

LMP REAL ESTATE INCOME FUND INC.
Form N-Q
November 23, 2009

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number

811-21098

LMP Real Estate Income Fund Inc.
(Exact name of registrant as specified in charter)

55 Water Street, New York, NY
(Address of principal executive offices)

10041
(Zip code)

Robert I. Frenkel, Esq.
Legg Mason & Co., LLC
100 First Stamford Place
Stamford, CT 06902
(Name and address of agent for service)

Registrant's telephone number, including area code:

1-888-777-0102

Date of fiscal year end: December 31

Date of reporting period: September 30, 2009

ITEM 1. SCHEDULE OF INVESTMENTS

LMP REAL ESTATE INCOME FUND INC.

FORM N-Q

SEPTEMBER 30, 2009

LMP Real Estate Income Fund Inc.

Schedule of Investments (unaudited)

September 30, 2009

Shares	Security	Value
COMMON STOCKS 57.7%		
Apartments 7.3%		
130,000	Camden Property Trust	\$ 5,239,000
60,000	Equity Residential	1,842,000
141,059	UDR Inc.	2,220,269
	Total Apartments	9,301,269
Health Care 9.5%		
130,000	HCP Inc.	3,736,200
100,000	Nationwide Health Properties Inc.	3,099,000
225,000	OMEGA Healthcare Investors Inc.	3,604,500
90,000	Senior Housing Properties Trust	1,719,900
	Total Health Care	12,159,600
Industrial 4.8%		
375,000	DCT Industrial Trust Inc.	1,916,250
365,000	First Potomac Realty Trust	4,219,400
	Total Industrial	6,135,650
Industrial/Office - Mixed 2.7%		
105,000	Liberty Property Trust	3,415,650
Office 12.8%		
116,500	BioMed Realty Trust Inc.	1,607,700
165,000	Brandywine Realty Trust	1,821,600
500,000	HRPT Properties Trust	3,760,000
150,000	Kilroy Realty Corp.	4,161,000
155,600	Mack-Cali Realty Corp.	5,030,548
	Total Office	16,380,848
Regional Malls 4.2%		
172,800	Glimcher Realty Trust	634,176
153,579	Macerich Co.	4,658,051
	Total Regional Malls	5,292,227
Retail - Free Standing 5.4%		
209,400	National Retail Properties Inc.	4,495,818
95,000	Realty Income Corp.	2,436,750
	Total Retail - Free Standing	6,932,568
Self Storage 1.8%		
215,000	Extra Space Storage Inc.	2,268,250
Shopping Centers 6.4%		
130,000	Kimco Realty Corp.	1,695,200
415,000	Kite Realty Group Trust	1,730,550
200,000	Primaris Retail Real Estate Investment Trust	2,842,184
50,000	Regency Centers Corp.	1,852,500
	Total Shopping Centers	8,120,434
Specialty 2.8%		
105,000	Entertainment Properties Trust	3,584,700
	TOTAL COMMON STOCKS	
	(Cost \$77,230,361)	73,591,196
PREFERRED STOCKS 41.7%		
Apartments 3.3%		
70,000	Apartment Investment & Management Co., Cumulative:	1,449,000
70,000	Series U, 7.750%	1,470,000
	Series Y, 7.875%	

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60,000	BRE Properties Inc., Series C, 6.750%	1,248,000
	Total Apartments	4,167,000

See Notes to Schedule of Investments.

LMP Real Estate Income Fund Inc.

Schedule of Investments (unaudited) (continued)

September 30, 2009

Shares	Security	Value
Diversified 7.9%		
175,000	Duke Realty Corp., Series M, 6.950%	\$ 3,466,750
90,000	LBA Realty Fund LP, 8.750% (a)	1,980,000
	PS Business Parks Inc.:	990,000
45,000	Cumulative Redeemable, Series O, 7.375%	
75,000	Series M, 7.200%	1,608,000
	Vornado Realty Trust, Cumulative Redeemable,	
100,000	Series G, 6.625%	2,109,000
	Total Diversified	10,153,750
Health Care 2.8%		
100,000	HCP Inc., Series F, 7.100%	2,200,000
	OMEGA Healthcare Investors Inc., Cumulative	
55,000	Redeemable, Series D, 8.375%	1,351,625
	Total Health Care	3,551,625
Lodging/Resorts 4.3%		
	Hospitality Properties Trust, Cumulative Redeemable,	
71,100	Series B, 8.875%	1,681,515
	LaSalle Hotel Properties, Cumulative Redeemable,	
52,900	Series G, 7.250%	1,061,306
94,300	Strategic Hotels Capital Inc., Series B, 8.250%	911,174
	Sunstone Hotel Investors Inc., Cumulative Redeemable,	
100,100	Series A, 8.000%	1,878,126
	Total Lodging/Resorts	5,532,121
Office 4.7%		
130,000	BioMed Realty Trust Inc., Series A, 7.375%	2,892,500
46,400	Brandywine Realty Trust, Series D, 7.375%	988,320
	Corporate Office Properties Trust, Cumulative	
40,000	Redeemable, Series J, 7.625%	920,000
51,183	HRPT Properties Trust, Cumulative Redeemable,	1,207,919
	Series B, 8.750%	

Electric City has executed indemnification agreements with certain officers pursuant to which Electric City has agreed to indemnify such parties to the full extent permitted by law, subject to certain exceptions, if they become subject to an action because of serving as a director, officer, employee, agent or fiduciary of Electric

City.

Section 102(b)(7) of the Delaware General Corporation Law enables a corporation in its certificate of incorporation to limit the personal liability of members of its board of directors for violation of a director's fiduciary duty of care. This section does not, however, limit the liability of a director for breaching his or her duty of loyalty, failing to act in good faith, engaging in intentional misconduct or knowingly violating a law, authorizing unlawful payments of dividends or unlawful redemptions or stock purchases as contemplated by Section 174 of Delaware General Corporation Law, or from any transaction in which the director derived an improper personal benefit. This section also will have no effect on claims arising under the federal securities laws.

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Electric City's Certificate of Incorporation, as amended, limits the liability of its directors as authorized by Section 102(b)(7). The affirmative vote of the holders of a majority of the voting power of all outstanding shares of the capital stock of Electric City, and, in certain circumstances, 75% of the voting power of all outstanding shares of the Series E Convertible Preferred Stock of Electric City, is required to amend such provisions.

Electric City has obtained liability insurance for the benefit of its directors and officers which provides coverage for losses of directors and officers for liabilities arising out of claims against such persons acting as directors or officers of Electric City (or any subsidiary thereof) due to any breach of duty, neglect, error, misstatement, misleading statement, omission or act done by such directors and officers, except as prohibited by law.

Item 16. Exhibits

Exhibit Number	Description
5.1*	Opinion of Schwartz Cooper Greenberger & Krauss, Chtd. with respect to the legality of the Common Stock being registered.
23.1*	Consent of BDO Seidman, LLP.
23.2*	Consent of Schwartz Cooper Greenberger & Krauss, Chtd. (contained in exhibit 5.1).
24.1*	Power of Attorney (included on the signature page hereof).

* Filed herewith

Item 17. Undertakings

(a) The undersigned registrant hereby will

(1) File, during any period in which it offers or sells securities, a post-effective amendment to this registration statement to:

- (i) Include any prospectus required by Section 10(a)(3) of the Securities Act;
- (ii) Reflect in the prospectus any facts or events which, individually or together, represent a fundamental change in the information in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering

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range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and

(iii) Include any additional or changed material information on the plan of distribution; provided, however, that paragraphs (i) and (ii) do not apply if the information required to be included in a post-effective amendment thereby is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act that are incorporated by reference in the registration statement.

(2) For determining liability under the Securities Act, treat each such post-effective amendment as a new registration statement of securities offered, and the offering of the securities at that time shall be deemed to be the initial bona fide offering; and

(3) File a post-effective amendment to remove from registration any of the securities that remain unsold at the end of the offering.

(b) The undersigned registrant undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Company's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in such Securities Act and is, therefore, unenforceable. In the event a claim against the registrant for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Elk Grove Village, State of Illinois, on the 6th day of July, 2004.

ELECTRIC CITY CORP.

By: /s/ John Mitola
John Mitola
Chief Executive Officer
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The undersigned hereby constitutes and appoints John Mitola and Jeffrey Mistarz, and each of them, as his true and lawful attorneys-in-fact and agents, jointly and severally, with full power of substitution and resubstitution, for and in his stead, in any and all capacities, to sign on his behalf this Registration Statement on Form S-3 in connection with the registration of Common Stock by the registrant and offering thereof pursuant hereto and to execute any amendments thereto (including post-effective amendments), including a registration statement filed pursuant to Rule 462(b), or certificates that may be required in connection with this Registration Statement, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission and granting unto said attorneys-in-fact and agents, and each of them, jointly and severally, the full power and authority to do and perform each and every act and thing necessary or advisable to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, jointly or severally, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities below.

Signature	Title	Date
<u>/s/ John P. Mitola</u>	Chief Executive Officer	June 18, 2004
John P. Mitola		
<u>/s/ Jeffrey Mistarz</u>	Chief Financial Officer and Treasurer	June 17, 2004
Jeffrey Mistarz		
<u>/s/ Robert Manning</u>	Chairman of the Board	July 1, 2004
Robert Manning		
<u>/s/ David Asplund</u>	Director	June 30, 2004
David Asplund		
<u>/s/ Frederic Brace</u>	Director	June 25, 2004
Frederic Brace		
<u>/s/ John Bukovski</u>	Director	June 17, 2004

John Bukovski

/s/ Felicia Ferguson Director June 21, 2004

Felicia Ferguson

/s/ Gerald Pientka Director June 17, 2004

Gerald Pientka

/s/ Michael Stelter Director June 18, 2004

Michael Stelter

/s/ David Valentine Director June 30, 2004

David Valentine

/s/ Robert Wagner Director June 17, 2004

Robert Wagner, Jr.

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