

KARPUS MANAGEMENT INC
Form PREC14A
August 25, 2005

SCHEDULE 14A

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934**

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**SALOMON BROTHERS MUNICIPAL PARTNERS FUND
SALOMON BROTHERS MUNICIPAL PARTNERS FUND II**

(Name of Registrant as Specified in Its Charter)

Karpus Management Inc. d/b/a/ Karpus Investment Management

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

**Karpus Management Inc. d/b/a/ Karpus Investment Management
183 Sully's Trail
Pittsford, New York 14534**

**2005 SPECIAL MEETING OF THE STOCKHOLDERS OF
SALOMON BROTHERS MUNICIPAL PARTNERS FUND
SALOMON BROTHERS MUNICIPAL PARTNERS FUND II**

This Proxy Statement and the enclosed GREEN proxy card are being furnished to you, the stockholders of Salomon Brothers Municipal Partners Fund and Salomon Brothers Municipal Partners Fund II, Maryland corporations, in connection with the solicitation of proxies by Karpus Management Inc. d/b/a Karpus Investment Management (KIM) for use at the 2005 special meeting of stockholders of the Funds, including any adjournments or postponements thereof and any consequent special meeting that may be called.

KIM is soliciting proxies to take the following actions at the Meeting:

- (1) To vote FOR the termination of the Management Agreement between the Fund(s) and Citigroup Inc., the parent company of Salomon Brothers Asset Management Inc.
- (2) To vote AGAINST approving a new Management Agreement with Legg Mason Inc.

PROPOSAL SUBMITTED BY KIM TO BE VOTED ON BY THE SHAREHOLDERS AT THE SPECIAL OR NEXT MEETING OF SHAREHOLDERS

SUBMITTED TO SALOMON BROTHERS MUNICIPAL PARTNERS FUND (MNP)

- (3) KIM requests that the Board of Directors of the Fund authorize the Fund to conduct a tender offer for up to 25% of the outstanding shares of the Fund at net asset value.

SUBMITTED TO SALOMON BROTHERS MUNICIPAL PARTNERS FUND II

- (4) KIM requests that the Board of Directors of the Fund authorize the Fund to conduct a tender offer for up to 25% of the outstanding shares of the Fund at net asset value.

Copies of the Fund (s) most recent annual report and semi-annual report succeeding such annual report, if any, are available without charge to the stockholders upon request to the Fund at 125 Broad Street, New York, New York 10004, or by calling toll free at 1-800-451-2010.

The Fund(s) have announced that a special meeting of the stockholders of Salomon Brothers Municipal Partners Fund Inc. and Salomon Brothers Municipal Partners Fund II Inc. will be held at Citigroup Center, 153 East 53rd Street, 14th Floor, New York, New York 10022 at _____ a.m. (New York time) on Friday October 21, 2005. The Fund has announced that the record date (the "Record Date") for determining stockholders entitled to notice of and to vote at the Meeting is August 22, 2005.

The date of this Proxy Statement is August 22, 2005. This Proxy Statement is first being furnished to Fund stockholders on or about September ____ 2005.

As of July 30, 2005, KIM is the beneficial owner of 310,090 shares of the common stock of Salomon Brothers Municipal Partners Fund Inc, (MNP) which represents 5.386% of the issued and outstanding common stock and 386,525 shares of Salomon Brothers Municipal Partners Fund II Inc. (MPT), which represents 6.435% of the issued and outstanding common stock.

Additional information concerning KIM, who is soliciting your proxy, is set forth under the heading "Information Concerning the Participant in the Solicitation".

The enclosed GREEN proxy card may be executed by holders of record as of the Record Date. You are urged to sign and date the enclosed GREEN proxy card and return it in the enclosed envelope whether or not you plan to attend the Meeting. Your last dated proxy is the only one that counts, so return the GREEN proxy card even if you have already delivered a prior proxy. **We urge you not to return any proxy card sent to you by the Fund.**

***THIS SOLICITATION IS BEING MADE BY KARPUS MANAGEMENT INC. d/b/a
KARPUS INVESTMENT MANGEMENT AND NOT ON BEHALF OF THE BOARD OF DIRECTORS OR
MANAGEMENT OF THE FUND.***

If you have any questions concerning this Proxy Statement or need help in voting your shares, please contact either:

Karpus Investment Management Inc.
Sharon L. Thornton Director of Investment Personnel and Senior Analyst
(585) 586-4680

or

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INTRODUCTION

This proxy solicitation comes to you for one very important reason. Your fund, (MNP) Salomon Brothers Municipal Partners Inc. and/or (MPT) Salomon Brothers Municipal Partners II Inc. is asking you to approve a new Management Agreement for each Fund. Karpus Investment Management (KIM) believes that for over 10 years stockholders of the Fund(s) have not received the full economic benefit of their investment that was outlined in the original prospectus. You as stockholders of the Fund have the opportunity NOW to make Fund Management sit-up and pay attention!

1. Termination of the Management Agreement with Citigroup Inc. the parent company of the Fund's investment adviser, Salomon Brothers Asset Management.

The Fund(s) are seeking your permission to approve a new management agreement for the Fund. It is the belief of Karpus Investment Management that the stockholders of the Fund are entitled to receive an economic benefit at this time, before the transaction would occur.

Karpus Investment Management believes that the shareholders of the Fund(s) are not receiving the economic benefits that they are entitled to receive. According to the original prospectus of the Fund(s), the Board of Directors, in consultation with the Investment Manager and the Investment Advisor, will review on an annual basis the possibility of open market repurchases and/or tender offers for the common stock. The purpose of these actions would be to manage the discount at which the Fund(s) trade. KIM is not aware of any record of this consideration.

The original prospectus of the Fund(s) stated: "...if at any time following the second year after this offering the Common Stock publicly trades for a substantial period of time at a substantial discount from the Fund's then current net asset value per share, the Board of Directors will consider, at its next regularly scheduled meeting, taking various actions designed to eliminate the discount, which may include recommending to holders of Common Stock amendments to the Fund's charter to convert the Fund to an open-end investment company." This statement clearly indicates the original intent of the Fund(s) to address persistent share value discounts from net asset value and protect the investors' economic interests. Notwithstanding the Fund(s)' stated policy, persistent discounts have been tolerated without appropriate action for the past 10 plus years.

KIM believes the current Fund Management and the Board of Directors of the Fund(s) have not taken adequate measures to close the discount to net asset value that the Fund(s) have historically maintained. KIM further believes that the Fund and Board of Directors have been negligent in their duty to adhere to the Fund's own stated objectives by not vigilantly taking steps to eradicate the discount and improve the economic well being of the shareholders.

The following table illustrates the historic discount of the Fund(s) based on twelve month periods - June 30 to June 30. Source of Data Bloomberg Inc.

**MNP and MPT
Average Discount Each Year**

			<u>MNP</u>	<u>MPT</u>
6/30/1995	to	6/30/1996	-15.35%	-16.44%
6/30/1996	to	6/30/1997	-13.19%	-14.53%
6/30/1997	to	6/30/1998	-9.55%	-10.28%
6/30/1998	to	6/30/1999	-7.92%	-9.92%
6/30/1999	to	6/30/2000	-13.79%	-13.00%
6/30/2000	to	6/30/2001	-12.87%	-11.65%
6/30/2001	to	6/30/2002	-12.06%	-10.35%
6/30/2002	to	6/30/2003	-11.93%	-11.73%
6/30/2003	to	6/30/2004	-10.85%	-10.74%
6/30/2004	to	6/30/2005	-11.97%	-12.27%

Additionally the Fund(s) have been plagued by low trading volume. Large shareholders who do not agree with the approval of the new management contract could be forced to sell shares in the market and could potentially depress the market price causing the discount to widen further.

This would create economic harm to both the shareholders selling their shares and possibly could cause future damage to shareholders that stayed with the Fund(s).

It is also the belief of KIM that any shareholder that has sold shares in the market place since 1995 has been economically harmed by the severe share value discount to net asset value. KIM believes that the Board of Directors has not fulfilled its fiduciary duty to the shareholders because it did not take the steps outlined in the original prospectus that could make the market price and net asset value equal.

MNP and MPT
Average Daily Volume for the following time spans

			<u>MNP</u>	<u>MPT</u>
6/30/1995	to	6/30/1996	11,580	14,527
6/30/1996	to	6/30/1997	9,541	14,712
6/30/1997	to	6/30/1998	9,434	10,380
6/30/1998	to	6/30/1999	7,684	11,028
6/30/1999	to	6/30/2000	10,747	12,409
6/30/2000	to	6/30/2001	5,609	5,662
6/30/2001	to	6/30/2002	5,709	5,551
6/30/2002	to	6/30/2003	5,945	7,056
6/30/2003	to	6/30/2004	6,237	6,017
6/30/2004	to	6/30/2005	8,905	6,776

It is the opinion and belief of KIM that the persistent discount has caused the low trading volume which has further harmed the stockholders of the Fund(s).

II. To vote against approving a new Investment Management contract with Legg Mason, Inc.

We as stockholders of the Fund(s) have no confidence that a new Investment Management contract will address the severe discount to net asset value at which the Fund(s) have historically traded. We are not being asked to elect a new Board of Directors at this time. The present Board, which has failed to manage the discount of the Fund(s), will remain in with the Fund(s) at this point.

As long time shareholders of the Fund, KIM believes that adequate time has expired for the Board to take action. We have no reason to believe that a change in investment managers will result in action to address the trading discount.

The Fund(s) presently has provisions in its articles of incorporation and bylaws which limit the ability of other entities or persons to acquire control of the portfolio or to modify its structure. They include the following:

Tiered Board Structure. The Board of Directors is classified into three classes, each with a term of three years with only one class of Directors standing for election in any year. This prevents replacement of a majority of Directors for up to a two year period. In effect this means that if KIM wanted to propose new "Independent" Directors to the Fund, it would take at least 2 years to install a majority of the Board.

Super-Majority Voting Requirements to Remove Directors. Directors can be removed for cause and only by a vote of 75% of the outstanding shares entitled to vote on the matter.

Super-Majority Voting Requirements to Take Certain Action. The Fund cannot be converted from a closed-end to an open-end investment company without the approval of 75% of the Fund's Directors. In addition, unless 75% of the Fund's non-interested Directors approve the transaction, the affirmative vote of the holders of at least 75% of the shares will be required to authorize any of the following transaction: (i) merger, consolidation or share exchange of the portfolio with or into any other corporation; (ii) dissolution or liquidation of the portfolio, (iii) sale, lease, exchange or other disposition of all or substantially all of the assets of the portfolios; (iv) change in the nature of the business of the portfolio so that it would cease to be an investment company registered under the 1940 Act; or (v) sale, lease or exchange to the portfolio, in exchange for securities of the portfolio, of any assets of any entity or person (except assets having an aggregate fair market value of less than \$1,000,000). The affirmative vote of at least 75% of the shares will be required to amend the articles of incorporation or bylaws to change any of the foregoing provisions.

The Fund discloses in its own prospectus that the percentage votes required under the above provisions are greater than the minimum requirements under Maryland law or the 1940 Act. The Fund further discloses that these provisions "could have the effect of depriving shareholders of an opportunity to sell shares at a premium over prevailing market prices by discouraging a third party from seeking to obtain control of the fund in a tender offer or similar transaction."

KIM BELIEVES THAT BY NOT APPROVING THE NEW MANAGEMENT CONTRACT WITH LEGG MASON, INC, STOCKHOLDERS OF THE FUND(S) HAVE THE ABILITY TO FORCE THE PRESENT BOARD OF DIRECTORS TO MEET STOCKHOLDER EXPECTATIONS OUTLINED IN THE ORIGINAL PROSPECTUS.

It is the opinion of KIM that this may be the only chance for stockholders to receive the economic benefit that they are entitled to, NET ASSET VALUE!

Salomon Brothers Municipal Partners Fund (MNP)

III. KIM requests that the Board of Directors of the Fund authorize the Fund to conduct a tender offer for up to 25% of the outstanding shares of the Fund at net asset value.

Supporting Statement

Karpus Investment Management believes that the Board of Directors has neglected their fiduciary duties in managing the discount to net asset value to the shareholders for various reasons discussed in this proxy statement. KIM submitted to MNP and MPT the above listed shareholder proposal to be included in any and all of the Fund(s) proxy materials. The supporting statement for each Fund is cited below.

According to the original prospectus, the Board of Directors, in consultation with the Investment Manager and the Investment Advisor, will review on an annual basis the possibility of further open market repurchases and/or tender offers for the common stock.

The Fund manager has provided exceptional asset performance to shareholders, but has yet to close the discount to net asset value. Net asset performance from June 30, 2004 through June 30, 2005 has been 9.19% versus Morningstar Intermediate Municipal Fund return of 5.49% and Lehman 7 Year Municipal Index return of 5.91%. Yet the Fund continues to trade at a discount to net asset value!

KIM believes the current Fund Management and Board of Directors of MNP have not taken adequate measures to close this discount. For the time period of June 30, 2004 through June 30, 2005, MNP traded at an average discount of 11.97%. MNP has traded at a significant discount to NAV since 1994, over 10 years. What steps have been taken to close this discount?

The original prospectus stated that: "...if at any time following the second year after this offering the Common Stock publicly trades for a substantial period of time at a substantial discount from the Fund's then current net asset value per share, the Board of Directors will consider, at its next regularly scheduled meeting, taking various actions designed to eliminate the discount, which may include recommending to holders of common stock amendments to the fund's charter to convert the Fund to an open-end investment company." This clearly dictates the original intent not to allow the Fund to trade at significant discounts, protecting investors' economic interest in the Fund. Why has the Board ignored this intent to the detriment of shareholders? Every shareholder that has sold shares in the last 10 + years in the market place received less for their shares than they were entitled to.

Additionally, MNP is plagued by low trading volume. From June 30, 2004 through June 30, 2005 average daily volume has been 8,905 shares. Large shareholders who do not agree with the possible changes in the Fund management contract and who may wish to liquidate their positions could severely depress the Fund's market price because of persistently low volume.

END OF STATEMENT

Salomon Brothers Municipal Partners Fund II (MPT)

IVKIM requests that the Board of Directors of the Fund authorize the Fund to conduct a tender offer for up to 25% of the outstanding shares of the Fund at net asset value.

Supporting Statement

According to the original prospectus, the board of directors, in consultation with the Investment Manager and the Investment Advisor, will review on an annual basis the possibility of further open market repurchases and/or tender offers for the common stock.

The Fund manager has provided exceptional asset performance to shareholders, but has yet to close the discount to net asset value. Net asset performance from June 30, 2004 through June 30, 2005 has been 8.84% versus Morningstar Intermediate Municipal Fund return of 5.49% and Lehman 7 Year Municipal Index return of 5.91%. Yet the Fund continues to trade at a discount to net asset value.

KIM believes the current Fund Management and Board of directors of MPT have not taken adequate measures to close this discount. For the time period of June 30, 2004 through June 30, 2005, MPT traded at an average discount of 12.27%. MPT has traded at a significant discount to NAV since 1994, over 10 years. What steps have been taken to close this discount?

The original prospectus stated: "If, at any time after the second year following the offering, the Common Stock publicly trades for a substantial period of time at a substantial discount from the NAV, the Board of Directors will consider at its next regularly scheduled meeting, taking various actions designed to eliminate the discount, which may include recommending to shareholders the conversion of the Fund to an open-end investment company." This clearly dictates the original intent not to allow the Fund to trade at significant discounts, protecting investors' economic interest in the Fund. Why has the Board ignored this intent to the detriment of shareholders? Every shareholder that has sold shares in the last 10 + years in the market place received less for their shares than they were entitled to.

Additionally, MPT is plagued by low trading volume. From June 30, 2004 through June 30, 2005 average daily volume has been 6,776 shares. Large shareholders who do not agree with the possible changes in the Fund management contract and who may wish to liquidate their positions could severely depress the Fund's market price because of persistently low volume.

END OF STATEMENT

The Proposal to MNP and MPT requests the Board of Directors to conduct a 25% tender of the outstanding shares of each Fund. There are no assurances that the Board will consider this shareholder proposal or take action upon such proposal.

Required vote.

When you return the GREEN proxy card you will be voting FOR the proposal to (i) terminate the Management Agreement between the Fund(s) and Citigroup Inc., the parent company of Salomon Brothers Asset Management Inc. (ii) to vote against approving a new Management Agreement with Legg Mason Inc.

Other Matters

Other than the proposals described above, we are not aware of any other matters to be brought before the Meeting. Should other matters be brought before the Meeting, the persons named as proxies in the enclosed GREEN proxy card will vote on such matters in their discretion.

VOTING PROCEDURES

Voting and Revocation of Proxies

For the proxy solicited hereby to be voted, the enclosed GREEN proxy card must be signed, dated and returned to Karpus Investment Management c/o _____ at the address set forth on the last page of this Proxy Statement, in the enclosed envelope, in time to be voted at the Meeting. If you wish to vote in accordance with our recommendations, you must submit the enclosed GREEN proxy card and must NOT subsequently submit the Fund's proxy card. If you have already returned the Fund's proxy card, you have the right to revoke it as all matters covered thereby and may do so by subsequently signing, dating and mailing the enclosed GREEN proxy card. ONLY YOUR LATEST DATED PROXY WILL COUNT AT THE MEETING. Execution of a GREEN proxy card will not affect your right to attend the Meeting and to vote in person.

Any proxy may be revoked as to all matters covered thereby at any time prior to the time a vote is taken by (i) submitting to the Fund or to us a later dated written revocation or duly executed proxy' or (ii) attending and voting at the Meeting in person (attendance at the Meeting will not in and of itself constitute a revocation).

Although a revocation of a proxy solicited by the Fund will be effective only if delivered to the Fund, we request that either the original or a copy of all revocations be mailed to Karpus Investment Management c/o _____ at the address set forth on the back page of this Proxy Statement, so that we will be aware of all revocations and can more accurately determine if and when the requisite proxies have been received.

Shares