

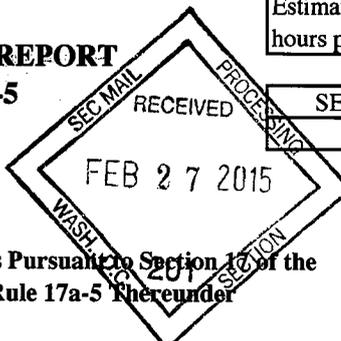
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

SEC FILE NUMBER
8-51906



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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 January 1, 2014 AND ENDING December 31, 2014
Date Date

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: MTG, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

61 West 23rd St.

(No. and Street)

New York

(City)

NY

(State)

10010

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Richard M. Feldman

212-392-4838

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Friedman, LLP

(Name - if individual, state last, first, middle name)

100 Eagle Rock Ave.

(Address)

East Hanover

(City)

NJ

(State)

07936

(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)

SEC 1410 (06-02)

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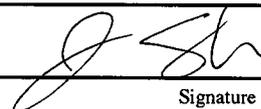
OATH OR AFFIRMATION

I, Jonathan Stein, 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, 2014, 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:

BENJAMIN TODD ALDEN
Notary Public, State of New York
No. 02AL6241825
Qualified in New York County
Certificate Filed in New York County
Commission Expires May 23, 2015



Notary Public



Signature

Principal

Title

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (e) Statement of Cash Flows
- (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) Statement of Exemption from Rule 15c3-3.
- (k) 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.
- (l) An Oath or Affirmation.
- (m) SIPC Supplemental Report and Independent Accountant's Report
- (n) Report of Independent Registered Public Accounting Firm on Statement of Exemption or Compliance
- (o) 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 D/B/A BETTERMENT SECURITIES

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FRIEDMAN LLP
ACCOUNTANTS AND ADVISORS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member
of MTG, LLC d/b/a Betterment Securities

We have audited the accompanying statement of financial condition of MTG, LLC d/b/a Betterment Securities as of December 31, 2014. This financial statement is the responsibility of MTG, LLC d/b/a Betterment Securities's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the over financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial condition of MTG, LLC d/b/a Betterment Securities as of December 31, 2014 in conformity with accounting principles generally accepted in the United States.

Friedman LLP

FRIEDMAN LLP
East Hanover, New Jersey
February 23, 2015

MTG, LLC dba Betterment Securities
Statement of Financial Condition
December 31, 2014

Assets

Cash and cash equivalents	\$ 570,675
Cash segregated under Federal and other regulations	5,501,849
Due from customers	2,418,287
Receivable from clearing broker	5,347,236
Receivables from affiliates	149,116
Deposits with clearing broker and bank	2,000,000
Prepaid expenses	23,766
Total Assets	<u>\$ 16,010,930</u>

Liabilities and Member's Equity

Liabilities:

Accounts payable and accrued expenses	\$ 131,424
Payables to customers	7,765,523
Notes payable	5,700,000
	<u>13,596,947</u>

Commitments and Contingencies

Member's equity	<u>2,413,983</u>
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Total Liabilities and Member's Equity	<u>\$ 16,010,930</u>
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See accompanying notes to the Statement of Financial Condition.

MTG, LLC d/b/a Betterment Securities
Notes to the Statement of Financial Condition
December 31, 2014

1 – DESCRIPTION OF BUSINESS

MTG, LLC d/b/a Betterment Securities (the “Company”) is a broker-dealer registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority, Inc. (FINRA). The Company’s parent company, Betterment Holdings, Inc. (the “Parent”) is a privately held Delaware Corporation. The Company is a New York Limited Liability Company and is engaged in a single line of business as a securities broker-dealer.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

The Company defines cash and cash equivalents as cash, money market accounts and short-term highly liquid investments having maturities of 90 days or less from their acquisition date. The Company maintains its cash balances at various financial institutions. These balances are insured by the Federal Deposit Insurance Corporation subject to certain limitations.

Income Taxes

The Company is not a taxpaying entity for federal and state income tax purposes and, accordingly, no provision has been made for income taxes. The member’s allocable share of the Company’s income or loss is reportable on its income tax returns. Provisions are made for New York City Unincorporated Business Tax.

Federal, state and local income tax returns for years prior to 2011 are no longer subject to examination by tax authorities.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

3 - CASH MAINTAINED IN SWEEP PROGRAMS OR SEGREGATED UNDER FEDERAL AND OTHER REGULATIONS

The Company maintains records of credits payable to customers. Credits payable to customers are either maintained in a sweep program under which cash is held in an account at a bank whose deposits are insured by the Federal Deposit Insurance Corporation or segregated in a special reserve bank account for the exclusive benefit of customers. The value of the assets maintained in a sweep program is not included on the Company’s statement of financial condition.

MTG, LLC d/b/a Betterment Securities
Notes to the Statement of Financial Condition (continued)
December 31, 2014

4 - CLEARING DEPOSIT

The Company maintains a \$1,000,000 clearing deposit with its clearing broker, Apex Clearing Corporation (the "Clearing Broker"). The clearing deposit is required of the Company by the Clearing Broker to cover any obligations that may arise from the Company. Such clearing deposits are typically retained by the clearing firm for the duration of the clearing arrangement and are generally returned to the correspondent firm, as long as the correspondent firm does not have obligations to the clearing firm that it cannot otherwise satisfy, within a short period after termination of a clearing arrangement.

The Company also maintains an additional \$1,000,000 in an account at the Clearing Broker to facilitate cash flows.

5 - RELATED PARTY TRANSACTIONS

The Company and Betterment LLC, an SEC registered investment advisor (the "RIA"), are affiliated through common ownership. The Company maintains an arrangement with the RIA under which the Company will maintain brokerage accounts, execute security transactions, and provide back-office operations and technical support in return for a fixed fee per order ticket executed by the Company. Under this arrangement, as of December 31, 2014, the RIA owed the Company \$135,041.

The Company and the Parent maintain an administrative service agreement under which the Parent provides office space, personnel and technology services to the Company for use in its operations. As of December 31, 2014, the Company owed the Parent \$14,075 under this agreement.

From time to time the Company borrows monies from its Parent for operational cash flow needs. These loans are all short term in nature, bear no interest, are not permanent and not considered capital in accordance with regulatory requirements (see Note 6) and are repaid to the Parent based on short term cash flow availability. As of December 31, 2014, the Company owed \$5,700,000 to the Parent under such loans.

6 - REGULATORY REQUIREMENTS

As a registered broker-dealer, the Company is subject to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, which requires that the Company's aggregate indebtedness shall not exceed fifteen times net capital, as defined. At December 31, 2014, the Company had net capital of \$2,237,850 which exceeded requirements by \$1,698,177. The ratio of aggregate indebtedness to net capital was 3.62 to 1.

In addition, the Company maintains a Special Reserve Bank Account for the exclusive benefit of customers of the Company pursuant to Rule 15c3-3 of the Securities Exchange Act of 1934.

MTG, LLC d/b/a Betterment Securities
Notes to the Statement of Financial Condition (continued)
December 31, 2014

7 – CONTROL OF SECURITIES

The Company maintains control of all fully paid customer securities by holding them in a special omnibus account at the Clearing Broker. The Company has instructed the Clearing Broker to maintain physical possession or control of all customer securities carried in the account free of any charge, lien or claim of any kind in favor of the Company or any persons claiming through the Company. The value of such assets is not included on the Company's statement of financial condition.

8 - FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET CREDIT RISK

In the normal course of business, the Company's customer activities involve the execution, settlement and financing of various customer securities. These activities may expose the Company to off-balance sheet credit risk in the event the customer is unable to fulfill its contracted obligations. The Company is therefore exposed to risk of loss on these transactions in the event of a contra party being unable to meet the terms of their contracts, which may require the Company to purchase or sell financial instruments at prevailing market prices.