

MEXICAN RESTAURANTS INC
Form SC 13D
July 14, 2010

OMB APPROVAL
OMB Number: 3235-0145
Expires: February 28, 2009
Estimated average burden
hours per response.....11

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13D
THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No. _____)*

Mexican Restaurants, Inc.
(Name of Issuer)

Common Stock, par value \$0.01 per share
(Title of Class of Securities)

59283R104
(CUSIP Number)

Richard Murphy
c/o Cross River Capital Management LLC
90 Grove Street, Suite 201
Ridgefield, Connecticut 06877
(Name, Address and Telephone Number of Person Authorized to Receive
Notices and Communications)

July 14, 2010
(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of ss.240.13D-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box [X].

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See § 240.13d-7 for other parties to whom copies are to be sent.

* 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 on 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).

CUSIP No. 59283R104

1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Cross River Capital Management LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) ☐

(b) ☐

3. SEC USE ONLY

4. SOURCE OF FUNDS*

AF

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) OR 2(e)

☐

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

343,247

9. SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

343,247

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING
PERSON

343,247

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* ☐

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

10.06%

14. TYPE OF REPORTING PERSON*

OO, IA

CUSIP No. 59283R104

1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Cross River Partners LP

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) ☐

(b) ☐

3. SEC USE ONLY

4. SOURCE OF FUNDS*

WC

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) OR 2(e)

☐

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

343,247

9. SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

343,247

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING

PERSON

343,247

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES* ☐

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

10.06%

14. TYPE OF REPORTING PERSON*

PN

CUSIP No. 59283R104

1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Richard Murphy

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) ☐

(b) ☐

3. SEC USE ONLY

4. SOURCE OF FUNDS*

AF

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) OR 2(e)

☐

6. CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

7. SOLE VOTING POWER

1,285

8. SHARED VOTING POWER

343,247

9. SOLE DISPOSITIVE POWER

1,285

10. SHARED DISPOSITIVE POWER

343,247

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING
PERSON

344,532

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* ☐

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

10.09%

14. TYPE OF REPORTING PERSON*

IN

CUSIP No. 59283R104

Item 1. Security and Issuer.

The name of the issuer is Mexican Restaurants, Inc., a Texas corporation (the "Issuer"). The address of the Issuer's office is 12000 Aerospace Ave., Suite 400, Houston, Texas 77034. This Schedule 13D relates to the Issuer's Common Stock ("Common Stock").

Item 2. Identity and Background.

(a-c, f) This Schedule 13D is being filed by Cross River Capital Management LLC, a Delaware limited liability company, Cross River Partners LP, a Delaware limited partnership, and Richard Murphy, a United States citizen (each a "Reporting Person" and collectively, the "Reporting Persons"). The principal business address of the Reporting Persons is 456 Main Street, 2nd Floor, Ridgefield, Connecticut 06877. Cross River Capital Management LLC serves as the general partner of Cross River Partners LP. Mr. Murphy serves as the managing member of Cross River Capital Management LLC and is primarily responsible for all investment decisions regarding Cross River Capital Management LLC's investment portfolio. The Common Stock reported herein is held in Cross River Partners LP's portfolio.

(d) Richard Murphy has not, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) None of the Reporting Persons have, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding were or are subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, Federal or state securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration.

As of the date hereof, Cross River Capital Management LLC may be deemed to beneficially own 343,247 shares of Common Stock.

As of the date hereof, Cross River Partners LP may be deemed to beneficially own 343,247 shares of Common Stock.

As of the date hereof, Richard Murphy may be deemed to beneficially own 344,532 shares of Common Stock.

No borrowed funds were used to purchase the Common Stock reported herein, other than any borrowed funds used for working capital purposes in the ordinary course of business.

Item 4. Purpose of Transaction.

The Reporting Persons acquired their Common Stock of the Issuer for investment purposes.

The Reporting Persons have no plans or proposals which, other than as expressly set forth below, would relate to or would result in: (a) the acquisition of additional securities of the Issuer or the disposition of presently-owned securities of the Issuer; (b) any extraordinary corporate transaction involving the Issuer; (c) a sale or transfer of a material amount of assets of the Issuer; (d) any change in the present Board of Directors or management of the Issuer; (e) any material change in the present capitalization or dividend policy of the Issuer; (f) any material change in the operating policies or corporate structure of the Issuer; (g) any change in the Issuer's charter or by-laws; (h) the Common Stock of the Issuer ceasing to be authorized to be quoted in the over-the-counter security markets; or (i) causing the Issuer to become eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934. The Reporting Persons, however, reserve the right, at a later date, to effect one or more of such changes or transactions in the number of shares of Common Stock they may be deemed to beneficially own.

The Reporting Persons plan to have substantive conversations with other minority shareholders of the Issuer and the Issuer's special committee regarding the Issuer's decision to evaluate alternatives available to reduce the cost burdens of being a publicly traded company, including whether to discontinue its listing on Nasdaq and to terminate its registration under the Securities Exchange Act of 1934, in order to ensure that the Issuer's Board of Directors is acting in the best interests of all shareholders. The Reporting Persons believe that the idea of delisting and terminating its registration is not on the surface a friendly shareholder move and the Issuer's Board of Directors needs to be clear on what their strategy is in deciding or not deciding to delist and terminate its registration.

Item 5. Interest in Securities of the Issuer.

As of the date hereof, the Cross River Capital Management LLC and Cross River Partners may be deemed to beneficially own 343,247 shares, or 10.06% of Common Stock of the Issuer and Richard Murphy may be deemed to beneficially own 344,232 shares, or 10.09% of the Common Stock of the Issuer, based upon the 3,413,099 shares outstanding as of May 14, 2010, according to the Issuer's most recent Form 10-Q that was filed on May 18, 2010.

Cross River Capital Management LLC shares the power to vote or direct the vote of 343,247 shares to which this filing relates.

Cross River Capital Management LLC has the sole power to vote or direct the vote of 0 shares to which this filing relates.

Cross River Capital Management LLC shares the power to dispose or direct the disposition of 343,247 shares to which this filing relates.

Cross River Capital Management LLC has the sole power to dispose or direct the disposition of 0 shares to which this filing relates.

Cross River Capital Management LLC specifically disclaims beneficial ownership in the shares reported herein except to the extent of its pecuniary interest therein.

Cross River Partners LP shares the power to vote or direct the vote of 343,247 shares to which this filing relates.

Cross River Partners LP has the sole power to vote or direct the vote of 0 shares to which this filing relates.

Cross River Partners LP shares the power to dispose or direct the disposition of 343,247 shares to which this filing relates.

Cross River Partners LP has the sole power to dispose or direct the disposition of 0 shares to which this filing relates.

Richard Murphy shares the power to vote or direct the vote of 343,247 shares to which this filing relates.

Richard Murphy has the sole power to vote or direct the vote of 1,285 shares to which this filing relates.

Richard Murphy shares the power to dispose or direct the disposition of 344,232 shares to which this filing relates.

Richard Murphy has the sole power to dispose or direct the disposition of 1,285 shares to which this filing relates.

Richard Murphy specifically disclaims beneficial ownership in the shares reported herein except to the extent of his pecuniary interest therein.

Each of the Reporting Persons has the right to receive and the power to direct the receipt of dividends from, or the proceeds from the sale of, a portion of the Common Stock reported herein.

The trading dates, number of shares purchased and sold and price per share for all open market transactions in the Shares during the past 60 days by the Reporting Persons are set forth in Exhibit B.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

The Reporting Persons do not have any contract, arrangement, understanding or relationship with any person with respect to the Common Stock.

Item 7. Material to be Filed as Exhibits.

Exhibit A: Agreement between the Reporting Persons to file jointly

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.

July 14, 2010

(Date)

CROSS RIVER CAPITAL MANAGEMENT
LLC*

/s/ Richard Murphy
By: Richard Murphy
Title: Managing Member

CROSS RIVER PARTNERS LP

/s/ Richard Murphy
By: Richard Murphy
Title: Managing Member of Cross River Capital
Management LLC, its management company

RICHARD MURPHY*

/s/ Richard Murphy

Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations (see 18 U.S.C. 1001).

* The Reporting Persons disclaim beneficial ownership over the securities reported herein except to the extent of the reporting persons' pecuniary interest therein.

Exhibit A

JOINT FILING AGREEMENT

Pursuant to Rule 13d-1(k)(1) under the Securities Exchange Act of 1934, as amended, each of the undersigned hereby agrees that only one statement containing the information required by Schedule 13D need be filed with respect to the ownership by each of the undersigned of Common Stock of Mexican Restaurants, Inc.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

Executed this 14th day of July, 2010.

CROSS RIVER CAPITAL MANAGEMENT
LLC

/s/ Richard Murphy
By: Richard Murphy
Title: Managing Member

CROSS RIVER PARTNERS LP

/s/ Richard Murphy
By: Richard Murphy
Title: Managing Member of Cross River
Capital Management LLC, its management
company

RICHARD MURPHY

/s/ Richard Murphy

Exhibit B

Transactions in the Mexican Restaurants, Inc. Common Stock, \$.01 par value

TRANSACTIONS BY CROSS RIVER CAPITAL PARTNERS, LP

Date of Transaction	Number of Shares Purchase/(Sold)	Price per Share
6/17/2010	7,300	\$2.27
6/21/2010	1,000	\$2.05

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