

SECUI



MISSION

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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

SEC FILE NUMBER
8-67318

**FACING PAGE**

**Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 1/1/07 AND ENDING 12/31/07  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

AXIOM MANAGEMENT PARTNERS LLC

OFFICIAL USE ONLY
FIRM ID. NO.

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

30 WEST 74TH STREET #1C

(No. and Street)

New York

New York

10023

(City)

(State)

(Zip Code)

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

MICHAEL STUPAY

212-509-7800

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

PERELSON WEINER LLC

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

ONE DAG HAMMARSKJOLD PLAZA

New York

New York

10017

(Address)

(city)

(State)

Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions

**PROCESSED**  
APR 16 2008  
THOMSON FINANCIAL

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Mail Processing Section

APR 9 2008

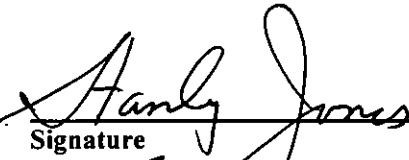
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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.174-5(e)(2).

4/15

**AFFIRMATION**

I, Stanley Jonas , affirm that, to the best of my knowledge and belief, the accompanying financial statements and supplemental schedules pertaining to Axiom Management Partners LLC for the year ended December 31, 2007, are true and correct. I further affirm that neither the Company nor any officer or director has any proprietary interest in any account classified solely as that of a customer.

  
\_\_\_\_\_  
Signature  
CEO  
\_\_\_\_\_  
Title

Subscribed and sworn  
to before me this this 2<sup>nd</sup>  
day of March 2008

  
\_\_\_\_\_

**PAUL OSTENSEN**  
Notary Public, State of New York  
No. 01OS5083620  
Qualified in Richmond County  
Certificate Filed in New York County  
Commission Expires Aug. 18, 2011

## OATH OR AFFIRMATION

I, STANLEY JONAS, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of AXIOM MANAGEMENT PARTNERS LLC, as of DECEMBER 31 2007, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature

Chief Executive Officer

\_\_\_\_\_  
Title

\_\_\_\_\_  
Notary Public

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

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Member's Equity or Partners' or Sole Proprietor's Capital
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- (o) Independent auditor's report on internal accounting control
- (p) Schedule of segregation requirements and funds in segregation - customers' regulated commodity futures account pursuant to Rule 171-5.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**Axiom Management Partners LLC**  
**Financial Statements and**  
**Accompanying Information**

Pursuant to Rule 17a-5 under the  
Securities Exchange Act of 1934  
December 31, 2007

**Axiom Management Partners LLC**  
**Index**  
**December 31, 2007**

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**INDEPENDENT AUDITORS' REPORT**

The Member  
**Axiom Management Partners LLC**

We have audited the accompanying statement of financial condition of Axiom Management Partners LLC (the "Company") as of December 31, 2007, and the related statements of income, changes in member's equity and cash flows for the year then ended that the Company is filing pursuant to Rule 17a-5 of the Securities Exchange Act of 1934 and Regulation 1.16 of the Commodity Exchange Act. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial condition of Axiom Management Partners LLC as of December 31, 2007, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



March 24, 2008

# Axiom Management Partners LLC

## Statement of Financial Condition December 31, 2007

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<b>Assets</b>	
Cash and cash equivalents	\$ 14,932,508
Commissions Receivable	156,980
Other assets	<u>85,178</u>
Total assets	<u>\$ 15,174,666</u>
<b>Liabilities and Member's Equity</b>	
Liabilities - accounts payable and accrued expenses	\$ 1,907
Member's equity	<u>15,172,759</u>
Total liabilities and member's equity	<u>\$ 15,174,666</u>

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

# Axiom Management Partners LLC

## Statement of Income Year Ended December 31, 2007

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<b>Revenues</b>	
Commissions	\$ 2,668,783
Contract termination (Note 4)	12,000,000
Interest	183,903
Total revenues	<u>14,852,686</u>
<b>Expenses</b>	
Professional fees	250,418
Management fees	190,000
Market data	27,820
Other	68,888
Total expenses	<u>537,126</u>
Net income	<u>\$ 14,315,560</u>

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



# Axiom Management Partners LLC

## Statement of Changes in Member's Equity Year Ended December 31, 2007

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	<u>Total Member's Equity</u>
Balance, January 1, 2007	\$ 3,196,547
Net income	14,315,560
Distributions - noncash	(61,810)
Distributions - cash	<u>(2,277,538)</u>
Balance, December 31, 2007	<u>\$15,172,759</u>

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

# Axiom Management Partners LLC

## Statement of Cash Flows Year Ended December 31, 2007

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<b>Cash flows from operating activities</b>	
Net income	\$ 14,315,560
Adjustments to reconcile net income to net cash provided by operating activities	
Decrease (increase) in operating assets	
Commissions receivable	1,243,530
Due from affiliates	207,063
Other assets	(78,147)
Decrease in operating liabilities - accounts payable and accrued expenses	<u>(373,396)</u>
Net cash provided by operating activities	15,314,610
Cash used in financing activities - capital withdrawals	<u>(2,277,538)</u>
Net increase in cash and cash equivalents	13,037,072
<b>Cash and cash equivalents</b>	
January 1, 2007	<u>1,895,436</u>
December 31, 2007	<u>\$ 14,932,508</u>
<b>Supplemental disclosure:</b>	
Distributions - noncash	<u>\$ 61,810</u>

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

# Axiom Management Partners LLC

## Notes to Financial Statements December 31, 2007

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### 1. Organization and Business

Axiom Management Partners LLC (the "Company"), a single-member Delaware limited liability company, is registered with the Securities and Exchange Commission (the "SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"), formerly NASD. Additionally, the Company is an introducing broker registered with the Commodity Futures Trading Commission ("CFTC") and a member of the National Futures Association ("NFA").

The principal business activity of the Company is to execute government securities and commodity futures transactions for the accounts of its customers and itself. The Company does not have any trading accounts, nor does it hold cash or securities for or on behalf of any customers.

Axiom Capital Holdings Group LLC (the "Member") is the sole owner of the Company.

### 2. Summary of Significant Accounting Policies

#### Use of Estimates

These financial statements were prepared in conformity with accounting principles generally accepted in the United States of America which requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

#### Revenue Recognition

Commission revenue is recorded as earned, generally on a trade date basis.

#### Cash and Cash Equivalents

All short-term highly liquid money market accounts are considered cash equivalents. Cash consists of deposits with a single financial institution and therefore is subject to the credit risk of that financial institution. Amounts on deposit may at times exceed FDIC insurance limits. Additionally, approximately \$14.7 million is on deposit with a single money market mutual fund and therefore is subject to the credit risk of that financial institution.

#### Income Taxes

The Company is a single member limited liability company, and is treated as a disregarded entity for income tax reporting purposes. The Internal Revenue Code ("IRC") provides that any income or loss is passed through to the member for federal, state and local income tax purposes. Accordingly, the Company has not provided for federal, state or local income taxes.

# Axiom Management Partners LLC

## Notes to Financial Statements December 31, 2007

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### 3. Transactions with Related Parties

The member provides office space and administrative support to the Company pursuant to a Service Agreement. For the year ending December 31, 2007 the Company incurred \$190,000 for such services.

Advances of \$61,810 made to the member in the prior year were forgiven and included as distributions in the accompanying financial statements.

### 4. Concentration

Substantially all commission revenue and commissions receivable were earned for referring customers to one broker dealer. During 2007, the relationship with this broker dealer was terminated, pursuant to certain provisions under the arrangement, and a \$12,000,000 termination fee was paid to the Company (See Note 6).

### 5. Fair Value of Financial Instruments

As of December 31, 2007, the carrying value of all assets and liabilities approximates fair value.

### 6. Litigation

The Company has commenced litigation against the broker dealer that the Company had previously referred its customers. The Company claims that the broker dealer had breached its agreement with the Company and that in addition to financial relief for the breach, the Company is still owed certain commissions and expense reimbursements. No amounts have been included in the accompanying financial statements for any amounts sought pursuant to this litigation or amounts that may be due as a result of the outcome of the litigation. The Company has not provided a reserve for the \$149,169 included in commissions and commissions receivable at December 31, 2007.

### 7. Regulatory Requirements

The Company is subject to SEC Uniform Net Capital Rule 15c3-1 under the Securities Exchange Act of 1934 and Regulation 1.17 under the Commodity Exchange Act, which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2007, the Company had net capital of approximately \$14,636,000 which exceeded the required net capital of \$100,000 by approximately \$14,536,000.

The Company is also subject to the CFTC's minimum financial requirements, which require that the Company maintain net capital, as defined, equal to the greater of its requirements under Regulation 1.17 (\$45,000) under the Commodity Exchange Act or Rule 15c3-1.

# **Axiom Management Partners LLC**

## **Notes to Financial Statements December 31, 2007**

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The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934 as the Company does not hold cash or securities of customers.

### **8. Accounting and Reporting Developments**

During September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements." SFAS No. 157 applies to all financial instruments that are being measured and reported on a fair value basis. As defined in SFAS No. 157, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company will adopt SFAS No. 157 beginning in 2008. The Company does not believe that the adoption of SFAS No. 157 will have any impact on the Company's Financial Statements.

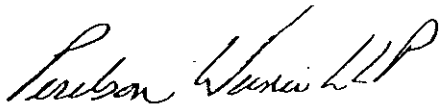
CERTIFIED PUBLIC ACCOUNTANTS

ONE DAG HAMMARSKJOLD PLAZA  
NEW YORK, NY 10017-2286  
TELEPHONE 212.605.3100  
FACSIMILE 212.605.3128  
EMAIL pw@pwcpa.com

**INDEPENDENT AUDITORS' REPORT ON ACCOMPANYING INFORMATION**

The Member  
**Axiom Management Partners LLC**

Our report on our audit of the financial statements of Axiom Management Partners LLC for the year ended December 31, 2007 appears on page 1. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying information is presented only for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Net Capital and Aggregate Indebtedness, however, is required by Rule 17a-5 of the Securities Exchange Act of 1934 and Regulation 1.16 of the Commodity Exchange Act. The schedule is the responsibility of the Company's management. Such accompanying information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



March 24, 2008

**ACCOMPANYING INFORMATION**

**Axiom Management Partners LLC**  
**Computation of Net Capital Under Rule 15c3-1**  
**of the Securities and Exchange Commission and Reg. 1.17 of the CFTC**  
**December 31, 2007**

**Schedule I**

	<b>Net Capital Computation</b>
Member's equity	\$ 15,172,759
Deductions and/or charges	
Nonallowable assets	
Commissions receivable	156,980
Other assets	85,178
Total deductions	<u>242,158</u>
Net capital before haircuts	<u>14,930,601</u>
Haircuts on money market funds	<u>294,119</u>
Net Capital	14,636,482
Minimum capital requirement (the greater of \$100,000 or 6 2/3% of aggregate indebtedness)	<u>100,000</u>
Excess net capital	<u>\$ 14,536,482</u>
Aggregate Indebtedness	<u>\$ 1,907</u>

There are no material differences between the amounts presented above and the amounts reported in the Company's amended unaudited Focus Report filed on March 26, 2008.



**Axiom Management Partners LLC**  
**Computation for Determination of Reserve Requirements and**  
**Information Relating to Possession or Control Requirements**  
**Under Rule 15c3-3 of the Securities and Exchange Commission**  
**December 31, 2007**

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**Schedule II**

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934 in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraphs (k)(2)(i).

**REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL  
STRUCTURE REQUIRED BY SEC RULE 17a-5(g)(1) AND CFTC REGULATION 1.16**

The Member  
**Axiom Management Partners LLC**

In planning and performing our audit of the financial statements of Axiom Management Partners LLC (the "Company") as of and for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission ("SEC"), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)11 and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

- (1) Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13
- (2) Complying with requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

In addition, as required by Regulation 1.16 of the Commodity Futures Trading Commission (CFTC), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objective stated in Regulation 1.16 in making the periodic computations of minimum financial requirements pursuant to Regulation 1.17. Because the Company does not hold cash or securities for or on behalf of customers and does not trade in foreign futures and foreign options, we did not review the practices and procedures followed by the Company in any of the following:

- (1) Daily computations of the foreign futures and foreign options pursuant to Regulation 30.7.

- (2) Daily computations of the segregation requirements of Section 4d(a)(2) of the Commodity Exchange Act and the regulations thereunder, and the segregation of funds based on such computations.

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraphs. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's and CFTC's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) and Regulation 1.16(d)(2) list additional objectives of the practices and procedures listed in the preceding paragraphs.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

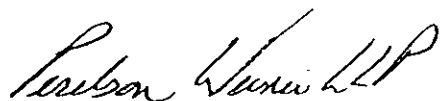
A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first, second and third paragraphs and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control and control activities that we consider to be material weaknesses, as defined above.

Our opinion recognizes that it is not practicable in a company the size of Axiom Management Partners LLC to achieve all the divisions of duties and cross-checks generally included in a system of internal accounting control, and alternatively, greater reliance must be placed on surveillance by management.

We understand that practices and procedures that accomplish the objectives referred to in the second and third paragraphs of this report are considered by the SEC and CFTC to be adequate for their purposes in accordance with the Securities Exchange Act of 1934, the Commodity Exchange Act, and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second and third paragraph of this report, were adequate at December 31, 2007, to meet the SEC's and CFTC's objectives.

This report is intended solely for the information and use of the Member, management, the SEC, the CFTC, FINRA, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and Regulation 1.16 of the CFTC in their regulation of registered brokers and dealers, and futures commission merchants, and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Perelson Weiner LLP".

March 24, 2008

**END**