



A subsidiary of Axos Financial™

# Client Relationship Summary

**June 26, 2020**

Axos Clearing LLC (“Axos Clearing”) is registered with the Securities and Exchange Commission (“SEC”) as a broker-dealer. Brokerage and investment advisory services and fees differ, and it is important for you to understand the differences. Free and simple tools are available for investors to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS). Here, you can also find educational materials about broker-dealers, investment advisers, and investing.

Axos Clearing is a clearing broker dealer. That means that we provide clearing and brokerage services for introducing broker dealers. Generally, Axos Clearing does not maintain direct relationships with retail investors. When an introducing broker dealer withdraws its registration, (in other words, ceases to be an active introducing broker dealer) or changes clearing firms, retail investor accounts such as your own may become accounts of ours. In these and most situations, our services and relationship with you is limited. This Client Relationship Summary document discusses those services and relationship.

## ***What investment services and advice can you provide me?***

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When your account was held with an introducing broker dealer, we cleared and settled securities and other transactions on your behalf as directed by your introducing broker dealer.

Now that your account is held directly with us, we act only on your instruction and offer only closing transactions for your account. We do not offer investment advice, recommendations, or hold any other discretionary authority on your account.

## ***What fees will I pay?***

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We assess transactional fees in retail investor accounts.

Generally, fees are assessed on a transactional basis such as the below common transactions:

- securities buys and sells,
- wire transfers,
- account transfers,
- stock reorganizations,
- account maintenance, or
- margin interest.

### **Important:**

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. **For additional information on Axos Clearing’s fees**, please contact us at [clientservices@axosclearing.com](mailto:clientservices@axosclearing.com).

## ***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?***

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Broker dealers are required to act in the best interest of retail investors when making recommendations. As a clearing broker dealer, we do not provide recommendations to retail investors, creating little to no known conflicts of interest with retail investor accounts that we service.

As a clearing broker dealer, the way we make money differs from the way introducing broker dealers make money.

Here are some examples of ways we make money as a clearing firm:

- We make money on transactional fees associated with securities and other transactions as described earlier. These fees are paid by introducing broker dealers.
- We may receive payment for services provided to our introducing broker dealers.
- We may receive other cash or non-cash compensation from third parties for certain transactions, such as order routing with market centers.
- We collect sweep fees and margin interest.

## ***How do your financial professionals make money?***

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As a clearing broker dealer, we do not employ registered representatives that maintain direct relationships with retail investors and therefore do not make money for recommendations in retail investor accounts. Our financial professionals include registered and non-registered representative employees that perform the functions necessary to clear and settle transactions for our introducing broker dealers. Our financial professionals receive salaried, hourly, or other structured compensation that is not affected by the transactions in retail investor accounts such as yours.

## ***Do you or your financial professionals have legal or disciplinary history?***

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Yes –

You can visit [Investor.gov/CRS](https://www.investor.gov/CRS) for a free and simple search tool to research our firm and financial professionals.

- **For additional information about Axos Clearing or to request a copy of this relationship summary.** please visit <https://www.axosclearing.com/>.
- You may also call 866-774-0218 or email [clientservices@axosclearing.com](mailto:clientservices@axosclearing.com) to request up to date information or a copy of this relationship summary.