

STATE OF VERMONT  
DEPARTMENT OF BANKING, INSURANCE, SECURITIES AND  
HEALTH CARE ADMINISTRATION  
SECURITIES DIVISION

IN THE MATTER OF: )  
 )  
RONALD M. BERMAN )  
 and )  
AXIOM CAPITAL MANAGEMENT, )  
 INC. )

Docket No. 05-059-S

ORDER IMPOSING UNDERTAKINGS IN CONNECTION WITH  
REGISTRATION UNDER THE VERMONT SECURITIES ACT  
AND  
CONSENT TO SAME

WHEREAS, Ronald M. Berman ("Berman"), CRD #19728, has filed an application to register as a securities sales representative in affiliation with Axiom Capital Management, Inc. ("Axiom"), CRD #26580, in Vermont pursuant to 9 V.S.A. Chapter 131, as amended ("Securities Act"); and

WHEREAS, under 9 V.S.A. §4229(a) of the Securities Act, the Commissioner of the State of Vermont Department of Banking, Insurance, Securities and Health Care Administration ("Commissioner") has general supervision and control over any and all registered persons under the Securities Act residing or doing business in Vermont; and

WHEREAS under 9 V.S.A. §4217(a) of the Securities Act, the Commissioner shall register a sales representative applicant provided the applicant provides, among other things, satisfactory evidence of good character; and

WHEREAS the Commissioner through his designated representative, the Securities Division ("Division"), has evaluated Berman's registration application and determined that it

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would be appropriate for the protection of investors in Vermont that Berman's application be approved subject to certain conditions and undertakings; and

WHEREAS by virtue of Berman's association with Axiom, any conditions and undertakings imposed on Berman are direct and indirect obligations of Axiom by virtue of its responsibility to reasonably supervise Berman; and

WHEREAS Berman and Axiom agree and consent to the entry of this Order by the Commissioner;

NOW THEREFORE the Commissioner issues the following Order:

**IT IS ORDERED that:**

1. Berman's securities sales representative application is approved on the effective date of this Order.
2. Berman shall receive strict supervision in his capacity as a securities sales representative from a principal or branch manager of Axiom who is physically present and employed in Berman's office of employment.
3. All new Vermont domiciled accounts Berman accepts will be reviewed and approved by his branch manager or a principal of Axiom prior to his accepting such accounts. The branch manager and/or principal's dated signature shall appear on each new account form as having reviewed and approved the account.
4. Berman will have all of his trading orders in Vermont domiciled accounts reviewed on a daily basis by either a principal, supervisor, or branch manager of Axiom.
5. Berman will not exercise discretionary authority over any Vermont domiciled account.
6. Berman will not act in any principal, supervisory, or managerial capacity with Axiom.
7. Berman and Axiom shall notify the Division in writing if Berman becomes or is the



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Montpelier, VT 05602

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subject of an investigation<sup>1</sup> or any legal action filed or entered by any regulatory or law enforcement agency or self-regulatory organization, within thirty (30) calendar days of receiving notice or becoming aware of said investigation or legal action.

8. Berman and Axiom shall furnish to the Division a copy of any written complaint, a summary of any oral complaint, and a description of any legal action, including arbitration, filed by any Vermont resident, which involves Berman's activities in or affiliation with the securities industry within thirty (30) calendar days of receiving said complaint or action.

9. Berman will comply with and abide by all conditions imposed in this Order, all federal and state securities laws, and all supervisory provisions of Axiom. In addition, as long as these provisions remain in effect, Berman will not transfer his registration from Axiom to another broker-dealer pursuant to any mass transfer, without prior approval of the Division. Such approval shall not be presumed from completion of the mass transfer.

10. Axiom will abide by and enforce all conditions placed upon Berman's registration by this Order.

11. Berman and Axiom acknowledge that any material inaccuracy, omission, or untrue statement in any of the undertakings and representations covered by this Order or failure to comply with any provision of this Order shall constitute grounds for further legal and/or administrative action under the Securities Act subject to Berman's and Axiom's rights to a hearing pursuant to the Securities Act.



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<sup>1</sup> The term investigation shall mean any inquiry involving a formal order of investigation as is the practice of the S.E.C. or other such inquiry which involves the issuance of a subpoena or which makes reference to the investigation authority of the regulator or law enforcement agency. The term investigation is not intended to include such matters as routine regulatory audits or matters involving non-Vermont resident customer complaints filed with a regulator unless and until the regulator determines that an investigation is warranted and Berman or Axiom has received notice or become aware of the investigation.

12. If the Division determines that Berman has violated any securities law or rules and regulations promulgated thereunder, a rebuttable presumption shall exist that Axiom has failed to reasonably supervise Berman and such failure shall constitute grounds for further legal action under the Securities Act subject to Axiom's right to a hearing pursuant to the Securities Act.

13. Axiom shall file with the Division a written report within thirty (30) days of the effective date of this Order detailing the steps to be taken to supervise the activities of Berman.

14. Berman and Axiom shall file with the Division a written report certifying compliance with the terms of this Order on or before December 31 of each year the Order is in effect.

15. This Order shall remain in full force and effect for a period of not less than two (2) years from its effective date. After the two-year period, Berman and Axiom may petition the Commissioner, in his discretion, to have the above conditions removed or modified.

16. This Order shall become effective immediately upon the date set forth below.

**BY ORDER OF THE COMMISSIONER**

Entered at Montpelier, Vermont, this 17<sup>th</sup> day of NOVEMBER, 2005.

  
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JOHN P. CROWLEY, Commissioner  
Vermont Department of Banking, Insurance,  
Securities and Health Care Administration



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**CONSENT OF RONALD M. BERMAN AND AXIOM CAPITAL MANAGEMENT, INC.  
TO THE ENTRY OF AN ORDER BY THE COMMISSIONER  
IMPOSING UNDERTAKINGS IN CONNECTION WITH REGISTRATION  
UNDER THE VERMONT SECURITIES ACT**

1. Ronald M. Berman ("Berman") and Axiom Capital Management, Inc. ("Axiom") elect to permanently waive their rights to a hearing before the Commissioner or the Commissioner's designee, and all other procedures otherwise available under the Securities Act, the rules of the Department, the provisions of 3 V.S.A. Chapter 25 regarding contested cases, or any rights they may have to judicial review by any court by way of suit, appeal, or extraordinary remedy with respect to this Order Imposing Undertakings in Connection With Registration Under the Vermont Securities Act and Consent to Same ("Order"); and
2. Berman and Axiom acknowledge that this Order constitutes a valid order duly rendered by the Commissioner, consent to the issuance of this Order, and agree to be fully bound by its terms, conditions, undertakings and obligations.
3. Berman and Axiom acknowledge and agree that this Order is entered into freely and voluntarily and that no promise was made nor coercion used to induce either to enter into it.
4. Berman and Axiom acknowledge their understanding of all terms, conditions, undertakings and obligations contained in this Order and further acknowledge that any material inaccuracy or untrue statement regarding this Order or their failure to comply with any provision of this Order shall constitute grounds for further legal action by the Commissioner subject to their right to a hearing pursuant to the Securities Act.



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RONALD M. BERMAN

Ronald Mark Berman

Date: 11-10-05

AXIOM CAPITAL MANAGEMENT, INC.

By: Mark D. Martino  
Its Authorized Representative

Date: 11-10-05

Typed Name: MARK D. Martino

Title: President

BEFORE ME this 10th day of November, 2005, personally appeared Mark D. Martino who acknowledged that s/he, as being authorized so to do, executed the foregoing for the purposes therein contained by signing as an officer of the corporation.

Maria Wilson  
Notary Public

My Commission Expires: \_\_\_\_\_

**MARIA WILSON**  
**NOTARY PUBLIC, STATE OF NEW YORK**  
NO: 01-W14939988  
QUALIFIED IN RICHMOND COUNTY  
COMMISSION EXPIRES: 08-01-2006



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