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

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

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

REPORT FOR THE PERIOD BEGINNING January 1, 2015 AND ENDING December 31, 2015

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Axia Capital Markets, LLC ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.) 645 Fifth Avenue, Suite 903

OFFICIAL USE ONLY table with FIRM I.D. NO.

New York NY 10022 (City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT James Taormina (212) 792-0255

B. ACCOUNTANT IDENTIFICATION

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

WeiserMazars LLP 60 Crossways Park Drive West, Suite 301 Woodbury NY 11797

CHECK ONE:

- Checked box: Certified Public Accountant
Public Accountant
Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY box


\*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.

OATH OR AFFIRMATION

I, James Taormina, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Axia Capital Markets, LLC, as of December 31, 2015, 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 Financial Officer  
Title

  
Notary Public

Clare Nelson  
Notary Public, State of New York  
No. 01NE4659946  
Qualified in Queens County  
Certified Filed in New York County  
Commission Expires 2/28/2018

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' 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.

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

**Report of Independent Registered Public Accounting Firm**

To the Member of  
Axia Capital Markets, LLC

We have audited the accompanying statement of financial condition of Axia Capital Markets, LLC (the "Company"), as of December 31, 2015. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Axia Capital Markets, LLC, as of December 31, 2015, in conformity with accounting principles generally accepted in the United States.



February 25, 2016

Axia Capital Markets, LLC  
(A Wholly Owned Subsidiary of Axia Capital Markets Holdings, Inc.)  
Statement of Financial Condition  
December 31, 2015

**Assets**

Cash	\$404,190
Clearing Deposit	250,000
Commissions Receivable	15,750
Furniture, Net of Accumulated Depreciation of \$208	3,292
Prepaid Expenses and Other Assets	<u>12,074</u>
Total Assets	<u><u>\$685,306</u></u>

**Liabilities and Member's Equity**

Liabilities	
Accrued Expenses and Other Liabilities	<u>\$141,735</u>
Total Liabilities	<u>141,735</u>
Commitments and Contingencies	
Member's Equity	<u>543,571</u>
Total Liabilities and Member's Equity	<u><u>\$685,306</u></u>

The accompanying notes are an integral part of this financial statement.

Axia Capital Markets, LLC  
(A Wholly Owned Subsidiary of Axia Capital Markets Holdings, Inc.)  
Notes to Financial Statement  
For the Year Ended December 31, 2015

**1 – ORGANIZATION AND REGULATORY**

Axia Capital Markets, LLC (the “Company”) was formed on April 14, 2014, as a Delaware limited liability company. The Company is a wholly owned subsidiary of Axia Capital Markets Holdings, Inc. (“ACMH”). The liability of ACMH for the losses, debts, and obligations of the Company is generally limited to its capital contributions. The Company is registered with the Securities and Exchange Commission (“SEC”) as a broker-dealer, and, as of March 27, 2015, is a member of the Financial Industry Regulatory Authority (“FINRA”), specializing primarily in investment banking and providing agency trading to institutional customers. As a matter of business practice, the Company does not assume positions in securities.

The Company operates under the provisions of Paragraph (k)(2)(ii) of Rule 15c3-3 of the SEC and, accordingly, is exempt from the remaining provisions of that Rule. The requirements of Paragraph (k)(2)(ii) provide that a broker dealer who carries no margin accounts, promptly transmits all customer funds and delivers all securities received in connection with its activities as a broker or dealer, does not otherwise hold funds or securities for, or owe money or securities to, customers and effectuates all financial transactions between the broker or dealer and its customers through one or more bank accounts, each to be designated as Special Account for the Exclusive Benefit of Customers of the Company. Broker dealers operating under the provisions of (k)(2)(ii) are also exempted from the remaining provisions of Rule 15c3-3, including the requirement to make the reserve computations under Rule 15c3-3.

**2 - CLEARING AGREEMENT**

The Company clears its transactions through Convergex Execution Solutions, LLC (the “Clearing Broker”) on a fully disclosed basis. As part of the Clearing Agreement (the “Agreement”), the Company is required to maintain a deposit of \$250,000 with the Clearing Broker. The Clearing Broker executes all orders, settles contracts and transactions in securities purchased, sold, borrowed, or loaned and is responsible for the receipt and distribution of interest and principal payments. The Company has agreed to pay the Clearing Broker for its services pursuant to a fee arrangement based generally on a flat rate per trade, subject to certain minimum fee levels. The Company transacts business primarily with institutional investors on a Delivery vs. Payment and Receipt vs. Payment basis.

Axia Capital Markets, LLC  
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Notes to Financial Statement  
For the Year Ended December 31, 2015

**2 - CLEARING AGREEMENT CONT'D**

If the Agreement is terminated during the first three years, for any reason other than termination without cause by the Clearing Broker, mutual agreement by the Company and the Clearing Broker, or a Securities Investor Protection Corporation liquidation, the Company shall be subject to an early termination fee as detailed in the Agreement.

**3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation and Use of Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of asset and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

**Income Taxes:** As a single-member limited liability company, the Company has elected to be disregarded as a separate entity for U.S. income tax purposes. Accordingly, no provision for federal income taxes is required in the Company’s financial statements for the year ended December 31, 2015.

**Revenue Recognition:** Commissions and related expenses are recorded on a trade date basis. Underwriting revenues are recorded when the underwriting is reasonably expected to be complete, income is reasonably determinable, and collectability is reasonably assured.

Axia Capital Markets, LLC  
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Notes to Financial Statement  
For the Year Ended December 31, 2015

**4 – COMMITMENTS**

The Company occupies office space and uses equipment under a sublease agreement with ACMH. The sublease agreement provides for a monthly payment of \$7,500 per month through April 2017. Future annual minimum rental payments due are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2016	\$ 90,000
2017 (Expiration of lease in April 2017)	<u>\$ 30,000</u>
Total	\$ 120,000

**5 – OFF-BALANCE-SHEET RISK AND CONCENTRATION OF CREDIT RISK**

The Company clears all transactions with and for customers on a fully disclosed basis with the Clearing Broker. These activities may expose the Company to off-balance-sheet risk in the event that the customer, contra-party, and/or Clearing Broker is unable to fulfill its obligations. The Company does not maintain margin accounts for its customers, and therefore, there were no excess margin securities. However, the Company may be liable for chargebacks on introduced customer accounts carried by the Clearing Broker.

The Company maintains its cash balances at a financial institution which is insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. The Company has a potential concentration of credit risk in that, as of December 31, 2015, it had \$155,169 in excess of FDIC limits.

Axia Capital Markets, LLC  
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Notes to Financial Statement  
For the Year Ended December 31, 2015

**6 – NET CAPITAL REQUIREMENTS**

The Company is subject to the SEC Uniform Net Capital Rule 15c3-1, which requires a broker-dealer to have at all times sufficient liquid assets to cover current indebtedness. In accordance with the rule, the Company is required to maintain defined minimum net capital at the great of either \$100,000 or 1/8 of aggregate indebtedness, as defined. At no time may the ratio of aggregate indebtedness to net capital exceed 8 to 1 for the twelve months after commencing business as a broker-dealer and 15 to 1 after that period. At December 31, 2015, the Company had net capital of \$528,205, as defined, which exceeded its required net capital by \$428,205. The ratio of aggregate indebtedness to net capital was 0.268 to 1.

**7 – RELATED PARTY TRANSACTIONS**

During the period June 22, 2015 through August 6, 2015, the Company entered into a Temporary Subordinated Loan Agreement with ACMH in the amount of \$125,000. All contractual obligations were fulfilled on July 10, 2015.

Also refer to footnote 4.