

Former Citigroup executive starts his own 401(k) shop

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A former senior vice president in Citigroup Global Markets Inc.'s Smith Barney office in Pewaukee has started a firm that gives investment advice to sponsors of 401(k) and other institutional retirement plans.

The firm, Francis Investment Counsel LLC, provides pension consulting, adviser selection and performance monitoring services for the institutions sponsoring the plans, and 401(k) education for employees who participate in the plans, according to documents filed with federal securities regulators.

It was launched on Monday by Michael J. Francis, who owns 75% or more of the firm, according to the filings. Francis ran the Francis 401(k) Advisory Group at Smith Barney and was a senior vice president of Citigroup Global Markets Inc.

"The formation of Francis Investment Counsel was based on our conviction that we can best serve our clients as a truly independent organization," Francis said. "It became clear that to best serve our clients

we needed to become completely independent from any perceived or real conflicts of interest."

Francis' former employer, Citigroup, is one of the firms that has been implicated in the mutual fund industry scandal. Citigroup's Smith Barney fired five brokers, four for activities related to market timing. As well, Citigroup Asset Management said an internal review showed that it failed to pass on to its mutual funds a one-time payment from a transfer agent.

Francis applied to register with the Securities and Exchange Commission in February and sent letters to customers dated March 12 announcing the new firm.

Francis is president of the firm. Kelli B. Send, who was with Francis at Smith Barney, owns between 10% and 25% of the new firm and is a senior vice president in charge of employee education services, according to the SEC filing.

The new firm will not provide retail brokerage services, so Francis is referring those customers to other brokers, he said.