

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20120304068 -01**

TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: Betterment Securities, Respondent
Broker-Dealer
BD No. 47788

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Betterment Securities ("Betterment Securities") submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

Betterment Securities, formerly known as Park Hill Capital, Inc. and MTG, LLC, has been a member of FINRA since on or about October 21, 1999. Betterment Securities operates out of one office in New York, New York. The firm employs approximately three registered representatives, all of whom work from the firm's New York office.

RELEVANT DISCIPLINARY HISTORY

Betterment Securities does not have any relevant disciplinary history with the Securities and Exchange Commission, FINRA, any other self-regulatory organization or any state securities regulator.

OVERVIEW

This matter concerns Betterment Securities' failure to maintain and preserve certain of its electronic communications as required by Rule 17a-4, promulgated under the Securities Exchange Act of 1934 ("Exchange Act").

FACTS AND VIOLATIVE CONDUCT

Exchange Act Rule 17a-4 requires that brokerage firms preserve, for a period of not less than three years (the first two years in an easily accessible place), electronic communications relating to the firm's business as a broker-dealer. NASD Rule 3110 (effective through December 4, 2011) and FINRA Rule 4511 (effective starting on December 5, 2011) require, among other things, that FINRA members comply with Exchange Act Rule 17a-4.

Between January 2010 and May 2013 (the "Relevant Period"), Betterment Securities utilized a third party vendor to maintain and preserve its electronic communications. During the Relevant Period, the vendor archived email communications at 30 minute intervals. The email retention system, however, was not designed to capture email communications that had been "double-deleted" from an email user's deleted email folder prior to the 30 minute back-up process. As a result, if any email communications were deleted from a user's deleted items folder during the intervals between these back-ups, Betterment Securities' systems during the Relevant Period would not have retained them.

As a result of the foregoing conduct, Betterment Securities violated Exchange Act Rule 17a-4 and FINRA Rule 2010. This conduct also constitutes a violation of NASD Rule 3110 for conduct prior to December 5, 2011, and FINRA Rule 4511 for conduct after December 5, 2011.

B. Respondent also consents to the imposition of the following sanctions:

- A censure and;
- A fine of \$10,000.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

Respondent agrees to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments are due and payable. Respondent has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against it;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

Respondent understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent; and

C. If accepted:

1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against it;
2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my disciplinary record;
3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
4. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects Respondent's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

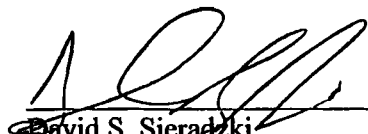
The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent has agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce Respondent to submit it.

8/27/14
Date

Eli Brouman / 64 DSS
Respondent Betterment Securities
By: [name] Eli Brouman
[title] COO

Reviewed by:

8/29/14
Date

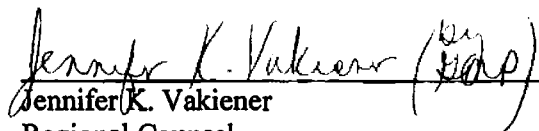


David S. Sieradzki
Counsel for Respondent
Bracewell & Guiliani
2000 K Street NW, Suite 500
Washington, D.C. 20006-1809

Accepted by FINRA:

September 25, 2014
Date

Signed on behalf of the
Director of ODA, by delegated authority



Jennifer K. Vakiener
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