

March 6, 2009

As you may be aware, a lot of attention has been focused over the last couple of days on the share price activity of Smith Barney's parent company, Citi. This comes on the heels of Citi's offer to swap preferred shares for Citi's common equity, which could give the federal government up to a 36% stake in the company.

I am writing to assure you that our ability to run our day-to-day operations and to serve you is not affected by these developments. In fact, there is much to look forward to.

Last month, Citi announced a joint venture with Morgan Stanley to combine Smith Barney with Morgan Stanley's wealth management division. Since then, we are moving ahead purposefully to realize the benefits which will be available when our two storied firms combine. The joint venture will be under the able direction of James Gorman at Morgan Stanley and Charlie Johnston at Smith Barney—both leaders with many years of experience in our business. I have no doubt that the union of Morgan Stanley's wealth management group and Smith Barney will create the premier wealth advisor in the industry.

Through these extraordinary times, my commitment to you and every one of my clients is as profound as ever. You should expect to continue to receive world-class investment advice and access to some of the best financial offerings and strategies—brought to you by what I believe will be the new industry leader. However, if you need information regarding the safety of your accounts here at Smith Barney or at Citi, I would be happy to discuss.

As always, I am here to answer any questions that you may have, whether it relates to your financial needs or the headlines of the day.

Sincerely,

Cynthia D. Newman CRPC©
Senior Vice President-Wealth Management
Corporate Retirement Planning Director