

LMP REAL ESTATE INCOME FUND INC.

Form PREC14A

February 26, 2015

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO.)

Filed by the Registrant []
Filed by a Party other than the Registrant [x]

Check the appropriate box:

Preliminary Proxy Statement [x]
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 ss.240.14a-11(c) or ss.240.14a-
12

LMP Real Estate Income Fund Inc.
(Name of Registrant as Specified in Its Charter)

Bulldog Investors, LLC
Name of Person(s) Filing Proxy Statement, if other than the
Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required [x].

Fee computed on table below per Exchange Act Rules 14a-6(i)(4)
and 0-11.

(1) Title of each class of securities to which transaction
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(1) Amount Previously Paid:

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

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(3) Filing Party:

(4) Date Filed:

PROXY STATEMENT OF BULLDOG INVESTORS, LLC IN OPPOSITION TO THE SOLICITATION BY THE BOARD OF DIRECTORS OF LMP REAL ESTATE INCOME FUND FOR THE 2015 ANNUAL MEETING OF SHAREHOLDERS

Bulldog Investors, LLC ("Bulldog Investors") is sending this proxy statement and the enclosed GREEN proxy card to shareholders of LMP Real Estate Income Fund Inc. (the "Fund") of record as of February --, 2015. We are soliciting a proxy to vote your shares at the 2015 Annual Meeting of Shareholders (the "Meeting") which is scheduled for April --, 2015. Please refer to the Fund's proxy soliciting material for additional information concerning the Meeting and the matters to be considered by shareholders. This proxy statement and the enclosed GREEN proxy card are first being sent to shareholders on or about March --, 2015.

INTRODUCTION

The Board of Directors has determined to present one matter to be voted upon at the Meeting: the election of three directors. A shareholder affiliated with us intends to present a non-binding proposal recommending that the board authorize a self-tender offer for the common shares of the Fund at or close to net asset value ("NAV"). We are soliciting a proxy to vote your shares FOR the election of the nominees named below and FOR the shareholder proposal.

REASONS FOR THE SOLICITATION

The Fund's shares have traded at a double-digit discount to NAV since August 2013. Consequently, we are seeking to present the aforementioned proposal and to elect directors who are committed to addressing the Fund's discount.

HOW PROXIES WILL BE VOTED

If you complete and return a GREEN proxy card to us, and unless you direct otherwise, your shares will be voted FOR the election of the nominees named below and FOR the shareholder proposal. In addition, you will be granting the proxy holders discretionary authority to vote on any other matters that may come before the Meeting.

VOTING REQUIREMENTS

A quorum for the transaction of business by the shareholders at the Meeting is a majority of the shares outstanding on the record date and entitled to vote. A plurality of the votes cast is sufficient to elect a director. The shareholder proposal will be approved if a majority of the votes cast vote for it. An abstention or a broker non-vote is not a vote cast and thus will have no effect on the election of directors or on whether the shareholder proposal is approved. Moreover, since this is a contested solicitation, we do not expect any broker non-votes.

REVOCACTION OF PROXIES

You may revoke your proxy prior to its exercise by: (i) delivering a

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written revocation to us; (ii) executing and delivering a later dated proxy to us; or (iii) voting in person at the Meeting. Attendance at the Meeting will not by itself revoke a proxy. There is no limit on the number of times you may revoke your proxy and only your most recent proxy will be counted.

PROPOSAL 1: ELECTION OF DIRECTORS

The board is comprised of nine directors, of which three will be elected at the Meeting. The board is nominating three incumbents and our affiliate intends to nominate the three persons named below. Each of our nominees has consented to being named in this proxy statement and to serve as a director if elected. There are no arrangements or understandings between Bulldog Investors or any of its affiliates and any nominee in connection with the nominations. Please refer to the Fund's proxy soliciting material for additional information concerning the election of directors.

Gerald Hellerman (born 1937); 5431 NW 21st Avenue, Boca Raton, FL 33496 - Mr. Hellerman owned and served as Managing Director of Hellerman Associates, a financial and corporate consulting firm, from 1993 to 2013. Mr. Hellerman is a director and chairman of the audit committee of Imperial Holdings, a director and chairman of the Audit Committee of MVC Capital, a director, chief compliance officer of the Mexico Equity and Income Fund and Special Opportunities Fund, Inc., and a director for Ironsides Partners Opportunity Offshore Fund. Mr. Hellerman also served as a financial analyst and later as a branch chief with the U.S. Securities & Exchange Commission over a ten-year period, as Special Financial Advisor to the U.S. Senate Subcommittee on Antitrust and Monopoly for four years, and as the Chief Financial Analyst of the Antitrust Division of the U.S. Department of Justice for 17 years.

Andrew Dakos (born 1966); Park 80 West, Plaza Two, 250 Pehle Ave., Suite 708, Saddle Brook, NJ 07663 - Mr. Dakos is a member of Bulldog Investors, LLC, the investment adviser of Special Opportunities Fund, Inc. and the investment partnerships comprising the Bulldog Investors group of private funds. He also is a manager of Kimball & Winthrop, LLC, the managing general partner of Bulldog Investors General Partnership, since 2012. From 2001-2012, Mr. Dakos was a member of the general partners of several private funds in the Bulldog Investors group of private funds and in 2012 became a member of Bulldog Holdings, LLC which became the sole owner of such general partners. Mr. Dakos has been a director of Special Opportunities Fund, Inc., a closed-end fund, since 2009, and the Mexico Equity and Income Fund, Inc., a closed-end fund, since 2001. He has also been a director of Imperial Holdings, Inc., a specialty finance company, since 2012, and Brantley Capital Corporation, a business development company, intermittently from 2005-2013. From 2009-2012 he served as Chief Compliance Officer of Bulldog Investors, LLC.

Richard Cohen (born 1954); Lowey Dannenberg Cohen & Hart, P.C., One North Broadway, 5th Floor, White Plains, New York 10601-2310 - Since 1998, Mr. Cohen has been employed as a lawyer by Lowey Dannenberg Cohen & Hart, P.C., a law firm that represents investors and directors in public companies, including closed-end funds. He has been a Director of Lowey Dannenberg since 2005, served as its President from 2008-2014 and became the Chairman in 2015. He served as a Director and was on the audit committee of MGT Capital Corporation from 2012-2013. Mr. Cohen has represented institutional investors in a number of stockholder voting rights and corporate governance cases, and has advised boards of directors of public companies for more than 30 years.

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None of our nominees is an interested person of the Fund and none owns any shares of the Fund.

Unless instructions to the contrary are given, your proxy will be voted in favor of each of the aforementioned nominees.

PROPOSAL 2: THE SHAREHOLDERS RECOMMEND THAT THE BOARD AUTHORIZE A SELF-TENDER OFFER FOR THE COMMON SHARES OF THE FUND AT OR CLOSE TO NET ASSET VALUE ("NAV").

Adoption of this non-binding proposal will direct the board to consider authorizing a self-tender offer for the Fund's common shares at or close to NAV. However, the board has the sole power to authorize any self-tender offer and to establish its parameters.

The Fund's shares have often traded at a sizeable discount to NAV. As of February 28, 2014, the NAV per share was \$14.81 while the stock price was \$13.01, a discount of 12.15%. We believe that the board should afford shareholders an opportunity to sell their shares to the Fund at a price that is closer to NAV than 12.15%.

Unless instructions to the contrary are given, your proxy will be voted in favor of this proposal.

THE SOLICITATION

We intend to solicit proxies via mail, telephone and the internet. Our proxy materials are available at: www.bulldoginvestorsproxymaterials.com. Persons affiliated with or employed by us may assist us in the solicitation of proxies. Banks, brokerage houses and other custodians, nominees and fiduciaries will be requested to forward this proxy statement and the enclosed GREEN proxy card to the beneficial owners for whom they hold shares of record. We will reimburse these organizations for their reasonable out-of-pocket expenses.

Initially, we and our clients will bear all of the expenses related to this proxy solicitation. Because we believe that all shareholders will benefit from this solicitation, we intend to seek, subject to any applicable regulatory requirements, reimbursement of our expenses from the Fund. Shareholders will not be asked to vote on the reimbursement of these expenses, which we estimate will total \$80,000.

PARTICIPANTS

Bulldog Investors, 250 Pehle Avenue, Suite 708, Saddle Brook, NJ 07663, is the soliciting stockholder and beneficially owns ----- shares on behalf of clients which were purchased at various times beginning on January 27, 2014. In September 2014, 230,960 shares were sold.

No "participant" or associate of any participant in this solicitation is a party to any contract, arrangement or understanding with any person with respect to any securities of the Fund or has any arrangement or understanding with any person with respect to future employment by the Fund or any of its affiliates or to any future transactions to which the Fund or any of its affiliates will or may be a party. A "participant", as defined by the SEC, includes Bulldog Investors, the nominees designated above, and each client advised by Bulldog Investors. The SEC's definition of a "participant" may be misleading because it suggests that a nominee for director has a greater role in the solicitation than may be the case.

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March --, 2015

PROXY CARD

THIS PROXY IS SOLICITED BY BULLDOG INVESTORS, LLC IN OPPOSITION TO THE BOARD OF DIRECTORS OF LMP REAL ESTATE INCOME FUND (THE "FUND") FOR THE FUND'S 2015 ANNUAL MEETING OF SHAREHOLDERS (THE "MEETING").

The undersigned hereby appoints Phillip Goldstein, Rajeev Das, and Andrew Dakos and each of them, as the undersigned's proxies, with full power of substitution, to attend the Meeting and any adjourned or postponed Meeting, and to vote on all matters that come before the Meeting the number of shares that the undersigned would be entitled to vote if present in person, as specified below.

(INSTRUCTIONS: Mark votes by placing an "x" in the appropriate [].)

1. ELECTION OF THREE DIRECTORS

[] FOR GERALD HELLERMAN [] WITHHOLD AUTHORITY
[] FOR ANDREW DAKOS [] WITHHOLD AUTHORITY
[] FOR RICHARD COHEN [] WITHHOLD AUTHORITY

2. THE SHAREHOLDERS RECOMMEND THAT THE BOARD AUTHORIZE A SELF-TENDER OFFER FOR THE COMMON SHARES OF THE FUND AT OR CLOSE TO NET ASSET VALUE ("NAV").

FOR [] AGAINST [] ABSTAIN []

Please sign and date below. Your shares will be voted as directed. If no direction is made, this proxy will be voted FOR the election of the nominees named above, and FOR Proposal 2. The undersigned hereby acknowledges receipt of the proxy statement dated March --, 2015 of Bulldog Investors and revokes any proxy previously executed.

Signature(s) _____

Dated: _____