

**M & R Capital Management Inc.**

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# **Form ADV: Part II**

Uniform Application for Investment Advisor Registration

MGL Consulting Corporation

**FORM ADV**  
**Uniform Application for Investment Adviser Registration**

<b>OMB APPROVAL</b>	
OMB Number:	3235-0049
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Estimated average burden	
Hours per response	4.07

**Part II - Page 1**

Name of Investment Adviser: <b>M &amp; R Capital Management, Inc.</b>				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone number:
<b>40 Fulton Street, 21st Floor</b>	<b>New York</b>	<b>New York</b>	<b>10038</b>	<b>212-584-8999</b>

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any governmental authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

**1. A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instructions below.)

**Applicant:**

<input checked="" type="checkbox"/>	(1) Provides investment supervisory services . . . . .	<u>95</u> %
<input checked="" type="checkbox"/>	(2) Manages investment advisory accounts not involving investment supervisory services . . . . .	<u>5</u> %
<input type="checkbox"/>	(3) Furnishes investment advice through consultations not included in either service described above . . . . .	%
<input type="checkbox"/>	(4) Issues periodicals about securities by subscription . . . . .	%
<input type="checkbox"/>	(5) Issues special reports about securities not included in any service described above . . . . .	%
<input type="checkbox"/>	(6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities . . . . .	%
<input type="checkbox"/>	(7) On more than an occasional basis, furnishes advice to clients on matters not involving securities . . . . .	%
<input type="checkbox"/>	(8) Provides a timing service . . . . .	%
<input type="checkbox"/>	(9) Furnishes advice about securities in any manner not described above . . . . .	%

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term? . . . . . Yes  No

C. Applicant offers investment advisory services for: (check all that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges                          | <input type="checkbox"/> (5) Commissions       |
| <input type="checkbox"/> (3) Fixed Fees (not including subscription fees)       | <input checked="" type="checkbox"/> (6) Other  |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

**2. Types of clients** - Applicant generally provides investment advice to: (check those that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals                      | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/> B. Banks or thrift institutions                | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies                        | <input checked="" type="checkbox"/> G. Other (describe on Schedule F)                                  |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans |  |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |  |                                     |  |
|--|-------------------------------------|--|
| <input checked="" type="checkbox"/> A. Equity securities                                       | <input checked="" type="checkbox"/> | H. United States government securities     |
| <input checked="" type="checkbox"/> (1) exchange-listed securities                             |                                     | I. Options contracts on:                   |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter                     |                                     | (1) securities                             |
| <input checked="" type="checkbox"/> (3) foreign issuers  | <input checked="" type="checkbox"/> | (2) commodities                            |
| <input checked="" type="checkbox"/> B. Warrants  |                                     | J. Futures contracts on:                   |
| <input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/>            | (1) tangibles                              |
| <input checked="" type="checkbox"/> D. Commercial paper  | <input type="checkbox"/>            | (2) intangibles                            |
| <input checked="" type="checkbox"/> E. Certificates of deposit                                 |                                     | K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> F. Municipal securities                                    | <input checked="" type="checkbox"/> | (1) real estate                            |
| G. Investment company securities:  | <input checked="" type="checkbox"/> | (2) oil and gas interests                  |
| <input type="checkbox"/> (1) variable life insurance   | <input checked="" type="checkbox"/> | (3) other (explain on Schedule F)          |
| <input type="checkbox"/> (2) variable annuities  |                                     | L. Other (explain on Schedule F)           |
| <input checked="" type="checkbox"/> (3) mutual fund shares                                     |                                     |  |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

A. Applicant's security analysis methods include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting    | (4) <input checked="" type="checkbox"/> Cyclical           |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical   |  |

B. The main sources of information applicant uses include: (check those that apply)

- |   |   |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input type="checkbox"/> Timing services  |
| (2) <input checked="" type="checkbox"/> Inspections of corporate activities   | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases  |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (8) <input type="checkbox"/> Other (explain on Schedule F)  |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Long term purchases (securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions  |
| (2) <input checked="" type="checkbox"/> Short term purchases (securities sold within a year)  | (6) <input checked="" type="checkbox"/> Option writing, including covered options, uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days)              | (7) <input type="checkbox"/> Other (explain on Schedule F)   |
| (4) <input checked="" type="checkbox"/> Short sales   |  |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? .....

Yes  No

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- formal education after high school
- year of birth
- business background for the preceding five years

**7. Other Business Activities.** (check those that apply)

- A. Applicant is actively engaged in a business other than giving investment advice.
- B. Applicant sells products or services other than investment advice to clients.
- C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
  - (1) broker-dealer
  - (2) investment company
  - (3) other investment adviser
  - (4) financial planning firm
  - (5) commodity pool operator, commodity trading advisor or futures commission merchant
  - (6) banking or thrift institution
  - (7) accounting firm
  - (8) law firm
  - (9) insurance company or agency
  - (10) pension consultant
  - (11) real estate broker or dealer
  - (12) entity that creates or packages limited partnerships

(For each checked in box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? .....

Yes  No

(If yes, describe on Schedule F the partnerships and what they invest in.)

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- A. As principal, buys securities for itself from or sells securities it owns to any client.
- B. As broker or agent effects securities transactions for compensation for any client.
- C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

(Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.)

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? .....

Yes  No

(If yes, describe on Schedule F)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

**See Attached Schedule F**

B. Describe below the nature and frequency of regular reports to clients on their accounts.

**See Attached Schedule F**

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**12. Investment or Brokerage Discretion.**

- A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:
- |  |                                     |                          |
|--|-------------------------------------|--------------------------|
|  | Yes                                 | No                       |
| (1) securities to be bought or sold? .....               | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? ..... | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? .....                   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (4) commission rates paid? .....                         | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

- B. Does applicant or a related person suggest brokers to clients? .....  Yes  No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for product and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |   |                                     |                          |
|---|-------------------------------------|--------------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... | Yes                                 | No                       |
|   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes                                 | No                       |
|   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
  - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? .....  Yes  No

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
**M&R Capital Management, Inc.**

SEC File Number:  
**801-44950**

Date:  
**08/14/2008**

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>M&amp;R Capital Management, Inc.</b>	IRS Empl. Ident. No.: <b>11-3174053</b>
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**Part II Page 1,  
Item 1C(6) & 1D**

**Advisory Services & Fees.**

*Services.* M&R Capital Management, Inc ("M&R") will provide Investment Advisory and supervisory services on a continuing basis. Including the appropriate allocation of managed assets among cash, stocks, and bonds with selection of specific securities, which will provide proper diversification, and help to meet the client's stated investment objectives.

M&R relies primarily upon fundamental analysis in its management process. We prefer companies which are experiencing growing revenues and earnings as a result of superior products or services and good management, and which reinvest sufficient cash flow to finance expansion. The timing of specific transactions may be influenced by our interpretation of existing prices relative to our expectation.

*General Fees.* The Current annualized management fee is 1% of the first \$5,000,000 and negotiable above \$5,000,000. M&R also offers advisory services, consultations and reports on an hourly basis at a rate starting at \$150.00. Hourly fees are negotiable and are based upon the complexity of the financial services being performed and the experience level of the M&R representative providing said services.

A minimum annual fee of \$2,000 is generally charged and a minimum investment of \$100,000 for wrap fee accounts, \$200,000 for discretionary accounts and \$1,000,000 for non-discretionary accounts is generally required. The minimum investment for accounts is variable at the discretion of M&R.

M&R's fee shall be calculated by multiplying the Assets Under Management by the appropriate annual rates and dividing such product by four (4). This amount shall be payable in advance and is due within thirty (30) days of receipt of each quarterly statement. The first fee is due after an account is opened and will be pro rated based upon the market value of such account(s) at inception. Either the client or M&R may terminate the advisory agreement upon written notice. Unearned fees will be refunded within one month of termination.

Clients whose assets are invested in shares of unaffiliated money, equity mutual funds and balanced mutual funds, where a management fee is assessed, are in effect paying two advisory fees.

*Incentive Fees.* For qualified clients, M&R will manage certain portfolios on an incentive fee basis (the "Incentive Fee Accounts"). The incentive fee shall be computed quarterly, and paid as soon as practicable after each such quarter period end. The period end shall be defined as the last business day of each calendar quarter.

The incentive fee shall be an amount equal to twenty (20%) percent of the cumulative appreciation generated in any Incentive Fee Accounts, in excess of any appreciation in excess of two (2%) for such respective quarter (the "Incentive Fee"). Cumulative appreciation shall be defined as the period end fair market value, as adjusted for any capital additions or withdrawals, including advisory fees, in excess of the highest previous period end fair market value.

The fee arrangement provided for with respect to the Incentive Fee Accounts may create an incentive for M&R to make investments that are riskier or more speculative than would be the case in the absence of a performance fee. Such fee arrangement may also cause M&R to receive increased compensation with regard to unrealized appreciation as well as realized gains in the client's accounts.

The investment advisory contracts utilized by M&R for Incentive Fee Accounts generally do not provide for any fixed termination date, but may be terminated at any time by mutual consent or by any party giving the

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
**M&R Capital Management, Inc.**

SEC File Number:  
**801-44950**

Date:  
**08/14/2008**

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

<p>1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>M&amp;R Capital Management, Inc.</b></p>	<p>IRS Empl. Ident. No.: <b>11-3174053</b></p>
<p><b>Part II Page 1, Item 1D Continued</b></p>	<p>required advance notice, generally thirty (30) days. To the extent a Incentive Fee Account advisory relationship is terminated, to the extent no Incentive Fee is earned for such period because the portfolios performance has not achieved the performance required or there are losses carried forward from prior quarterly periods, M&amp;R shall have no obligation to refund advisory fees earned and paid in prior quarters.</p> <p>In order to qualify for an Incentive Fee Account, a client must be either a natural person or a company which is not, (i) a private investment company which would be defined as an investment company under Section 3(a) of the Investment Company Act of 1940 but for the exception provided from that definition by Section 3(c)(1) of such Act, (ii) an investment company registered under the Investment Company Act of 1940, or (iii) a business development company as defined in Section 202(a)(22) of the Investment Advisors Act of 1940. In addition, whether the client is a natural person or a company, upon entering into the agreement establishing the Incentive Fee Account, the client must (i) have \$750,000 under the management of M&amp;R at the time the contract is entered into, or (ii) have a net worth in excess of \$1,500,000.00.</p> <p><b>Referrals.</b> Other registered investment advisers may refer clients to M&amp;R. All referral agreements are in compliance with the Investment Advisors Act. All clients procured by referral will be given full written disclosures describing the terms and fee arrangements between the adviser and solicitor prior to or at time of entering into the advisory agreement. At this time M&amp;R has a solicitor relationship with MML Investors Services, Inc.</p> <p><b>Proxy Voting.</b> It is the general policy of M&amp;R to not take any action or render any advice in reference to the voting of proxies for those securities held in all client accounts.</p>
<p><b>Part II Page 3, Item 3L</b></p>	<p><b>Types of Investments.</b> M&amp;R offers advice on other investments, such as CMO's (Collateralized Mortgage Obligations).</p>
<p><b>Part II Page 4, Item 5</b></p>	<p><b>Education &amp; Business Standards.</b> M&amp;R requires a reasonable amount of direct investment experience coupled with a high will of ethics and mature judgment.</p>
<p><b>Part II Page 4, Item 6</b></p>	<p><b>Education &amp; Business Background.</b></p> <p><b>John E. Maloney</b> was born in 1953. He obtained BA from Columbia College New York, New York in 1975; MIA from Columbia School of International Affairs New York, New York in 1977; and an MBA from Columbia Graduate School of Business New York, New York in 1978. His business background for preceding five (5) years: From 01/2003 to present, Fulton Street Partners, Managing Member; from 05/1997 to present, M&amp;R Capital Management, Inc., President / CEO / Chief Compliance Officer ; from 10/1993 to Present, Sanders Morris Harris Inc., Registered Representative.</p> <p><b>Richard T. Diver</b> was born in 1956. He obtained a BA from St. John's University Jamaica, New York, in 1978; and MPA from New York University New York, New York in 1981. His business background for preceding five (5) years: From 01/2003 to present, Fulton Street Partners, Member; from 05/1997 to present M&amp;R Capital Management, Inc., Senior Vice President; and from 10/1993 to 05/1997 Blackford Capital Management, Inc., Vice President/Compliance Operations.</p> <p><b>Saul Eisenberg</b> was born in 1936. He obtained a BA in Business from the City University of New York in 1959. His business background for preceding five (5) years: From 06/2004 to present, M&amp;R Capital Management, Inc., Registered Representative; from 07/2003 to 05/2004, Wachovia Securities, LLC, Registered Representative; and from 09/1962 to 07/2003, Prudential-Bache Capital Funding, Registered Representative.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
**M&R Capital Management, Inc.**

SEC File Number:  
**801-44950**

Date:  
**08/14/2008**

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

<p>1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>M&amp;R Capital Management, Inc.</b></p>	<p>IRS Empl. Ident. No.: <b>11-3174053</b></p>
	<p><i>John Orsatti</i> was born in 1968. He obtained a Bachelor of Commerce Degree from the University of Toronto, Canada in 1992 and a MBA from the University of Windsor, Canada in 1993. His business background for preceding five (5) years: From 08/2006 to present, M&amp;R Capital Management, Inc., Associate Portfolio Manager, Equity &amp; Fixed Income Analyst; from 05/2004 to 08/2006, Deutsche Bank AG, Corporate Credit Analyst; from 04/2003 to 05/2004, Parity Americas, Corporate Credit Analyst/Consultant; from 01/2002 to 04/2003, unemployed; from 07/1998 to 01/2002, Deutsche Bank AG, Financial Analyst/Project Finance. Mr. Orsatti has been a Chartered Financial Analyst (CFA) since 1997.</p>
<p><b>Part II Page 4 Item 7C</b></p>	<p><b>Other Business Activities – Principal Business Activities of M&amp;R Capital Management, Inc. &amp; Executive Officers.</b> Mr. John E. Maloney is President of M&amp;R Capital Management, Inc., and the principal business activity of Mr. Maloney is managing the investment advisory activities of M&amp;R. Such activities are estimated to utilize approximately seventy (70%) percent of his time. He is also a registered representative with Sanders Morris Harris Inc. (“Sanders Morris Harris”) a broker-dealer registered with the Securities &amp; Exchange Commission and various state jurisdictions, and is a member firm of the National Association of Securities Dealers, Inc. Mr. Maloney may execute trades on behalf of customers of M&amp;R. In addition, Mr. Maloney is the managing member of Fulton Street Management LLC, a limited partnership. Such activities are estimated to cumulatively utilize approximately thirty (30%) percent of his time.</p> <p>Mr. Richard Diver is Senior Vice President of M&amp;R Capital Management, Inc., and the principal business activity of Mr. Diver is managing the investment advisory activities of M&amp;R. Such activities are estimated to utilize approximately seventy (70%) percent of his time. In addition, Mr. Diver is a member of Fulton Street Management LLC, a limited partnership. Such activities are estimated to cumulatively utilize approximately thirty (30%) percent of his time.</p>
<p><b>Part II Page 4 Item 8C(1)</b></p>	<p><b>Other Financial Industry Activities or Affiliations.</b> Some associated persons of M&amp;R are registered representatives of Sanders Morris Harris Inc. (“Sanders Morris Harris”) a general securities broker/dealer registered with the NASD, SEC and various state jurisdictions. As such they may recommend financial products offered by Sanders Morris Harris during the course of their financial planning activities.</p> <p>If the client purchases these products, the registered representative of Sanders Morris Harris may receive the usual commission. However, the client is under no obligation to purchase products either through the registered representative or through Sanders Morris Harris. Notwithstanding the fact that associated persons of the adviser are registered with Sanders Morris Harris, M&amp;R is solely responsible for investment advice rendered.</p> <p>M&amp;R is affiliated with Fulton Street Management, LLC, a related investment adviser who is registered with the Securities &amp; Exchange Commission.</p>
<p><b>Part II Page 4, Item 8D</b></p>	<p><b>Other Financial Industry Activities or Affiliations.</b> As indicated in Item 7.C. above, John E. Maloney is the managing member and Richard Diver is a member of Fulton Street Management LLC who is the general partner to Fulton Street Partners LP in which advisory clients may be limited partners.</p> <p><b>Fulton Street Partners LP-</b> Fulton Street Partners is a hedge fund for value investors that specializes in short term investments in small and mid cap value investments. This is the classic hedge fund model for investors; they must be high net worth, high income individuals.</p>
<p><b>Part II Page 5, Item 9(B)(D)</b></p>	<p><b>Participation or Interest in Client Transactions.</b> The registered representatives of M&amp;R may as broker or agent effects securities transactions for compensation for any client. John E. Maloney, President of M&amp;R, is the managing member of Fulton Street Management LLC. Fulton Street Management LLC is the general partner to Fulton Street Partners LP in which advisory clients may be limited partners. As managing</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
**M&R Capital Management, Inc.**

SEC File Number:  
**801-44950**

Date:  
**08/14/2008**

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

<p>1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>M&amp;R Capital Management, Inc.</b></p>	<p>IRS Empl. Ident. No.: <b>11-3174053</b></p>
	<p>member and as investment adviser to M&amp;R, John Maloney has a financial interest in an entity in which M&amp;R recommends that clients invest. In addition, M&amp;R sometimes recommends to its clients the purchase of securities in which M&amp;R or its affiliates may have previously invested.</p>
<p><b>Part II Page 5, Item 9E</b></p>	<p><b>Participation or Interest in Client Transactions.</b> M&amp;R engages in an order rotation in order to more fairly allocate buy and sell orders among the Broker/Custodians through which it executes client orders. The exception to this rule is for related persons or accounts whose orders must always be placed last in the rotation, behind client orders.</p> <p>M&amp;R and its agents will seek to ensure that they do not personally benefit from the short term market effects of its investment recommendations. To prevent conflicts of interest, all employees of M&amp;R must comply with M&amp;R's Written Supervisory Procedures which imposes restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons.</p> <p>The Written Supervisory Procedures require prior clearance and monthly reporting of all personal securities transactions, except transactions in investment company securities and or other exempt transactions. Further, such Written Supervisory Procedures impose certain policies and procedures concerning the misuse of material non-public information that are designed to prevent insider trading by any officer, partner, or associated person of M&amp;R.</p> <p><b>Code of Ethics.</b> M&amp;R has adopted a Code of Ethics to ensure that securities transactions by M&amp;R employees are consistent with the M&amp;R's fiduciary duty to its clients and to ensure compliance with legal requirements and the M&amp;R's standards of business conduct. The Code requires that employees obtain prior approval for personal securities transactions and requires transaction confirmation and quarterly reporting of such transactions. A written copy of the M&amp;R's Code of Ethics is available upon request.</p> <p><b>Business Continuity Plan</b> Registrant has developed a Business Continuity Plan to address how the Firm will respond to events that may disrupt its business. Since timing and impact of disasters is unpredictable, the Firm will have to be flexible in responding to the events as they occur.</p> <p>Contact Information - If after a significant business disruption the main telephone line is inactive, the emergency number is (800) 646-4442. If the emergency line is down, please contact your custodian.</p> <p>This Plan is designed to permit our Firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption. The Business Continuity Plan covers data back up and recovery, mission critical systems financial and operational assessments, alternative communications, alternate business locations, bank and counter-party impact, regulatory reporting and the assurance of prompt access to funds and securities for our customers.</p> <p>Varying Disruptions – Significant business disruptions can vary in their scope, such as emergencies affecting only a single building housing our Firm, the business district where our Firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our Firm or a building housing our Firm, we will transfer our operations to an emergency-ready local site, moving a select group of trained employees and expecting to recover and resume business within twenty-four hours. In a disruption affecting our business district, city, or region, we will move appropriate staff to a site outside of the affected area to be able to communicate our clients.</p> <p>Additional details regarding the firms Business Continuity Plan are available upon request.</p>

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
**M&R Capital Management, Inc.**

SEC File Number:  
**801-44950**

Date:  
**08/14/2008**

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

<p>1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>M&amp;R Capital Management, Inc.</b></p>	<p>IRS Empl. Ident. No.: <b>11-3174053</b></p>
<p><b>Part II Page 5, Item 10</b></p>	<p><b>Conditions for Managing Accounts.</b> A \$100,000 minimum is required with the minimum variable at the discretion of M&amp;R.</p>
<p><b>Part II Page 5, Item 11 A &amp; B</b></p>	<p><b>Review of Accounts.</b> The Portfolio Manager will do account reviews daily. In addition, John E. Maloney, President &amp; CEO conducts periodic reviews of client investments.</p> <p><b>Reports.</b> The nature and frequency of reports to clients are determined primarily by the particular need of each client. Clients will receive a written report regarding their securities at least annually.</p>
<p><b>Part II Page 6, Item 12</b></p>	<p><b>Investment or Brokerage Discretion.</b> Investment discretion applies to the Investment Policy Committee. Management and the firms Compliance Officer review trades.</p> <p>M&amp;R will supervise and direct the investments of the clients accounts subject to such limitations as the client may impose in writing. M&amp;R as agent and attorney-in-fact with respect to the client's account, when it deems appropriate, without prior consultation with the client, may, (a) direct the purchase, sell, exchange, conversion, and otherwise trade in stocks, bonds and other securities including money market instruments, and (b) place orders for the execution of such securities transactions.</p> <p>M&amp;R commonly executes block orders for groups of clients whose accounts are held by the same broker/custodian. This practice may have the effect of adversely impacting the execution price of securities which are less liquid.</p> <p>Unless the client instructs M&amp;R otherwise, M&amp;R will place orders for the execution of transactions through Sanders Morris Harris, and while complying with Section 28(e) of the Securities Exchange Act of 1934, may pay a commission on transactions in excess of the amount of commission another broker or dealer would have charged. Commissions paid are generally not higher than those obtainable from other brokers for similar transactions and which M&amp;R believes to be in the best interests of its client, taking into consideration in addition to access to and quality of research resources, execution capability, market services, timely response, and other services provided by M&amp;R which are expected to enhance the general portfolio management capabilities of M&amp;R. M&amp;R suggests that its clients utilize Sanders Morris Harris. Notwithstanding that fact, clients are not required to execute transactions through M&amp;R. Sanders Morris Harris was selected as the broker based upon, among other things, its financial solvency and credibility, its level of customer service, its capacity to offer a wide range of brokerage services, its research services and recommendations, and its reputation. Clients may pay execution costs higher than those obtainable from other brokers due to these services. Any research and recommendations provided by the executing and clearing broker is used to service all accounts. Prospective clients are hereby advised that lower fees for comparable services may be available from other sources such as the Internet and deep discount brokerage firms. M&amp;R has no obligation to seek the lowest commission cost or charge the lowest advisory fee</p> <p>Clients whose request that M&amp;R transact brokerage through designated brokers or firms should be aware that they may pay commission rates that are less favorable than those that M&amp;R could negotiate with Broker/dealers that it selects for the client.</p> <p>M&amp;R recommends brokers for both institutional and individual clients who seek such recommendations on the basis of service provided to the client, ability to execute client orders, and commission rates charged. Commission rates are evaluated in light of the factors above, and in view of the likely levels of activity in the client's portfolio.</p> <p>M&amp;R may effect over-the-counter transactions for clients on an agency basis via Instinet.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
**M&R Capital Management, Inc.**

SEC File Number:  
**801-44950**

Date:  
**08/14/2008**

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

<p>1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>M&amp;R Capital Management, Inc.</b></p>	<p>IRS Empl. Ident. No.: <b>11-3174053</b></p>
	<p>M&amp;R will allocate brokerage transactions in a manner it believes to be fair and responsible to its clients, and consistent with client objectives. Adhering to a strict formula will not be practicable given the variation in client objectives and guidelines.</p> <p>Prospective clients are hereby advised that lower fees for comparable services may be available from other sources such as the Internet and deep discount brokerage firms. M&amp;R has no obligation to seek the lowest commission cost or charge the lowest advisory fee.</p> <p>Commissions paid are generally not higher than those obtainable from other brokers for similar transactions and which M&amp;R believes to be in the best interests of its client, taking into consideration in addition to access to and quality of research resources, execution capability, market services, timely response, and other services provided which are expected to enhance the general portfolio management capabilities of M&amp;R.</p> <p>Research services furnished by other broker/dealers as a result of executing a client's securities transaction may be used in servicing all of M&amp;R's accounts and not all such services may be used by M&amp;R in connection with the accounts which paid commissions to the broker providing such services. In addition, it is not M&amp;R's practice to negotiate "execution only" commission rates and thus the client may be deemed to be paying for other services provided by the broker which are included in the commission rate.</p>
<p><b>Part II Page 6, Item 13A &amp; B</b></p>	<p><b>Additional Compensation. Referrals.</b> From time to time, M&amp;R may compensate outside unaffiliated parties for the referral of advisory clients. Such referrals are generally paid based upon a portion of assets under management at rates agreed upon both by parties and paid to the unaffiliated party on a quarterly basis. Certain accounts referred to M&amp;R by a third party solicitor pay an advisory fee that is higher than M&amp;R's normal advisory fee charged to other clients of similar size receiving a similar service. All referral arrangements are negotiable on a case by case basis.</p> <p><b>Additional Compensation. Mutual Funds Charges.</b> To the extent mutual funds are selected by M&amp;R to fill components of the overall investment strategy, associated persons of M&amp;R endeavor to purchase such mutual fund shares at Net Asset Value ("NAV") or no load. Thus, the client will not be subject to any initial distribution cost (front-end sales charge) or redemption fee (back-end sales charge), if any, that might normally be incurred upon the purchase or sale of shares of mutual fund shares. However, persons affiliated with M&amp;R will receive Rule 12b-1 fees from the issuers of such mutual funds, and this will be in addition to the advisory fee paid herein.</p> <p><b>Cash and Money Market Funds.</b> Certain money market, municipal money market and government money-market funds indirectly pay persons associated with M&amp;R a distribution fee in their capacity as agents of a broker dealer. This compensation is in addition to other fees, etc. received from client accounts. The associated persons may also receive additional compensation based on their clients account balances being held in certain money-market funds at the broker dealer.</p>

## **M&R CAPITAL MANAGEMENT, INC. PRIVACY PLEDGE AND NOTIFICATION**

M&R Capital Management, Inc. respects your right to privacy. We have always been committed to secure the confidentiality and integrity of your personal information. We are proud of our privacy practices and want our current and prospective customers to understand what information we collect and how we use it.

### **Why We Collect Your Information**

We gather information about you and your accounts so that we can (i) know who you are and thereby prevent unauthorized access to your information, (ii) design and improve the products and services we offer and (iii) comply with the laws and regulations that govern us.

### What Information We Collect

We may collect the following types of 'nonpublic personal information' about you:

- Information about your identity, such as your name, address and social security number;
- Information about your transactions with us;
- Information we receive from you on applications, such as your beneficiaries or income.

### **What Sources We Obtain Your Information**

We collect nonpublic personal information about M&R Capital Management, Inc. clients such as you from the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates, or others, and
- If you visit our web site, information we collect via a web server, often referred to as a "cookie." Cookies indicate where a site visitor has been online and what has been viewed.

### What Information We Disclose

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. Moreover, we will not release information about our customers or former customers unless one of the following conditions is met:

- We receive your prior written consent.
- We believe the recipient to be you or your authorized representative.
- We are required by law to release information to the recipient.

We only use information about you and your account to help us better serve your investment needs or to suggest services or educational materials that may be of interest to you.

### **Confidentiality And Security**

We maintain physical, electronic and procedural safeguards to guard your personal account information. To further protect your privacy, our website uses the highest levels of Internet security, including data encryption, user names and passwords, and other tools. We also restrict access to your personal and financial data to authorized M&R Capital Management, Inc. associates who have a need for these records. We require all nonaffiliated organizations to conform to our privacy standards and are contractually obligated to keep the information provided confidential and used as requested. Furthermore, we will continue to adhere to the privacy policies and practices described in this notice even after your account is closed or becomes inactive.

We will continue to conduct our business in a manner that conforms with our pledge to you, your expectations and all applicable laws.