

MEXICO EQUITY & INCOME FUND INC
Form SC 13G/A
March 15, 2007

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13G

UNDER THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No.1)*

Mexico Equity and Income Fund, Inc.

(Name of Issuer)

Preferred Stock

(Title of Class of Securities)

592834204

(CUSIP Number)

February 28, 2007

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

CITY OF LONDON INVESTMENT GROUP PLC, A COMPANY INCORPORATED UNDER THE LAWS
OF ENGLAND & WALES

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) .
(b) .

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

ENGLAND AND WALES

	5.	SOLE VOTING POWER 466,500
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	6.	SHARED VOTING POWER 0
	7.	SOLE DISPOSITIVE POWER 466,500
	8.	SHARED DISPOSITIVE POWER 0

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

466,500

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES / /.

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

32.64%

12. TYPE OF REPORTING PERSON

HC

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1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

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CITY OF LONDON INVESTMENT MANAGEMENT COMPANY LIMITED, A COMPANY INCORPORATED UNDER THE LAWS OF ENGLAND AND WALES

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) .
(b) .

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

ENGLAND AND WALES

5. SOLE VOTING POWER
466,500

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH

6. SHARED VOTING POWER
0

7. SOLE DISPOSITIVE POWER
466,500

8. SHARED DISPOSITIVE POWER
0

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32.64%

12. TYPE OF REPORTING PERSON

IA

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ITEM 1(A). NAME OF ISSUER:

Mexico Equity and Income Fund, Inc.

ITEM 1(B). ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES:

The principal executive offices of the Fund are located at The Mexico Equity and Income Fund, 615 E. Michigan Street, Milwaukee,

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WI 53202, USA.

ITEM 2(A). NAME OF PERSON FILING:

This statement is being filed by City of London Investment Group PLC ("CLIG") and City of London Investment Management Company Limited ("CLIM," and together with CLIG, the "Reporting Persons").

The principal business of CLIG is serving as the parent holding company for the City of London group of companies, including CLIM.

CLIM is an emerging markets fund manager which specializes in investing in closed-end investment companies and is a registered investment adviser under Section 203 of the Investment Advisers Act of 1940. CLIM is controlled by CLIG. CLIM is principally engaged in the business of providing investment advisory services to various public and private investment funds, including The Emerging World Fund ("EWF"), a Dublin, Ireland-listed open-ended investment company, Emerging Markets Country Fund ("GEM"), a private investment fund organized as a Delaware business trust, Investable Emerging Markets Country Fund ("IEM"), a private investment fund organized as a Delaware business trust, Emerging Free Markets Country Fund ("Free"), a private investment fund organized as a Delaware business trust, Natural Resource Fund ("NAT"), a private investment fund organized as a Delaware business trust, Global Equity CEF Fund ("GEF"), a private investment fund organized as a Delaware business trust, Frontier Emerging Markets Fund ("FRONT"), a private investment fund organized as a Delaware business trust, the Global Emerging Markets Equity Yield Fund ("YIELD"), a private investment fund organized as a Delaware business trust, Global Emerging Markets Country Fund Cayman ("CEM"), a Cayman listed mutual fund, GFM (Institutional) Emerging Markets Country Fund ("GFM"), an open-ended fund organized under the laws of the Province of Ontario, Tradex Global Equity Fund ("Tradex"), an Ontario mutual fund, and ten unaffiliated third-party segregated accounts over which CLIM exercises discretionary voting and investment authority (the "Segregated Accounts").

EWF, GEM, IEM, Free, NAT, GEF, FRONT, YIELD, GFM, CEM, and Tradex are collectively referred to herein as the "City of London Funds."

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The Shares to which this Schedule 13G relates are owned directly by the City of London Funds and the Segregated Accounts.

ITEM 2(B). ADDRESS OF PRINCIPAL BUSINESS OFFICE OR, IF NONE, RESIDENCE:

Address for CLIG and CLIM:

10 Eastcheap
London EC3M 1LX
England

ITEM 2(C). CITIZENSHIP:

CLIG - England and Wales

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CLIM - England and Wales

ITEM 2(D). TITLE OF CLASS OF SECURITIES:

preferred stock, par value \$0.001 per share (the "Preferred Stock").

ITEM 2(E). CUSIP NUMBER:

592834204

ITEM 3. IF THIS STATEMENT IS FILED PURSUANT TO RULE 13D-1(B), OR 13D-2(B) OR (C), CHECK WHETHER THE PERSON FILING IS A:

- (a) Broker or dealer registered under Section 15 of the Act (15 U.S.C. 78o).
- (b) Bank as defined in Section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c) Insurance company as defined in Section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d) Investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e) An investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E) (for CLIM);
- (f) An employee benefit plan or endowment fund in accordance with Rule 13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G) (for CLIG);

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- (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act (15 U.S.C. 80a-3);
- (j) Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

ITEM 4. OWNERSHIP.

(a) Amount beneficially owned: 466,500*

* Each of the City of London Funds and the Segregated Accounts have delegated to CLIM, as investment adviser, the sole power to direct the voting and disposition of the shares of Preferred Stock owned by the City of London Funds and the Segregated Accounts. Each of the City of London Funds and the Segregated Accounts do not have any power to direct the voting and/or disposition of the shares of Preferred Stock to which this Schedule relates, and therefore are not the "beneficial owners" of such Preferred Stock,

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as the term "beneficial owner" is defined in SEC Rule 13d-3. CLIG, as the parent holding company of CLIM, and CLIM, as investment advisers to the City of London Funds and the Segregated Accounts, by virtue of its power to direct the voting and/or disposition of the shares of Preferred Stock held by the City of London Funds and the Segregated Accounts, may be deemed to be the beneficial owner of 466,500 shares of Preferred Stock, representing approximately 32.64% of the shares of Preferred Stock outstanding. Items 4(a) (i)-(v) below detail the amount of shares of Preferred Stock and percent of class held by the City of London Funds and the Segregated Accounts, respectively.

(i) As of the date hereof, GEM held 83,410 shares of Preferred Stock, representing approximately 5.84% of the class of Preferred Stock outstanding.

(ii) As of the date hereof, EWF held 61,475 shares of Preferred Stock, representing approximately 4.30 % of the class of Preferred Stock outstanding.

(iii) As of the date hereof, IEM held 81,275 shares of Preferred Stock, representing approximately 5.69% of the class of Preferred Stock outstanding.

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(iv) As of the date hereof, Free held 58,225 shares of Preferred Stock, representing approximately 4.07% of the class of Preferred Stock outstanding.

(v) As of the date hereof, 182,115 shares of Preferred Stock are held by various unaffiliated third parties in various third party discretionary accounts (the "Segregated Accounts") managed by CLIM. Such shares represent approximately 12.74 % of the issued and outstanding shares of Preferred Stock. The Segregated Accounts are terminable at any time by the respective third parties, for which the Segregated Accounts are held, upon providing written notice to CLIM.

(b) Percent of class: 32.64%*

* See Item 4(a).

(c) Number of shares as to which such person has:

(i) Sole power to vote or direct the vote: 466,500*

(ii) Shared power to vote or to direct the vote: 0

(iii) Sole power to dispose or to direct the disposition of: 466,500*

(iv) Shared power to dispose or to direct the disposition of: 0

* See Item 4(a).

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ITEM 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS.

Not applicable.

ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON.

See Item 4(a).

ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY.

CLIG is the parent holding company of CLIM. See also Item 3.

ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP.

Not applicable.

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ITEM 9. NOTICE OF DISSOLUTION OF GROUP.

Not applicable.

ITEM 10. CERTIFICATION.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

The filing of this Schedule 13G shall not be construed as an admission that CLIG and/or CLIM is, for the purpose of Section 13(d) or 13(g) of the Securities Exchange Act of 1934, the beneficial owner of any securities covered by this Schedule.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

The reporting persons agree that this statement is filed on behalf of each of them.

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Dated: March 14, 2007

CITY OF LONDON INVESTMENT GROUP PLC

By: /s/ Barry M. Olliff

Name: Barry M. Olliff
Title: Director

CITY OF LONDON INVESTMENT MANAGEMENT
COMPANY LIMITED

By: /s/ Barry M. Olliff

Name: Barry M. Olliff
Title: Director