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ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

SEC Mail Processing Section

APR 01 2009

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FACING PAGE

Washington, DC

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/08 AND ENDING 12/31/08
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: MTG, LLC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
250 Park Avenue South - 10th Floor
(No. and Street)
New York NY 10003
(City) (State) (Zip Code)

OFFICIAL USE ONLY
FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Mitchell Kosches 212.404.1790
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
DiSiena & Company CPAs, LLP
(Name - if individual, state last, first, middle name)
11 Penn Plaza New York NY 10001
(Address) (City) (State) (Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, Mitchell Kosches, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of MTG, LLC, as of December 31, 2008, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

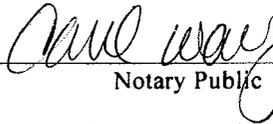
CAROL WANG
Notary Public, State of New York
No. 01WA6087955
Qualified in Queens County
Commission Expires March 3, 2011



Signature

CPA

Title

 2/27/09
Notary Public

This report ** contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of ~~Income (Loss)~~ Operations
- (d) Statement of ~~Changes in Financial Condition~~ Cash Flow
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

MTG LLC

**FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION
AND INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEARS ENDED
December 31, 2008 and 2007**

**DiSiena & Company CPAs, LLP
11 Penn Plaza, 5th Floor
New York, NY 10001**

MTG LLC
FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEARS ENDED
DECEMBER 31, 2008 and 2007

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INDEPENDENT AUDITOR'S REPORT

The Owners of
MTG LLC

We have audited the accompanying statement of financial condition of MTG LLC as of December 31, 2008 and December 31, 2007 and the related statements of operations, changes in owner's equity, cash flow for the year then ended. These financial statements are the responsibility of MTG LLC's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MTG LLC at December 31, 2008 and December 31, 2007, and the results of its operations and cash flows for the year ended December 31, 2008 and December 31, 2007, in conformity with accounting principles generally accepted in the United States.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on page 6 is presented for the purposes of an additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


DiSiena & Company CPAs, LLP
New York, New York
March 31, 2009

MTG LLC
STATEMENT OF FINANCIAL CONDITION
AS OF DECEMBER 31,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS:</u>		
Cash	\$ 1,143,477	\$ 246,920
TOTAL CURRENT ASSETS	1,143,477	246,920
<u>OTHER CURRENT ASSETS:</u>		
Receivable from broker-dealers (Note 2a)	422,938	155,869
Other Receivable	<u>76,905</u>	<u>74,306</u>
TOTAL OTHER CURRENT ASSETS	<u>499,843</u>	<u>230,175</u>
<u>TOTAL ASSETS</u>	<u>\$1,643,320</u>	<u>\$ 477,095</u>
<u>LIABILITIES AND OWNER'S EQUITY</u>		
<u>LIABILITIES:</u>		
Accounts payable	\$ 1,403	\$ 3,272
Accrued expenses (Note 2b)	<u>991,332</u>	<u>197,642</u>
TOTAL LIABILITIES	992,735	200,914
<u>OWNER'S EQUITY:</u>		
Owner's net investments	276,181	112,063
Distributions	(868,000)	(758,000)
Net Profit (Loss)	<u>1,242,404</u>	<u>922,118</u>
TOTAL OWNER'S EQUITY	<u>650,585</u>	<u>276,181</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$1,643,320</u>	<u>\$ 477,095</u>

The accompanying notes are an integral part of these financial statements.

MTG LLC
(INCLUDES THE FORMER PARK HILL CAPITAL, INC.
WHICH WAS MERGED ON 10/29/04 INTO MTG LLC)
STATEMENT OF COMBINED OPERATIONS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2008</u>	<u>2007</u>
<u>INCOME</u>		
TOTAL INCOME	<u>\$5,457,703</u>	<u>\$2,774,622</u>
<u>EXPENSES</u>		
TOTAL EXPENSES	<u>4,215,299</u>	<u>1,852,504</u>
Profit (Loss) before income taxes	1,242,404	922,118
Provision for income taxes	<u>0</u>	<u>0</u>
NET PROFIT (LOSS)	<u>\$1,242,404</u>	<u>\$ 922,118</u>

The accompanying notes are an integral part of these financial statements.

MTG LLC
STATEMENTS OF CHANGES IN OWNER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31,

	<u>2008</u>	<u>2007</u>
January 1	\$276,181	\$ 112,063
Net Profit (Loss)	1,242,404	922,118
Distributions	(868,000)	(758,000)
December 31	\$650,585	\$ 276,181

The accompanying notes are an integral part of these financial statements.

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MTG LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2008</u>	<u>2007</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Net income (loss)	\$ 1,242,404	\$ 922,118
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>		
Increase (decrease) in receivables	(269,668)	0
Increase (decrease) in account payable	(1,869)	1,039
Increase (decrease) in accrued expenses	793,690	(203,409)
Increase (decrease) in commission expense	<u>0</u>	<u>(142,108)</u>
 Total adjustments	 <u>522,153</u>	 <u>(344,478)</u>
 <u>NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>	 <u>1,764,557</u>	 <u>577,640</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Owner distributions	<u>(868,000)</u>	<u>(758,000)</u>
 <u>NET CASH USED BY FINANCING ACTIVITY:</u>	 <u>(868,000)</u>	 <u>(758,000)</u>
 <u>NET INCREASE(DECREASE) IN CASH</u>	 896,557	 (180,360)
CASH, beginning of year	<u>246,920</u>	<u>427,280</u>
CASH, end of year	<u>\$1,143,477</u>	<u>\$ 246,920</u>
<u>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</u>		
Cash paid during the year for interest	<u>\$ 0</u>	<u>\$ 0</u>
Cash paid during the year for taxes	<u>\$ 0</u>	<u>\$ 0</u>

The accompanying notes are an integral part of these financial statements.

MTG LLC
STATEMENT OF CHANGES IN LIABILITES
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS
FOR THE YEAR ENDED DECEMBER 31, 2008 AND 2007

Subordinated liabilities – January 1, 2008	\$ 0
Changes during the year ended December 31, 2008	<u>0</u>
Subordinated liabilities – December 31, 2008	<u>\$ 0</u>
Subordinated liabilities – January 1, 2007	\$ 0
Changes during the year ended December 31, 2007	<u>0</u>
Subordinated liabilities – December 31, 2007	<u>\$ 0</u>

The accompanying notes are an integral part of these financial statements.

MTG LLC
COMPUTATION OF NET CAPITAL UNDER RULE 15C3-1 OF THE
SECURITIES AND EXCHANGE COMMISSION
AS OF DECEMBER 31,

	<u>2008</u>	<u>2007</u>
Net Capital		
Total owner's equity	\$ 650,585	\$ 276,181
Receivables not allowable for net capital as reported in Company's Part II (unaudited) FOCUS report	<u>(499,843)</u>	<u>(155,869)</u>
Net capital	<u>\$ 150,742</u>	<u>\$ 120,312</u>
Aggregate indebtedness		
Items included in consolidated statement of financial condition:		
Accrued Expenses	<u>\$992,734</u>	<u>\$ 200,913</u>
Total Aggregate indebtedness	<u>\$992,734</u>	<u>\$ 200,913</u>
Computation of basic net capital requirement		
Minimum net capital required (Note 3):	<u>\$ 66,182</u>	<u>\$ 13,393</u>
Excess net capital	<u>\$ 84,560</u>	<u>\$ 106,919</u>
Ratio: Aggregate indebtedness to net capital	<u>6.6 to 1</u>	<u>1.7 to 1</u>
Reconciliation with company's computation (Included in Part II of Form X-17A-5 as December 31, 2008 and 2007)		
Net capital, as reported in Company's Part II (unaudited) FOCUS report	\$ 706,230	\$ 292,282
Miscellaneous Differences	1,452	0
Audit adjustment to accrue commission expense	(45,831)	0
Audit adjustment to accrue research costs	<u>(11,266)</u>	<u>(16,101)</u>
Net capital per above	<u>\$ 650,585</u>	<u>\$ 276,181</u>

The accompanying notes are an integral part of these financial statements.

MTG LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

1. ORGANIZATION AND NATURE OF BUSINESS

MTG LLC (the Company) is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers (NASD). The Company is a New York Limited Liability Company and is engaged in a single line of business as a securities broker-dealer. Current revenue is comprised of referral transactions. The Company does not have a clearing arrangement and deals strictly with institutional and high net worth investors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

On August 9, 2004, Park Hill Capital, Inc., a Connecticut corporation agreed to merge with and into MTG LLC, by written consent in accordance with the laws of the State of New York on October 29, 2004 and the separate existence of Park Hill Capital, Inc. ceased. The merger was consummated for the purpose of reorganizing Park Hill Capital, Inc. in New York as a limited liability company.

- a. **Referral Income.** The Company refers investors to other broker-dealers who pay commissions based on the volume of securities transactions. Referral income is recorded based on contractual rates. Referral income is received monthly, but recognized as securities transactions occur.
- b. **Commission Expenses.** Commission expenses are recorded as securities transactions occur.
- c. **Use of estimates.** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from those estimated.
- d. **Statement of Cash Flows.** The Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety days that are not held for sale in the ordinary course of business.
- e. **Income Taxes.** The amount of current and deferred taxes payable or refundable is recognized as of the date of the financial statements, utilizing currently enacted tax laws and rates. For the years ended December 31, 2008 and 2007, no provision was made for any taxes since this entity is disregarded for income tax purposes.

MTG LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

3. NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule 15c3-1, which requires the maintenance of minimum net capital. The Company has elected to use the alternative method, permitted by the rule, which requires that the Company and its subsidiary maintain minimum net capital, as defined, equal to the greater of minimum amount of \$5,000 or 6 2/3-percent of aggregate indebtedness. At December 31, 2008, the Company had net capital of \$150,742 which is \$84,560 in excess of the 6 2/3-percent of aggregate indebtedness and at December 31, 2007, the Company had net capital of \$120,312 which is \$106,919 in excess of the minimum Net Capital requirement.

4. RELATED PARTY TRANSACTIONS

The Company entered into an administrative and consulting agreement on January 1, 2005 with Madison Trading, LLC ("Madison"). Madison has common ownership with that of MT Trading, LLC, the parent company of MTG, LLC. Madison is currently providing its office space, utilities, telephone equipment and services, fax machines, computer equipment, office supplies and office management, postage, news and quotation systems and terminals, data services, high speed data lines, other administrative services and strategic and technology consulting that are customary in the ordinary course of the Company's business. In addition, Madison will offer its expertise in technology evaluation of potential MTG clientele on a project by project basis. In 2008 the Company paid Madison \$18,000 under this agreement for services rendered.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL ACCOUNTING CONTROL

REQUIRED BY SEC RULE 17a-5

The Owners of
MTG LLC

In planning and performing our audit of the financial statements of MTG LLC (the Company), for the year ended December 31, 2008 and December 31, 2007, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements and not to provide assurance on the internal control.

Also, as-required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including tests of compliance with such practices and procedures that we' considered relevant to the objectives stated in rule 17 a-5(g), in the following:

1. Making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and the reserve required by rule 15c3-3(e)
2. Making the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System
4. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by rule 15c3-3

The management of the Company is responsible for establishing and maintaining an internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives.

Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17 a -5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate. Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2008 and December 31, 2007, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

DiSiena & Company CPAs, LLP

New York, New York
March 31, 2009