

Return of Organization Exempt From Income Tax

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2007 calendar year, or tax year beginning **NOV 1, 2007** and ending **OCT 31, 2008**

B Check if applicable:
 Address change
 Name change
 Initial return
 Termination
 Amended return
 Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
LAMBDA LEGAL DEFENSE & EDUCATION FUND, INC.

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
120 WALL STREET 1500

City or town, state or country, and ZIP + 4
NEW YORK, NY 10005-3904

D Employer identification number
23-7395681

E Telephone number
212-809-8585

F Accounting method: Cash Accrual
 Other (specify) _____

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).
H and I are not applicable to section 527 organizations.
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates **N/A**
H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number **N/A**

G Website: **WWW.LAMBDALEGAL.ORG**
J Organization type (check only one) 501(c)(3) (insert no.) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **21,764,735.**
M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Part Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue					
1	Contributions, gifts, grants, and similar amounts received:				
a	Contributions to donor advised funds	1a			
b	Direct public support (not included on line 1a)	1b	20,036,203.		
c	Indirect public support (not included on line 1a)	1c			
d	Government contributions (grants) (not included on line 1a)	1d			
e	Total (add lines 1a through 1d) (cash \$ 20,036,203. noncash \$) ...	1e		20,036,203.	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		118,734.	
3	Membership dues and assessments	3			
4	Interest on savings and temporary cash investments	4		159,120.	
5	Dividends and interest from securities	5			
6a	Gross rents	6a			
b	Less: rental expenses	6b			
c	Net rental income or (loss). Subtract line 6b from line 6a	6c			
7	Other investment income (describe)	7			
8a	Gross amount from sales of assets other than inventory	(A) Securities	415,797.	(B) Other	
b	Less: cost or other basis and sales expenses	8a		8b	
c	Gain or (loss) (attach schedule)	8b	417,192.	8c	
d	Net gain or (loss). Combine line 8c, columns (A) and (B)	8c	<1,395.>	8d	<1,395.>
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ 2,787,463. of contributions reported on line 1b)	9a	1,034,881.		
b	Less: direct expenses other than fundraising expenses	9b	570,238.		
c	Net income or (loss) from special events. Subtract line 9b from line 9a	9c	SEE STATEMENT 2	464,643.	
10a	Gross sales of inventory, less returns and allowances	10a			
b	Less: cost of goods sold	10b			
c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c			
11	Other revenue (from Part VII, line 103)	11			
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		20,777,305.	
13	Program services (from line 44, column (B))	13		8,584,018.	
14	Management and general (from line 44, column (C))	14		1,235,876.	
15	Fundraising (from line 44, column (D))	15		1,982,183.	
16	Payments to affiliates (attach schedule)	16			
17	Total expenses. Add lines 16 and 44, column (A)	17		11,802,077.	
18	Excess or (deficit) for the year. Subtract line 17 from line 12	18		8,975,228.	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		3,068,310.	
20	Other changes in net assets or fund balances (attach explanation)	20	SEE STATEMENT 3	<229,895.>	
21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21		11,813,643.	

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box **X**
 - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits.

Type or print	Name of Exempt Organization LAMBDA LEGAL DEFENSE & EDUCATION FUND, INC.	Employer identification number 23-7395681
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 120 WALL STREET, NO. 1500	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. NEW YORK, NY 10005-3904	

Check type of return to be filed (file a separate application for each return):

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- The books are in the care of ▶ **MARK GASPARINI**
 Telephone No. ▶ **212-809-8585** FAX No. ▶ **212-809-4210**
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-months for a corporation required to file Form 990-T) extension of time until **JUNE 15, 2009**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year _____ or
 ▶ tax year beginning **NOV 1, 2007**, and ending **OCT 31, 2008**.

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	
3b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	
3c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	N/A

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form 8868 (Rev. 4-2008)

LAMBDA LEGAL DEFENSE & EDUCATION FUND,
INC.

Form 990 (2007)

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Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b Other grants and allocations (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	454,920.	354,839.	45,492.	54,589.
25b Compensation of former officers, directors, key employees, etc. listed in Part V-B	0.	0.	0.	0.
25c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
26 Salaries and wages of employees not included on lines 25a, b, and c	5,884,773.	4,555,493.	623,107.	706,173.
27 Pension plan contributions not included on lines 25a, b, and c	64,011.		64,011.	
28 Employee benefits not included on lines 25a - 27	1,083,454.	905,928.	48,879.	128,647.
29 Payroll taxes	587,965.	482,334.	26,024.	79,607.
30 Professional fundraising fees	68,050.			68,050.
31 Accounting fees	32,160.		32,160.	
32 Legal fees				
33 Supplies	129,531.	101,219.	12,740.	15,572.
34 Telephone	180,999.	141,188.	18,090.	21,721.
35 Postage and shipping	144,377.	99,402.	8,654.	36,321.
36 Occupancy	693,227.	540,717.	69,323.	83,187.
37 Equipment rental and maintenance	52,073.	40,617.	5,207.	6,249.
38 Printing and publications	1,216,593.	797,127.	1,662.	417,804.
39 Travel	342,837.	181,973.	24,877.	135,987.
40 Conferences, conventions, and meetings				
41 Interest				
42 Depreciation, depletion, etc. (attach schedule)	76,406.	59,596.	7,641.	9,169.
43 Other expenses not covered above (itemize):				
a				
b				
c				
d				
e				
f				
g SEE STATEMENT 4	790,701.	323,585.	248,009.	219,107.
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	11,802,077.	8,584,018.	1,235,876.	1,982,183.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ 410,245. ; (ii) the amount allocated to Program services \$ 115,374. ;

(iii) the amount allocated to Management and general \$ 0. ; and (iv) the amount allocated to Fundraising \$ 294,871.

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ► SEE STATEMENT 7	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	
a SEE STATEMENT 5	
(Grants and allocations \$ <u>0.</u>) If this amount includes foreign grants, check here ► <input type="checkbox"/>	4,183,924.
b SEE STATEMENT 6	
(Grants and allocations \$ <u>0.</u>) If this amount includes foreign grants, check here ► <input type="checkbox"/>	4,400,094.
c	
(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
d	
(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e Other program services (attach schedule)	
(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	8,584,018.

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INC.

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Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year	(B) End of year
Assets	45 Cash - non-interest-bearing		45
	46 Savings and temporary cash investments	322,292.	46 218,863.
	47 a Accounts receivable	47a	
	b Less: allowance for doubtful accounts	47b	47c
	48 a Pledges receivable	48a 9,359,432.	
	b Less: allowance for doubtful accounts	48b 55,000.	48c 9,304,432.
	49 Grants receivable	101,098.	49 50,000.
	50 a Receivables from current and former officers, directors, trustees, and key employees		50a
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)		50b
	51 a Other notes and loans receivable	51a	
	b Less: allowance for doubtful accounts	51b	51c
	52 Inventories for sale or use		52
	53 Prepaid expenses and deferred charges	194,975.	53 217,199.
	54 a Investments - publicly-traded securities STMT 10 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	2,877,802.	54a 2,433,278.
	b Investments - other securities		54b <input type="checkbox"/> Cost <input type="checkbox"/> FMV
	55 a Investments - land, buildings, and equipment: basis	55a	
	b Less: accumulated depreciation	55b	55c
	56 Investments - other		56
	57 a Land, buildings, and equipment: basis	57a 1,267,638.	
	b Less: accumulated depreciation STMT 8	57b 1,086,515.	57c 225,185.
58 Other assets, including program-related investments (describe ► ASSETS HELD FOR GIFT ANNUITIES)	864,678.	58 792,542.	
59 Total assets (must equal line 74). Add lines 45 through 58	4,636,030.	59 13,147,437.	
Liabilities	60 Accounts payable and accrued expenses	885,988.	60 682,110.
	61 Grants payable		61
	62 Deferred revenue	38,659.	62 2,820.
	63 Loans from officers, directors, trustees, and key employees		63
	64 a Tax-exempt bond liabilities		64a
	b Mortgages and other notes payable		64b
	65 Other liabilities (describe ► SEE STATEMENT 9)	643,073.	65 648,864.
	66 Total liabilities. Add lines 60 through 65	1,567,720.	66 1,333,794.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.		
	67 Unrestricted	2,792,240.	67 2,161,536.
	68 Temporarily restricted	212,888.	68 9,418,925.
	69 Permanently restricted	63,182.	69 233,182.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.		
	70 Capital stock, trust principal, or current funds		70
	71 Paid-in or capital surplus, or land, building, and equipment fund		71
	72 Retained earnings, endowment, accumulated income, or other funds		72
	73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	3,068,310.	73 11,813,643.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	4,636,030.	74 13,147,437.

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Part V Other Information (continued)		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	5,324,004.
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	83b	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85 a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?	85a	N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b	N/A
If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.			
c	Dues, assessments, and similar amounts from members	85c	N/A
d	Section 162(e) lobbying and political expenditures	85d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders	87a	N/A
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88a	X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	88b	X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0.; section 4912 ▶ 0.; section 4955 ▶ 0.		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		0.
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e	X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f	X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g	X
90 a	List the states with which a copy of this return is filed ▶ NY, CA, IL, GA	90b	108
b	Number of employees employed in the pay period that includes March 12, 2007		
91 a	The books are in care of ▶ MARK GASPARI Telephone no. ▶ 212-809-8585		
	Located at ▶ 120 WALL STREET, SUITE 1500, NEW YORK, NY ZIP + 4 ▶ 10005-3904		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	91b	X
	If "Yes," enter the name of the foreign country ▶ N/A		
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			

Part VI Other Information (continued) Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c
 If "Yes," enter the name of the foreign country ▶ N/A

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here ▶
 and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92 N/A

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a ATTORNEY FEES					80,582.
b SPEAKERS BUREAU					38,152.
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	159,120.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	<1,395.>	
101 Net income or (loss) from special events			01	464,643.	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		622,368.	118,734.
105 Total (add line 104, columns (B), (D), and (E))					741,102.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	SEE STATEMENT 12

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

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INC.

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Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13). **N/A**

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here

Signature of officer: *Kevin M. Cathcart* Date: *3/26/09*

Type or print name and title: *Kevin M. Cathcart Executive Director*

Paid Preparer's Use Only

Preparer's signature: *Robert R. Lyons* Date: _____ Check if self-employed: Preparer's SSN or PTIN (See Gen. Inst. X): *P00227472*

Firm's name (or yours if self-employed), address, and ZIP + 4: **MARKS PANETH & SHRON LLP**
622 THIRD AVENUE
NEW YORK, NY 10017

Phone no.: **212 503-8800**

Form 990 (2007)

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No. 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

2007

Department of the Treasury
Internal Revenue Service

Supplementary Information—(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization **LAMBDA LEGAL DEFENSE & EDUCATION FUND, INC.** Employer identification number **23 7395681**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
JOHN WESTFALL 120 WALL ST., NEW YORK, NY 10005-3904	DEVELOP. DIR. 35.00	175,923.	36,708.	
JON DAVIDSON 120 WALL ST., NEW YORK, NY 10005-3904	LEGAL DIR. 35.00	157,567.	28,640.	
LESLIE J GABEL-BRETT 120 WALL ST., NEW YORK, NY 10005-3904	EPA DIR. 35.00	153,835.	22,654.	
HAYLEY GORENBERG 120 WALL ST., NEW YORK, NY 10005-3904	DEPUTY LEGAL DIR. 35.00	129,688.	24,515.	
MARK A GASPARINI 120 WALL ST., NEW YORK, NY 10005-3904	CFO 35.00	128,240.	19,330.	
Total number of other employees paid over \$50,000 ▶	40			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
SHARE GROUP 95 DOVER STREET, SOMERVILLA, MA 02144	PROFESSIONAL FUNDRAISER	68,050.
JOHN MINI CONSULTING, INC. 707 SAVANNAH ROAD, LEWES, DE 19958	PROF. FUNDRAISER COUNSEL	51,600.

Total number of others receiving over \$50,000 for professional services ▶	0	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of other contractors receiving over \$50,000 for other services ▶	0	

Part III Statements About Activities (See page 2 of the instructions.)

		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ \$ <u>17,381.</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.	X	
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V-A, FORM 990	X	
e	Transfer of any part of its income or assets?		X
3 a	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)		X
b	Did the organization have a section 403(b) annuity plan for its employees?	X	
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4 a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g		X
b	Did the organization make any taxable distributions under section 4966?		N/A
c	Did the organization make a distribution to a donor, donor advisor, or related person?		N/A
d	Enter the total number of donor advised funds owned at the end of the tax year		0
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year		0.
f	Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts		0.
g	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year		0.

LAMBDA LEGAL DEFENSE & EDUCATION FUND,

Schedule A (Form 990 or 990-EZ) 2007 INC.

23-7395681 Page 4

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	11,076,467.	10,616,337.	9,759,964.	9,084,847.	40,537,615.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	370,900.	<323,183.>	321,135.	89,246.	458,098.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	187,420.	147,077.	83,723.	38,213.	456,433.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets			SEE STATEMENT 13 <779.>	<22,906.>	<23,685.>
23 Total of lines 15 through 22	11,634,787.	10,440,231.	10,164,043.	9,189,400.	41,428,461.
24 Line 23 minus line 17	11,263,887.	10,763,414.	9,842,908.	9,100,154.	40,970,363.
25 Enter 1% of line 23	116,348.	104,402.	101,640.	91,894.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 819,407.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 3,350,592.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 40,970,363.
d Add: Amounts from column (e) for lines: 18 456,433. 19 _____ 22 <23,685.> 26b 3,350,592.					26d 3,783,340.
e Public support (line 26c minus line 26d total)					26e 37,187,023.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 90.7657%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A (2006) _____ (2005) _____ (2004) _____ (2003) _____					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A (2006) _____ (2005) _____ (2004) _____ (2003) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c N/A
d Add: Line 27a total _____ and line 27b total _____					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)			27f N/A		
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

Part V Private School Questionnaire (See page 9 of the instructions.)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?		
	If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		
		
		
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions?		
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		
		
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?		
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
		
		
34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended?		
	If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 11 of the instructions.)
(To be completed ONLY by an eligible organization that filed Form 5768)

Check a if the organization belongs to an affiliated group. Check b if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for all electing organizations
		N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		483.
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		16,898.
38 Total lobbying expenditures (add lines 36 and 37)	38		17,381.
39 Other exempt purpose expenditures	39		9,802,513.
40 Total exempt purpose expenditures (add lines 38 and 39)	40		9,819,894.
41 Lobbying nontaxable amount. Enter the amount from the following table - If the amount on line 40 is - The lobbying nontaxable amount is -			
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		160,249.
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		0.
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		0.

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount	640,995.	604,853.			1,245,848.
46 Lobbying ceiling amount (150% of line 45(e))					1,868,772.
47 Total lobbying expenditures	17,381.	22,867.			40,248.
48 Grassroots nontaxable amount	160,249.	151,213.			311,462.
49 Grassroots ceiling amount (150% of line 48(e))					467,193.
50 Grassroots lobbying expenditures	483.	9,749.			10,232.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions.)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h.)			0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Name of organization

LAMBDA LEGAL DEFENSE & EDUCATION FUND,
INC.

Employer identification number

23-7395681

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule-see instructions.)

General Rule-

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules-

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ▶ \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions
for Form 990, Form 990-EZ, and Form 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2007)

FORM 990	GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES	STATEMENT	1
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DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
REALIZED LOSS ON INVESTMENTS	415,797.	417,192.	0.	<1,395.>
TO FORM 990, PART I, LINE 8	415,797.	417,192.	0.	<1,395.>

FORM 990	SPECIAL EVENTS AND ACTIVITIES	STATEMENT	2
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DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME OR (LOSS)
NEW YORK LIBERTY AWARDS - DINNER	1,001,382.	699,612.	301,770.	188,508.	113,262.
LAMBDA AT THE ASIAN	497,329.	337,739.	159,590.	70,777.	88,813.
BON FOSTER LUNCHEON	350,299.	276,079.	74,220.	38,491.	35,729.
OTHER	1,973,334.	1,474,033.	499,301.	272,462.	226,839.
TO FM 990, PART I, LINE 9	3,822,344.	2,787,463.	1,034,881.	570,238.	464,643.

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	3
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DESCRIPTION	AMOUNT
UNREALIZED LOSS ON INVESTMENTS	<187,695.>
CHANGE IN VALUE OF GIFT ANNUITIES	<42,200.>
TOTAL TO FORM 990, PART I, LINE 20	<229,895.>

FORM 990	OTHER EXPENSES	STATEMENT	4
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DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
PROFESSIONAL SERVICES	272,254.	35,309.	39,769.	197,176.
INSURANCE	77,973.	60,819.	7,797.	9,357.
DUES AND SUBSCRIPTIONS	36,592.	26,963.	6,868.	2,761.

CREDIT CARD AND BANK CHARGES	128,812.		128,812.	
DIRECT CASE EXPENSES	167,618.	167,618.		
BAD DEBT	52,350.		52,350.	
RECRUITMENT AND TRAINING	55,102.	32,876.	12,413.	9,813.
TOTAL TO FM 990, LN 43	790,701.	323,585.	248,009.	219,107.

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 5

DESCRIPTION OF PROGRAM SERVICE ONE

LEGAL PROGRAM

LITIGATION: LAMBDA LEGAL'S LGBT- AND HIV-RELATED LAW REFORM, POLICY AND EDUCATION WORK ENCOMPASSES A WIDE RANGE OF AREAS INCLUDING: FEDERAL AND STATE CONSTITUTIONAL AND STATUTORY LAW ISSUES; LGBT & HIV DISCRIMINATION IN EMPLOYMENT, BENEFITS, HOUSING, INSURANCE, SCHOOLS AND OTHER AREAS; HARASSMENT AND VIOLENCE; ANTI -GAY BALLOT INITIATIVES; ACCESS TO HEALTHCARE AND HIV-RELATED TREATMENTS; CHILD CUSTODY; VISITATION AND ADOPTION; AND THE FREEDOM TO MARRY.

LAMBDA LEGAL HAS BEEN INVOLVED IN MANY SUPREME COURT CASES INCLUDING: LAWRENCE V. TEXAS, GARRETT V. UNIVERSITY OF ALABAMA BOARD OF TRUSTEES, DALE V. BOY SCOUTS OF AMERICA, TROXEL V. GRANVILLE, BOARD OF REGENTS OF UNIVERSITY OF WISCONSIN V. SOUTHWORTH, MORSE V. FREDERICK AND ROMER V. EVANS. AT ANY GIVEN TIME WE ARE ACTIVE IN OVER 80 LEGAL MATTERS.

REFERRALS/INTAKE: THE LEGAL DEPARTMENT RECEIVES APPROXIMATELY 120 INTAKE CALLS PER WEEK FROM INDIVIDUALS OR THEIR ATTORNEYS SEEKING ASSISTANCE. IN THE CASE OF ANY CALLS OUTSIDE LAMBDA LEGAL'S MISSION, IF POSSIBLE, WE ALERT THE CALLER TO THE EXISTENCE OF ANOTHER AGENCY OR ORGANIZATION THAT CAN HELP. A NUMBER OF CALLS ULTIMATELY RESULT IN OUR TAKING ON AN INVESTIGATION AND/OR LITIGATION ON BEHALF OF THE CALLER. THE REMAINING CALLERS ARE GIVEN SOME FORM OF ASSISTANCE FROM LAMBDA LEGAL, INCLUDING PRINTED MATERIALS OR OTHER INFORMATION.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE A	0.	4,183,924.

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 6

DESCRIPTION OF PROGRAM SERVICE TWO

EDUCATIONAL PROGRAM

IMPACT MAGAZINE: LAMBDA LEGAL'S TRI-ANNUAL NEWSLETTER, IMPACT MAGAZINE, IS DISTRIBUTED TO APPROXIMATELY 35,000 MEMBERS AND ALSO THOUSANDS OF GROUPS AND INDIVIDUALS ACROSS THE COUNTRY. IT CONTAINS UP-TO-DATE INFORMATION AND ANALYSIS OF OUR LEGAL AND EDUCATIONAL WORK.

WORKSHOPS/CONFERENCES/EDUCATIONAL TALKS: LAMBDA LEGAL'S STAFF PARTICIPATED IN MANY CONFERENCES OR EDUCATIONAL PRESENTATIONS SPEAKING ON A WIDE RANGE OF LEGAL ISSUES AND CASES. ATTENDEES INCLUDED: COMMUNITY MEMBERS, PROFESSIONALS, AND STUDENTS AND LAWYERS. ATTENDANCE VARIED FROM SMALL DETAILED SEMINARS OF 5-10 PARTICIPANTS TO LARGE CONFERENCES AND SPEECHES WHERE HUNDREDS WERE IN ATTENDANCE.

PUBLICATIONS: LAMBDA LEGAL HAS MANY PUBLICATIONS AND MEMOS AVAILABLE FROM OUR WEBSITE FOR FREE. OUR CURRENT PUBLICATIONS OFFERS LGBT PEOPLE AND INDIVIDUALS WITH HIV THE OPPORTUNITY TO EDUCATE THEMSELVES ABOUT HOW THE LAW FUNCTIONS, HOW THEY CAN PROTECT THEMSELVES, AND WHAT LAMBDA LEGAL IS DOING TO PROTECT THEIR RIGHTS.

MEDIA ACTIVITIES: LAMBDA LEGAL'S MEDIA RELATIONS STAFF WORK TO KEEP THE MEDIA INFORMED ABOUT OUR WORK TO INSURE THAT THEY CAN IN TURN PROVIDE INFORMED AND ACCURATE REPORTS ON LGBT AND HIV CIVIL RIGHTS CASES. OUR SPOKESPERSONS APPEAR OFTEN ON LOCAL AND NATIONAL RADIO AND TELEVISION SHOWS AND IN MYRIAD PRINT MEDIA OUTLETS AS AUTHORITIES NOT ONLY ON OUR CASES, BUT ALSO ON CIVIL RIGHTS STRUGGLES FOR OUR COMMUNITY.

WORLD WIDE WEB: LAMBDA LEGAL MAINTAINS A WEBSITE AT WWW.LAMBDALEGAL.ORG THAT OFFERS, AT NO CHARGE, A LIBRARY OF OUR LEGAL AND EDUCATIONAL RESOURCES, COURT RULINGS AND UP-TO-DATE REPORTS ON THE ORGANIZATION'S WORK.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE B	0.	4,400,094.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 7
PART III

EXPLANATION

THE LAMBDA LEGAL DEFENSE AND EDUCATION FUND, INC. ("LAMBDA LEGAL") IS A NATIONAL ORGANIZATION COMMITTED TO ACHIEVING FULL RECOGNITION OF THE CIVIL RIGHTS OF LESBIANS, GAY MEN, BISEXUALS, TRANSGENDER PEOPLE AND THOSE WITH HIV THROUGH IMPACT LITIGATION, EDUCATION AND PUBLIC POLICY WORK.

FORM 990		DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT		STATEMENT	8
DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE		
FURNITURE, FIXTURES & EQUIPMENT SL 3-5 YRS.	820,955.	733,379.	87,576.		
LEASEHOLD IMPROVEMENTS SL 5-15 YRS.	446,683.	353,136.	93,547.		
TOTAL TO FORM 990, PART IV, LN 57	1,267,638.	1,086,515.	181,123.		

FORM 990		OTHER LIABILITIES		STATEMENT	9
DESCRIPTION	BEGINNING OF YEAR		END OF YEAR		
DEFERRED RENT	60,844.		45,633.		
LIABILITES UNDER GIFT ANNUITIES	582,229.		603,231.		
TOTAL TO FORM 990, PART IV, LINE 65	643,073.		648,864.		

FORM 990		NON-GOVERNMENT SECURITIES			STATEMENT	10
SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES	
MONEY MARKET FUNDS	FMV			2,192,877.	2,192,877.	
MUTUAL FUNDS	FMV			240,401.	240,401.	
TO FORM 990, LINE 54A, COL B				2,433,278.	2,433,278.	

FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES STATEMENT 11

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN EXPENSE CONTRIB ACCOUNT
KEVIN CATHCART 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	EXECUTIVE DIRECTOR 35.00	258,647.	32,269. 0.
FRANCES J. GOLDSTEIN 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	DEPUTY DIRECTOR 35.00	143,160.	20,844. 0.
BARBARA PEDA 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD CO-CHAIR 2.40	0.	0. 0.
ROY WESLEY 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD CO-CHAIR 2.40	0.	0. 0.
LISA LINSKY 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD SECRETARY 2.40	0.	0. 0.
ANTHONY TIMIRAOS 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD TREASURER 2.40	0.	0. 0.
MONA ALVES 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0. 0.
TOBY J.F. BISHOP 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0. 0.
DANIEL COCHRAN 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0. 0.
AMY DAVIS 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0. 0.
BRUCE DEMING 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0. 0.

WILLIAM Q DERROUGH 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0.	0.
THAO NGO 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0.	0.
ERIC NILSON 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0.	0.
PETER PILESKI 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0.	0.
ROGER POINDEXTER 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0.	0.
MARTIN FARACH-COLTON 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0.	0.
JOAN GARRY 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0.	0.
MARK S. HAMILTON 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0.	0.
B. STEPHEN LEE 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0.	0.
YERY MARRERO 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0.	0.
LAURIE HASENCAMP 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0.	0.
JAMES D. MCDONOUGH 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0.	0.
CINDY HOMAN 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0.	0.

LAMBDA LEGAL DEFENSE & EDUCATION FUND, I

23-7395681

JANE MORRISON 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0.	0.
F. CURT KIRSCHNER, JR. 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0.	0.
LAURA RICKETTS 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0.	0.
JIM STEPHENS 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0.	0.
BRAD SEILING 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0.	0.
BEVERLEE E. SILVA 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0.	0.
RICK WEISS 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0.	0.
LYNN SLAUGHTER 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0.	0.
PAUL SMITH 120 WALL ST. SUITE 1500 NEW YORK, NY 10005-3904	BOARD DIRECTOR 2.40	0.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		401,807.	53,113.	0.

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO STATEMENT 12
 ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	REIMBURSEMENT OF EXPENSES CLASSIFIED AS REVENUE FROM LITIGATION BY THE ORGANIZATION'S LAWYERS WHO ARE INVOLVED IN LEGAL CASES ON ISSUES OF LESBIAN AND GAY RIGHTS.
93B	REVENUE FROM SPEECHES BY STAFF AT CONFERENCES, MEETINGS, SEMINARS AND WORKSHOPS IN FURTHERANCE OF THE EXEMPT PURPOSES.

SCHEDULE A	OTHER INCOME			STATEMENT 13
DESCRIPTION	2006 AMOUNT	2005 AMOUNT	2004 AMOUNT	2003 AMOUNT
GAIN OR LOSS FROM SALE OF ASSETS	0.	0.	<779.>	<22,906.>
TOTAL TO SCHEDULE A, LINE 22	0.	0.	<779.>	<22,906.>