

MEXICO EQUITY & INCOME FUND INC  
Form SC 13G/A  
November 10, 2008

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

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SCHEDULE 13G

UNDER THE SECURITIES EXCHANGE ACT OF 1934  
(Amendment No. 4)\*

Mexico Equity and Income Fund, Inc.

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(Name of Issuer)

Preferred Stock

-----

(Title of Class of Securities)

592834204

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(CUSIP Number)

October 31, 2008

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(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 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

375,125

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON  
WITH

-----  
6. SHARED VOTING POWER

0

-----  
7. SOLE DISPOSITIVE POWER

375,125

-----  
8. SHARED DISPOSITIVE POWER

0

-----  
9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

375,125

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

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11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

46.66%

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12. TYPE OF REPORTING PERSON

HC

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

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	
			375,125
NUMBER OF	6.	SHARED VOTING POWER	
SHARES			0
BENEFICIALLY	7.	SOLE DISPOSITIVE POWER	
OWNED BY			375,125
EACH	8.	SHARED DISPOSITIVE POWER	
REPORTING			0
PERSON			
WITH			

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

375,125

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

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

46.66%

12. TYPE OF REPORTING PERSON

IA

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ITEM 1(a). NAME OF ISSUER:

Mexico Equity and Income Fund, Inc.





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(a) Amount beneficially owned: 375,125\*

\* 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, 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 375,125 shares of Preferred Stock, representing approximately 46.66% of the shares of Preferred Stock outstanding. Items 4(a)(i)-(vii) 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 78,715 shares of Preferred Stock, representing approximately 9.79% of the class of Preferred Stock outstanding.

(ii) As of the date hereof, IEM held 41,914 shares of Preferred Stock, representing approximately 5.21% of the class of Preferred Stock outstanding.

(iii) As of the date hereof, FREE held 26,826 shares of Preferred Stock, representing approximately 3.34% of the class of Preferred Stock outstanding.

(iv) As of the date hereof, CEM held 50 shares of Preferred Stock, representing approximately 0.01% of the class of Preferred Stock outstanding.

(v) As of the date hereof, EWF held 28,900 shares of Preferred Stock, representing approximately 3.59% of the class of Preferred Stock outstanding.

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(vi) As of the date hereof, GFM held 2,900 shares of Preferred Stock, representing approximately 0.36% of the class of Preferred Stock outstanding.

(vii) As of the date hereof, 195,820 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 24.36 % 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: 46.66%\*

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\* See Item 4(a).

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

(i) Sole power to vote or direct the vote: 375,125\*

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

(iii) Sole power to dispose or to direct the disposition of:  
375,125\*

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

\* See Item 4(a).

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.

Dated: November 10, 2008

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