

MECHANICAL TECHNOLOGY INC
Form SC 13G
February 14, 2005

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13G
(Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULES 13d-1(b), (c), AND (d) AND AMENDMENTS THERETO FILED
PURSUANT TO RULE 13d-2(b)1

Mechanical Technology Inc.

(Name of Issuer)

Common Stock, \$1.00 par value

(Title of Class of Securities)

583538103

(CUSIP Number)

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)

1 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 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. 583538103

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1. NAMES OF REPORTING PERSONS.

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

Fletcher Asset Management, Inc.

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

(a) []
(b) []

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

| | |
|---|--|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 5. SOLE VOTING POWER 1,617,278 |
| | 6. SHARED VOTING POWER 0 |
| | 7. SOLE DISPOSITIVE POWER 1,617,278 |
| | 8. SHARED DISPOSITIVE POWER 0 |

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,617,278

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

[]

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.3%

12. TYPE OF REPORTING PERSON*

IA

* SEE INSTRUCTIONS BEFORE FILLING OUT!

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

Alphonse Fletcher, Jr.

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

(a) []
(b) []

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

United States

5. SOLE VOTING POWER

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| | |
|--|----------------------------------|
| NUMBER OF SHARES | 0 |
| BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 6. SHARED VOTING POWER 0 |
| | 7. SOLE DISPOSITIVE POWER 0 |
| | 8. SHARED DISPOSITIVE POWER 0 |
| ----- | |
| 9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON | |
| 1,617,278 | |
| ----- | |
| 10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES* | [] |
| ----- | |
| 11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) | |
| 5.3% | |
| ----- | |
| 12. TYPE OF REPORTING PERSON* | |
| HC | |
| ----- | |

* SEE INSTRUCTIONS BEFORE FILLING OUT!

Item 1(a). Name of Issuer:

Mechanical Technology Inc.

Item 1(b). Address of Issuer's Principal Executive Offices:

431 New Karner Road
Albany, New York 12205

Item 2(a). Names of Persons Filing:

Fletcher Asset Management, Inc. ("FAM") and Alphonse Fletcher, Jr.

Item 2(b). Address of Principal Business Office or, if none, Residence:

HSBC Tower, 29th Floor
452 Fifth Avenue
New York, New York 10018

Item 2(c). Citizenship:

FAM is a corporation organized under the laws of the State of Delaware. Alphonse Fletcher, Jr. is a citizen of the United States.

Item 2(d). Title of Class of Securities:

Common Stock, \$1.00 par value

Item 2(e). CUSIP Number:

583538103

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- Item 3. If this statement is filed pursuant to Rule 13d-1(b), or Rule 13d-2(b) or (c), check whether the person filing is a:
- (a) Broker or dealer registered under Section 15 of the Exchange Act;
 - (b) Bank as defined in Section 3(a)(6) of the Exchange Act;
 - (c) Insurance company as defined in Section 3(a)(19) of the Exchange Act;
 - (d) Investment company registered under Section 8 of the Investment Company Act;
 - (e) An investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E);
 - (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)(ii)(G);
 - (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act;
 - (i) A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act; or

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- (j) Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

If this statement is filed pursuant to Rule 13d-1(c), check this box .

Item 4. Ownership.

- (a) Amount Beneficially Owned:

1,617,278 shares

- (b) Percent of Class:

5.3% (based on the 30,764,662 shares of Common Stock (the "Common Stock") of Mechanical Technology Inc. (the "Company") consisting of (i) 30,609,213 shares reported to FAM by the Company to be outstanding as of December 31, 2004 and (ii) the 155,449 shares of Common Stock underlying investment rights (as defined below) issuable within 60 days of December 31, 2004).

- (c) Number of shares as to which FAM has:

- (i) Sole power to vote or to direct the vote:

1,617,278 shares

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

0 shares

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(iii) Sole power to dispose or to direct the disposition of:

1,617,278 shares

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

0 shares

The Common Stock reported to be beneficially owned consists of 1,461,829 shares of Common Stock and 155,449 shares of Common Stock issuable upon the exercise by Fletcher International, Ltd. of investment rights pursuant to Agreements, dated as of January 26, 2004 and May 4, 2004, by and between the Company and Fletcher International, Ltd. The investment rights are exercisable within 60 days of December 31, 2004. The holdings reported reflect the shares of Common Stock issuable within 60 days of December 31, 2004 that would have been held had the investment rights been exercised on December 31, 2004.

The shares of Common Stock of the Company reported to be beneficially owned consist of shares underlying investment rights held in one or more accounts managed by FAM (the "Accounts"), for Fletcher International, Ltd. FAM has sole power to vote and sole power to dispose of all shares of Common Stock in the Accounts. By virtue of Mr. Fletcher's position as Chairman and Chief Executive Officer of FAM, Mr. Fletcher may be deemed to have the shared power to vote or direct the vote of, and the shared power to dispose or direct the disposition of, such shares, and, therefore, Mr. Fletcher may be deemed to be the beneficial owner of such Common Stock.

Item 5. Ownership of Five Percent or Less of a Class.

Not Applicable

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Item 6. Ownership of More Than Five Percent on Behalf of Another Person.

This Schedule 13G is filed by FAM, which is an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, as amended, with respect to the shares of Common Stock held at December 31, 2004 in the Accounts managed by FAM. By reason of the provisions of Rule 13d-3 under the Act, FAM and Mr. Fletcher may each be deemed to own beneficially the shares of Common Stock owned by the Accounts. The Accounts have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such Common Stock purchased for its account.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company.

This Schedule 13G is filed by FAM and Mr. Fletcher.

Item 8. Identification and Classification of Members of the Group.

Not Applicable

Item 9. Notice of Dissolution of Group.

Not Applicable

Item 10. Certifications.

By signing below Fletcher Asset Management, Inc. and Alphonse Fletcher, Jr. certify that, to the best of their knowledge and

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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.

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SIGNATURE

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

Dated: February 10, 2005

Fletcher Asset Management, Inc.

By: /s/ Peter Zayfert

Name: Peter Zayfert
Title: Executive Vice President

Fletcher Asset Management, Inc.

By: /s/ Patrick Huvane

Name: Patrick Huvane
Title: Chief Financial Officer

Alphonse Fletcher, Jr., in his
individual capacity

By: /s/ Denis J. Kiely

Name: Denis J. Kiely for Alphonse
Fletcher, Jr.
*By Power of Attorney, dated
February 14, 2001, attached as
Exhibit A hereto.

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Exhibit A

Power of Attorney

KNOW ALL MEN BY THESE PRESENTS, that the person whose signature appears below revokes all prior Power of Attorney and appoints Denis J. Kiely to act

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severally as attorney-in-fact for the undersigned solely for the purpose of executing reports required under Sections 13 and 16 of the Securities Exchange Act of 1934, as amended, and filing the same, with exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission thereby ratifying and confirming all that said attorney-in-fact may do or cause to be done by virtue hereof.

Signed: /s/ Alphonse Fletcher Jr.

Alphonse Fletcher Jr.

Dated: February 14, 2001