OTC MARKETS GROUP INC.

A Delaware Corporation

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NAICS: 523999
SIC Code: 6289

Issuer's Quarterly Report

For the quarterly period ended September 30, 2014

ISSUER'S EQUITY SECURITIES

COMMON STOCK

Class A Common Stock
$0.01 Par Value Per Share
14,000,000 Shares Authorized
11,066,466 Shares Outstanding as of October 31, 2014
OTCQX: OTCM

Class C Common Stock
$0.01 Par Value Per Share
130,838 Shares Authorized
130,838 Shares Outstanding as of October 31, 2014

OTC Markets Group Inc. is responsible for the content of this Quarterly Report. The securities described in this document are not registered with, and the information contained in this report has not been filed with, or approved by, the U.S. Securities and Exchange Commission.

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QUARTERLY REPORT

Cautionary Note Regarding Forward-Looking Statements

Information set forth in this Quarterly Report (the "Quarterly Report") contains forward-looking statements, which involve a number of risks and uncertainties that could cause our actual results to differ materially from those reflected in the forward-looking statements. Forward-looking statements can be identified by use of the words "expect," "project," "may," "might," "potential," and similar terms. OTC Markets Group Inc. ("OTC Markets Group", "we" or the "Company") cautions readers that any forward-looking information is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking information. Forward-looking statements involve a number of risks, uncertainties or other factors beyond OTC Markets Group's control. These factors include, but are not limited to, our ability to implement our strategic initiatives, economic, political and market conditions and price fluctuations, government and industry regulation, U.S. and global competition, and other factors. Factors that could cause or contribute to such differences include, but are not limited to, those discussed under the heading "Risk Factors" in our Annual Report for the year ended December 31, 2013. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

Item 1. The exact name of the issuer and the address and telephone number of the issuer's principal executive offices

The name of the issuer is OTC Markets Group Inc. On March 31, 2008, the Company's predecessor, Pink Sheets LLC, converted from a Delaware limited liability company to a Delaware corporation and changed its name to Pink OTC Markets Inc. On January 18, 2011, the Company changed its name to OTC Markets Group Inc.

Company Description

OTC Markets Group Inc. (OTCQX: OTCM) operates Open, Transparent and Connected financial marketplaces for 10,000 U.S. and global securities. Through our OTC Link® ATS, we directly link a diverse network of broker-dealers that provide liquidity and execution services for a wide spectrum of securities. We organize these securities into marketplaces to inform investors of opportunities and risks – OTCQX®, The Best Marketplace; OTCQB®, The Venture Marketplace; and OTC Pink®, The Open Marketplace. Our data-driven platform enables investors to easily trade through the broker of their choice at the best possible price and empowers a broad range of companies to improve the quality and availability of information for their investors.

The address of the issuer is:	**304 Hudson Street, 3rd Floor** **New York, NY 10013**
The telephone and facsimile is:	**Telephone: (212) 896-4400** **Facsimile: (212) 868-3848**
The issuer's website:	**OTC Markets Group's corporate website, www.otcmarkets.com, contains general information about us and our products and services. We also maintain www.otciq.com, www.otcquote.com, and www.otcdealer.com. The information contained on such websites shall not be deemed incorporated by reference herein.**
Investor relations contact:	**Wendy Fraulo, Chief Financial Officer** **304 Hudson Street, 3rd Floor** **New York, NY 10013** **Telephone: (212) 220-2215** **ir@otcmarkets.com**

Item 2. Shares outstanding

OTC Markets Group has 14,130,838 shares of common stock authorized, consisting of (i) 14,000,000 shares of Class A common stock and (ii) 130,838 shares of Class C common stock. There were no preferred shares outstanding as of the reported periods.

None of OTC Markets Group's common stock has been registered under the Securities Act of 1933, as amended (the "Securities Act") and we have no current plans to register any of our securities. Certain shares of our common stock are currently eligible for resale in the public market pursuant to the exemption from registration offered by Rule 144 under the Securities Act ("Rule 144"). The remaining outstanding shares of our common stock are "restricted securities" within the meaning of Rule 144, and may be eligible for resale in the future.

The following table shows Class A common stock share ownership as of September 30, 2014:

		September 30, 2014
(i)	Number of shares authorized	14,000,000
(ii)	Number of shares outstanding	11,066,466
(iii)	Number of shares freely tradable (public float)[(1)(2)]	6,603,098
(vi)	Total number of holders of record	133

There are greater than 100 beneficial shareholders owning at least 100 shares of the Company's Class A common stock.

Notes:

(1) The number of shares freely tradable may include shares held by certain shareholders owning 10% or more of our Class A common stock. These shareholders may be considered "affiliates" within the meaning of Rule 144, and their shares may be "control shares" subject to the volume and manner of sale restrictions under Rule 144.

(2) Our officers and directors hold approximately 4.3 million shares of our Class A common stock, which may be "control shares" subject to the volume and manner of sale restrictions under Rule 144. These shares are excluded from the number of shares freely tradable.

The CUSIP numbers for our common stock are 67106F108 for Class A common stock and 67106F207 for Class C common stock.

Our Class A common stock trades on the OTCQX marketplace under the symbol OTCM. Our Class C common stock does not have a trading symbol and does not have a public market. All authorized shares of our Class C common stock are outstanding and are held by R. Cromwell Coulson, our Chief Executive Officer.

Dividends

During the nine months ended September 30, 2014, the Board of Directors authorized and approved the following cash dividends:

Declaration Date	Dividend Per Common Share	Record Date	Total Amount (in thousands)	Payment Date
February 24, 2014	$ 0.06	March 13, 2014	$ 663	March 27, 2014
May 5, 2014	0.06	June 10, 2014	661	June 24, 2014
August 12, 2014	0.10	September 11, 2014	1,111	September 25, 2014

On November 12, 2014, the Board of Directors authorized and approved a special cash dividend of $0.50 per share of Class A Common Stock and a quarterly cash dividend of $0.10 per share of Class A common stock. The special dividend is payable on December 8, 2014 to our stockholders of record on November 24, 2014, and the quarterly dividend is payable on December 23, 2014 to our stockholders of record as of December 9, 2014.

The declaration of dividends by OTC Markets Group is subject to the discretion of our Board of Directors. Our Board of Directors takes into account such matters as general business conditions, our financial results, capital requirements and contractual, legal and regulatory restrictions on the payment of dividends by us, and such other factors as our Board of Directors may deem relevant.

Item 3. Unaudited interim condensed consolidated financial statements

Copies of the unaudited interim condensed consolidated financial statements of OTC Markets Group as of September 30, 2014 and December 31, 2013 and for the three and nine months ended September 30, 2014 and September 30, 2013, including the unaudited Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Income, Condensed Consolidated Statements of Cash Flows, Condensed Consolidated Statements of Stockholders' Equity and Notes to the Condensed Consolidated Financial Statements, are attached hereto as Exhibit 3.1 and are hereby incorporated by reference into this Quarterly Report.

The unaudited interim condensed consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the United States ("U.S. GAAP"). The accompanying unaudited interim condensed consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented. These adjustments are of a normal recurring nature. As permitted under U.S. GAAP, certain footnotes or other financial information are condensed or omitted in the unaudited interim condensed consolidated financial statements. These unaudited interim condensed consolidated financial statements should be read in conjunction with the financial statements and related notes included in our Annual Report for the year ended December 31, 2013. The December 31, 2013 unaudited Condensed Consolidated Balance

Sheet was derived from audited consolidated financial statements contained in our Annual Report for the year ended December 31, 2013, but does not include all disclosures required by U.S. GAAP. Operating results for the interim periods are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2014.

Item 4. Management's discussion and analysis

Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

Mission and Vision

At OTC Markets Group Inc. (OTCQX: OTCM) our mission is to create better informed and more efficient financial marketplaces. We pursue this mission by operating Open, Transparent and Connected financial marketplaces for 10,000 U.S. and global securities. We organize these securities into marketplaces to better inform investors of opportunities and risks – OTCQX, The Best Marketplace; OTCQB, The Venture Marketplace; and OTC Pink, The Open Marketplace. Our marketplaces enable better informed and more efficient securities trading through any broker. Through our OTC Link ATS, we directly link a diverse network of broker-dealers that provide liquidity and execution services for a wide spectrum of securities. OTC Link ATS is operated by our wholly-owned subsidiary OTC Link LLC, a Financial Industry Regulatory Authority, Inc. ("FINRA®") member broker-dealer regulated by the Securities and Exchange Commission ("SEC") as an Alternative Trading System ("ATS"). Our data-driven platform enables investors to easily trade through the broker of their choice at the best possible price and empowers a broad range of companies to improve the quality and availability of information for their investors.

Our information and communication services enable companies to achieve the five primary benefits of public trading: 1) Visibility; 2) Liquidity; 3) Valuation; 4) Capital; and 5) Trust. Public trading is often a key component in creating successful and sustainable enterprises over the long-term, and provides companies with access to benefits not easily available to private companies.

Our vision is to expand the world of investment opportunities by creating the financial marketplaces of choice. By enabling investors to intelligently analyze, value and trade securities, through any broker, we bring the benefits of public trading to a wide spectrum of securities and efficiently fulfill the capital formation needs of a broad range of U.S. and global companies. Our services can be used by broker-dealers and companies to give investors an informational experience that is comparable to trading exchange listed securities.

Our Business

OTC Link ATS offers our FINRA member broker-dealer subscribers increased discretion and control of their trade executions. OTC Link ATS's network-based, fully attributable model leads to greater choice of trading partners and more efficient trading for investors. As an SEC registered ATS and FINRA member broker-dealer, OTC Link ATS is subject to the direct regulatory oversight of the SEC and FINRA.

Due to the role OTC Link ATS plays in the broker-dealer trading process, we generate a significant amount of market data and security information. Our market data consists of real-time, delayed and end of day quotation and trading data, as well as security master and corporate data for OTCQX, OTCQB, and OTC Pink securities, which is widely disseminated through our broad network of market data redistributors.

Our premium market data, company data and security information services are designed to provide the building blocks to a better informational experience for investors by promoting price transparency, facilitating public disclosure, and enabling companies to demonstrate compliance with federal and state securities laws.

The OTCQX marketplace is for established, global and growth companies with eligible securities quoted on OTC Link ATS that meet certain financial standards and disclosure requirements and choose to have their securities qualify to trade on the OTCQX marketplace. Companies traded on the OTCQX marketplace receive a package of premium services to inform investors, provide consistent disclosure, clearly convey their reputations and demonstrate regulatory compliance. During the first half of 2014, we implemented a set of OTCQX Rules specifically tailored for the needs of U.S. community and regional banks. OTCQX for U.S. Banks allows qualified banks to utilize their existing regulatory reporting to provide easily accessible information to investors.

We introduced new standards for our OTCQB marketplace on May 1, 2014. The standards are designed to make OTCQB a better venture marketplace with fee based services. Companies that choose to join the OTCQB marketplace also receive a package of premium services that are designed to promote price transparency and facilitate public disclosure. The OTCQB standards require companies to provide additional information to investors, including management certifications with specific identification of company officers, directors and controlling shareholders; transparency of legal, accounting and investor relations advisors; and confirmation of total shares outstanding and total shares authorized. The new OTCQB standards also include a minimum bid price test that results in downgrading sub-penny securities to the OTC Pink marketplace. In addition to its original base of SEC reporting companies and banks, the OTCQB marketplace is now open to international venture stage companies that trade in the U.S. in reliance on an available exemption from SEC registration, provide the information required by Rule 12g3-2(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and meet the applicable OTCQB standards. The majority of venture stage companies listed on the TSX Venture, LSE AIM and other non-U.S. venture exchanges do not meet the OTCQX marketplace's high financial standards and could benefit from the trading and transparency of the OTCQB marketplace. Current OTCQB companies are required to comply with the new OTCQB standards 120 days after their fiscal year-end, beginning with companies that had fiscal years that ended on March 31, 2014. Companies that do not submit an OTCQB application or do not provide the annual management certifications within 120 days after their first fiscal year end subsequent to March 31, 2014 are downgraded to the OTC Pink marketplace. We expect the changes to the OTCQB marketplace to improve information availability for investors and better suit the needs of entrepreneurial and development stage companies.

The OTC Pink marketplace contains all securities traded on OTC Link ATS that are not included in the OTCQX and OTCQB marketplaces, and allows broker-dealers to efficiently provide best execution for their customers in all types of securities without requiring the involvement of the company. Companies on the OTC Pink marketplace are categorized as "OTC Pink Current Information," "OTC Pink Limited Information" or "OTC Pink No Information" based on the completeness and timeliness of the information they provide to investors. Companies seeking to improve their categorizations on the OTC Pink marketplace can use our OTC Disclosure & News Service® to make current disclosure available in accordance with our OTC Pink Basic Disclosure Guidelines.

Recent Business Developments and Trends in Our Business

Our revenue streams are influenced by macroeconomic events and conditions affecting the broader global financial markets and in particular the U.S. equity markets, including investor sentiment and outlook, the regulatory environment, the risk/return and volatility factors of equity securities versus other financial investments and assets, and rapidly changing technologies in the capital markets.

We have placed increased emphasis on ensuring that our OTCQX, OTCQB and OTC Pink marketplaces are properly disseminated by financial information portals so investors and broker-dealers can easily identify a security's financial strength, disclosure level and risk profile. There continues to be an upswing in recognition and acknowledgement of these marketplaces and the types of companies traded on each marketplace, which we expect in the long-term will add to the value of our market data and result in increased revenues in both our Market Data Licensing and Corporate Services (formerly known as Issuer Services) business lines.

OTCQX, The Best Marketplace for established, global and growth companies, has continued to increase the visibility of qualified companies' securities. During 2013, the OTCQX marketplace was impacted by a significant reduction in the number of new companies joining and existing companies being able to meet the OTCQX standards and resulted in fewer OTCQX companies at the start of 2014. This trend was concentrated in the resource sector, particularly in Canada and Australia, which had been the primary sources of growth in OTCQX companies during 2011 and 2012. During the first half of 2014, we updated the OTCQX Rules to further encourage companies to improve the quality and availability of information to investors. We began to see increased issuer response to these updates during the third quarter.

The OTCQX Rules for U.S. Banks, published in February 2014, created a tailored qualification process for U.S. community and regional banks. The OTCQX Rules for U.S. Banks provide a cost effective marketplace that leverages bank regulatory reporting standards and creates enhanced visibility.

Also, in February 2014, we published amendments to the OTCQX Rules for U.S. Companies that are intended to streamline the OTCQX qualification process. Specifically, the updated U.S. Rules modified the responsibilities of a Designated Advisor for Disclosure for U.S. companies to align more closely with the responsibilities of a Principal American Liaison for international companies, and required companies to release quickly to the public any news or information which might reasonably be expected to materially affect the market for their securities. At the same time, we published amendments to the OTCQX Rules for International Companies that simplified the OTCQX qualification process and made it easier for companies with American Depository Receipts trading on OTCQX to upgrade their foreign ordinary shares, or "F" shares, to OTCQX.

OTCQB, The Venture Marketplace for entrepreneurial and development stage companies introduced new standards on May 1, 2014. Securities of companies included on the OTCQB marketplace now have to meet the new OTCQB standards 120 days after their fiscal year end, beginning with companies that had fiscal years that ended on March 31, 2014. The OTCQB standards include a $0.01 minimum bid price test and annual management certifications. Companies that do not submit an OTCQB application, do not provide the annual management certifications within 120 days after their first fiscal year end subsequent to March 31, 2014, or do not meet the new OTCQB $0.01 bid price test are downgraded to the OTC Pink marketplace. As of September 30, 2014, 118 companies had met the new OTCQB standards. Approximately 70% were previously traded on the OTCQB marketplace and the remainder are new upgrades into the OTCQB marketplace. Most OTCQB companies have fiscal years that end on

December 31, so we expect to see the majority of the revenue impact from companies that pay the annual fee and meet the new OTCQB marketplace standards during 2015.

Approximately 125 broker-dealer subscribers actively quote 10,000 securities on OTC Link ATS. The total dollar volume of trades in OTCQX, OTCQB and OTC Pink securities, including transactions executed away from OTC Link ATS, increased 10% to $51 billion during the three months ended September 30, 2014 and increased 26% to $181 billion during the nine months ended September 30, 2014 as compared to the same prior year periods. The total dollar volume of trading in OTCQX securities increased 8% to $8 billion during the third quarter of 2014 and 21% to $26 billion during the first nine months of 2014, which represented 16% and 15% of the total dollar volume of trading in all marketplaces during these periods, respectively.

OTC Link ATS introduced an updated FIX connection pricing schedule, new internet connection charge and increased the OTC Dealer license fee, effective July 1, 2014, which contributed to higher subscription revenue during the three and nine months ended September 30, 2014. Our subscriber base continues to trend towards more electronic trading while trading firms with less automation continue to experience significant competitive pressure. We expect these trends to continue and have devoted significant focus to expanding the functionality of services offered to broker-dealer subscribers on our OTC Link ATS and increasing the breadth and depth of securities traded on our marketplaces.

We introduced price increases for the majority of market data license subscriptions effective January 1, 2014. The price increases drove approximately 60% of the $1.3 million and $4.2 million increases in Market Data Licensing revenues during the three and nine months ended September 30, 2014, respectively, as compared to the same prior year period. Retention of existing subscribers and continued expansion of our distribution network and end-user base comprised the remaining increase in revenue.

We evaluate both the current and future period impact of increased costs related to our headcount and IT infrastructure and recognize the importance of attracting and retaining the talent required to develop our service offerings and manage our infrastructure, which are necessary to grow revenues in each of our business lines. A significant portion of our capital expenditures and higher IT infrastructure costs during 2014 have been focused on our primary and secondary data centers to improve stability and increase the scalability of our network.

How OTC Markets Group Generates Revenues

OTC Markets Group generates a majority of its revenues through a subscription model. As a result, the majority of our revenues are contract based and recurring in nature. For example, once a broker-dealer decides to trade using OTC Link ATS, that broker-dealer typically continues to subscribe to our services, with variable monthly user and usage levels, until it ceases to be active in trading securities on the OTCQX, OTCQB and OTC Pink marketplaces. The market data redistributors that offer our market data to their subscribers, including our largest redistributors, have historically remained long-term clients. We pay redistribution fees, the majority of which are paid to redistributors of our Market Data Licensing subscription licenses.

OTC Link ATS Trading Services

Our OTC Link ATS Trading Services business is operated by our wholly-owned subsidiary, OTC Link LLC, an SEC registered ATS that empowers broker-dealer subscribers to provide investors with a superior trading experience. OTC Link ATS directly links a diverse network of leading U.S. broker-dealers providing liquidity and execution services in a wide spectrum of U.S. and global securities. OTC Link ATS's real-time price transparency and connectivity offers broker-

dealers control of trades and choice of counterparties so they can efficiently provide best execution, attract order flow and comply with FINRA and SEC regulations.

OTC Link ATS Trading Services generates revenues by offering a suite of quotation and trade-messaging services, as well as the QAP One Statement access fee solution service, to a diverse network of broker-dealers operating as market makers, agency brokers and ATSs, including Electronic Communication Networks. Gross revenues from our OTC Link ATS Trading Services business line accounted for approximately 29% of the Company's gross revenue during both the three and nine months ended September 30, 2014, and 31% and 33% during the comparable three and nine months in 2013, respectively.

Broker-dealers pay monthly license, subscription, and connectivity fees to use OTC Link ATS. Our OTC Dealer® application provides broker-dealers a user interface into OTC Link ATS. OTC Link ATS delivers quote and trade messages electronically, which allows broker-dealer subscribers to execute, negotiate or decline trade messages and automate their liquidity and execution services for investors.

OTC Dealer provides full access to OTC Link ATS tickers, quote montages, and multiple watch lists for securities traded on the OTCQX, OTCQB and OTC Pink marketplaces. For automated trading and integration with third party order management systems ("OMS") and direct access trading systems, we offer the OTC FIX Gateway, a real-time Financial Information eXchange ("FIX") Protocol that allows fully-electronic submission and receipt of quotes, trade messages, and drop copy confirmations.

OTC Link ATS's FINRA member broker-dealer subscribers pay per security usage fees to (i) publish quotes and (ii) communicate and negotiate with counterparties on OTC Link ATS. Monthly OTC Link ATS position fees are based on the number of daily priced and unpriced quote positions, with tiered pricing arrangements based on volume. Monthly OTC Link ATS message fees are based on the daily number of priced and unpriced securities on OTC Link ATS for which trade messages are sent or received, with tiered pricing arrangements based on volume. The daily messaging fee allows subscribers to send and receive an unlimited number of trade messages in a security on that day.

Fees for use of the OTC Dealer application are per user with tiered pricing arrangements and are discounted in graduated amounts as a function of total users per subscriber. OTC Dealer also provides users access to analysis and information, including corporate action data and advanced search capabilities for broker-dealer activity, quotes, inside markets and trades, and security changes.

Market Data Licensing

We generate Market Data Licensing revenues by providing our subscribers with access to the extensive market data, company data and security information collected through our OTC Link ATS Trading Services and Corporate Services business lines. We provide market data for securities traded on our marketplaces, including real-time data, end of day data, historical quotation data, company financial data, security master data and company reference data. Gross revenues from our Market Data Licensing business line accounted for approximately 48% and 49% of the Company's gross revenue during the three and nine months ended September 30, 2014, respectively, and 42% and 41% during the comparable three and nine months in 2013, respectively.

A variety of users, including investors, traders, institutions, accountants and regulators, pay us monthly license fees to access this information. We offer a suite of market data licenses, priced at per enterprise or per subscriber rates, through direct connectivity, extranet connectivity, and third party market data redistributors/OMS. Depending on the license type, subscribers may

distribute the market data on an internal-only basis, to clients, or to the public. We generate a majority of our market data revenues from sales through market data redistributors, including Bloomberg. Certain of our market data license agreements include redistribution fees and rebates, which represented 12% of Market Data Licensing gross revenue for both the three and nine months ended September 30, 2014, and 13% during both the comparable three and nine months in 2013.

Our Market Data Licensing services include:

- *OTC Markets Level 1+ (OTCQX, OTCQB, OTC Pink, OTC Bonds) License* - Real-time inside bid and offer quote prices and aggregate size information for OTCQX, OTCQB, OTC Pink, OTC Bonds and other securities on OTC Link ATS. This license includes information regarding trades negotiated by broker-dealers via OTC Link ATS.
- *OTC Markets Level 2+ (OTCQX, OTCQB, OTC Pink, OTC Bonds) License* - Real-time individual bid and offer quote prices, size information, market participant identifiers and contact information in OTCQX, OTCQB, OTC Pink, OTC Bonds and other securities on OTC Link ATS. This license includes information regarding trades negotiated by broker-dealers via OTC Link ATS.
- *OTC Markets Real-Time Reference Prices (OTCQX, OTCQB, OTC Pink, OTC Bonds) License* – Real-time inside bid and offer quote prices in OTCQX, OTCQB, OTC Pink, OTC Bonds and other securities on OTC Link ATS. Size and market participant information is not available with this license. This license includes information regarding trades negotiated by broker-dealers via OTC Link ATS.
- *OTC Markets Internal System Application (OTCQX, OTCQB, OTC Pink, OTC Bonds) License* – Real-time quote prices, size and market participant (Level 1+ or Level 2+) data for use by a software application only.
- *OTC Markets Delayed Level 1 (OTCQX, OTCQB, OTC Pink, OTC Bonds) License* – Delayed inside bid and offer quote prices and aggregate size information in OTCQX, OTCQB, OTC Pink, OTC Bonds and other securities on OTC Link ATS. This license includes delayed information regarding trades negotiated by broker-dealers via OTC Link ATS.
- *OTC Markets End of Day Pricing (OTCQX, OTCQB, OTC Pink, OTC Bonds) License* – End of day bid and ask quote prices in OTCQX, OTCQB, OTC Pink, OTC Bonds and other securities on OTC Link ATS for regulatory reporting, audits, valuation, research and analysis.
- *OTC Markets Security & Company Data (OTCQX, OTCQB, OTC Pink, OTC Bonds) License* – Security and Company attribute data in OTCQX, OTCQB, OTC Pink, OTC Bonds and other securities on OTC Link ATS for compliance, research and analysis.

Pricing information for each of our market data licenses is publicly available on our website.

We offer OTCQuote®; a web-based, real-time, view-only quote service designed for agency traders, institutional investors, compliance officers and regulators that need to stay abreast of market activity in OTCQX, OTCQB, OTC Pink and FINRA OTC Bulletin Board securities.

We also charge for the right to display advertisements on www.otcmarkets.com.

Corporate Services

We generate Corporate Services revenues by offering services that are designed to create better informed and more efficient trading through fostering greater availability of company

disclosure, promoting price transparency, facilitating communication, demonstrating compliance and mitigating risk for our corporate clients. We operate OTCQX, The Best Marketplace; OTCQB, The Venture Marketplace; and offer a suite of premium services to companies trading on all of our marketplaces. These premium services include the OTC Disclosure & News Service for posting financial reports, disclosure documents and news releases, either stand-alone or through integrated third-party newswire providers; Real-Time Level 2 Quote Display, a service that companies sponsor to make Level 2 quotes available for free to investors on www.otcmarkets.com and the company's website; and the Blue Sky Monitoring Service for analysis, review, and guidance about a company's compliance with each U.S. state's securities laws. Gross revenues from our Corporate Services business line accounted for approximately 23% and 22% of the Company's gross revenue during the three and nine months ended September 30, 2014, respectively, and 27% and 26% during the comparable three and nine months in 2013, respectively.

Our marketplaces offer established, global and growth companies a choice of disclosure standards to make their financial and operating information publicly available in the most efficient manner:

- U.S. Reporting Standard: Companies may register a class of their securities with the SEC and comply with SEC reporting requirements.
- Alternative Reporting Standard: When SEC registration is not required, companies generally must make certain information publicly available to satisfy the requirements of Rule 10b-5 under the Exchange Act and Rule 144(c)(2) under the Securities Act. The Alternative Reporting Standard may be satisfied through compliance with the OTCQX U.S. Disclosure Guidelines or OTC Pink Basic Disclosure Guidelines, as applicable.
- International Information Standard: Rule 12g3-2(b) under the Exchange Act permits non-U.S. companies with securities listed primarily on a non-U.S. stock exchange to make publicly available to U.S. investors in English the same information that is made publicly available in their home countries as an alternative to SEC Reporting.
- Bank Reporting Standard: Banks can utilize their existing financial reports and regulatory disclosure to provide easily accessible information to investors.

To have their securities traded on the OTCQX marketplace, companies must be sponsored by a professional third-party advisor, meet minimum financial, disclosure and qualitative standards, pay annual fees, and continue to meet the requirements of our OTCQX Rules on a prospective basis. All companies traded on the OTCQX marketplace pay a one-time application fee and annual fees each year their securities are qualified to trade on the OTCQX marketplace. These fees are fixed and do not vary based on outstanding shares, market capitalization or otherwise. Companies on the OTCQX marketplace receive a package of premium services, including the OTC Disclosure & News Service, Real-Time Level 2 Quote Display, and Blue Sky Monitoring Service. Companies that choose to have their securities qualified for trading on the OTCQX marketplace do so annually, on a calendar-year basis.

On May 1, 2014, we introduced new standards to the OTCQB marketplace to make it into a premium, venture marketplace designed for the needs of entrepreneurial and development stage companies. Companies that choose to join the OTCQB marketplace receive a package of premium services designed to promote price transparency and facilitate public disclosure. On a rolling basis, based on companies' fiscal year ends, corporate clients whose securities meet the OTCQB standards are required to pay an initial application fee, and an annual subscription fee.

OTC Pink companies may subscribe separately to our premium services including the OTC Disclosure & News Service, Real-Time Level 2 Quote Display, and Blue Sky Monitoring Service. Companies can choose to subscribe to these premium services through subscription fees primarily paid on an annual basis.

Each of these premium services is available to companies that sign up to receive free access to our www.otciq.com secure web portal.

Financial Results

Our three business lines – OTC Link ATS Trading Services, Market Data Licensing and Corporate Services – provide a wide variety of services to broker-dealers, corporate clients, investors, market data distributors and regulators. We believe our elegant, reliable and cost-effective subscription based services allow us to maintain our leading market position as a financial and technology services provider. Each business line has distinct services and fees, including OTC Link ATS subscription service and usage based fees, Market Data distribution and licensing fees and Corporate Services application and annual fees. Growth from each business line promotes growth in the others because our services are complementary in nature.

Consolidated Results of Operations

Three Months Ended September 30, 2014 Versus Three Months Ended September 30, 2013

The table below presents comparative information from the Company's unaudited interim condensed consolidated statements of income for the three months ended September 30, 2014 and 2013.

	Three Months Ended September 30,		
(in thousands, except shares and per share data)	2014	2013	% change
Gross revenues	$ 10,799	$ 8,960	21%
Net revenues	10,206	8,483	20%
Operating expenses	6,759	6,223	9%
Income from operations	3,447	2,260	53%
Operating profit margin	*34%*	*27%*	
Income before provision for income taxes	3,448	2,261	52%
Net income	$ 1,937	$ 1,432	35%
Diluted earnings per share	$ 0.17	$ 0.13	29%
Weighted-average shares outstanding, diluted	11,188,086	10,704,377	5%

Revenues

The following table shows OTC Markets Group's gross revenues by business line and net consolidated revenues for the three months ended September 30, 2014 and 2013.

	Three Months Ended September 30,		
(in thousands)	2014	2013	% change
OTC Link ATS Trading services	$ 3,146	$ 2,815	12%
Market data licensing	5,123	3,778	36%
Corporate services	2,530	2,367	7%
Gross revenues	10,799	8,960	21%
Redistribution fees and rebates	(593)	(477)	24%
Net revenues	$ 10,206	$ 8,483	20%

Gross revenues during the three months ended September 30, 2014 increased $1.8 million, or 21%, to $10.8 million, compared to $9.0 million during the same prior year period. The increase was primarily related to growth in Market Data Licensing subscription revenue.

The changes in gross revenues for the three months ended September 30, 2014, as compared to the same prior year period, are further described below:

- OTC Link ATS Trading Services revenues increased $331 thousand, or 12%, to $3.1 million for the three months ended September 30, 2014. An updated FIX connection pricing schedule, new internet connection charge and increased OTC Dealer license fee resulted in an increase in combined subscription revenue of $404 thousand, or 44%. These increases were partially offset by a decrease in QAP One Statement service fees of $35 thousand, or 24%, due to a decline in the number of shares traded above $1.00 by broker-dealer subscribers of OTC Link ATS.

- Market Data Licensing revenues increased $1.3 million, or 36%, to $5.1 million for the three months ended September 30, 2014. Effective January 1, 2014, we instituted price increases for the majority of market data license subscriptions. Revenue from user license subscriptions, which includes professional and non-professional users, increased $1.0 million, or 42%, primarily due to the combined impact of the price increase and a 12% growth in the number of professional user licenses. Revenue from enterprise license subscriptions, which includes broker-dealer enterprise licenses, internal system licenses, derived data licenses and real-time delayed licenses, increased $230 thousand, or 43%, and end of day pricing services revenue increased $117 thousand, or 28%. Increases in enterprise license subscriptions were concentrated to broker-dealer enterprise licenses, internal system licenses and real-time delayed licenses.

- Corporate Services revenues increased $163 thousand, or 7%, to $2.5 million for the three months ended September 30, 2014. The addition of 118 OTCQB subscribers paying subscription fees under the OTCQB standards, launched on May 1, 2014, generated $142 thousand of OTCQB subscription revenue. Premium service subscription revenue increased $114 thousand, or 13%, primarily related to improved retention efforts, growth in the number of corporate clients subscribing to our OTC Disclosure & News Service and increased subscriber use of integrated third-party newswire providers. These increases were partially offset by a decrease in OTCQX subscription revenue of $92 thousand, or 6%, primarily due to the lower number of OTCQX companies.

Operating Expenses

The following table shows OTC Markets Group's consolidated operating expenses, by category, for the three months ended September 30, 2014 and 2013.

	Three Months Ended September 30,		
(in thousands)	2014	2013	% change
Compensation and benefits	$ 3,909	$ 3,569	10%
IT Infrastructure and information services	1,123	969	16%
Professional and consulting fees	446	513	(13%)
Marketing and advertising	284	287	(1%)
Occupancy costs	389	368	6%
Depreciation and amortization	408	403	1%
General, administrative and other	200	114	75%
Total operating expenses	$ 6,759	$ 6,223	9%

Operating expenses increased $536 thousand, or 9%, to $6.8 million during the three months ended September 30, 2014 as compared to the same prior year period.

The changes in operating expenses for the three months ended September 30, 2014, as compared to the same prior year period, are further described below:

- Compensation and benefits expenses increased $340 thousand, or 10%, to $3.9 million during the three months ended September 30, 2014. The increase in compensation and benefits expenses was primarily related to annual compensation increases and a higher bonus accrual, which had a combined effect of increasing salary, bonus and payroll tax expense by $207 thousand, or 7%. Increased Corporate Services sales and modifications to the commission plan, effective January 1, 2014, resulted in a $66 thousand, or 114%, increase in commission expense. As a percentage of gross revenues, compensation and benefits costs were 36% for the three months ended September 30, 2014 as compared to 40% for the same prior year period.
- IT Infrastructure and data communications expenses increased $154 thousand, or 16%, to $1.1 million during the three months ended September 30, 2014, primarily related to higher monthly run rates in software maintenance costs, expenses related to purchased data feeds and costs to operate the updated data centers, including cloud based services.
- Professional and consulting fees decreased $67 thousand, or 13%, to $446 thousand during the three months ended September 30, 2014. The decrease was primarily attributable to a $32 thousand, or 29%, decrease in audit fees, mainly related to the timing of the annual OTC Link ATS independent systems audit as required for an SEC registered ATS that processes significant trade volumes.
- Marketing and advertising costs decreased $3 thousand, or 1%, to $284 thousand during the three months ended September 30, 2014. The decrease was primarily related to a $61 thousand, or 66%, decrease in outside agency fees, and a $14 thousand, or 36%, decrease in the level of spending for sponsorship of certain industry events, partially offset by a $79 thousand, or 527%, increase in spending on corporate client outreach.
- General, administrative and other expenses increased $86 thousand, or 75%, to $200 thousand during the three months ended September 30, 2014, primarily related to adjustments to bad debt expense due to the timing of collections.

Income from Operations

Income from operations increased $1.1 million, or 53%, to $3.4 million for the three months ended September 30, 2014, as compared to the same prior year period, and operating profit margin expanded to 34% from 27% during the same periods. The increase in income from operations and operating profit margin was primarily attributable to the increase in Market Data Licensing revenues and controlled increases in operating expenses.

Net Income

Net income for the three months ended September 30, 2014 increased $505 thousand, or 35%, to $1.9 million, as compared to the same prior year period, primarily due to the $1.1 million increase in income from operations that was partially offset by a $682 thousand increase in the provision for income taxes. The Company's effective tax rate increased to 44% primarily because research and development ("R&D") tax credits were not enacted in the current year, but were included in the tax provision for the three months ended September 30, 2013, and resulted in an effective tax rate of 37% during that period.

Nine Months Ended September 30, 2014 Versus Nine Months Ended September 30, 2013

The table below presents comparative information from the Company's unaudited interim condensed consolidated statements of income for the nine months ended September 30, 2014 and 2013.

	Nine Months Ended September 30,		
(in thousands, except shares and per share data)	2014	2013	% change
Gross revenues	$ 31,008	$ 26,519	17%
Net revenues	29,231	25,118	16%
Operating expenses	20,318	19,253	6%
Income from operations	8,913	5,865	52%
Operating profit margin	*30%*	*23%*	
Income before provision for income taxes	8,922	5,860	52%
Net income	$ 5,221	$ 4,065	28%
Diluted earnings per share	$ 0.46	$ 0.37	25%
Weighted-average shares outstanding, diluted	11,101,530	10,742,417	3%

Revenues

The following table shows OTC Markets Group's gross revenues by business line and net consolidated revenues for the nine months ended September 30, 2014 and 2013.

	Nine Months Ended September 30,		
(in thousands)	2014	2013	% change
OTC Link ATS Trading services	$ 8,820	$ 8,620	2%
Market data licensing	15,229	10,993	39%
Corporate services	6,959	6,906	1%
Gross revenues	31,008	26,519	17%
Redistribution fees and rebates	(1,777)	(1,401)	27%
Net revenues	$ 29,231	$ 25,118	16%

Gross revenues during the nine months ended September 30, 2014 increased $4.5 million, or 17%, to $31.0 million, compared to $26.5 million during the same prior year period. The increase was primarily related to growth in Market Data Licensing subscription revenue.

The changes in gross revenues for the nine months ended September 30, 2014, as compared to the same prior year period, are further described below:

- OTC Link ATS Trading Services revenues increased $200 thousand, or 2%, to $8.8 million for the nine months ended September 30, 2014. An updated FIX connection pricing schedule, new internet connection charge and increased OTC Dealer license fee resulted in an increase in combined subscription revenue of $323 thousand, or 12%. QAP One Statement service fees increased $53 thousand, or 11%, due to a greater number of shares priced above $1.00 traded by broker-dealer subscribers of OTC Link ATS. These increases were partially offset by a $161 thousand, or 6%, decrease in revenue from quote positions due to a shift to priced from unpriced quote positions.

- Market Data Licensing revenues increased $4.2 million, or 39%, to $15.2 million for the nine months ended September 30, 2014. Effective January 1, 2014, we instituted price increases for the majority of market data license subscriptions. Revenue from user license subscriptions, which includes professional and non-professional user licenses, increased $2.9 million, or 40%, primarily due to the combined impact of the price increase and a 12% growth in the number of professional user licenses. Revenue from enterprise license subscriptions, which includes broker-dealer enterprise licenses, internal system licenses, derived data licenses and real-time delayed licenses, increased $751 thousand, or 50%, and end of day pricing services revenue increased $363 thousand, or 28%. Increases in enterprise license subscriptions were concentrated to broker-dealer enterprise licenses, internal system licenses and real-time delayed licenses.

- Corporate Services revenues increased $53 thousand, or 1%, to $7.0 million for the nine months ended September 30, 2014. Premium service subscription revenue increased $288 thousand, or 12%, primarily related to improved retention efforts, growth in the number of corporate clients subscribing to our OTC Disclosure & News Service and increased subscriber use of integrated third-party newswire providers. The addition of 118 OTCQB subscribers paying subscription fees under the OTCQB standards, launched on May 1, 2014, generated $155 thousand of OTCQB subscription revenue. These increases were partially offset by a decrease in OTCQX subscription revenue of $390 thousand, or 9%, primarily due to the lower number of OTCQX companies.

Operating Expenses

The following table shows OTC Markets Group's consolidated operating expenses, by category, for the nine months ended September 30, 2014 and 2013.

	Nine Months Ended September 30,		
(in thousands)	2014	2013	% change
Compensation and benefits	$ 11,960	$ 10,885	10%
IT Infrastructure and information services	3,218	2,804	15%
Professional and consulting fees	1,379	1,572	(12%)
Marketing and advertising	954	1,234	(23%)
Occupancy costs	1,104	1,047	5%
Depreciation and amortization	1,151	1,276	(10%)
General, administrative and other	552	435	27%
Total operating expenses	$ 20,318	$ 19,253	6%

Operating expenses increased $1.0 million, or 6%, to $20.3 million during the nine months ended September 30, 2014 as compared to the same prior year period.

The changes in operating expenses for the nine months ended September 30, 2014, as compared to the same prior year period, are further described below:

- Compensation and benefits expenses increased $1.1 million, or 10%, to $12.0 million during the nine months ended September 30, 2014. The increase in compensation and benefits expenses was primarily related to a 3% increase in headcount, annual compensation increases and a higher bonus accrual, which had a combined effect of increasing salary, bonus and payroll tax expense by $806 thousand, or 9%. Higher medical insurance costs also contributed to the overall compensation expense increase. As a percentage of gross revenues, compensation and benefits costs were 39% for the nine months ended September 30, 2014 as compared to 41% for the same prior year period.
- IT Infrastructure and data communications expenses increased $414 thousand, or 15%, to $3.2 million during the nine months ended September 30, 2014, primarily related to higher monthly run rates in software maintenance costs, expenses related to purchased data feeds and costs to operate the updated data centers, including cloud based services.
- Professional and consulting fees decreased $193 thousand, or 12%, to $1.4 million during the nine months ended September 30, 2014. The decrease was primarily attributable to a $361 thousand, or 89%, decrease in IT related consulting work, which was partially offset by a $168 thousand, or 14%, increase in the use of other professional and technical specialists.
- Marketing and advertising costs decreased $280 thousand, or 23%, to $954 thousand during the nine months ended September 30, 2014. The decrease was primarily related to a $283 thousand, or 69%, decrease in outside agency fees and a $87 thousand, or 35%, decrease in the level of spending for sponsorship of certain industry events. These decreases were partially offset by a $155 thousand, or 397%, increase in spending on corporate client outreach.
- Depreciation and amortization expense decreased $125 thousand, or 10%, to $1.2 million during the nine months ended September 30, 2014, primarily related to older assets that reached the end of their useful lives during the first nine months of 2014.
- General, administrative and other expenses increased $117 thousand, or 27%, to $552 thousand during the nine months ended September 30, 2014, primarily related to adjustments to bad debt expense due to the timing of collections and increased spending on travel between our offices and data centers.

Income from Operations

Income from operations increased $3.0 million, or 52%, to $8.9 million for the nine months ended September 30, 2014, as compared to the same prior year period, and operating profit margin expanded to 30% from 23% during the same period. The increase in income from operations and operating profit margin was primarily attributable to the increase in Market Data Licensing revenues and controlled increases in operating expenses.

Net Income

Net income for the nine months ended September 30, 2014 increased $1.1 million, or 28%, to $5.2 million, as compared to the same prior year period, primarily due to the $3.0 million

increase in income from operations that was partially offset by a $1.9 million increase in the provision for income taxes. The Company's effective tax rate increased to 41% primarily because R&D tax credits were not enacted in the current year, but were included in the tax provision for the nine months ended September 30, 2013, and resulted in an effective tax rate of 31% during that period.

Liquidity and Capital Resources

Our liquidity is primarily derived from our working capital and cash flows from operations. We require cash to support our current operating levels, fund strategic growth initiatives, develop new services and enhance existing services, make capital expenditures, fund dividends, and pay federal, state and local corporate taxes. We expect that our operations will provide sufficient cash to fund our strategic initiatives. We have no outstanding debt and $1.5 million available for business operations under our line of credit, which gives us additional flexibility in managing our cash flows.

The following table presents cash available for operations, which consists of cash, as of September 30, 2014 and December 31, 2013, as well as sources and uses of cash flows during the nine months ended September 30, 2014 and 2013.

(in thousands)	September 30, 2014	December 31, 2013	% change
Cash available for operations	$ 19,136	$ 18,936	1%

	Nine Months Ended September 30,		
	2014	2013	% change
Cash provided by operating activities	$ 4,488	$ 2,417	86%
Cash used in investing activities	(1,134)	(469)	142%
Cash used in financing activities	(3,154)	(1,874)	68%

Cash available for operations

Cash available for operations increased $200 thousand to $19.1 million as of September 30, 2014, as compared to $18.9 million as of December 31, 2013. The use of cash during the first half of the fiscal year is typically higher than the second half due to the timing of payments for accrued compensation and benefits from the prior year, estimated income tax payments, payments for annual IT contracts and capital expenditures.

Cash provided by operating activities

Cash provided by operating activities for the nine months ended September 30, 2014 was $4.5 million, as compared to $2.4 million during the same prior year period. Cash provided by operating activities was higher during the nine months ended September 30, 2014 primarily due to higher net income and the timing of income tax prepayments, partially offset by increased prepayments of new annual IT contracts.

Cash used in investing activities

Cash used in investing activities during the nine months ended September 30, 2014 was $1.1 million, as compared to $469 thousand during the same prior year period. The cash used in both periods was primarily related to purchases of IT equipment for our upgraded data centers.

Cash used in financing activities

Cash used in financing activities during the nine months ended September 30, 2014 was $3.2 million, as compared to $1.9 million during the same prior year period. The cash used in both

periods was primarily related to dividends paid to holders of our Class A common stock. The increased use of cash in the current year was related to higher dividends paid and purchases of treasury stock.

Capital resources and working capital

OTC Markets Group's working capital at September 30, 2014 was $17.4 million, an increase of $2.7 million, or 18%, from $14.7 million at December 31, 2013. Working capital includes certain non-operating assets and liabilities, such as prepaid income taxes, deferred tax assets and liabilities, and income taxes payable. The improvement in working capital during the nine months ended September 30, 2014 was primarily attributable to the recognition of OTCQX subscription revenue that was previously deferred and an increase in cash collected, mainly due to the price increase in market data license subscriptions.

Line of Credit

On July 7, 2012, the Company entered into a line of credit with JPMorgan Chase (the "Line of Credit") that made up to $1.5 million available for business operations. The Line of Credit has been extended through June 30, 2015. We have not drawn funds on the Line of Credit. Under the terms of the Line of Credit, we agreed to fulfill certain affirmative and negative covenants and other specified terms. At September 30, 2014, the Company was in compliance with all of the covenants and other terms of the Line of Credit.

Operating Leases

We have entered into operating lease agreements for our offices and recognize rent expense on a straight-line basis over the terms of the leases.

Off-Balance Sheet Arrangements

None.

Recent Regulatory Developments

FINRA's OTC Bulletin Board Proposal (the "OTCBB Proposal")

On July 9, 2014, FINRA proposed rule changes that would (1) enhance its regulation of FINRA member interdealer quotation systems that facilitate quotations in OTC equity securities, (2) cease operation of FINRA's OTC Bulletin Board ("OTCBB"), and (3) result in FINRA withdrawing the QCF Proposal (summarized below under "*FINRA's QCF Proposal*"). OTC Link ATS is a FINRA member interdealer quotation system that facilitates quotes in OTC equity securities, and therefore would be impacted by the OTCBB Proposal, if approved.

OTC Markets Group filed a comment letter on August 5, 2014 in full support of the OTCBB Proposal, noting that it would improve the operation and efficiency of the quotation and trading process for OTC equity securities without overly burdening OTC Link ATS or other qualifying interdealer quotation systems. We also further support FINRA's intent to withdraw the QCF Proposal.

Specifically, the OTCBB Proposal would require OTC Link ATS to adopt and provide to FINRA (i) written standards for granting fair and non-discriminatory access to quoting and trade messaging on its systems, (ii) fair and reasonable written policies and procedures regarding the collection and dissemination of quotes on or through its systems, (iii) a written description of quotation-related data products and related pricing information, and (iv) expanded reporting related to quotation information. As an SEC registered ATS subject to the fair access provisions of Regulation ATS Rule 301, OTC Link ATS already maintains procedures for providing fair and non-discriminatory access to its systems. We also make transparent pricing information available to the public on www.otcmarkets.com, and provide widespread access to our market

data to broker-dealers, investors and other interested parties through direct feeds and an extensive network of redistributors. The expanded reporting requirements in the OTCBB proposal primarily shift existing quotation reporting requirements from market makers to the system on which such quotes are published. The OTCBB Proposal acknowledges that OTC Link ATS already provides the vast majority of this information to FINRA on a regular basis.

In proposing to cease operation of the OTC Bulletin Board, FINRA noted that the amount of quotation information widely available to investors relying on OTCBB data has become negligible. Of the approximately 10,000 OTC equity securities currently eligible to be quoted on an interdealer quotation system, less than 20 are quoted solely on the OTCBB without a corresponding quote on the OTCQX, OTCQB or OTC Pink marketplaces. FINRA's proposal to devote its resources and expertise to regulating the systems that facilitate quotations in OTC equity securities, rather than trying to operate the OTCBB, is well considered and would benefit all interested market participants.

FINRA's proposal specifically states that if the SEC approves the OTCBB Proposal, FINRA intends to withdraw the QCF Proposal. We have long been strongly opposed to the QCF Proposal, and applaud FINRA's intent to withdraw it. (See "*FINRA's QCF Proposal*," below).

On October 7, 2014, the SEC instituted proceedings to determine whether to approve or disapprove of the OTCBB Proposal. Accordingly, the SEC has encouraged interested parties to comment and provide the SEC with arguments to support the analysis on whether to approve or disapprove of this rule proposal. Sidley Austin LLP filed a comment letter on our behalf on November 4, 2014, reaffirming our support and outlining why we believe the SEC should approve the OTCBB Proposal. The deadline for any rebuttal submissions is November 18, 2014.

Since the OTCBB Proposal is pending SEC approval, it is therefore not possible at this time to determine the extent, if any, to which the OTCBB Proposal will affect our financial results.

FINRA's QCF Proposal

On November 13, 2009, FINRA filed with the SEC a proposed rule change to create a Quotation Consolidation Facility ("QCF") that would serve as a commercial data consolidator and disseminator for quote data in the OTC equity market (the "QCF Proposal"). Under the QCF Proposal, FINRA would provide a national best bid or offer ("NBBO") for OTC securities traded on interdealer quotation systems for inclusion in the NASDAQ UTP Level One feed. FINRA has stated its intent to withdraw the QCF Proposal if the SEC approves the FINRA OTCBB Proposal (summarized above under "*FINRA's OTC Bulletin Board Proposal*").

We believe that the QCF Proposal, if adopted in its current form, could negatively impact our revenues, including revenues from our Market Data Licensing and OTC Link ATS Trading Services business lines. We currently generate a portion of our revenues by licensing the market data that we collect through our interdealer quotation system. We provide this market data, including the dissemination of an NBBO in OTC equity securities traded on OTC Link (the "OTC-BBO"), to market data redistributors, broker-dealers and other OTC market participants under subscription and enterprise license agreements.

Under the QCF Proposal, we would effectively be required to provide FINRA with our OTC-BBO and all broker-dealer quotations on our OTC Link ATS, so that FINRA could provide an NBBO for OTC securities for inclusion in the NASDAQ UTP Level One feed. Approximately 42% and 43% of our total Market Data Licensing revenues were derived from the OTC-BBO during the nine months ended September 30, 2014 and 2013, respectively. If the SEC approves the QCF Proposal, we expect that we will lose substantially all of this revenue.

Under the QCF Proposal, FINRA would charge its members an additional "per quote" fee of $4.00 per month (the "FINRA Quote Fee") for each security quoted on an interdealer quotation system such as OTC Link. The FINRA Quote Fee would likely negatively impact our OTC Link ATS Trading Services revenues, and could negatively affect the value of our market data by decreasing the amount and the breadth of that data.

On March 18, 2010, FINRA filed with the SEC a proposed amendment to the original QCF Proposal (the "QCF Amendment"). FINRA's QCF Amendment would eliminate, at this time, the FINRA Quote Fee, while reserving the right to re-introduce a fee in a separate rule filing in the future.

OTC Markets Group is strongly opposed to FINRA's QCF Proposal. On December 14, 2009, we submitted to the SEC a comment letter in opposition to the QCF Proposal. On March 19, 2010 and May 5, 2010, Bingham McCutchen LLP submitted similar comment letters to the SEC on our behalf regarding the QCF Proposal, and on June 3, 2010, a comment letter regarding Amendment 21 of the NMS Plan for NASDAQ securities ("Amendment 21") questioning the appropriateness of including FINRA OTC Equity Data in the plan. On October 18, 2010, FINRA responded with a comment letter in support of Amendment 21. On December 6, 2010, Bingham McCutchen LLP submitted another comment letter on our behalf, noting flaws in FINRA's argument and raising several additional points in opposition to Amendment 21.

During the fourth quarter of 2011, OTC Markets Group entered into agreements to have its market data distributed through the NYSE Technologies' SuperFeed™ and NASDAQ UltraFeedSM data feeds. These data feeds allow for the provision of an NBBO for OTC securities to the same network of subscribers that would be reached through the NASDAQ UTP Level One feed.

OTC Markets Group is considering a variety of options in the event that the QCF Proposal is not withdrawn as noted in FINRA's OTCBB Proposal (summarized above under "*FINRA's OTC Bulletin Board Proposal*") and the SEC approves the QCF Proposal or Amendment 21, including bringing a legal action against the SEC and/or FINRA. A legal action relating to the QCF Proposal would be protracted and costly, which may adversely affect our operating results.

Regulation SCI

On March 8, 2013, the SEC proposed Regulation Systems Compliance and Integrity ("SCI"), which would apply to certain self-regulatory organizations, alternative trading systems, plan processors, and certain clearing agencies ("SCI Entities"). OTC Link ATS likely would fall within the proposed definition of an SCI Entity and be required to comply with this regulation in the event that the final regulation applies to alternative trading systems.

Proposed Regulation SCI would require SCI Entities to establish written policies and procedures reasonably designed to ensure that their systems have levels of capacity, integrity, resiliency, availability, and security adequate to maintain their operational capability and promote the maintenance of fair and orderly markets, and that they operate in the manner intended. SCI Entities would mandate participation by designated members or participants in scheduled testing of the operation of their business continuity and disaster recovery plans, including backup systems, and coordinate such testing with other SCI Entities. Regulation SCI would require SCI Entities to provide notices and reports to the SEC on a new proposed Form SCI regarding, among other things, systems disruptions, systems compliance issues, and systems intrusions ("SCI Events"), as well as material systems changes, and take corrective action upon any responsible SCI personnel becoming aware of SCI Events. Information regarding certain types of SCI Events would be disseminated to members or participants of SCI Entities. SCI

Entities would be required to conduct a review of their systems by objective personnel at least annually, and to maintain certain books and records.

OTC Link ATS is required to comply with the requirements imposed on an ATS that, during at least 4 out of 6 consecutive months, has more than 20% of the average daily volume of any equity security reported to FINRA. Many of these requirements are incorporated in proposed Regulation SCI. However, the proposed rule also contains a number of additional requirements, such as extensive reporting requirements, internal compliance processes and coordinated testing with other SCI Entities that will be costly to implement.

On September 12, 2013, we filed a comment letter with the SEC regarding the proposed rule. We joined with many other commenters in fostering a productive dialogue with the SEC about the impact of proposed Regulation SCI. We believe that as a result of the comment process the SEC has considered the need to balance the goal of enhanced systems regulation with the potential unintended costs of overregulation. The effect of Regulation SCI on our financial results will depend on its final form, if adopted.

Jumpstart Our Business Startups Act ("JOBS Act")

On April 5, 2012, President Obama signed the JOBS Act into law. The JOBS Act's stated goals include easing the burdens on capital raising for small and mid-sized companies. To achieve its purpose, the JOBS Act includes several provisions that we expect will have a significant impact on our marketplaces. These provisions include, among other things, (i) eliminating the prohibition on general solicitation related to private offerings of securities relying on Rule 144A and Rule 506 under the Securities Act, (ii) authorizing the SEC to create a new regulation under the Securities Act to permit private offerings of tradable securities for amounts up to $50 million (the "Regulation A+ Exemption") in addition to the current $5 million threshold for offerings of securities relying on Regulation A, (iii) raising the shareholder threshold requiring mandatory registration under the Exchange Act from 500 holders of record to 2,000 holders of record, with a limit of 499 holders that are not "accredited investors" as that term is defined in Rule 501 under the Securities Act, (iv) creating a "crowdfunding" exemption that will allow companies to raise up to $1 million over 12 months from an unlimited number of investors, each limited to an investment of $10,000 or 10% of their annual income or net worth, whichever is less, and (v) increasing flexibility for broker-dealers to issue research reports on emerging growth companies.

On July 10, 2013, the SEC issued a final rule giving effect to the JOBS Act requirement to end the ban on general solicitation and general advertising in Rule 506 and Rule 144A offerings, which became effective on September 23, 2013 (the "General Solicitation Rule"). Under the General Solicitation Rule, issuers are permitted to engage in general solicitation and advertising when offering securities in a private placement in reliance on newly created Rule 506(c), provided that all of the purchasers are accredited investors and the issuer has taken reasonable steps to verify the purchasers' accredited investor status. The General Solicitation Rule also now permits issuers to use general solicitation and general advertising in Rule 144A offerings, as long as the purchasers are limited to Qualified Institutional Buyers ("QIBs") or any person that the issuer reasonably believes is a QIB.

Also on July 10, 2013, the SEC proposed additional consumer protection rules that would apply to private placement offerings under Rule 506, including requiring certain additional filings with the SEC, additional requirements for written solicitation materials, and increased penalties for failure to comply with the rules. On September 23, 2013, we submitted a comment letter opposing the portion of the proposed rules that would require issuers to file a Form D at least 15 days prior to engaging in an offer involving general solicitation and advertising.

On October 23, 2013, the SEC proposed crowdfunding rules that would, among other things, establish a new registered intermediary called an “information portal,” and an ongoing disclosure regime for issuers of securities that use the new crowdfunding exemption. Information portals would also be required to become FINRA members, and FINRA has proposed new rules that would regulate crowdfunding services. Securities issued pursuant to the crowdfunding rules, if adopted as proposed, would be publicly tradable 12 months after issuance.

On December 18, 2013 the SEC proposed its “Regulation A+” amendments to Regulation A under the Securities Act, providing for an expanded Regulation A small offering exemption. Currently, Regulation A permits unregistered offerings of up to $5 million of securities annually, including no more than $1.5 million of securities offered by security-holders of the company. The proposed Regulation A+ Exemption would create a “Tier 2” offering type that would expand the exemption to permit unregistered public offerings of up to $50 million of securities annually, with up to $15 million of securities offered by security-holders of the company. On March 24, 2014, we submitted a comment letter in which we supported a majority of the proposed Regulation A+ rules. Our comment letter also made several recommendations for improving the final Regulation A+ rules, most prominently by including preemption of Regulation A securities from state Blue Sky laws for secondary trading.

We expect that, following the issuance of final Regulation A+ rules, securities issued in reliance on Regulation A+ will trade on our marketplaces. If adopted as proposed, the new Regulation A+ Exemption may create additional capital raising opportunities for companies with securities eligible to trade on the OTCQX, OTCQB and OTC Pink marketplaces. While we do not expect to offer “information portal” services, the crowdfunding exemption ultimately should make additional securities available for secondary trading on our marketplaces.

We will continue to follow the progress of the SEC’s JOBS Act related rulemaking efforts to assess its ultimate effect on OTCQX, OTCQB and OTC Pink traded companies and our marketplaces generally. It is not possible at this time to determine the extent, if any, to which the JOBS Act has affected or will affect our financial results.

Item 5. Legal proceedings

There are no current, past, pending or threatened legal proceedings or administrative actions either by or against OTC Markets Group that could have a material effect on our business, financial condition or operations. Our securities are not a party to any past or pending trading suspensions by a securities regulator.

Item 6. Defaults upon senior securities

None

Item 7. Other information

None

Item 8. Exhibits

Exhibit 3.1 Unaudited interim condensed consolidated financial statements

Exhibit 9.1 Certification of principal executive officer

Exhibit 9.2 Certification of principal financial officer

Item 9. Certifications

Current certifications are filed as Exhibits 9.1 and 9.2 to this Quarterly Report.

Exhibit 3.1

OTC MARKETS GROUP INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except number of shares)

(Unaudited)

	September 30, 2014	December 31, 2013
Assets		
Current assets		
Cash	$ 19,136	$ 18,936
Accounts receivable, net of allowance for doubtful accounts of $150 and $130	5,277	4,980
Prepaid expenses and other current assets	1,222	711
Prepaid income taxes	169	179
Deferred tax assets	173	173
Total current assets	25,977	24,979
Property and equipment, net	4,164	4,184
Non-current deferred tax assets, net	617	314
Goodwill	251	251
Intangible assets, net	40	40
Security deposits	210	210
Total Assets	$ 31,259	$ 29,978
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	$ 415	$ 509
Accrued expenses and other current liabilities	3,368	3,400
Income taxes payable	161	-
Deferred revenue	4,678	6,391
Total current liabilities	8,622	10,300
Deferred rent	450	608
Income tax reserve	520	366
Total Liabilities	9,592	11,274
Commitments and contingencies		
Stockholders' equity		
Common stock - par value $0.01 per share		
Class A - 14,000,000 authorized, 11,254,289 issued, 11,066,466 outstanding at		
September 30, 2014; 11,006,405 issued, 10,888,510 outstanding at December 31, 2013	113	110
Class C - 130,838 shares authorized, issued and outstanding at September 30, 2014		
and December 31, 2013	1	1
Additional paid-in capital	8,249	7,243
Retained earnings	14,757	11,971
Treasury stock - 187,823 shares at September 30, 2014; 117,895 shares at December 31, 2013	(1,453)	(621)
Total Stockholders' Equity	21,667	18,704
Total Liabilities and Stockholders' Equity	$ 31,259	$ 29,978

See accompanying notes to unaudited condensed consolidated financial statements

OTC MARKETS GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except earnings per share)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Gross revenues	$ 10,799	$ 8,960	$ 31,008	$ 26,519
Redistribution fees and rebates	(593)	(477)	(1,777)	(1,401)
Net revenues	10,206	8,483	29,231	25,118
Operating expenses				
Compensation and benefits	3,909	3,569	11,960	10,885
IT Infrastructure and information services	1,123	969	3,218	2,804
Professional and consulting fees	446	513	1,379	1,572
Marketing and advertising	284	287	954	1,234
Occupancy costs	389	368	1,104	1,047
Depreciation and amortization	408	403	1,151	1,276
General, administrative and other	200	114	552	435
Total operating expenses	6,759	6,223	20,318	19,253
Income from operations	3,447	2,260	8,913	5,865
Other income (expense)				
Interest income	-	1	-	2
Other income (expense)	1	-	9	(7)
Income before provision for income taxes	3,448	2,261	8,922	5,860
Provision for income taxes	1,511	829	3,701	1,795
Net Income	$ 1,937	$ 1,432	$ 5,221	$ 4,065
Net income per share				
Basic	$ 0.17	$ 0.13	$ 0.47	$ 0.37
Diluted	$ 0.17	$ 0.13	$ 0.46	$ 0.37

See accompanying notes to unaudited condensed consolidated financial statements

OTC MARKETS GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2014	2013
Beginning balance	$ 18,704	$ 14,515
Increase from net income	5,221	4,065
Dividends paid	(2,435)	(1,958)
Stock-based compensation	896	817
Issuance of restricted and common shares, net	(99)	27
Purchases of treasury stock	(832)	(26)
Tax benefit on stock-based compensation expense	212	83
Ending balance	$ 21,667	$ 17,523

See accompanying notes to unaudited condensed consolidated financial statements

OTC MARKETS GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2014	2013
Cash flows from operating activities		
Net income	$ 5,221	$ 4,065
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	1,151	1,276
Provision for bad debts	111	66
Stock-based compensation	896	817
Excess tax benefits related to stock-based compensation	(212)	(83)
Deferred rent	(129)	(101)
Deferred income taxes	(303)	(319)
Loss on disposal of fixed assets	3	7
Changes in working capital:		
Accounts receivable	(408)	1,981
Prepaid expenses and other current assets	(511)	(110)
Prepaid income taxes	10	(757)
Accounts payable	(94)	(266)
Accrued expenses and other current liabilities	(61)	(159)
Income tax payable	373	83
Income tax reserve	154	66
Deferred revenue	(1,713)	(4,149)
Cash provided by operating activities	4,488	2,417
Cash flows from investing activities		
Purchases of property and equipment	(1,134)	(474)
Proceeds from sale of equipment	-	6
Security deposits	-	(1)
Cash used in investing activities	(1,134)	(469)
Cash flows from financing activities		
Dividends paid	(2,435)	(1,958)
Issuance of restricted and common shares, net	(99)	27
Excess tax benefits related to stock-based compensation	212	83
Purchases of treasury stock	(832)	(26)
Cash used in financing activities	(3,154)	(1,874)
Net increase in cash	200	74
Cash at beginning of period	18,936	13,611
Cash at end of period	$ 19,136	$ 13,685
Cash paid during period for:		
Income taxes	$ 3,467	$ 2,725

See accompanying notes to unaudited condensed consolidated financial statements

Note 1. Description of Business

OTC Markets Group Inc. ("OTC Markets Group" or the "Company") (OTCQX: OTCM) operates Open, Transparent and Connected marketplaces for 10,000 U.S. and global securities with a mission to create better informed and more efficient financial marketplaces. OTC Link® ATS directly links a diverse network of broker-dealers that provide liquidity and execution services for a wide spectrum of securities. These securities are organized into marketplaces to better inform investors of opportunities and risks – OTCQX®, The Best Marketplace; OTCQB®, The Venture Marketplace; and OTC Pink®, The Open Marketplace. The Company's marketplaces enable better informed and more efficient securities trading through any broker. OTC Link ATS is operated by the Company's wholly-owned subsidiary OTC Link LLC, a Financial Industry Regulatory Authority, Inc. ("FINRA®") member broker-dealer regulated by the Securities and Exchange Commission ("SEC") as an Alternative Trading System ("ATS"). The Company's data-driven platform enables investors to easily trade through the broker of their choice at the best possible price and empowers a broad range of companies to improve the quality and availability of information for their investors.

The Company has three business lines: OTC Link ATS Trading Services, Market Data Licensing and Corporate Services (formerly known as Issuer Services).

- OTC Link ATS Trading Services – OTC Link ATS provides electronic communication and connectivity technology to its FINRA member broker-dealer subscribers.
- Market Data Licensing – OTC Markets Group is a central source of real-time, delayed and historical market data, company financial data, security master data and corporate reference data for securities traded on the OTCQX, OTCQB and OTC Pink marketplaces. The Market Data Licensing business line provides investors, traders, institutions, and regulators with a suite of enterprise and user market data licenses, offered via direct connectivity or through third party market data redistributors or order management systems.
- Corporate Services – OTC Markets Group offers companies the OTCQX and OTCQB marketplaces and premium services that are designed to create a better informational experience for investors by facilitating public disclosure and communication with investors, promoting greater transparency and allowing companies to demonstrate regulatory compliance and mitigate market risk. The premium services include the OTC Disclosure & News Service, Real-Time Level 2 Quote Display and Blue Sky Monitoring Service.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited interim condensed consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"), include the accounts of the Company and its wholly-owned subsidiary, OTC Link LLC, and reflect all adjustments, consisting of normal recurring adjustments, that are, in the opinion of management, necessary for a fair statement of the results for the period. All significant intercompany accounts and transactions are eliminated in consolidation. As permitted under U.S. GAAP, certain information and footnote disclosures are condensed or omitted in the interim condensed consolidated financial statements. Refer to Note 2, "*Summary of Significant Accounting Policies",* from the Company's Annual Report for the year ended

December 31, 2013 for a full discussion of significant accounting policies. For the three and nine months ended September 30, 2014 and 2013, the Company did not have comprehensive income adjustments.

The interim condensed consolidated financial statements are unaudited and should be read in conjunction with the audited financial statements of the Company as of and for the year ended December 31, 2013. Operating results for the three and nine months ended September 30, 2014 are not necessarily indicative of the results that may be expected for the year ending December 31, 2014.

Use of estimates

The preparation of these unaudited interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the unaudited interim condensed consolidated financial statements, and the reported amounts of revenue and expenses during the reporting periods. Estimates included in the interim condensed consolidated financial statements include allowance for doubtful accounts, certain accrued expenses, stock-based compensation expense, income tax reserve and provision for income taxes. Actual results could differ from those estimates.

Recently Adopted Accounting Standards

In July 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2013-11, *Income Taxes*, which clarifies the guidance for financial statement presentation of an unrecognized tax benefit when a net operating loss ("NOL") carryforward, a similar tax loss, or a tax credit carryforward exists. The amendments require that an unrecognized tax benefit, or a portion of an unrecognized tax benefit, be presented in the financial statements as a reduction to a deferred tax asset for a NOL carryforward, a similar tax loss, or a tax credit carryforward. To the extent a NOL carryforward, a similar tax loss, or a tax credit carryforward is not available at the reporting date under the tax law of the applicable jurisdiction to settle any additional income taxes that would result from the disallowance of a tax position or the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. This standards update was effective prospectively for interim periods and fiscal years beginning after December 15, 2013. The adoption of this standards update on January 1, 2014 did not have a material impact on the unaudited interim condensed consolidated financial statements.

Recently Issued Accounting Standards

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which amended revenue recognition guidance. The amendment's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This amendment will be effective for interim and annual periods beginning after December 15, 2016 and early adoption is not permitted. The Company is in the process of evaluating the impact of adoption of this amendment but it does not expect the adoption to have a material effect on the unaudited condensed consolidated financial statements.

In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements – Going Concern*, which provided guidance on disclosing going-concern uncertainties. This ASU

requires management to perform interim and annual assessments of a company's ability to continue as a going concern within one year of the date of issuance of the company's financial statements and provide disclosures if there is substantial doubt about the company's ability to continue as a going concern. This ASU will be effective for interim and annual periods ending after December 15, 2016 and early adoption is permitted. The Company is in the process of evaluating the impact of adoption of this ASU but it does not expect the adoption to have a material effect on the unaudited condensed consolidated financial statements.

Note 3. Concentrations and Uncertainties

During the three and nine months ended September 30, 2014, market data revenues earned through one market data redistributor amounted to approximately 10% and 15% of gross revenues, respectively, as compared to 13% during both the comparable three and nine months in 2013. Additionally, as of September 30, 2014 and December 31, 2013, accounts receivable from that same subscriber amounted to 26% and 20% of accounts receivable, respectively.

In November 2009, FINRA filed with the SEC a proposed rule change to create a Quotation Consolidation Facility that would serve as a commercial data consolidator and disseminator for quote data in the OTC equity market (the "QCF Proposal") which, if approved, would reduce the Company's ability to generate revenues from market data licensing. Market data licensing revenues represented approximately 48% and 49% of the Company's gross revenues for the three and nine months ended September 30, 2014, respectively, and 42% and 41% during the comparable three and nine months in 2013, respectively. If the QCF Proposal was adopted it would have negatively impacted approximately 42% of market data licensing revenues for both the three and nine months ended September 30, 2014, and 42% and 43% for the comparable three and nine months in 2013, respectively. In a July 2014 rule proposal filed with the SEC, FINRA stated that if its rule proposal is approved it intends to withdraw the QCF Proposal, which would eliminate the risk of revenue loss related to the QCF Proposal. On October 7, 2014, the SEC instituted proceedings to determine whether to approve or disapprove FINRA's July 2014 rule proposal.

Note 4. Fair Value of Financial Instruments

The Company accounts for certain financial instruments at fair value, in accordance with the provisions of the standard for fair value measurement, which utilizes a three-tier hierarchy to determine the fair value of financial assets and liabilities based on the quality of observable inputs and enhances disclosure requirements for fair value measurement. The three tiers are:

- Level 1 – Observable inputs that reflect quoted prices (unadjusted) for identical assets and liabilities in an active market;
- Level 2 – Other inputs that are directly or indirectly observable in the marketplace; and
- Level 3 – Unobservable inputs that are supported by little or no market activity.

The fair value of a financial instrument is the amount that would be received to sell the asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

Assets and liabilities on the unaudited interim condensed consolidated balance sheets that are measured at carrying value, which approximates fair value due to the short term nature of these balances, include cash, prepaid expenses, accrued expenses and deferred revenue. These balances are classified as Level 1 in the fair value hierarchy.

Note 5. Property and Equipment

Property and equipment consisted of the following:

(in thousands)	September 30, 2014	December 31, 2013	Estimated useful life (years)
Computer software	$ 771	$ 728	2 - 3
Computer equipment	4,302	3,336	3 - 5
Furniture and fixtures	1,163	1,078	5 - 7
Leasehold improvements	4,352	4,321	Term of lease
Total property and equipment	10,588	9,463	
Accumulated depreciation and amortization	(6,424)	(5,279)	
Total property and equipment, net	**$ 4,164**	**$ 4,184**	

Depreciation and amortization on property and equipment included in the unaudited interim condensed consolidated statements of income amounted to $408 and $403 for the three months ended September 30, 2014 and 2013, respectively, and $1.2 million and $1.3 million for the nine months ended September 30, 2014 and 2013, respectively.

Note 6. Goodwill and Intangible Assets

Goodwill and intangible assets consisted of the following:

(in thousands)	September 30, 2014	December 31, 2013	Estimated useful life (years)
Goodwill	$ 251	$ 251	Indefinite
Intangible assets:			
Subscription services	$ 150	$ 150	8-15
Distributor relations	27	27	15
Intellectual property	40	40	Indefinite
Total intangible assets	217	217	
Accumulated amortization	(177)	(177)	
Intangible assets, net	**$ 40**	**$ 40**	

Finite-lived intangible assets were fully amortized as of December 31, 2011; therefore no amortization expense was recorded in the unaudited interim condensed consolidated statements of income for the three and nine months ended September 30, 2014 and 2013. The Company considered the need to update the most recent annual goodwill and indefinite-lived asset impairment test and did not identify any impairment indicators that would trigger a revised impairment analysis. There was no impairment of goodwill or indefinite-lived intangible assets during the three and nine months ended September 30, 2014 and 2013.

Note 7. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

(in thousands)	September 30, 2014	December 31, 2013
Payroll and employee withholdings	$ 2,482	$ 2,376
Deferred compensation	89	114
Accrued operating expenses	590	732
Deferred rent	207	178
Total accrued expenses and other current liabilities	**$ 3,368**	**$ 3,400**

Payroll and employee withholdings primarily consisted of accrued discretionary bonus, discretionary employer 401(k) contribution, vacation and sales commission. The balance of payroll and employee withholdings as of December 31, 2013 represents a full year of accrual, which was paid out during the first quarter of 2014.

Note 8. Stock-Based Compensation

OTC Markets Group grants stock options and restricted stock awards ("RSAs") to employees. The grant date fair value of each stock option is estimated using the Black-Scholes option pricing model and is amortized into compensation expense on a straight-line basis over the requisite service period, which is generally the vesting period. The grant date fair value of each RSA is based on the closing stock price on the trading day immediately prior to the date of grant. For share-based awards granted prior to the establishment of a public market in the Company's common stock on September 16, 2009, determining the fair value of share-based awards at the grant date required more significant judgments to determine the expected volatility rate. These charges are included in compensation and benefits expense on the unaudited interim condensed consolidated statements of income.

A summary of the Company's option activity for the nine months ended September 30, 2014 is as follows:

(in thousands, except W/A exercise price)	Stock options	Weighted-average exercise price	Aggregate intrinsic value	Remaining contractual term (years)
Outstanding, January 1, 2014	884	$ 5.68	$ 1,897	6.78
Granted	153	10.72	-	
Exercised	(176)	3.53	1,282	
Forfeited	(47)	6.16	206	
Outstanding, September 30, 2014	814	$ 7.07	$ 4,748	7.18
Exercisable, September 30, 2014	363	$ 5.35	$ 2,738	5.68

The Company recognized compensation expense related to stock options, net of estimated forfeitures, of $98 and $89 for the three months ended September 30, 2014 and 2013, respectively, and $248 and $237 for the nine months ended September 30, 2014 and 2013, respectively. Management has estimated forfeiture rates of 5% for stock options granted to management and 30% for stock options granted to other employees.

As of September 30, 2014, unrecognized compensation cost related to non-vested stock options was $949, which will be recognized ratably over 3.7 years.

A summary of the Company's restricted stock activity for the nine months ended September 30, 2014 is as follows:

(in thousands, except W/A fair value)	Restricted stock	Weighted-average fair value	Aggregate intrinsic value
Outstanding, January 1, 2014	324	$ 7.00	$ 2,510
Granted	192	8.45	1,622
Vested	(102)	7.04	827
Forfeited	(51)	7.06	450
Outstanding, September 30, 2014	363	$ 7.75	$ 4,682

The Company recognized compensation expense, net of estimated forfeitures, of $162 and $109 for the three months ended September 30, 2014 and 2013, respectively, and $450 and $387 for the nine months ended September 30, 2014 and 2013, respectively. Management has estimated forfeiture rates of 9% for RSAs granted to management and 17% for RSA's granted to other employees. In addition, the Company also recognized professional fees of $76 and $50 for the three months ended September 30, 2014 and 2013, respectively, and $198 and $193 for the nine months ended September 30, 2014 and 2013, respectively, related to the issuance of restricted stock awards to the Board of Directors.

As of September 30, 2014, unrecognized compensation cost related to non-vested restricted stock and performance shares was $2.1 million, which will be recognized ratably over 3.1 years.

Note 9. Commitments and Contingencies

Operating leases

The Company has two non-cancelable operating leases for office space. One for 304 Hudson Street, New York, NY that was amended in August of 2008 and expires on June 30, 2017, and one for 100 M Street SE, Washington D.C. that commenced in July 2011 and expires on June 30, 2016. The New York lease provides for contingent rental payments consisting of a proportionate share of any increases in real estate taxes. The amendment to the office space in New York provided for additional space with an eight-month rent holiday. The Washington D.C. lease included a tenant allowance that was fully utilized and recorded in the deferred rent balance in the third quarter of 2011. Both leases contain rent escalation provisions. Rental expense is recognized on a straight-line basis over the term of the lease, and the difference between the actual rent paid and the expense charged is reflected in deferred rent.

As of September 30, 2014, future minimum lease payments are as follows:

Fiscal year	Payments due
Remainder of 2014	$ 330
2015	1,336
2016	1,289
2017	616
2018	-
Total	**$ 3,571**

Occupancy expense included in the unaudited interim condensed consolidated statements of income was $389 and $368 for the three months ended September 30, 2014 and 2013, respectively, and $1.1 million and $1.0 million for the nine months ended September 30, 2014 and 2013, respectively.

Total security deposits on the Company's office leases were $210 as of both September 30, 2014 and December 31, 2013.

Legal Matters

There are no current, past, pending or threatened legal proceedings or administrative actions either by or against OTC Markets Group that could have a material effect on its business, financial condition or operations. OTC Markets Group's securities are not a party to any past or pending trading suspensions by a securities regulator.

Note 10. Stockholders' Equity

Common Stock

The Company has two classes of common stock, Class A and Class C (collectively, "Common Stock"), outstanding. Holders of Class A Common Stock, which include holders of unvested RSAs, are entitled to receive such dividends and other distributions in cash, stock of any corporation or property of the Company as may be authorized and declared by the Board of Directors from time to time out of the assets or funds of the Company legally available for the payment of dividends ("Dividend Rights"). Upon the voluntary or involuntary liquidation, dissolution or winding up of the Company, holders of Class A Common Stock are entitled to a pro rata share of the net assets of the Company available for distribution in proportion to the number of shares of Class A Common Stock held by each ("Liquidation Rights").

Holders of Class C Common Stock are not entitled to any Dividend Rights or Liquidation Rights. Each share of Class C Common Stock will automatically convert into Class A Common Stock at a ratio of one-to-one if the price of Class A Common Stock is greater than $19.62 per share as determined by either (i) the average price in trade reports aggregating a total of 300,000 shares reported to FINRA under Rule 6600, provided that the Class A Common Stock has been quoted upon an interdealer quotation system by at least two market makers, or (ii) an Acquisition of the Company.

The Company is authorized to issue an aggregate of 14,130,838 shares of Common Stock at $0.01 par value comprised of: 14,000,000 Class A shares and 130,838 Class C shares. As of September 30, 2014 there were a total of 11,385,127 shares issued and 11,197,304 shares outstanding; the latter was comprised of 11,066,466 Class A shares and 130,838 Class C shares. As of December 31, 2013 there were a total of 11,137,243 shares issued and 11,019,348 shares outstanding; the latter was comprised of 10,888,510 Class A shares and 130,838 Class C shares.

Treasury stock

In August 2011, the Board of Directors authorized the Company to repurchase up to 300,000 shares of Class A Common Stock in compliance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company repurchased 7,998 shares at $8.20 per share in April 2014, 1,988 shares at $8.50 per share in May 2014, and 59,942 shares at $12.50 per share in September 2014, all of which are held in treasury. The Company repurchased 3,320 shares at $7.95 per share in August 2013. Under the stock repurchase program, there are approximately 190,000 shares remaining to be purchased.

Dividends

The Company declared a cash dividend of $0.10 and $0.06 per Class A share during the three month periods ended September 30, 2014 and 2013, respectively, totaling $1,111 and $654,

respectively, and declared cash dividends totaling $0.22 and $0.18 per Class A share during the nine month periods ended September 30, 2014 and 2013, respectively, totaling $2,435 and $1,958, respectively.

Equity Incentive Plan

The Company's Equity Incentive Plan (the "Plan"), as approved by the Board of Directors on June 2, 2009, provides for the grant of incentive stock options, non-statutory stock options, restricted stock, restricted stock units, stock appreciation rights, performance units, performance shares and bonus shares, and governs options awarded (Refer to Note 8 "*Stock-Based Compensation*"). The Board of Directors authorized the increase in the number of shares available for issue under the Plan by 200,000 shares in both November 2014 and 2013.

Note 11. Income Taxes

The Company's effective tax rates were 44% and 37% for the three months ended September 30, 2014 and 2013, respectively, and 41% and 31% for the nine months ended September 30, 2014 and 2013, respectively. The 2014 and 2013 rates reflect the inclusion of state and local income taxes to the federal statutory rate of 34%. The effective tax rate for the three and nine months ended September 30, 2014 increased primarily because research and development ("R&D") tax credits were not enacted in the current year, but were included in the tax provision for the three and nine months ended September 30, 2013.

As required by the uncertain tax position guidance in FASB Accounting Standards Codification Topic 740, the Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon settlement with the relevant tax authority. The gross amount of unrecognized tax benefits as of September 30, 2014 and December 31, 2013 was $432 and $294, respectively, and was classified in income tax reserve in the unaudited interim condensed consolidated balance sheets. It is not reasonably possible that any unrecognized tax benefits related to state nexus will reverse within the next twelve months from settlements with taxing authorities.

The Company recognizes interest and penalties related to unrecognized tax benefits as a component of tax expense. The Company recognized interest and penalties of $9 and $5 for the three months ended September 30, 2014 and 2013, respectively, and $16 and $18 for the nine months ended September 30, 2014 and 2013, respectively.

Note 12. Earnings Per Share

The Company calculates earnings per share pursuant to the two-class method, which is an earnings allocation formula that determines earnings per share for common stock and participating securities according to dividends declared and participation rights in undistributed earnings. Under this method, all earnings (distributed and undistributed) are allocated to common shares and participating securities based on their respective rights to receive dividends. RSAs granted to employees (Refer to Note 8 "*Stock-Based Compensation*") participate in dividends on the same basis as common shares and such dividends are not forfeitable by the holder. As a result, these RSAs meet the definition of a participating security.

The calculations of earnings per share under the two class method are as follows:

Basic Earnings per common share

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands, except shares and per share data)	2014	2013	2014	2013
Net income available to common shareholders	$ 1,937	$ 1,432	$ 5,221	$ 4,065
Less: Undistributed earnings allocated to unvested RSAs	(27)	(23)	(90)	(63)
Less: Dividend equivalents on unvested RSAs	(36)	(20)	(80)	(61)
Net income allocated to common shareholders	$ 1,874	$ 1,389	$ 5,051	$ 3,941
Shares of common stock and common stock equivalents				
Weighted-average common shares outstanding	10,852,255	10,675,567	10,818,390	10,663,389
Basic earnings per share	$ 0.17	$ 0.13	$ 0.47	$ 0.37

Diluted Earnings per common share

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands, except shares and per share data)	2014	2013	2014	2013
Net income available to common shareholders	$ 1,937	$ 1,432	$ 5,221	$ 4,065
Less: Undistributed earnings allocated to unvested RSAs	(26)	(23)	(88)	(63)
Less: Dividend equivalents on unvested RSAs	(36)	(20)	(80)	(61)
Net income allocated to common shareholders	$ 1,875	$ 1,389	$ 5,053	$ 3,941
Shares of common stock and common stock equivalents				
Weighted-average common shares outstanding	10,852,255	10,675,567	10,818,390	10,663,389
Dilutive effect of employee stock options and RSAs	335,831	28,810	283,140	79,028
Weighted-average shares used in diluted computation	11,188,086	10,704,377	11,101,530	10,742,417
Diluted earnings per share	$ 0.17	$ 0.13	$ 0.46	$ 0.37

Note 13. Regulatory Authorities

OTC Link LLC is a U.S. registered broker-dealer and is subject to the net capital requirements of Rule 15c3-1 (the "Net Capital Rule") under the Exchange Act. The Net Capital Rule requires the maintenance of "net capital," as defined therein, which shall be the greater of $5 or 6⅔% of "aggregate indebtedness," as defined therein. OTC Link LLC's regulatory net capital as of September 30, 2014 and December 31, 2013 was $5.0 million and $5.5 million, respectively, which exceeded the minimum net capital requirement by $4.9 million and $5.4 million, respectively.

OTC Link LLC periodically makes equity distributions to the Company. These distributions are subject to certain notification and other provisions of the Net Capital Rule. During the three and nine months ended September 30, 2014, OTC Link LLC made equity distributions of $1.7 million and $4.8 million, respectively, to the Company. During the three and nine months ended September 30, 2013, OTC Link LLC made equity distributions of $1.3 million and $2.3 million, respectively, to the Company.

Note 14. Subsequent Events

For purposes of disclosure in the financial statements, the Company has evaluated subsequent events through November 12, 2014, the date the financial statements were available to be issued.

On November 12, 2014, the Board of Directors authorized and approved a special cash dividend of $0.50 per share of Class A Common Stock and a quarterly cash dividend of $0.10 per share of Class A common stock. The special dividend is payable on December 8, 2014 to our stockholders of record on November 24, 2014, and the quarterly dividend is payable on December 23, 2014 to our stockholders of record as of December 9, 2014.

EXHIBIT 9.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, R. Cromwell Coulson, Chief Executive Officer of OTC Markets Group Inc., certify that:

1. I have reviewed this Quarterly Report of OTC Markets Group Inc.;

2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this Quarterly Report.

/s/ R. Cromwell Coulson
R. Cromwell Coulson
Chief Executive Officer

November 12, 2014
Date

EXHIBIT 9.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Wendy E. Fraulo, Chief Financial Officer of OTC Markets Group Inc., certify that:

1. I have reviewed this Quarterly Report of OTC Markets Group Inc.;

2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this Quarterly Report.

/s/ Wendy E. Fraulo
Wendy E. Fraulo
Chief Financial Officer

November 12, 2014
Date