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SECURITIES AND EXCHANGE COMMISSION  
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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

SEC FILE NUMBER  
8-51900

FACING PAGE

**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 01/01/09 AND ENDING 12/31/09  
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 - 10<sup>th</sup> Floor  
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  
Benjamin A. Shlefer 212-684-8580  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
Disiena CPAs, LLP  
(Name - if individual, state last, first, middle name)  
450 Seventh Avenue, Suite 801, New York, NY 10123  
(Address) (City) (State) (Zip Code)

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

**FOR OFFICIAL USE ONLY**

\*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)

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OATH OR AFFIRMATION

I, Benjamin A. Steifer, 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, 20 09, 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

BS  
Signature  
Chief Operating Officer  
Title

Carol Wang  
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, 2009 AND 2008**

**DiSiena CPAs, LLP  
450 Seventh Avenue, Suite 801  
New York, NY 10123**

**MTG LLC**  
**FINANCIAL STATEMENTS**  
**AND ADDITIONAL INFORMATION**  
**AND INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEARS ENDED**  
**DECEMBER 31, 2009 and 2008**

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**INDEPENDENT AUDITOR'S REPORT**

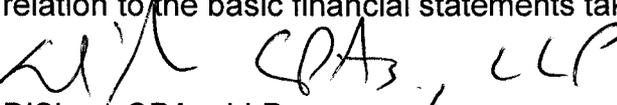
The Members of  
MTG LLC

We have audited the accompanying statements of financial condition of MTG LLC as of December 31, 2009 and December 31, 2008 and the related statements of operations, changes in member's equity, cash flow for the years 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, 2009 and December 31, 2008, and the results of its operations and cash flows for the years ended December 31, 2009 and December 31, 2008, 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 CPAs, LLP  
New York, New York  
March 30, 2010

**MTG LLC**  
**STATEMENTS OF FINANCIAL CONDITION**  
**AS OF DECEMBER 31,**

	<u>2009</u>	<u>2008</u>
<b><u>ASSETS</u></b>		
<b><u>CURRENT ASSETS:</u></b>		
Cash	\$ 2,140,687	\$ 1,143,477
<b><u>OTHER CURRENT ASSETS:</u></b>		
Receivable from broker-dealers (Note 2a)	134,849	422,938
Other Receivable	<u>0</u>	<u>76,905</u>
<b>TOTAL OTHER CURRENT ASSETS</b>	<u>134,849</u>	<u>499,843</u>
<b><u>OTHER ASSETS:</u></b>		
Clearing Deposit (Note 3)	<u>250,000</u>	<u>0</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,525,536</u>	<u>\$ 1,643,320</u>
<b><u>LIABILITIES AND MEMBER'S EQUITY</u></b>		
<b><u>LIABILITIES:</u></b>		
Accounts payable	\$ 0	\$ 1,403
Accrued expenses (Notes 2b and 4)	<u>182,410</u>	<u>991,332</u>
<b>TOTAL</b>	182,410	992,735
<b><u>OTHER LIABILITIES</u></b>		
Loans Payable (Note 5)	<u>215,000</u>	<u>0</u>
<b>TOTAL LIABILITIES</b>	<u>397,410</u>	<u>992,735</u>
<b><u>MEMBER'S EQUITY:</u></b>		
Member's net investments - beginning	650,585	276,181
Capital Contribution	100,000	0
Distributions	(2,268,082)	(868,000)
Net Profit (Loss)	<u>3,645,623</u>	<u>1,242,404</u>
<b>TOTAL MEMBER'S EQUITY</b>	<u>2,128,126</u>	<u>650,585</u>
<b>TOTAL LIABILITIES AND MEMBER'S EQUITY</b>	<u>\$ 2,525,536</u>	<u>\$ 1,643,320</u>

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

**MTG LLC**  
**STATEMENTS OF OPERATIONS**  
**FOR THE YEARS ENDED DECEMBER 31,**

	<u>2009</u>	<u>2008</u>
<b><u>INCOME</u></b>		
Income	\$5,188,374	\$5,457,703
<b><u>Other Income</u></b>		
Interest Income	<u>15,545</u>	<u>0</u>
<b>TOTAL INCOME</b>	5,203,919	5,457,703
<b><u>EXPENSES</u></b>		
<b>TOTAL EXPENSES</b>	<u>1,413,296</u>	<u>4,215,299</u>
Profit (Loss) before income taxes	3,790,623	1,242,404
Provision for income taxes	<u>145,000</u>	<u>0</u>
<b>NET PROFIT (LOSS)</b>	<u>\$ 3,645,623</u>	<u>\$1,242,404</u>

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

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

	<u>2009</u>	<u>2008</u>
<b>January 1</b>	<b>\$ 650,585</b>	<b>\$ 276,181</b>
Contributions	100,000	0
Net Profit (Loss)	3,645,623	1,242,404
Distributions	<u>(2,268,082)</u>	<u>(868,000)</u>
<b>December 31</b>	<b><u>\$ 2,128,126</u></b>	<b><u>\$ 650,585</u></b>

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

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

	<u>2009</u>	<u>2008</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Net income (loss)	\$ 3,645,623	\$ 1,242,404
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>		
(Increase) decrease in receivables	364,994	(269,668)
Increase (decrease) in accounts payable	(1,403)	(1,869)
Increase (decrease) in accrued expenses	<u>(808,922)</u>	<u>793,690</u>
Total adjustments	<u>(445,331)</u>	<u>522,153</u>
<b><u>NET CASH PROVIDED BY OPERATING ACTIVITIES:</u></b>	<b><u>3,200,292</u></b>	<b><u>1,764,557</u></b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Clearing Deposit	<u>(250,000)</u>	<u>0</u>
<b><u>NET CASH USED IN INVESTING ACTIVITIES</u></b>	<b><u>(250,000)</u></b>	<b><u>0</u></b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>		
Member distributions	(2,268,082)	(868,000)
Increase (decrease) in capital contribution	100,000	0
Increase (decrease) in loans payable	<u>215,000</u>	<u>0</u>
<b><u>NET CASH USED IN FINANCING ACTIVITIES:</u></b>	<b><u>(1,953,082)</u></b>	<b><u>(868,000)</u></b>
<b><u>NET INCREASE (DECREASE) IN CASH</u></b>	<b>997,210</b>	<b>896,557</b>
CASH, beginning of year	<u>1,143,477</u>	<u>246,920</u>
CASH, end of year	<u>\$ 2,140,687</u>	<u>\$1,143,477</u>
<b><u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</u></b>		
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**  
**STATEMENTS OF CHANGES IN LIABILITIES**  
**TO CLAIMS OF GENERAL CREDITORS**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

Subordinated liabilities – January 1, 2009	\$ 0
Changes during the year ended December 31, 2009	<u>0</u>
Subordinated liabilities – December 31, 2009	<u>\$ 0</u>
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>

**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>2009</u>	<u>2008</u>
Net Capital		
Total member's equity	\$ 2,128,126	\$ 650,585
Receivables not allowable for net capital as reported in Company's Part II (unaudited) FOCUS report	<u>(134,849)</u>	<u>(499,843)</u>
Net adjusted capital	<u>\$ 1,993,277</u>	<u>\$ 150,742</u>
Aggregate indebtedness		
Items included in consolidated statement of financial condition:		
Accrued Expenses	<u>\$ 182,410</u>	<u>\$ 992,734</u>
Total Aggregate indebtedness	<u>\$ 182,410</u>	<u>\$ 992,734</u>
Computation of basic net capital requirement		
Minimum net capital required (Note 3):	<u>\$ 12,161</u>	<u>\$ 66,182</u>
Excess net capital	<u>\$ 1,981,116</u>	<u>\$ 84,560</u>
Ratio: Aggregate indebtedness to net capital	<u>.09 to 1</u>	<u>6.6 to 1</u>
Reconciliation with company's computation (Included in Part II of Form X-17A-5 as December 31, 2009 and 2008)		
Net capital, as reported in Company's Part II (unaudited) FOCUS report	\$ 256,307	\$ 206,387
Accrual for provision for income taxes	(145,000)	0
Accrual of administrative expenses	0	1,452
Accrual of commission expense	0	(45,831)
Reversal of accrued research costs	<u>1,881,970</u>	<u>(11,266)</u>
Net adjusted capital per above	<u>\$1,993,277</u>	<u>\$ 150,742</u>

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

**MTG LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

**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 fee transactions, administrative fees and commission income.

**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, 2009 and 2008, no provision was made for any taxes since this entity is disregarded for income tax purposes, except for a provision for NYC UBT (Unincorporated business tax) for 2009 for \$145,000.

**MTG LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

**3. CLEARING DEPOSIT**

On November 11, 2009, The Company deposited \$250,000 into Penson Financial Services as a clearing deposit. Clearing deposits require The Company to deposit money with a clearing firm to cover any obligations that may arise from the clearance of the introducing firm's accounts (e.g., unsecured customer debit balances). Such clearing deposits are typically retained by the clearing firm for the duration of the clearing arrangement and are generally returned to the introducing firm, as long as the introducing firm does not have obligations to the clearing firm that it cannot otherwise satisfy, within a short period after termination of a clearing arrangement.

**4. ACCRUED EXPENSES**

As of December 31, 2009, there are no known claims from third party research firms and / or any other related parties. There has not been no activity relating research costs since April 2009. The last payment made to a third party research firm was made in September 2009.

**5. LOAN PAYABLE / SUBSEQUENT EVENT**

On September 25, 2009, The Company entered into separate loan agreements with individuals who are friends of the firm and who have no other business affiliation with the company or any of its affiliates. The cash proceeds covered by the agreements shall be used and dealt with by the firm as part of its capital. MTG promises to pay to the lenders the principal and interest payable at the rate of 8 percent per annum. Consequently, the firm submitted the subordinated loan agreements with the Financial Industry Regulatory Authority, Inc (FINRA) for approval and consideration for their treatments into the firm's net capital requirement. As of December 31, 2009, FINRA had not released and/or approved the firm's sub loan document agreements. As such, the entire cash proceeds were treated as a Loan Payable. On March 9, 2010, FINRA approved the firm's subordinated loan agreement applications with an effective date of March 3, 2010 and a maturity date of March 4, 2011.

**MTG LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

**6. 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, 2009, the Company had net capital of \$1,993,277 which is \$1,981,116 in excess of the 6 2/3-percent of aggregate indebtedness and at December 31, 2008, the Company had net capital of \$150,742 which is \$84,560 in excess of the minimum Net Capital requirement.

**7. 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 2009 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 years ended December 31, 2009 and December 31, 2008, 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

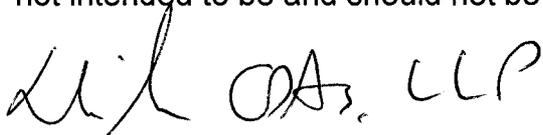
The management of the Company is responsible for establishing and maintaining an internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related 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, 2009 and December 31, 2008, 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.

A handwritten signature in black ink, appearing to read "DiSiena CPAs, LLP". The signature is stylized and cursive.

DiSiena CPAs, LLP

New York, New York  
March 30, 2010