 49 th Floor Toronto, Ontario, Canada M5X 1A1	President and Chief Executive Officer of Private Client Group of BMO	Canadian
Richard Rudderham	c/o Bank of Montreal 100 King Street West, 1 First Canadian Place, 68 th Floor Toronto, Ontario, Canada M5X 1A1	Executive Vice President, Head of Human Resources, BMO Financial Group	Canadian
Thomas E. Flynn	c/o Bank of Montreal 100 King Street West, 1 First Canadian Place, 24 th Floor Toronto, Ontario, Canada M5X 1A1	Chief Financial Officer of BMO Financial Group	Canadian
Franklin J. Techar	c/o Bank of Montreal 55 Bloor Street West, 16 th floor Toronto, Ontario, Canada M4W 3N5	President and Chief Executive Officer, Personal and Commercial Banking Canada of BMO Financial Group	American
Douglas B. Stotz	c/o Bank of Montreal 100 King Street West, 1 First Canadian Place, 28 th Floor Toronto, Ontario, Canada M5X 1A1	Chief Marketing Officer, BMO Financial Group	American
Mark F. Furlong	c/o BMO Harris Bank 111 W. Monroe Street Chicago, IL 60603	Director of BMO Financial Corp.; President and Chief Executive Officer of BMO Harris Bank N.A.	American

Table of Contents**DIRECTORS AND EXECUTIVE OFFICERS OF****BMO FINANCIAL CORP.**

(as of January 1, 2012)

The name, address, position, present principal occupation or employment of each of the directors and executive officers of BMO Financial Corp. (BFC) are set forth below.

Name	Address	Position/Principal Occupation/Employment	Citizenship
Terry Bulger	c/o BMO Harris Bank 111 W. Monroe St. Chicago, IL 60603	Executive Vice President, U.S. Risk Management and Chief Risk Officer of BFC	American
David R. Casper	c/o BMO Harris Bank 111 W. Monroe Street Chicago, IL 60603	Executive Vice President, Commercial Banking Division of BFC	American
Ellen Costello	c/o BMO Harris Bank 111 W. Monroe Street Chicago, IL 60603	Director, Chief Executive Officer, President and U.S. Country Head of BFC	American
Christopher J. McComish	c/o BMO Harris Bank 111 W. Monroe Street Chicago, IL 60603	Executive Vice President of Personal Banking IL, IN, WI, KS and Co-Head of North American Specialized Sales of BFC	American
Pamela C. Piarowski	c/o BMO Harris Bank 111 W. Monroe Street Chicago, IL 60603	Senior Vice President, Chief Financial Officer and Treasurer of BFC	American
Ann Benschoter	c/o BMO Harris Bank 111 W. Monroe St. Chicago, IL 60603	Executive Vice President, Headquarters, U.S. Personal and Commercial Banking of BFC	American
Brad Chapin	c/o BMO Harris Bank 111 W. Monroe St. Chicago, IL 60603	Executive Vice President of Personal Banking WI, MN, AZ and FL of BFC	American
Kenneth Krei	c/o BMO Harris Bank		American

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	111 W. Monroe St.	Executive Vice President, Global Private Banking of BFC	
	Chicago, IL 60603		
Barry McInerney	c/o BMO Harris Bank	Co-CEO Global Asset Management of BFC	Canadian
	111 W. Monroe St.		
	Chicago, IL 60603		
William A. Downe	c/o Bank of Montreal,	Director, President and Chief Executive Officer of Bank of Montreal; Director of BFC	American
	100 King Street West,		and
	1 First Canadian Place,		Canadian
	24 th Floor Toronto, Ontario,		
	Canada M5X 1A1		
Mark F. Furlong	c/o BMO Harris Bank	Director of BFC; President and Chief Executive Officer, BMO Harris Bank N.A.	American
	111 W. Monroe St.		
	Chicago, IL 60603		
Stephen E. Bachand	325 Ponte Vedra Blvd.	Director of BFC; former Director of Bank of Montreal; Corporate Director	American
	Ponte Vedra Beach, FL 32082		

Table of Contents

Name	Address	Position/Principal	Citizenship
Pastora San Juan Cafferty	c/o University of Chicago School of Social Service Administration 969 East 60 th Street Chicago, IL 60637	Director of BFC; Professor Emerita, University of Chicago	American
Frank M. Clark	c/o Commonwealth Edison 440 South LaSalle St., 33 rd Floor Chicago, IL 60605	Chair of the Board of BFC; Chairman and CEO of Commonwealth Edison, a utilities company	American
Susan T. Congalton	c/o California Amforge Corp. 1520 Kensington Rd, Ste 112 Oak Brook, IL 60523	Director of BFC; Chair and CEO of California Amforge Corp., a forgings production company	American
John W. Daniels Jr.	c/o Quarles & Brady LLP 411 East Wisconsin Ave. Milwaukee, WI 53202	Director of BFC; Chairman, Quarles & Brady LLP, a law firm	American
Arnold Donald	7 Huntleigh Woods St. Louis, MO 63131	Director of BFC; President and CEO of the Executive Leadership Council, a non-profit organization	American
David Galloway	c/o Bank of Montreal 100 King Street West, 1 First Canadian Place, 24 th Floor Toronto, Ontario, Canada M5X 1A1	Director and Chairman of the Board of Directors of Bank of Montreal; Director of BFC	Canadian
David J. Lubar	c/o Lubar & Co. 700 North Water Street, Ste. 1200 Milwaukee, WI 53202	Director of BFC; President, Lubar & Co., a private investment firm	American
Jerome A. Peribere	c/o Dow Advanced Materials 210 W. Washington Square Philadelphia, PA 19106	Director of BFC; President and Chief Executive Officer of Dow Advanced Materials, a division of The Dow Chemical Company	French
John Rau	c/o Miami Corporation 410 North Michigan Ave., Ste. 590 Chicago, IL 60611	Director of BFC; President and CEO of Miami Corporation, a distributor of automotive and marine interior and exterior trim products	American

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John S. Shiely	15270 Briaridge Court Elm Grove, WI 53122	Director of BFC; Chairman Emeritus, Briggs & Stratton Corporation, a manufacturer of gasoline engines for outdoor power equipment	American
Michael J. Van Handel	c/o Manpower Inc. 100 Manpower Place Milwaukee, WI 53212	Director of BFC; Executive Vice President and Chief Financial Officer of Manpower Inc., an employment service provider	American

Table of Contents

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: January 19, 2012

**Bank of
Montreal**

/s/ Barbara Muir
Signature

Barbara Muir
Senior Vice
President, Deputy
General Counsel,
Corporate Affairs
and Corporate
Secretary

/s/ Karen Eastburn
Signature

Karen Eastburn
Assistant
Corporate
Secretary

**BMO Financial
Corp.**

/s/ Pamela C.
Piarowski
Signature

Pamela C.
Piarowski
Senior Vice
President

/s/ Colleen
Hennessy
Signature

Colleen Hennessy

Sole Voting
Power

8. Shared
Voting
Power
50,942,499,408*

9. Sole
Dispositive
Power

10. Shared
Dispositive
Power
50,942,499,408*

11. Aggregate Amount Beneficially
Owned by Each Reporting
Person
50,942,499,408*

12. Check if the Aggregate Amount
in Row (11) Excludes Certain
Shares (See Instructions)

13. Percent of Class Represented
by Amount in Row (11)
61.7%**

14. Type of Reporting Person (See
Instructions)
CO

* Represents (i) 26,993,155,828 Banco de Chile Common Shares held by LQ Inversiones Financieras S.A. (LQIF), (ii) 31,390,173 Banco de Chile Common Shares held by Inversiones LQ SM Limitada (ILSL), which are beneficially owned by LQIF by virtue of LQIF's direct ownership of 99.99% of the outstanding voting shares of ILSL and (iii) 23,917,953,407 Banco de Chile Common Shares held by Sociedad Matriz del Banco de Chile S.A. (SM-Chile) directly and indirectly through Sociedad Administradora de la Obligación Subordinada SAOS S.A. (SAOS), which are beneficially owned by LQIF by virtue of LQIF's direct and indirect (through ILSL) ownership of 58.2% of the outstanding voting shares of SM-Chile and the provisions of SM-Chile's by-laws. The voting rights associated with the Banco de Chile Common Shares owned by SAOS and SM-Chile are exercised directly by SM-Chile's shareholders, in the proportion, and with the preferences, set forth in SM-Chile's by-laws. SAOS does not have direct voting rights over any Banco de Chile Common Shares it holds. Therefore, although LQIF generally controls SAOS and SM-Chile, it does not have the power to direct the voting or disposition of all Banco de Chile Common Shares owned by each of SAOS and SM-Chile, but only its proportionate share of such shares in accordance with SM-Chile's by-laws. The entirety of the economic rights associated with SAOS' interest in the Issuer is pledged to, and all distributions in respect thereof are to be paid directly to, the Chilean Central Bank. As a result of the exercise of two options that Citigroup Chile S.A. (Citigroup Chile) had pursuant to the terms of the Framework Agreement described in the Schedule 13D to acquire an additional interest in LQIF, Citigroup Chile holds directly and indirectly (through ICCL) 50% of the outstanding voting shares of LQIF. The Reporting Persons do not have the power to direct the voting or disposition of any of the Banco de Chile Common Shares beneficially owned by LQIF; however they may be deemed to constitute a group within the meaning of Rule 13d-5(b) under the Securities Exchange Act of 1934 (the Exchange Act) with the Unaffiliated Members referred to in Section 2 of this Statement, who, in fact, control the voting and disposition of such shares, and to have shared beneficial ownership of all of such shares by virtue of the Shareholders Agreement entered into with Quiñenco S.A. (Quiñenco), the controlling shareholder of LQIF, and certain of Quiñenco's subsidiaries, pursuant to which Citigroup Chile has certain rights to require Quiñenco to vote its shares of LQIF in favor of the election of candidates for the board of directors of LQIF nominated by Citigroup Chile, and to cause LQIF to vote its shares in favor of the election of candidates for the board of directors of the Issuer nominated by Citigroup Chile. The Unaffiliated Members are separately filing an amendment to their existing statement on Schedule 13D with respect to these shares, and the information contained in this statement is

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supplemental thereto. Unless otherwise stated, references to share ownership herein refer to beneficial ownership as defined by Rule 13d-3 under the Exchange Act and do not include shares over which the Reporting Persons' dividend rights have been pledged as discussed in Item 5 below.

** Based on 82,551,699,423 outstanding Banco de Chile Common Shares as of December 31, 2009 (as reported in the Issuer's 2009 Annual Report). As of April 30, 2010, Citigroup Inc. beneficially owned 61.7% of the voting rights in the Issuer.

This Amendment No. 1 (this Amendment) amends and supplements the statement on Schedule 13D originally filed on behalf of Citigroup Chile S.A. (Citigroup Chile); Citibank Overseas Investment Corporation (COIC); Citibank, N.A. (Citibank); Citicorp Holdings Inc.; and Citigroup, Inc. (Citigroup) on December 1, 2008 (the Schedule 13D and, as amended by this Amendment, the Statement). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Schedule 13D. Except as otherwise stated herein, the information contained in the Schedule 13D remains unchanged.

Item 1. Security and Issuer

The class of securities to which this Amendment relates is common stock without nominal (par) value (the Banco de Chile Common Shares) of Banco de Chile, an open stock banking corporation (sociedad anonima bancaria abierta) organized under the laws of the Republic of Chile (the Issuer). The principal executive offices of the Issuer are located at Ahumada 251, Santiago, Chile.

Item 2. Identity and Background

This Amendment is being filed on behalf of Inversiones Citigroup Chile Limitada, a Chilean limited liability company (ICCL), Citigroup Chile, COIC, Citibank, Citicorp (formerly known as Citicorp Holdings, Inc.) and Citigroup (each a Reporting Person and together the Reporting Persons). As a result of the matters described in item 4 below, the Reporting Persons together with the Unaffiliated Members (as defined in the Schedule 13D), may be deemed to constitute a group within the meaning of Rule 13d-5(b) under the Securities Exchange Act of 1934, as amended (the Exchange Act). The Reporting Persons understand that the Unaffiliated Members are separately filing an amendment to their existing statement on Schedule 13D (the Unaffiliated Members Amendment) with respect to the Banco de Chile Common Shares to report on the transactions contemplated by the Framework Agreement and described in this Amendment. The information contained in this Amendment is supplemental to the disclosure in the Unaffiliated Members Amendment.

Information on the identity and background of the Unaffiliated Members is incorporated herein by reference to the information contained in Item 2 of the Unaffiliated Members Amendment, to the extent that it modifies or supplements their existing statement on Schedule 13D.

The response set forth in Item 2 of the Schedule 13D is hereby amended and supplemented by replacing the third paragraph of Item 2 with the following two paragraphs:

ICCL is 99.99% owned by Citigroup Chile with the remaining 0.01% interest held by Citinvestment Chile Limited. ICCL's principal place of business is Avenida Andrés Bello 2687, 7th Floor, Santiago, Chile, and its principal business consists of the ownership of its direct approximate 8.2% interest in LQIF.

Citigroup Chile, a Chilean corporation, directly and indirectly (through ICCL) holds the Reporting Persons' 50% interest in LQIF. Citigroup Chile's main business relates to activities ancillary to the joint venture between Citigroup and the Issuer, including providing back-office and middle-office services for other Citigroup vehicles in the region and other related activities consistent with the applicable agreements that govern the joint venture between Citigroup, COIC and Quiñenco S.A. Citigroup Chile has sold their ownership interest in Habitat S.A., Administradora de Fondos de Pensiones, previously held through Citigroup Chile's 50% interest in Inversiones Previsionales S.A. The principal business address of Citigroup Chile is Avenida Andres Bello 2687, 7th Floor, Santiago, Chile.

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Attached as Schedule A is updated information concerning each executive officer and director of Citigroup Chile and Citigroup and information concerning each representative of ICCL.

Other than as described in Schedule B, during the last five years, none of the Reporting Persons or, to the best knowledge of the Reporting Persons, none of the directors and executive officers listed in Schedule A, has been (i) convicted in a criminal proceeding (excluding traffic violations and similar misdemeanors) or (ii) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding has been or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, U.S. federal or state securities laws or finding any violations with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration

The response set forth in Item 3 of the Schedule 13D is hereby amended and supplemented as follows:

The aggregate consideration paid by Citigroup Chile for its additional direct interest in LQIF, and corresponding indirect interest in the Issuer as described in Item 4 below, was funded partially with Citigroup Chile's own resources and the remainder with the proceeds of a loan granted to Citigroup Chile by Citibank Europe PLC, an affiliate of the Reporting Persons, in the amount of \$500 million (in its euro equivalent) evidenced by and pursuant to the terms set forth in the Promissory Note executed by Citibank Chile, dated April 28, 2010.

Item 4. Purpose of Transaction

The response set forth in Item 4 of the Schedule 13D is hereby amended and supplemented as follows:

On April 30, 2010, Citigroup Chile exercised the two options granted to it under the terms of the Framework Agreement and acquired an additional approximately 17% voting interest in LQIF, bringing its total ownership of LQIF to 50%. Each of the two options granted Citigroup Chile or a Citigroup designated wholly-owned subsidiary, the right to acquire an additional approximately 8.5% voting interest in LQIF. As a result of the exercise of both options, Citigroup Chile acquired 57,035,400 shares of LQIF Series C stock and 57,035,401 shares of LQIF Series D stock for an aggregate purchase price of Ch\$500,200,000,000. On April 30, 2010, immediately following the exercise of the options, Citigroup Chile contributed to ICCL a total of 54,990,876 of LQIF Series C stock (which resulted in ICCL's direct approximate 8.2% interest in LQIF).

As described in the Schedule 13D, Citigroup Chile initially acquired a 33% equity interest in LQIF on January 1, 2008. On June 4, 2009, LQIF acquired, directly and indirectly (through ILSL, as defined below), 1,055,751,125 additional Banco de Chile Common Shares pursuant to a share capital increase in Banco de Chile. LQIF and ILSL paid for the additional Banco de Chile Common Shares by agreeing to receive stock dividends representing capitalized profits of Banco de Chile in lieu of cash dividends. Banco de Chile Common Shares were issued to all the shareholders of Banco de Chile pro-rata to their respective interests and consequently the direct and indirect (through ILSL) acquisition of 1,055,751,125 Banco de Chile Common Shares by LQIF did not result in any increase in LQIF's voting participation in Banco de Chile. Following the transactions described above, Citigroup Chile directly and indirectly (through ICCL) holds a 50% interest in LQIF, which is represented by (i) 220,558,398 shares of LQIF Series B stock held directly by Citigroup Chile and acquired on January 1, 2008, as described in the Schedule 13D; (ii) 2,044,524 shares of LQIF Series C stock held directly by Citigroup Chile, which were acquired on April 30, 2010; (iii) 54,990,876 shares of LQIF Series C stock held indirectly through ICCL, acquired by Citigroup Chile on April 30, 2010 and later contributed to ICCL; and (iv) 57,035,401 shares of LQIF Series D stock held directly by Citigroup Chile, which were acquired on April 30, 2010.

As a result of the transactions contemplated by the Framework Agreement and described above, LQIF exercises control of the Issuer through direct ownership of a 32.7% voting interest in the Issuer and indirect ownership of a 29% voting interest in the Issuer. The voting interest indirectly held by LQIF in the Issuer is a result of (i) LQIF's direct ownership of a 99.99% interest in Inversiones LQ SM Limitada, a limited liability company organized under the laws of the Republic of Chile (ILSL), which directly owns a 0.04% interest in the Issuer, and (ii) LQIF's direct and indirect (through ILSL) ownership of a 58.2% interest in Sociedad Matriz del Banco de Chile, S.A. (SM-Chile), a corporation organized under the laws of the Republic of Chile. SM-Chile owns a 14.7% interest in the Issuer and all of the shares of Sociedad Administradora de la Obligación Subordinada SAOS S.A. (SAOS), a corporation organized under the laws of the Republic of Chile, which in turn owns a 34.6% interest in the Issuer. The voting rights associated with the Banco de Chile Common Shares owned by SAOS and SM-Chile are exercised directly by SM-Chile's shareholders, in the proportion, and with the preferences, set forth in SM-Chile's by-laws. SAOS does not

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have direct voting rights over any Banco de Chile Common Shares it holds. Therefore, although LQIF generally controls SAOS and SM-Chile, it does not have the power to direct the voting or disposition of all Banco de Chile Common Shares owned by each of SAOS and SM-Chile, but only its proportionate share in accordance with SM-Chile's by-laws. The entirety of the economic rights associated with SAOS' interest in the Issuer is pledged to, and all distributions in respect thereof are to be paid directly to, the Chilean Central Bank.

Citigroup Chile has the same voting and other governance rights described in the Schedule 13D except that, by virtue of the increase of Citigroup Chile's participation in LQIF to 50% and pursuant to the Framework Agreement, Citigroup Chile has the right to (i) require Quiñenco to vote its shares of LQIF in favor of the election of three (previously, two) candidates to the board of directors of LQIF as nominated by Citigroup Chile, of a total of seven directors of LQIF, including naming the Vice-Chairman; (ii) cause LQIF to vote its shares in favor of the election of four (previously, two) candidates to the board of directors of SM-Chile as nominated by Citigroup Chile, of a total of nine directors of SM-Chile, including naming the Vice Chairman; and (iii) cause LQIF to vote its shares in favor of the election of five (previously, two) candidates to the board of directors of the Issuer as nominated by Citigroup Chile, of a total of eleven directors of the Issuer, including naming the Vice-Chairman, and the second of two alternate directors. With respect to SM-Chile and the Issuer, the number of directors appointed by Citigroup Chile could be reduced by the number of directors appointed by minority shareholders under Chilean law, but in no event will Citigroup Chile have less than one designated director on the board of directors of the Issuer.

Item 5. Interest in Securities of the Issuer

The response set forth in Item 5 of the Schedule 13D is hereby amended and supplemented as follows:

(a) and (b)

Item 4 of this Amendment is incorporated herein by reference.

As members of the group, the Reporting Persons beneficially own in the aggregate 50,942,499,408(1) Banco de Chile Common Shares, which represent approximately 61.7% of the outstanding Banco de Chile Common Shares (based on 82,551,699,423 outstanding Banco de Chile Common Shares as of December 31, 2009, as reported in the Issuer's 2009 Annual Report).

(1) * Represents (i) 26,993,155,828 Banco de Chile Common Shares held by LQ Inversiones Financieras S.A. (LQIF), (ii) 31,390,173 Banco de Chile Common Shares held by Inversiones LQ SM Limitada (ILSL), which are beneficially owned by LQIF by virtue of LQIF's direct ownership of 99.99% of the outstanding voting shares of ILSL and (iii) 23,917,953,407 Banco de Chile Common Shares held by Sociedad Matriz del Banco de Chile S.A. (SM-Chile) directly and indirectly through Sociedad Administradora de la Obligación Subordinada SAOS S.A. (SAOS), which are beneficially owned by LQIF by virtue of LQIF's direct and indirect (through ILSL) ownership of 58.2% of the outstanding voting shares of SM-Chile and the provisions of SM-Chile's by-laws. The voting rights associated with the Banco de Chile Common Shares owned by SAOS and SM-Chile are exercised directly by SM-Chile's shareholders, in the proportion, and with the preferences, set forth in SM-Chile's by-laws. SAOS does not have direct voting rights over any Banco de Chile Common Shares it holds. Therefore, although LQIF generally controls SAOS and SM-Chile, it does not have the power to direct the voting or disposition of all Banco de Chile Common Shares owned by each of SAOS and SM-Chile, but only its proportionate share of such shares in accordance with SM-Chile's by-laws. The entirety of the economic rights associated with SAOS' interest in the Issuer is pledged to, and all distributions in respect thereof are to be paid directly to, the Chilean Central Bank. As a result of the exercise of two options that Citigroup Chile S.A. (Citigroup Chile) had pursuant to the terms of the Framework Agreement described in the Schedule 13D to acquire an additional interest in LQIF, Citigroup Chile holds 50% of the outstanding voting shares of LQIF. The Reporting Persons do not have the power to direct the voting or disposition of any of the Banco de Chile Common Shares beneficially owned by LQIF; however they may be deemed to constitute a group within the meaning of Rule 13d-5(b) under the Securities Exchange Act of 1934 (the Exchange Act) with the Unaffiliated Members referred to in Section 2 of this Statement, who, in fact, control the voting and disposition of such shares, and to have shared beneficial ownership of all of such shares by virtue of the Shareholders Agreement entered into with Quiñenco S.A. (Quiñenco), the controlling shareholder of LQIF, and certain of Quiñenco's subsidiaries, pursuant to which Citigroup Chile has certain rights to require Quiñenco to vote its shares of LQIF in favor of the election of candidates for the board of directors of LQIF nominated by Citigroup Chile, and to cause LQIF to vote its shares in favor of the election of candidates for the board of directors of the Issuer nominated by Citigroup Chile.

In addition, Arturo Concha, representative of ICCL and General Manager of Citigroup Chile, has the sole power to vote and direct the disposition of 9,918,587 Banco de Chile Common Shares, represented by 1,443,724 Banco de Chile Common Shares held directly by Arturo Concha and 8,474,863 Banco de Chile Common Shares held by SM-Chile directly and indirectly (through SAOS), which are beneficially owned by Arturo Concha by virtue of Arturo Concha's ownership of 0.02% of the outstanding voting shares of SM-Chile and the provisions of SM-Chile's by-laws.

Pedro Samhan, Chief Financial Officer of Banco de Chile is no longer a director of Citigroup Chile.

(c)

None of the Reporting Persons has effected any transaction in Banco de Chile Common Stock during the past 60 days.

(d)

Except as set forth in this Statement, none of the Reporting Persons has the right to receive or the power to direct the receipt of dividends from, or the proceeds of the sale of, securities covered by this Statement.

(e)

Not applicable.

SCHEDULE A

REPRESENTATIVES OF INVERSIONES CITIGROUP CHILE LIMITADA

The following sets forth the name, principal occupation and citizenship of each of the representatives of Inversiones Citigroup Chile Limitada.

Name and Title	Principal Occupation	Citizenship
Arturo Concha, ICCL Representative	General Manager Citigroup Inc. Avenida Andres Bello 2687, Piso 7 Las Condes, Santiago, Chile	Chile
Francisco Espinosa, ICCL Representative	Finance Officer Citigroup Inc. Corporate and Investment Bank Avenida Andres Bello 2687, Piso 7 Las Condes, Santiago, Chile	Chile

EXECUTIVE OFFICERS AND DIRECTORS OF CITIGROUP CHILE S.A.

The following sets forth the name, principal occupation and citizenship of each of the directors and executive officers of Citigroup Chile S.A.

Name and Title	Principal Occupation	Citizenship
Arturo Concha, Executive Officer	General Manager Citigroup Inc. Avenida Andres Bello 2687, Piso 7 Las Condes, Santiago, Chile	Chile
Francisco Espinosa, Executive Officer	Finance Officer Citigroup Inc. Corporate and Investment Bank Avenida Andres Bello 2687, Piso 7 Las Condes, Santiago, Chile	Chile
Andrés Fuentes, Director and Chairman of the Board	Chief Tax Officer Latin America Citigroup Inc. Actuario Roberto Medellin Nr. 800 Torre Sur Piso 1 Lomas de Santa Fe, Mexico D.F., C.P. 01219	Mexican
Constantino Gotsis, Executive Director	Cluster Head for Central America and Regional Consumer Bank Head for the Andean Region and Central America Regional Consumer Banking Avenida Andres Bello 2687, Piso 7 Las Condes, Santiago, Chile	Argentina
Richard Kouyoumdjian, Executive Director	Chief Financial Officer & Chief Accounting Officer Andean, Caribbean and Central	Chile

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America Region

Citigroup Inc.

Avenida Andres Bello 2687, Piso 7

Las Condes, Santiago, Chile

Jorge Mora,

Chief Operating Officer

Chile

Executive Director

Corporate and Investment Bank

Actuario Roberto Medellin Nr. 800

Torre Sur Piso 4

Lomas de Santa Fe, Mexico

D.F., C.P. 01219

EXECUTIVE OFFICERS AND DIRECTORS OF CITIGROUP INC.

The following sets forth the name, principal occupation and citizenship of each of the directors and executive officers of Citigroup Inc.

Name and Title	Principal Occupation	Citizenship
Alain J. P. Belda, Director	Chairman Alcoa Inc. c/o Citigroup Inc. 399 Park Avenue New York, NY 10043	Brazil, Spain and United States
Timothy C. Collins, Director	Chief Executive Officer Ripplewood Holdings L.L.C. c/o Citigroup Inc. 399 Park Avenue New York, NY 10043	United States
Jerry A. Grundhofer, Director	Chairman Emeritus U.S. Bancorp c/o Citigroup Inc. 399 Park Avenue New York, NY 10043	United States
Robert L. Joss, Ph.D., Director	Dean and Philip H. Knight Professor of the Graduate School of Business at Stanford University c/o Citigroup Inc. 399 Park Avenue New York, NY 10043	Australia and United States
Andrew N. Liveris, Director	Chairman and Chief Executive Officer The Dow Chemical Company c/o Citigroup Inc. 399 Park Avenue New York, NY 10043	Australia
Michael E. O'Neill, Director	Former Chairman and Chief Executive Officer Bank of Hawaii Corporation c/o Citigroup Inc. 399 Park Avenue New York, NY 10043	United States

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Vikram Pandit, Director and Executive Officer	Chief Executive Officer Citigroup Inc. 399 Park Avenue New York, NY 10043	United States
Richard D. Parsons, Director	Chairman Citigroup Inc. 399 Park Avenue New York, NY 10043	United States
Lawrence R. Ricciardi, Director	Senior Vice President, General Counsel, and Advisor to the Chairman, Retired IBM Corporation c/o Citigroup Inc. 399 Park Avenue New York, NY 10043	United States

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Name and Title	Principal Occupation	Citizenship
Dr. Judith Rodin, Director	President Rockefeller Foundation c/o Citigroup Inc. 399 Park Avenue New York, NY 10043	United States
Robert L. Ryan, Director	Chief Executive Officer, Retired Medtronic Inc. c/o Citigroup Inc. 399 Park Avenue New York, NY 10043	United States
Anthony M. Santomero, Director	Former President Federal Reserve Bank of Philadelphia c/o Citigroup Inc. 399 Park Avenue New York, NY 10043	United States
Diana L. Taylor, Director	Managing Director Wolfensohn Capital Partners c/o Citigroup Inc. 399 Park Avenue New York, NY 10043	United States
William S. Thompson, Jr., Director	Chief Executive Officer, Retired Pacific Investment Management Company (PIMCO) c/o Citigroup Inc. 399 Park Avenue New York, NY 10043	United States
Ernesto Zedillo, Director	Center for the Study of Globalization and Professor in the Field of International Economics and Politics Yale University c/o Citigroup Inc. 399 Park Avenue	United States

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	New York, NY 10043	
Shirish Apte, Executive Officer	Chief Executive Officer Asia Pacific Citigroup Inc. 399 Park Avenue New York, NY 10043	United Kingdom and Northern Ireland
Stephen Bird, Executive Officer	Chief Executive Officer Asia Pacific Citigroup Inc. 399 Park Avenue New York, New York 10043	United States
Don Callahan, Executive Officer	Chief Administrative Officer Citigroup Inc. 399 Park Avenue New York, NY 10043	United States
Michael L. Corbat, Executive Officer	Chief Executive Officer Citi Holdings 399 Park Avenue New York, NY 10043	United States

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Name and Title	Principal Occupation	Citizenship
John C. Gerspach, Executive Officer	Chief Financial Officer Citigroup Inc. 399 Park Avenue New York, NY 10043	United States
John Havens, Executive Officer	Chief Executive Officer Institutional Clients Group Citigroup Inc. 399 Park Avenue New York, NY 10043	United States
Michael S. Helfer, Executive Officer	General Counsel and Corporate Secretary Citigroup Inc. 399 Park Avenue New York, NY 10043	United States
Lewis B. Kaden, Executive Officer	Vice Chairman Citigroup Inc. 399 Park Avenue New York, NY 10043	United States
Edward J. Kelly, III, Executive Officer	Vice Chairman Citigroup Inc. 399 Park Avenue New York, NY 10043	United States
Brian Leach, Executive Officer	Chief Risk Officer Citigroup Inc. 399 Park Avenue New York, NY 10043	United States
Eugene McQuade, Executive Officer	Chief Executive Officer Citibank, NA 399 Park Avenue	United States

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	New York, NY 10043	
Manuel Medina-Mora, Executive Officer	Chief Executive Officer, Consumer Banking for the Americas and Chairman of the Global Consumer Council Chairman and Chief Executive Officer Latin America and Mexico Citigroup Inc. 399 Park Avenue New York, NY 10043	Mexico
William J. Mills, Executive Officer	Chief Executive Officer Europe, Middle East, and Africa Citigroup Inc. 399 Park Avenue New York, NY 10043	United States
Alberto J. Verme, Executive Officer	Chief Executive Officer Europe, Middle East and Africa Citigroup Inc. 399 Park Avenue New York, NY 10043	Peru
Jeffrey R. Walsh, Executive Officer	Controller Chief Accounting Officer Citigroup Inc. 399 Park Avenue New York, NY 10043	United States

SCHEDULE B

On March 23, 2005, the SEC entered an administrative and cease-and-desist order against Citigroup Global Markets Inc. (CGMI), a subsidiary of Citigroup Inc. (Citigroup). The SEC order found that CGMI willfully violated Section 17(a)(2) of the Securities Act and Rule 10b-10 promulgated under the Exchange Act. Specifically, the order found that there were two distinct disclosure failures by CGMI in the offer and sale of mutual fund shares to its customers. Based on these findings, the order censured CGMI, required that CGMI cease and desist from committing or causing violations and future violations of Section 17(a) of the Securities Act and Exchange Act Rule 10b-10, and required that CGMI pay a \$20 million civil money penalty.

In a related proceeding on March 22, 2005, the NASD accepted a Letter of Acceptance, Waiver and Consent (the AWC) dated March 18, 2005 that had been submitted by CGMI. Without admitting or denying the findings, CGMI accepted and consented, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of findings by NASD. Based on its findings and with CGMI's consent, the NASD censured CGMI and fined it \$6.25 million. In the AWC, CGMI also agreed to complete certain undertakings, including retaining an Independent Consultant, among other things, to conduct a comprehensive review of the completeness of its disclosures regarding the differences in mutual fund share classes and the policies and procedures relating to CGMI's recommendations to its customers of different class shares of mutual funds.

On May 31, 2005, the SEC issued an order in connection with the settlement of an administrative proceeding against Smith Barney Fund Management LLC (SBFM), a former subsidiary of Citigroup, and CGMI, relating to the appointment of an affiliated transfer agent for the Smith Barney family of mutual funds managed by SBFM (the Affected Funds). The SEC order found that SBFM and CGMI willfully violated Section 206(1) of the Investment Advisers Act of 1940, as amended, and the rules promulgated thereunder (the Advisers Act). Specifically, the order found that SBFM and CGMI knowingly or recklessly failed to disclose to the boards of the Affected Funds in 1999 when proposing a new transfer agent arrangement with an affiliated transfer agent that: First Data Investors Services Group (First Data), the Affected Funds then-existing transfer agent, had offered to continue as transfer agent and do the same work for substantially less money than before; and that Citigroup Asset Management (CAM), the former Citigroup business unit that, at the time, included the Affected Funds' investment manager and other investment advisory companies, had entered into a side letter with First Data under which CAM agreed to recommend the appointment of First Data as sub-transfer agent to the affiliated transfer agent in exchange for, among other things, a guarantee by First Data of specified amounts of asset management and investment banking fees to CAM and CGMI.

The SEC censured SBFM and CGMI and ordered them to cease and desist from violations of Sections 206(1) and 206(2) of the Advisers Act. The order required Citigroup to pay \$208.1 million, including \$109 million in disgorgement of profits, \$19.1 million in interest, and a civil money penalty of \$80 million. Approximately \$24.4 million has already been paid to the Affected Funds, primarily through fee waivers. The remaining \$183.7 million, including the penalty, has been paid to the U.S. Treasury and will be distributed pursuant to a plan submitted for the approval of the SEC.

On December 14, 2005, CGMI consented to the entry of an order by the Rhode Island Department of Business Regulation, Division of Securities, making findings and imposing remedial sanctions for failures of supervision in connection with unsuitable and unauthorized trades by certain Smith Barney brokers, all in violation of Rhode Island law. CGMI agreed to a cease and desist order, payment of a \$1 million civil penalty, and the hiring of an Independent Consultant to conduct a review of CGMI's Rhode Island offices' supervisory and compliance procedures and practices.

On May 31, 2006, the SEC instituted and simultaneously settled proceedings against CGMI and 14 other broker-dealers regarding practices in the Auction Rate Securities (ARS) market. The SEC alleged that the broker-dealers violated Section 17(a)(2) of the Securities Act of 1933. The broker-dealers, without admitting or denying liability, consented to the entry of an SEC cease-and-desist order providing for censures, undertakings and penalties. CGMI paid a penalty of \$1.5 million.

On June 6, 2007, CGMI entered into a Consent Order with the New Jersey Bureau of Securities of the Office of the Attorney General, in which the Bureau found that CGMI failed to reasonably supervise certain employees in its Smith Barney Short Hills branch in connection with short sales to customers, and failed to maintain accurate books and records, all in violation of New Jersey securities laws. CGMI neither admitted nor denied the Bureau's finding of fact or conclusions of law, but agreed to pay a civil penalty in the amount of \$500,000 and restitution to customers of \$478,000.

On October 2, 2007, the NYSE entered a Stipulation of Facts and Consent to Penalty against CGMI. The Stipulation alleged violation by CGMI of NYSE Rule 401(A) due to the failure to ensure delivery of prospectuses in connection with certain sales of registered securities during the time period July 1, 2003 through October 31, 2004 (the relevant period); alleged violation of NYSE rule 1100(B) due to CGMI's failure to deliver product descriptions to certain customers that purchased Exchange Traded Funds during the relevant period; alleged violation of Rule 10B-10 of the Securities Exchange Act of 1934 due to CGMI's failure to provide customers with confirmations for certain securities transactions during the relevant period; alleged violations by CGMI of NYSE Rule 342 by failing to provide for, establish and maintain appropriate procedures of supervision and control relating to the delivery of product descriptions and prospectuses and trade confirmations.

CGMI consented to the imposition of a censure, a fine in the amount of \$2,250,000 and an undertaking to provide a written certification that current policies and procedures, including written supervisory and operational policies and procedures regarding the delivery of prospectuses, product descriptions and trade confirmations are reasonably designed to ensure compliance with applicable federal securities laws and NYSE rules.

On June 16, 2008, Citigroup settled a previously disclosed investigation by the Securities and Exchange Commission arising from the economic and political turmoil in Argentina in the fourth quarter of 2001 and agreed to the entry of a Cease and Desist Order pursuant to Section 21C of the Securities Exchange Act which stated that Citigroup violated certain books and records provisions of the Federal securities law by improperly accounting for several Argentina related developments which resulted in an overstatement of after-tax income by \$311 million in that quarter. No fine or penalty was imposed and no restatement of prior financial statements was required by the SEC. Citigroup consented to the issuance of the Order without admitting or denying the Commission's findings.

On August 7, 2008, CGMI reached a settlement with the New York Attorney General, the Securities and Exchange Commission, and other state regulatory agencies, pursuant to which CGMI agreed to offer to purchase at par ARS that are not auctioning from all Citigroup individual investors, small institutions (as defined by the terms of the settlement), and charities that purchased ARS from Citigroup prior to February 11, 2008. In addition, CGMI agreed to pay a \$50 million fine to the State of New York and a \$50 million fine to the other state regulatory agencies.

Other than as described above, during the last five years, none of the Reporting Persons or, to the best of the knowledge of the Reporting Persons, any of the persons listed on Schedule A attached hereto, has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which such person was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws, or finding any violation with respect to such laws.