

## FORM CRS - CLIENT RELATIONSHIP SUMMARY

### Item 1. INTRODUCTION

Axiom Capital Management, Inc. (“Axiom”, “We” or “Us”) is registered with the Securities & Exchange Commission as a broker-dealer that provides brokerage accounts and services. Axiom is a member of FINRA, SIPC, MSRB and the NFA. We are engaged as an introducing broker-dealer, using the services of a clearing agent (also a broker-dealer) to execute trades and perform all the services expected from a broker-dealer, such as preparing and delivering retail investor confirmations and monthly statements. Brokerage services and investment advisory services have differing fee structures, it is important for retail investors to understand the differences. Free and simple tools are available to research firms and financial professionals at: [www.investor.gov/CRS](http://www.investor.gov/CRS) which also provides educational materials about broker-dealers, investment advisers, and investing.

### Item 2. WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

The brokerage services we provide include buying and selling securities and recommending investments to retail investors. When we transact for retail investors, Axiom will earn/charge a commission. The assets for which we transact may be stocks, bonds, options, treasuries, corporate debt, municipal debt, mutual funds, secondary offerings and new issues/IPO’s which are publicly traded on an exchange. We also raise capital for private companies through the private placement of securities. When a retail investor purchases a private placement, Axiom receives a placement fee paid by the issuer, but is a portion of the amount invested.

We do not currently have any minimum account size, minimum investment, or other requirements in order to open a brokerage account.

For an additional fee, we offer additional services to assist clients in developing and executing investment strategies, including monitoring the performance of your account. We are not required to monitor your portfolio, investments or performance on an ongoing basis unless agreed to in advance.

You may find further information at: <https://www.sec.gov/rules/final/2019/34-86031.pdf>

#### *Questions to consider asking a broker and conversation starters*

- *Given my financial situation, should I choose a brokerage service? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your license, education and other qualifications?*
- *What do these qualifications mean?*
- *Does Axiom or the broker monitor retail accounts? How often?*
- *Is investment advice on limited investments or the market/economy as a whole? If limited how?*
- *What are the requirements for opening or maintaining an account?*

### Item 3. FEES, COSTS, CONFLICTS AND STANDARD OF CONDUCT

#### 3A. What fees will I pay?

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

- The fee you pay is based on the specific transaction and not the value of your account. Each transaction can include a commission up to 4.75% of the gross purchase and/or sell amount of each transaction.
- With stocks or exchange traded funds, the fee is usually a separate commission. With other investments, such as bonds, this fee may be part of the price you pay for the investment (called a mark-up or mark-down). With mutual funds, a fee typically called a load reduces the value of your initial investment. Some Mutual funds and Money Market Funds also charge an annual management fee which varies depending on the fund. In some cases, management fees include 12b-1 fees which are paid to broker dealers like Axiom and may reduce your overall performance. The purchase of Mutual funds and Money Market funds which include 12b-1 fees could be a conflict as Axiom, and possibly your representative, may have an incentive to recommend funds with 12b-1 fees, because they receive additional compensation. In this case, the FDIC insured “BID” Program (Please review specific disclosures for the BID Program), is your core sweep funds, and does not currently provide Axiom with 12b-1 fees based on your cash balances. In the current interest rate environment where the Federal Reserve has recently raised rates the core sweep fund available to us is offering competitive bank insured interest rates. However, we are limited to the core sweep fund that is offered to us by our clearing agent. If we find a better performing core sweep fund for you that is offered to us, Axiom would be required to send you a switch notice which compares the current fund with the proposed new sweep fund. You are not required to take any action in order to receive the better performing (higher interest rate(s)) money fund. You will also have access to other non-core sweep money funds that may offer a better interest rate but sell orders of the money fund will need to be placed to raise cash to pay for purchases in your account or bought after a security is sold

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that creates cash in your account. There may be charges for buy and sell transactions in non-core sweep money funds which will reduce the overall interest rate return, where there are no charges for core sweep fund transactions. For many money funds, both sweep and non-core sweep, Axiom may receive a portion of the interest received by our clearing agent. This is called “interest sharing” and this could be a conflict as Axiom, and possibly your representative, may have an incentive to recommend specific money funds.

- With certain investments such as variable annuities, you may have to pay fees such as surrender charges to sell the investment, reducing the value of your investment.
- In addition to commissions, we may charge you other fees such as custodial fees (generally for retirement accounts), account maintenance fees, account inactivity fees, and service fees for each transaction.

### ***Question to consider asking a broker and conversation starter***

*Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs and how much will be invested for me?*

### **3B. What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have?**

- When we provide you with a recommendation, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations we provide you. Here are some examples to help you understand what this means:
  - As a retail investor you would be charged more when there are more trades in your account and the firm may therefore have an incentive to encourage a retail investor to trade often.
  - Some mutual funds provide additional fees to broker dealers on an annual basis and the firm may therefore have an incentive to encourage a retail investor to purchase these types of mutual funds.
  - Axiom’s clearing agent may also share a portion of interest earned from a retail investor’s credit and debit balances, and the firm may therefore have an incentive to encourage a retail investor to keep high credit and/or debit balances.

You may find additional information on Conflicts of Interest and Regulation Best Interest:

<https://consumerfed.org/wp-content/uploads/2019/04/CFA-Conflict-of-Interest-Framework.pdf>

<https://www.investopedia.com/what-is-the-sec-s-regulation-bi-best-interest-rule-4689542>

### ***Question to consider asking a broker and conversation starter***

*How might your conflicts of interest affect me and how will you address them?*

### **3C. How do your financial professionals make money?**

Financial professionals get paid fees and commissions when clients buy, sell and hold investment like stocks, bonds, mutual funds and other types of investments. In addition to commissions, the firm may be compensated in other ways such as a portion of the interest generated from client credit and debit balances, annual mutual fund fees, and other service fees that may be charged to retail customers.

Some conflicts of interest such as the ones mentioned in section 3B above are inherent in the Firm’s business model. Simply put brokerage firms and financial professionals have an incentive to maximize compensation, whatever their compensation structure, and that may not always result in recommendations that are in an investor’s best interests.

## **Item 4. DISCIPLINARY HISTORY**

Do you or your financial professional have legal or disciplinary history? The answer is Yes

For additional information about Axiom and its registered representatives, visit <https://brokercheck.finra.org/>.

### ***Questions to consider asking a broker and conversation starters***

*As a financial professional, do you have any disciplinary history? For what type of conduct?*

## **Item 5. ADDITIONAL INFORMATION**

You may find additional services about our brokerage services at our web site [www.axiomcapital.com](http://www.axiomcapital.com).

Up to date information and copies of this Customer Relationship Summary can be obtained from us at: Axiom Capital Management, 350 Fifth Avenue, Suite 6740, New York, NY 10118. Our phone number is (212) 521-3800.

### ***Questions to consider asking a broker and conversation starters***

*Who is my primary contact person? Is he/she a representative of an investment advisor or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*