

PART 2A OF FORM ADV: FIRM BROCHURE

ITEM 1. COVER PAGE

Oppenheimer & Co. Inc.  
85 Broad Street  
New York, New York 10004  
(212) 667-4000  
[www.opco.com](http://www.opco.com)

August 6, 2020

This brochure (the “Brochure”) provides information about the qualifications and business practices of Oppenheimer & Co. Inc. If you have any questions about the contents of this Brochure, please contact Brian Roth at [Brian.Roth@opco.com](mailto:Brian.Roth@opco.com).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Oppenheimer & Co. Inc. also is available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration with the SEC as an investment adviser does not imply a certain level of skill or training.

## ITEM 2. MATERIAL CHANGES

Oppenheimer & Co. filed its previous annual update on March 10, 2020.

This amendment is being filed to reflect the change in contact person and Chief Compliance Officer. This change is not material.

A summary of any material changes to this and subsequent brochures will be provided to you within 120 days of the close of our business' fiscal year. We also may provide you with additional updates or other disclosure information at other times during the year in the event of any material changes to our business.

You may request the most recent version of this Brochure by contacting Brian Roth at [Brian.Roth@opco.com](mailto:Brian.Roth@opco.com).

### ITEM 3 TABLE OF CONTENTS

#### Table of Contents

ITEM 1. COVER PAGE .....	1
ITEM 2. MATERIAL CHANGES .....	2
ITEM 3 TABLE OF CONTENTS .....	3
ITEM 4. ADVISORY BUSINESS .....	4
ITEM 5. FEES AND COMPENSATION .....	7
ITEM 6. PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT .....	11
ITEM 7. TYPES OF CLIENTS .....	11
ITEM 8. METHODS OF ANALYSIS, INVESTMENT, STRATEGIES AND RISK OF LOSS.....	11
ITEM 9. DISCIPLINARY INFORMATION .....	13
ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	19
ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....	22
ITEM 12. BROKERAGE PRACTICES .....	22
ITEM 13. REVIEW OF ACCOUNTS.....	23
ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION .....	24
ITEM 15. CUSTODY .....	24
ITEM 16. INVESTMENT DISCRETION.....	24
ITEM 17. VOTING CLIENT SECURITIES .....	24
ITEM 18. FINANCIAL INFORMATION .....	25

#### ITEM 4. ADVISORY BUSINESS

Oppenheimer & Co. Inc. (“Oppenheimer”) is a registered investment adviser and registered broker-dealer. Oppenheimer and its predecessor companies have been in business since 1881 and Oppenheimer has been a registered investment adviser since 1955. Oppenheimer is owned directly by Viner Finance Inc., an indirect subsidiary of Oppenheimer Holdings Inc., which is a publicly held company.

Oppenheimer offers a variety of advisory services on a discretionary or non-discretionary basis and investment consulting services.

This Brochure provides information about the following programs: FAM, Alpha, Consulting Services, Retirement Services, and Financial Planning. Information about the following programs: OMEGA, OMEGA Retirement, FAM Retirement, FAM Fee Only, Alpha Retirement, Alpha Fee Only, Preference, Preference Retirement, Advantage Advisory, Advantage Advisory Retirement, PAS Directed, PAS Directed Retirement, UMA FA Directed, and UMA FA Directed Retirement is provided in Part 2A Appendix 1, a separate brochure.

Oppenheimer accepts discretionary authority to manage securities accounts for clients. This authority is stated in the investment management agreement that Oppenheimer enters into with the client. Clients may specify certain types of securities that they do not want us to purchase for their account.

The structure of our advisory programs entails certain conflicts of interest as discussed below.

Oppenheimer receives 12b-1 fees as a result of investments in certain mutual funds. Mutual funds generally offer multiple share classes, some of which do not result in 12b-1 fees. Any 12b-1 fees paid to Oppenheimer attributable to fund shares held in your advisory account (except for certain consulting arrangements) will be credited back to clients by the firm on a monthly basis for those days that the account is managed. The payment of 12b-1 fees presents a conflict of interest for Oppenheimer and provides an incentive to recommend investments based on the compensation received from the receipt of 12b-1 fees, rather than on a client’s needs or the existence of a less expensive share class even when a client is eligible for a lower-cost share class of the same fund. The firm mitigates this conflict by crediting back 12b-1 fees to the client. For certain consulting services, Oppenheimer’s fee is offset by the receipt of 12b-1 fees. Certain funds pay Oppenheimer a system support or networking fee per client account. Oppenheimer retains those fees.

Oppenheimer advisory programs make available mutual funds which offer various classes of shares, including shares generally designated as Class A shares or other classes that pay 12b-1 fees, and certain shares classes that do not pay 12b-1 fees. In other instances, a mutual fund may offer only classes that pay 12b-1 fees, but another similar mutual fund may be available that offers share classes that do not pay 12b-1 fees. It is generally more expensive for a client to own shares that pay a 12b-1 fee. By offering 12b-1 share classes as well as non-12b-1 share classes, a conflict of interest exists for Oppenheimer and Financial Advisors because there is a financial incentive for the Financial Advisor to recommend a more expensive 12b-1 fee paying share class even when a client is eligible for a lower-cost share in the same or a comparable mutual fund. The firm mitigates this conflict by crediting back to the client 12b-1 fees received.

Cash balances in all programs sponsored by Oppenheimer are invested automatically in certain participating banks in the Advantage Bank Deposit Program (the “ABD Program”). Oppenheimer receives a fee from each deposit bank. The amount of the fee paid to Oppenheimer will affect the interest rate paid on Deposit Accounts. To the extent more of the fee paid is retained by Oppenheimer the interest rate paid to clients on Deposit Accounts will be less.

The ABD Program is significantly more profitable to Oppenheimer than money market fund sweep vehicles. The fee payable to Oppenheimer may be as high as 5% of the household balances invested in the ABD Program. Oppenheimer retains fees earned on cash deposits for accounts in the ABD Program. Oppenheimer also charges an

advisory fee on those cash balances. Oppenheimer earns advisory revenue on cash balances invested in the ABD Program as well as administrative fees paid by bank participants for administration. Clients in non-discretionary advisory programs should compare their non-discretionary advisory programs to a brokerage account that does not charge a fee to the Client on cash balances or to a money market mutual fund. Oppenheimer does receive administrative fees in the ABD Program in brokerage accounts. For programs in which Oppenheimer has investment discretion, Oppenheimer determines the level of cash in the account. This creates a conflict of interest for Oppenheimer which is paid both the advisory fee and the bank administration fee. Oppenheimer believes this conflict is mitigated due to the fact that Oppenheimer financial advisors that exercise discretion over an account do not receive a portion of the bank administrative fee. Money market mutual funds are available as alternative solutions to the ABD program. However the client or the client's FA must request access to these funds for advisory accounts as all cash held in advisory accounts custodied at Oppenheimer is currently invested automatically in the ABD Program. Money market mutual funds also have different risk and return profiles than the ABD Program, including that most money market funds do not qualify for FDIC insurance. Clients should consult with their FA to compare money market mutual funds with the ABD program.

Oppenheimer's advisory fee is charged on all assets in an advisory account including, if the account is custodied at Oppenheimer, cash for which Oppenheimer also receives the ABD fee. When Oppenheimer exercises discretion, Oppenheimer can determine the level of cash in the account.

#### Oppenheimer as Fiduciary to You

As a registered investment adviser under the Investment Advisers Act of 1940 (the "Advisers Act"), Oppenheimer has an obligation to act as a fiduciary according to legal standards set forth under the Advisers Act, certain state laws and common law in the way that we provide advisory services to you.

What does it mean to act as a Fiduciary?

- We need to act in your best interests.
- We need to place your interests ahead of our own.
- We must disclose material facts about our advisory programs.
- We design our advisory programs to avoid conflicts of interest.

but if there is a potential for a conflict, we disclose the conflict to you.

Your Financial Adviser monitors your account on a semi-annual basis.

Our recommendations to you are based on our investment due diligence process and our understanding of your investment goals and risk tolerance.

We will not engage in principal trading (trades between your accounts and our proprietary accounts) without your consent.

- We will disclose the fees that you pay and compensation that we receive.

We must have a reasonable basis for believing our recommendations are suitable for you and are consistent with your objectives and goals.

The fees we charge are negotiable and may differ from client to client based on a number of factors including the type and size of the Account and the range of client related services to be provided to the Account and may differ for a client depending on the advisory programs selected.

Fees are billed quarterly in advance. You will receive a pro rata refund of fees if you terminate your account before the end of a quarter. You should contact your Financial Advisor or Branch Officer Manager to initiate the refund process.

#### Discounting

Financial Advisors can charge clients up to the maximum fee for each program. Financial Advisors receive less than their standard payout when accounts are priced below certain levels unless Oppenheimer waives the haircut. This creates an incentive for Financial Advisors to price accounts at or above certain levels.

#### Fahnestock Asset Management - FAM

FAM is an advisory program in which Financial Advisors of Oppenheimer provide discretionary investment management services for equity, balanced and fixed income portfolios for an asset based fee and commissions on transactions.

#### Alpha Advisory Program - Alpha

Alpha is an advisory program in which Financial Advisors of Oppenheimer provide discretionary investment management services for commissions on transactions.

#### Consulting Services

Oppenheimer provides non-discretionary investment consulting and execution services to institutional clients and unaffiliated advisors. These services include the following:

- Development or updating of an investment policy statement
- Development of asset allocation strategy or model
- Identification and monitoring of portfolio managers
- Performance reporting

Oppenheimer's consulting services do not include custodial services from Oppenheimer. Oppenheimer does not introduce portfolio managers affiliated with Oppenheimer to clients who enter into a consulting services agreement.

#### Retirement Services

Oppenheimer provides non-discretionary and discretionary services to fiduciaries of qualified retirement plans. These services include the following:

- Review of plan documents
- Development of an investment policy statement
- Review of investments offered in the plan
- Advice on investment fund selection
- Performance reporting
- Educational seminars for plan participants

Oppenheimer's Retirement Services do not include custodial services from Oppenheimer. Oppenheimer does not introduce portfolio managers affiliated with Oppenheimer to clients who enter into a retirement services agreement.

#### Financial Planning Services

Oppenheimer offers financial planning services through certain Financial Advisors of Oppenheimer with the assistance of the Financial Planning Group of Oppenheimer Asset Management, Inc. ("OAM"). Oppenheimer

provides clients with various types of written financial plans. A financial plan analyzes an individual's current financial situation and identifies an individual's ability to achieve their long-term economic goals.

A financial plan is developed and based upon information furnished to Oppenheimer by the client regarding the client's financial and tax situation. Planning areas addressed in a financial plan will vary by client. Advice provided in a financial plan will be specific to each client. Financial plans do not recommend specific securities for investment.

Advisory financial planning services include:

- Personal Financial Analysis ("PFA")

A goal-based financial plan that can analyze multiple lifetime goals and scenarios for a client. The PFA will analyze an individual's current financial situation (current asset and savings, insurance, income/expenses and liabilities). Depending upon the client's situation, the financial plan may include an analysis of where the client is in relationship to his or her financial goals such as retirement planning, education planning, risk management (life, disability and long-term care insurance), asset allocation analysis, corporate executive compensation planning and estate planning strategies.

- The Asset Allocation Plan

The Asset Allocation Plan is designed to furnish a guideline for making investment decisions. Using our proprietary Risk Assessment questionnaire, changes to an existing portfolio may be suggested. The plan will compare an existing investment portfolio's asset allocation to that of a proposed asset allocation including a comparison of the characteristics of the current portfolio and the proposed portfolio. The hypothetical investment results of the different portfolios will be shown over various time periods to provide an analytical framework for making decisions.

Oppenheimer Activist Partners LP and Oppenheimer Activist Partners LP Class T

Oppenheimer serves as the managing member of OPCO PE LLC which owns Oppenheimer Activist LLC, the general partner of Oppenheimer Activist Partners LP, a Delaware limited partnership organized in September 2005 to operate as a private investment partnership.

Assets under Management

With respect to the advisory services described in this Brochure, as of December 31, 2019 Oppenheimer managed \$7,564,668,432 of client assets on a discretionary basis and approximately \$11,379,631,355 of client assets on a non-discretionary basis (including certain assets for which consulting and retirement services are provided).

## ITEM 5. FEES AND COMPENSATION

Oppenheimer periodically reviews the fees charged to its advisory clients, and makes adjustments to ensure fees are in accordance with the fee schedules described in this Brochure. The adjusted fees may be rounded up or down to the nearest basis point.

Advisory fees may be calculated based upon a different data feed than that used to generate account statements. The data feed may differ in its treatment of factors such as accrued interest and trades pending settlement. Oppenheimer retains a fee earned on cash deposits in the ABD. This practice presents a conflict of interest and gives an a Financial Advisor an incentive to recommend cash based on the compensation received, rather than on a client's needs.

The maximum fee and minimum account size for each program are set forth in the table below:

Oppenheimer & Co. Inc. Advisory Program Minimums and Fees		
Program Name	Minimum Account Size	Fees
<b>Fahnestock Asset Management (FAM)</b>	MF/ETFs only- \$10,000 Multi-security- \$50,000 Include Bonds- \$100,000	2.5% *We charge commissions on certain FAM accounts at the time that securities transactions are executed
<b>Alpha</b>	MF/ETFs only- \$10,000 Multi-security- \$50,000 Include Bonds- \$100,000	Clients pay brokerage commissions and ticket and/or handling charges on securities transactions executed by Oppenheimer
<b>Preference</b>	MF/ETFs only- \$10,000 Multi-security- \$25,000 Include Bonds- \$100,000	2.25% *additional charges may apply based on activity
<b>Preference Retirement</b>	MF/ETFs only- \$10,000 Multi-security- \$25,000 Include Bonds- \$100,000	2.25% *no additional charges are applied
<b>Consulting Services</b>	Varies	1.00%
<b>Retirement Services</b>	Varies	1.00%

**\*May have additional fees for high volume trading.**

#### Preference Separate Account Fees

Oppenheimer offers non-discretionary advisory services through its Preference Advisory program.

For the Preference Advisory program, the fee will be adjusted in the next billing period for each addition to or withdrawal from your Account of \$10,000 or more. The minimum annual fee for a Preference account is \$250. The minimum fee will not apply if the account is at least \$50,000 or advisory accounts in a client's household are at least \$250,000.

The program is not intended for high volume trading and accounts that trade in high volume may be terminated from the program or, for Non-Retirement assets, be subject to additional charges for trading activity above a threshold amount as described below.

The threshold will be determined by the number of transactions multiplied by the charge per transaction (\$50 per transaction for equity, bond, exchange traded funds ("ETFs") and closed end funds and \$35 for option trades) divided by the asset based fee for the previous four quarters. If the ratio is one or less, your account will not be charged any additional fees. If the threshold ratio is above 1, each additional transaction will result in the following additional fees:

- The greater of \$.10 per share or \$75 for equity, ETFs or closed-end fund transactions
- \$75 for bond transactions
- The greater of \$3.25 per contract or \$35 for options transactions
- Mutual Fund transactions will not be counted in determining the threshold ratio.



These additional fees will be accrued and charged to your account with your next quarterly management fee. Oppenheimer has discretion to waive or reduce these additional fees. Additional fees will be counted in the denominator for purposes of determining the threshold ratio.

The Preference program is not meant for high frequency trading and if Oppenheimer deems an account has a high frequency account it may be removed from the program.

The fees charged for Preference accounts may cost a client more than it would cost to purchase these services separately.

In addition to the wrap fee, clients may pay dealer markups or markdowns in principal transactions with broker dealers other than Oppenheimer, or commissions charged by broker dealers other than Oppenheimer, ADR agency processing fees, odd lot differentials, Exchange or SEC fees, transfer taxes and any other charges imposed by law.

Financial Advisors of Oppenheimer receive a portion of the fee paid by their clients in the Preference program. The amount of this compensation may be more than what the Financial Advisor would receive if the client participated in other programs or paid separately for investment advice, brokerage and other services. A Financial Advisor therefore may have a financial incentive to recommend the Preference program over other programs or services.

#### FAM

FAM accounts for existing relationships are charged fees based on a percentage of the value of assets in the portfolio and commissions for the execution of portfolio transactions.

When Oppenheimer is compensated for the advisory and other services provided for certain FAM accounts by the payment of brokerage commissions and ticket and/or handling charges, the standard commission table is provided by the Financial Advisor at the inception of an account. Commission rates may be discounted from the standard rates solely at the discretion of Oppenheimer and discounts may be revoked or reapplied at any time by Oppenheimer.

For non-retirement accounts, commission rates may be discounted. If commission rates are discounted for an account then the fees may be increased by 0.25% to 0.50% depending on the size of the account. Commission rates may be discounted from the standard rates solely at the discretion of Oppenheimer and discounts may be revoked or reapplied at any time by Oppenheimer.

Fees for FAM accounts are paid quarterly in advance.

The fee for a FAM account will be adjusted in the next billing period for each addition to or withdrawal from the account of \$25,000 or more.

#### Alpha Separate Account Charges

Oppenheimer is compensated for the advisory and other services provided for Alpha accounts by the payment of brokerage commissions and ticket and/or handling charges on securities transactions executed by Oppenheimer. The standard commission table is provided by the Financial Advisor at the inception of an account. Commission rates may be discounted from the standard rates solely at the discretion of Oppenheimer and discounts may be revoked or reapplied at any time by Oppenheimer.

#### Consulting Services and Retirement Services

Fees for Consulting Services and Retirement Services vary based on the size and nature of the account and the type and extent of services provided. Fees may be charged as a percentage of assets in the account and may range up to

1.00% of assets per year. Clients may elect to pay a hard dollar amount per year generally starting at \$10,000. Fees may be payable in advance or in arrears and may be payable on a monthly, quarterly or annual basis. Fees charged in advance will be refunded on a pro rata basis if the agreement is cancelled during the billing period.

#### Fees and Charges

Clients can choose to pay Oppenheimer's fees out of their assets or to have Oppenheimer send them a bill for services. FAM accounts are generally billed or have fees deducted once every quarter in advance. We charge commissions on certain FAM and existing Alpha accounts at the time that securities transactions are executed. For FAM accounts that charge commissions, more than 50% of the revenue may result from commissions.

The fees for FAM accounts do not include the fees and charges of any custodian selected by the client, other than Oppenheimer, or certain charges associated with securities transactions that may be imposed by regulatory authorities, ADR, agency processing fees, margin interest, odd-lot differentials, SEC and Exchange fees and transfer taxes and any other charges imposed by law.

Alpha accounts may include closed-end and open end mutual funds and exchange traded funds. Assets held in these funds are subject to various fees and expenses paid including share class related fees to the fund and ultimately borne by the investor. These fees will be in addition to and not offset against the fees and commissions charged for the Alpha account. Investors should review and consider these additional fees carefully.

Oppenheimer Financial Advisors receive a portion of the fees paid by clients to Oppenheimer for FAM accounts or Consulting and Retirement Services. Oppenheimer Financial Advisors also receive a portion of the commissions paid by clients to Oppenheimer in FAM and Alpha accounts. Financial Advisors who provide investment advisory services under a commission or fee plus commission based advisory program face a conflict of interest because the Financial Advisor receives a portion of the commissions charged and may have an incentive to trade the account more frequently. The Financial Advisor's Branch Manager reviews the level of trading in a commission based account.

When choosing an advisory program, clients should ask about other programs offered by Oppenheimer. As there are differences in compensation structure among programs, there also are differences in the strategies and services provided. For example, the OMEGA program has specific investment guidelines. Financial Advisors may recommend the Alpha program to investors who want their account to be more concentrated or to engage in short selling strategies, which are not permitted in OMEGA accounts. OMEGA, FAM, PAS Directed and Alpha are programs in which the Financial Advisors of Oppenheimer provide discretionary (and non-discretionary, in the case of Preference) management services. Information about the OMEGA Services program, the Preference Advisory Program, PAS Directed and UMA Directed is also provided in a separate Brochure. OAM, an affiliate of Oppenheimer, offers programs that provide management services from a variety of affiliated and unaffiliated portfolio managers and managers of mutual funds. Branch Managers review and approve each advisory account for suitability before it is opened and review trading activity in advisory accounts that are managed on a discretionary basis by Financial Advisors including trading volume in the Financial Advisor directed accounts. The program administration group reviews certain aspects of portfolio management and trading for all of these programs.

Oppenheimer's brokerage practices are further described in Item 12, "Brokerage Practices".

#### Cash Balances in all Advisory Programs

Cash balances in all programs sponsored by Oppenheimer are invested automatically in certain participating banks in the Advantage Bank Deposit Program. Oppenheimer receives a fee from each deposit bank. The amount of the fee paid to Oppenheimer will affect the interest rate paid on Deposit Accounts. To the extent more of the fee paid is retained by Oppenheimer the interest rate paid to clients on Deposit Accounts will be less.

The ABD Program is significantly more profitable to Oppenheimer than money market fund sweep vehicles. The fee payable to Oppenheimer may be as high as 5% of the household balances invested in the ABD Program. Oppenheimer retains fees earned on cash deposits for accounts in the ABD Program. Oppenheimer also charges an advisory fee on those cash balances. Oppenheimer earns both advisory revenue on cash balances invested in the ABD Program as well as administrative fees paid by bank participants for administration. Clients in non-discretionary advisory programs should compare their non-discretionary advisory programs to a brokerage account that does not charge a fee to the Client on cash balances or to a money market mutual fund. Oppenheimer does receive administrative fees in the ABD Program in brokerage accounts. For programs in which Oppenheimer has investment discretion, Oppenheimer determines the level of cash in the account. This creates a conflict of interest for Oppenheimer which is paid both the advisory fee and the bank administration fee. Oppenheimer believes this conflict is mitigated due to the fact that Oppenheimer Financial Advisors that exercise discretion over an account do not receive a portion of the bank administrative fee. Money market mutual funds are available as alternative solutions to the ABD program. However the client or the client's FA must request access to these funds for advisory accounts as all advisory cash accounts are currently invested automatically in the ABD Program. Money market mutual funds also have different risk and return profiles than the ABD Program, including that most money market funds do not qualify for FDIC insurance. Clients should consult with their FA to compare money market mutual funds with the ABD program.

#### Financial Planning Fees

Oppenheimer provides financial planning services. The fees for these services vary based on the complexity of the plan. A goals-based plan can cost up to \$10,000. Updates to a plan can be provided at negotiated rates. The fee is negotiable based on the overall client relationship and the discretion of the client's Financial Advisor.

#### Opco Activist Partners LP and Opco Activist Partners LP Class T

As a management company to Opco Activist Partners LP, (the "Fund") Oppenheimer receives quarterly compensation in the amount of 0.25% of each limited partner's beginning capital account balance (1.0% per annum) of the Fund. In addition, investors will be subject to an incentive fee allocation of 5% of profits subject to a high water mark.

#### ITEM 6. PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT

Although there are no performance based fee arrangements in the Financial Advisor directed programs, certain Oppenheimer Financial Advisors may manage Alpha accounts according to a long/short strategy alongside OMEGA accounts. Accounts in the OMEGA program are long only and therefore this may pose a related conflict.

#### ITEM 7. TYPES OF CLIENTS

Oppenheimer provides advice to individuals, high net worth individuals, corporations, trusts, pension and profit sharing plans, charitable organizations, pooled investment vehicles, business entities and individual retirement accounts. Minimum account sizes are: set forth in the table in item 5.

#### ITEM 8. METHODS OF ANALYSIS, INVESTMENT, STRATEGIES AND RISK OF LOSS

##### Consulting Services and Retirement Services

The Consulting Services program provides non-discretionary and the Retirement Services advisory program may provide non-discretionary and discretionary investment consulting services for client assets that are not custodied at Oppenheimer. Services are provided by Oppenheimer Financial Advisors under the supervision of the product supervisor. Oppenheimer Financial Advisors must submit an application to become eligible to provide Consulting Services or discretionary Retirement Services to clients. The application must be approved by the Oppenheimer Financial Advisor's Branch Manager and the product supervisor of Consulting Services or Retirement Services.

Approval is based on a review of the Financial Advisor's investment consulting experience. Continuing education regarding investment consulting is generally required on an ongoing basis for each Financial Advisor.

Before enrolling in the Consulting Services program, clients must complete a questionnaire. The questionnaire for individuals gathers personal and financial information including investment experience, current asset allocation, risk tolerance and goals. The questionnaire for institutional and trust clients gathers information regarding tax status, purpose, goals, risk tolerance, investment policy, current asset allocation, and cash flow. The questionnaires also gather information about the custodian(s) for the client's assets, and the disposition of those assets. Financial Advisors make investment recommendations based on the needs of each client. Financial Advisors review existing investment policies, and if appropriate, develop the policies with the client to set guidelines for asset allocation and investment manager performance selection and retention criteria.

Investment strategies for clients may vary by Financial Advisor and include strategic asset allocation and tactical asset allocation. Equity, balanced and fixed income investments may be recommended along with value, growth and momentum investing strategies. In building a specific asset allocation strategy, Oppenheimer Financial Advisors utilize various analytics and capital projections combined with an assessment of clients' investment goals and objectives. Financial Advisors review the circumstances that apply to each client including but not limited to risk tolerance level, time horizon, expected withdrawals, expected contributions, and long-term goals. Financial Advisors review the pertinent aspects of a client's situation and review asset allocation recommendations at least once a year. A client's asset allocation is rebalanced or adjusted in accordance with each client's investment policy when needed.

In addition to asset allocation and investment policy, Financial Advisors also make recommendations concerning the selection and retention of investment managers. Generally, managers will represent separate, distinct, and non-correlated investments typically covering a variety of different risk and return parameters. In general, a variety of factors are reviewed when considering a manager; including style, credit quality, duration, risk, correlation, manager added value, manager objectives and expenses and performance.

All investments entail certain risks, both systemic and non-systemic. Investments and asset allocation recommendations made by Financial Advisors may include financial, market, inflation, interest rate, credit, and loss of principal risks. Financial Advisors generally attempt to moderate and manage these risks through diversification.

Investing in securities involves risk of loss that clients should be prepared to bear.

#### Methodologies and Strategies

The investment strategies used in managing accounts vary depending on the Financial Advisor and may include strategic asset allocation and tactical asset allocation, value, growth and momentum investing for equity, balanced and fixed income accounts.

Mutual funds and ETFs may be selected by your Financial Advisor from a group of eligible funds and ETFs. Some funds are on Oppenheimer Asset Management Inc's Focus List. Funds on the Focus List are subject to a higher level of initial and ongoing review than are eligible funds.

	Portfolio Manager Selection and Evaluation	Monitoring and Review
<b>Mutual Funds/ETFs Eligibility</b>	Operational standards, minimum asset levels, accessible in third party databases, length of performance history	Operational standards, minimum asset levels, accessible in third party databases, length of performance history
<b>Mutual Funds Focus</b>	Quantitative and Qualitative standards used including a review of firm history, asset breakdown, investment team, investment philosophy, investment process, trading infrastructure, compliance infrastructure, historical portfolio holdings, client service capability, risk evaluation, and historical performance.	Analysis of market performance and impact on portfolios, ongoing Qualitative and Quantitative review of performance, Qualitative review of standards used including firm history, asset breakdown, investment team, investment philosophy, investment process, and regulatory updates.

## Risks

**Volatility of Investment Results.** As with any investment in securities, the value of an investment in any of the strategies employed by an FA accounts and the total return on an investor's investment are subject to the possibility that the portfolio of investments will experience sudden, unpredictable drops in value or long periods of decline in value. This may occur because of factors that affect the securities markets generally, such as adverse changes in economic conditions, the general outlook for corporate earnings, interest rates or investor sentiment. Investments also may lose value because of factors affecting an entire industry or sector, such as increases in production costs, or factors directly related to a specific company, such as decisions made by its management.

**Concentration of Portfolio.** The various strategies executed by an FA may result in the concentration in a limited number of securities, or one security may constitute a significant percentage of a particular portfolio. A decline in the value of a security or securities in which an account holds a concentrated interest could substantially affect the value of the account overall.

**Strategy May Not Be Successful.** No guarantee or representation can be made that the investment strategy utilized on behalf of any client will be successful, that there will be profits, or that losses will be avoided. The success of an investment program may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of a portfolio's investments. Unexpected volatility or illiquidity could result in losses.

## ITEM 9. DISCIPLINARY INFORMATION

(1) On October 12, 2010, Oppenheimer submitted an AWC to FINRA in which the firm was censured, fined \$57,500, ordered to pay \$17,879.51 plus interest in restitution to customers, and to revise its written supervisory procedures regarding best execution, trade reporting and sales transactions. The firm consented to the described sanctions and to the entry of findings that it purchased municipal securities for its own account from a customer and/or sold municipal securities for its own account to a customer at an aggregate price (including any markdown or markup) that was not fair and reasonable, taking into consideration all relevant factors, including the best judgment of the broker, dealer or municipal securities dealer as to the fair market value of the securities at the time of the transactions and of any securities exchanged or traded in connection with the transaction; the expense involved in effecting the transaction; the fact that the broker, dealer or municipal securities dealer is entitled to a profit; and the

total dollar amount of the transactions. The findings stated that the firm failed to provide written notification disclosing to its customer its correct capacity in the transaction, that the commission was a markup/markdown or commission equivalent, and that when acting as a principal for its own account that it was a market maker in each security. The findings also stated that the firm transmitted reports to OATS that contained inaccurate, incomplete or improperly formatted data; specifically, the reports contained inaccurate order route reports, missing route reports or incorrect share quantities.

(2) On May 10, 2011, Oppenheimer submitted an AWC in which the firm was censured and fined \$100,000. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it failed to deliver official statements by the settlement date to numerous customers who purchased new issue municipal securities during the primary offering disclosure period. The findings stated that the firm failed to keep a record of deliveries of official statements to purchasers of new issue municipal securities, as MSRB Rule G-8(a)(xiii) required. The findings stated that the firm failed to enforce its WSPs pertaining to the firm's official statement delivery requirements to customers who purchased new issue municipal securities for secondary market transactions that occurred during the primary offering disclosure period, including those transactions in which the firm was not an underwriter nor part of the underwriting syndicate, as MSRB Rule G-32 required; and the firm's requirements to maintain various records pertaining to its obligations to deliver official statements to customers who purchased new issue municipal securities, including those transactions in which the firm was not an underwriter nor part of the underwriting syndicate, as MSRB Rule G-8 required.

(3) On January 31, 2012, Oppenheimer entered into a consent agreement with the State of New Hampshire Department of State Bureau of Securities Regulation (the "Bureau") regarding the sale of certain penny stocks to clients in New Hampshire. The Bureau alleged that Oppenheimer failed to prevent the solicited sale of unregistered penny stocks to New Hampshire residents and failed to supervise employees at its Portsmouth New Hampshire branch. Without admitting or denying the findings, Oppenheimer agreed to the entry of findings, the payment of a fine in the amount of \$125,000, the payment of costs of \$30,000 and to offer rescission to any New Hampshire clients who purchased such penny stocks. In addition, the branch manager of the Portsmouth branch agreed to voluntarily relinquish her position for a period of one year and Oppenheimer agreed to retain an independent consultant to review certain activities in the Portsmouth branch and to make certain written findings to the Bureau and to Oppenheimer.

(4) On March 29, 2012, Oppenheimer consented to an AWC with FINRA in which the firm was censured and fined \$18,000. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it failed, within 90 seconds after execution, to transmit to the Over- The-Counter Reporting Facility (OTCRF) last sale reports of transmissions in OTC equity securities, and failed to designate some of the last sale reports as late. The findings stated that the firm reported some last sale reports of transactions in OTC equity securities it was not required to report, and failed to report the correct execution time to the OTCRF in some last sale reports of transactions in designated securities.

(5) On December 21, 2012, the International Securities Exchange LLC (ISE) issue an AWC to Oppenheimer in which the firm was censured and fined \$60,000. Oppenheimer was alleged to have violated ISE Rule 415 (A) in 2010 when it submitted entries into the Large Options Position Report in which accounts with the same social security or tax id number had not been assigned an in concert number and in concert firm identification.

(6) On January 2, 2013, Oppenheimer submitted an AWC to FINRA in which the firm was censured and fined \$20,000. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that its customer confirmations were inaccurate or incomplete, in that the firm failed to disclose the correct type of remuneration and failed to disclose that the price the customer received was an average price, failed to disclose the correct type of remuneration on customer confirmations, and failed, on one occasion, to disclose the correct type of remuneration and failed to disclose the correct capacity in which it acted. The findings stated that the firm transmitted reports to OATS that contained incorrect customer instruction flags or incorrect route reports. The findings also stated that the firm transmitted reports to the FNTRF that contained inaccurate data.



(7) On March 18, 2013, Oppenheimer was censured and fined \$5,000 by the CBOE. Oppenheimer failed to register the minimum number of individuals required to register as a Proprietary trader principal (TP) on Web CRD in violation of CBOE Exchange Rule 3.6A.

(8) On April 2, 2013, Oppenheimer submitted an AWC to FINRA in which the firm was censured, fined \$22,500 and ordered to pay \$1,290.58, plus interest, in restitution to customers. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that in transactions for or with customers, it failed to use reasonable diligence to ascertain the best inter-dealer market, and failed to buy or sell in such market so that the resultant price to its customers was as favorable as possible under prevailing market conditions. The findings stated that the firm failed to show, on brokerage order memoranda, one or more of the correct execution time, the entry time, the correct entry time, the order size, the order type, and/or the terms and conditions. The findings also stated that the firm failed to preserve, for a period of not less than three years, the first two in an accessible place, brokerage order memoranda. The findings also included that the firm failed to report the correct execution time to the FNTRF in some last sale reports of transactions in designated securities.

(9) On July 15, 2013, Oppenheimer submitted an AWC to FINRA in which the firm was censured and fined \$17,500. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it executed orders for sales pursuant to SEC Rule 144 and failed to mark each as a short sale. The findings stated that the firm had a few fail-to-deliver positions at a registered clearing agency in an equity security that resulted from long-sale transactions, and failed to timely close out the fail-to-deliver positions by purchasing securities of like kind.

(10) On August 5, 2013, FINRA fined Oppenheimer \$1,425,000 for the sale of unregistered penny stock shares and for failing to have an AML compliance program to detect and report suspicious penny stock transactions. Oppenheimer was also required to retain an independent consultant to conduct a comprehensive review of the adequacy of Oppenheimer's penny stock and AML policies, systems and procedures. Oppenheimer agreed to the sanctions to resolve charges first brought against the firm in a FINRA complaint in May 2013.

(11) In December 2013, FINRA fined Oppenheimer \$675,000 for charging unfair prices in municipal securities transactions and for failing to have an adequate supervisory system. FINRA also ordered Oppenheimer to pay more than \$246,000 in restitution, plus interest, to customers who were charged unfair prices. Oppenheimer failed to detect the unfair prices charged. Oppenheimer's supervisory system was deficient because supervisory personnel relied solely on a surveillance report that only captured intra-day transactions to review the fairness of markups/markdowns in municipal securities transactions. From at least 2005 through June 30, 2009, if an Oppenheimer trader purchased municipal securities and held those securities in inventory for a day or longer, the subsequent sales to customers would not populate the firm's surveillance report or be subjected to a fair pricing review.

(12) On February 19, 2014, Oppenheimer submitted an AWC to FINRA in which the firm was censured and fined \$45,000. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it submitted transactions with inaccurate market center codes to the FINRA/ NASDAQ Trade Reporting Facility (FNTRF). The firm submitted transactions for which it failed to substantiate usage of the qualified contingent trade modifier. The findings stated that the firm reported inaccuracies on customer confirmations, including disclosing an inaccurate capacity, disclosing an inaccurate execution price, failing to disclose that these were average price transactions, inaccurately disclosing the compensation type as "commission equivalent" for agency trades, failing to disclose the firm was market maker in a security, inaccurately disclosing the compensation type as "commission" for principal trades.

(13) On October 29, 2014, Oppenheimer submitted an AWC to FINRA in which the firm was censured and fined \$10,000. Without admitting or denying the findings, Oppenheimer consented to the sanctions and to the entry of findings that it failed to report the correct trade execution time for transactions in TRACE-eligible securitized products and failed to show the correct execution time on the memoranda of brokerage orders.

(14) On November 3, 2014, Oppenheimer entered into an agreement with the SEC pursuant to which Oppenheimer was censured and fined \$61,200 and agreed to cease and desist from committing or causing any violations of Rule G-15(f) promulgated by the Municipal Securities Rulemaking Board (“MSRB”). In March 2014, Oppenheimer violated MSRB Rule G-15(f) by executing three sales transactions in the Puerto Rico bonds with customers in amounts below the \$100,000 minimum denomination of the issue.

(15) On January 6, 2015, Oppenheimer submitted an AWC in which the firm was censured and fined \$250,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish and maintain an adequate system to monitor, supervise and control its extension of margin loans for foreign sovereign debt. The findings stated that the firm’s WSPs did not address how to assess the risks of extending margin credit for foreign sovereign bonds. The findings also stated that the firm failed to dedicate sufficient supervisory resources to monitoring the risk of holding below-investment-grade foreign sovereign bonds. The firm’s exposure to below-investment-grade foreign sovereign bonds, almost all of which was issued by a single government, exceeded \$30 million. The firm’s failure to supervise placed its capital at risk as a default of one bond would therefore likely mean the default of all bonds. The findings also included that the firm failed to take sufficient steps to assess whether a ready market existed for below-investment-grade foreign sovereign bonds and that the debt was adequately secured, as the bonds at issue did not trade on a daily basis. As a result, the firm’s net capital calculation should have been reduced by approximately \$31 million since a deduction from net capital of 100 percent of carrying value is required for securities without a ready market. FINRA found that the firm failed to reasonably supervise the transfer of assets securing a margin loan from one party to another. The firm allowed the transfer to occur without taking adequate steps to determine whether the information provided on the LOA was sufficient.

(16) On January 27, 2015, Oppenheimer entered into an order with the Securities and Exchange Commission (“SEC”) pursuant to which Oppenheimer was censured and agreed to (i) pay \$10 million, comprised of \$4,168,400 in disgorgement, \$753,471 in prejudgment interest and \$5,078,129 in civil penalties; (ii) cease and desist from committing or causing any violations of Sections 15(a) and 17(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rules 17a-3 and 17a-8 adopted thereunder and of Section 5 of the Securities Act of 1933 (the “Securities Act”); and (iii) retain an independent consultant over a five-year period to conduct a review of Oppenheimer’s policies and procedures as they relate to compliance with Section 5 of the Securities Act, the Bank Secrecy Act, the Patriot Act, Oppenheimer’s AML program and the proper recognition of liabilities and expenses associated with foreign entities trading on behalf of customers and U.S. customers trading through foreign financial institutions. This settlement was based on Oppenheimer’s conduct relating to two separate customer accounts. The first account involved aiding and abetting a customer’s violation of the broker-dealer registration requirements under the Exchange Act, failure to file Suspicious Activity Reports to report potential misconduct by this customer and failure to properly report, withhold and recognize backup withholding taxes. The second account involved failure to respond to red flags and conduct an inquiry into whether a customer’s unregistered sales of penny stocks were exempt from Securities Act registration requirements and failure to reasonably supervise with a view toward detecting and preventing violations of the registration provisions. Oppenheimer also agreed to pay an additional \$10 million in civil penalties to settle a parallel action by the Treasury Department’s Financial Crimes Enforcement Network.

(17) On January 30, 2015, Oppenheimer consented to the sanctions and to the entry of findings that it failed to display immediately 31 customer limit orders in NASDAQ securities in its public quotation, when each such order was at a price that would have improved the firm’s bid or offer and the national best bid for the offer in each such security. The conduct violated the Securities Exchange Act Rule 604 of Regulation NMS. The firm was censured and fined \$7,500.

(18) On March 26, 2015, Oppenheimer entered into an AWC with FINRA pursuant to which Oppenheimer was censured and agreed to (i) pay a fine in the amount of \$2,500,000; (ii) make restitution totaling \$1,251,076 to certain customers and (iii) retain an independent consultant, not unacceptable to FINRA staff, to conduct a comprehensive review of the adequacy of Oppenheimer’s supervisory policies, systems and procedures and training relating to wire transfers, Form U4/U5 reporting and excessive trading. The AWC was based on Oppenheimer’s



failure to supervise a former Financial Advisor who misappropriated funds from his customers and excessively traded their accounts and failure to design or implement supervisory procedures to ensure that timely U4 and U5 filings were made.

(19) On June 18, 2015, Oppenheimer consented to the entry of an order by the SEC imposing remedial sanctions and a cease and desist order. The SEC alleged that Oppenheimer offered and sold municipal securities on the basis of materially misleading disclosure documents, in violation of Section 17(a)(2) of the Securities Act. Oppenheimer was required retain an independent consultant and other undertakings and was fined in the amount of \$400,000.

(20) On June 25, 2015, the firm agreed to pay \$685,000 to the Delaware Investor Protection Fund and agreed to certain undertakings. Without admitting or denying the findings, Oppenheimer agreed to develop and maintain policies, procedures and systems that reasonably supervise the activities of its broker-dealer agents, investment advisors and branch office managers, and ensure full compliance by its officer, agents, employees and representatives with their and Oppenheimer's responsibilities to their clients.

(21) On October 7, 2015, Oppenheimer submitted an AWC to FINRA in which the firm was censured and fined \$21,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that in transactions for or with a customer, the firm failed to use reasonable diligence to ascertain the best inter-dealer market, and failed to buy or sell in such market so that the resultant price to its customers was as favorable as possible under prevailing market conditions. These violations resulted in a total of \$109.15 in restitution.

(22) On October 19, 2015, Oppenheimer entered a stipulation and agreement with the director of the Securities Division of the New Mexico Regulation and Licensing Department resolving a notice of contemplated action dated November 20, 2014, captioned in the matter of Oppenheimer and Royce Simpson. The stipulation and agreement determined that the Division, while reviewing the trading activity for Bernalillo County from 2012 through 2013 determined that there may have been certain supervisory deficiencies at Oppenheimer in advising the Treasurer's Office of Bernalillo County during the period of time in question through Oppenheimer's agent, Royce Simpson. Oppenheimer disputes that claim as set forth in the Notice of Contemplated Action; further the stipulation and agreement was not intended to modify any of Oppenheimer's obligations under existing law. And in fact Oppenheimer made certain revisions in its internal policies involving the investment of public funds. Oppenheimer also remitted to the Division \$215,000 to be allocated to the investor education fund for the benefit of licensees and consumers within New Mexico. Oppenheimer also agreed to commit to a full implementation of improved supervisory procedures, which it already adopted for servicing political subdivisions throughout New Mexico. As a result, the Division released and discharged Oppenheimer from any and all claims and dismissed the notice of contemplated action with prejudice against Oppenheimer.

(23) On October 20, 2015, Oppenheimer entered into an offer of settlement with the Chicago Board Options Exchange, Inc. ("CBOE"). Oppenheimer was censured and fined \$20,000 for several instances of violations of Exchange Rule 3.6A in that Oppenheimer failed to properly register certain Associated Persons and its CCO.

(24) On November 24, 2015, Oppenheimer submitted an AWC to FINRA in which the firm was censured, fined \$15,000, and required to revise its WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to provide written notification disclosing to its customer the call date and dollar price of the call in transactions in municipal securities executed on the basis of a yield to call. The findings stated that the firm failed to provide written notification disclosing to its customer the correct next potential call date in transactions in continuously callable municipal securities executed on the basis of a yield to call. The firm provided written notification improperly disclosing to its customer a yield to call in transactions in municipal securities with a variable interest rate and failed to provide written notification disclosing to its customer the correct lowest effective yield in a transaction in a municipal security. The findings also stated that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to applicable securities laws and regulations, and MSRB rules, concerning customer confirmations for municipal securities transactions.

(25) On December 22, 2015, Oppenheimer submitted an AWC to FINRA in which the firm was censured and fined \$225,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to reasonably supervise and to have an adequate supervisory system, including adequate WSPs, to address short positions in tax-exempt municipal bonds that resulted primarily from trading errors. The findings stated that as a result of these supervisory failures, the firm inaccurately represented to its customers holding municipal bonds that at least \$188,974.38 in interest that the firm paid to those customers was exempt from taxation. The firm did not hold the bonds on behalf of the customers and the interest that the customers received was paid by the firm and thus taxable as ordinary income. This resulted in the underpayment of not less than \$68,227.43 in federal income taxes. The findings also stated that the firm did not provide adequate guidance or oversight on how and when municipal short positions should be covered.

(26) On December 22, 2015, Oppenheimer submitted an AWC to FINRA in which the firm was censured, fined \$200,000, and required to offer rescission to the customers who purchased securities at either the original purchase price or the current fair market value, whichever is higher. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it effected customer transactions in a municipal security in an amount lower than the minimum denomination of the issue, which were not subject to an exception under the rule. The findings stated that the firm failed to disclose all material facts concerning municipal securities transactions at or prior to the trade time. Specifically, it failed to inform its customers that the municipal securities transaction was in an amount below the minimum denomination of the issue.

(27) On May 4, 2016, the Securities Division of the Office of the Attorney General for South Carolina determined that Oppenheimer, without admitting or denying the findings, failed to detect and report the activities of a former registered representative and an unidentified representative relating to the representative's recommendation that a client invest in private investments from November 2005 through October 2008. Oppenheimer was fined \$150,000 and reimbursed costs of \$25,000.

(28) On June 7, 2016, Oppenheimer signed an AWC with FINRA in which FINRA alleged the firm sold leveraged, inverse and inverse-leveraged exchange-traded funds (non-traditional ETFs) to retail customers without reasonable supervision, and recommended non-traditional ETFs that were not suitable. FINRA found the firm did not establish an adequate supervisory system to monitor the holding periods for non-traditional ETFs. The firm failed to employ any surveillance or exception reports to effectively monitor the holding periods for non-traditional ETFs, so certain retail customers held non-traditional ETFs in their accounts for weeks, months and sometimes years, resulting in substantial losses. FINRA also found that Oppenheimer failed to conduct adequate due diligence regarding the risks and features of non-traditional ETFs and, as a result, did not have a reasonable basis to recommend these ETFs to retail customers. Similarly, Oppenheimer representatives solicited and effected non-traditional ETF purchases that were unsuitable for specific customers. Oppenheimer neither admitted nor denied the charges, but consented to the entry of FINRA's findings and was fined \$2.25 million and ordered the firm to pay restitution of more than \$716,000 to affected customers.

(29) On July 19, 2016, the Michigan Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau entered into a Consent Agreement & Order In Lieu of Cease & Desist Proceedings with the firm to settle allegations of violations of the Michigan Uniform Securities Act (2002), 2008 PA 551, as amended. The violations related to the firm's failure to register investment adviser representatives in Michigan. The agreement and order included a civil fine of \$900,000.

(30) On November 17, 2016, the firm was fined \$1.575 million and ordered to pay \$1.85 million to customers for failing to report required information to FINRA, failing to produce documents in discovery to customers who filed arbitrations, and for not applying applicable sales charge waivers to customers. The firm neither admitted nor denied the charges, but consented to the entry of FINRA's findings. FINRA found that over a span of several years, the firm failed to timely report to FINRA more than 350 required filings including securities-related regulatory findings, disciplinary actions taken by the firm against its employees, and settlements of securities-related arbitration and litigation claims. FINRA rules require firms to timely and accurately report required information, yet Oppenheimer's procedures did not provide direction to its employees on making these disclosures. On average,

Oppenheimer made these filings more than four years late. The firm also failed to timely disclose that its then Anti-Money-Laundering Compliance Officer and another employee had received Wells notices from the SEC. The firm had revised its supervisory procedures as a result of a prior FINRA investigation but failed to adopt adequate procedures that addressed a specific obligation to report regulatory events involving its employees.

(31) On November 29, 2016, the firm signed an AWC with FINRA in which the firm was censured and fined \$20,000. Without admitting or denying the findings, the firm consented to sanctions and the entry of findings that it failed on 43 occasions to provide written notification disclosing to its customer the call date and dollar price of the call in 43 transactions in municipal securities executed on the basis of a yield to call. The findings stated that the firm failed on three occasions to provide written notification disclosing to its customers the correct lowest effective yield in three transactions in municipal securities and provided on one occasion written notification improperly disclosing to its customer a yield to call in one transition in a municipal security with a variable interest rate.

(32) On June 1, 2017, the firm signed an AWC with FINRA in which the firm was censured and fined \$20,000. Without admitting or denying the findings, the firm consented to sanctions and the entry of findings that it purchased municipal securities for its own account from a customer and/or sold municipal securities for its own account to a customer at aggregate price that was not fair and reasonable, in six transactions. The firm was also ordered to pay restitution to clients in the amount of \$10,301.44 plus interest.

(33) On March 11, 2019, Oppenheimer and its affiliate Oppenheimer Asset Management Inc. (“OAM”) became subject to an order (the “Order”) with the Securities and Exchange Commission (“SEC”). The Order arose out of recommendations or purchases made by Oppenheimer or OAM for advisory clients during the period from January 1, 2014 through August 15, 2018 ( the “Relevant Period”) of mutual fund share classes that charged 12b-1 fees instead of lower cost share classes of the same funds for which clients were eligible. During the Relevant Period, Oppenheimer and its Financial Advisors received 12b-1 fees for advising clients to invest in or hold such mutual fund share classes. Oppenheimer and OAM self-reported to the SEC the violations discussed in the Order pursuant to the SEC’s Division of Enforcement’s Share Class Selection Disclosure Initiative. Pursuant to the Order, Oppenheimer and OAM were censured and agreed to (i) pay \$3,528,377 consisting of disgorgement of \$3,169,123 and prejudgment interest of \$359,254, (ii) cease and desist from committing or causing any violations and future violations of Sections 206(2) and 207 of the Investment Advisers Act of 1940 (the “Advisers Act”) and (iii) distribute the amount of \$3,528,377 to affected investors during the Relevant Period. Oppenheimer and OAM also undertook to (i) review and correct as necessary all relevant disclosure documents concerning mutual fund share class selection and 12b-1 fees, (ii) evaluate whether existing clients should be moved to a lower cost share class and move clients as necessary, (iii) evaluate, update if necessary and review the effectiveness of implementation of policies and procedures so that they are reasonably designed to prevent future violations of the Advisers Act in connection with disclosures regarding mutual fund share class selection.

## ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### Broker –Dealer Registration Status

Oppenheimer is a registered broker-dealer. Albert Lowenthal, Chairman, Edward Harrington, Executive Vice President, Private Client Services, Jeffrey Alfano, Chief Financial Officer and John Benedetto, EVP and Chief Operations Officer, are registered representatives of Oppenheimer but generally may not function in that capacity.

### Material Relationship or Arrangement with Industry Participants

An affiliate of Oppenheimer is the managing member of several subsidiaries that act as investment advisers to registered investment companies and other pooled investment vehicles. These investment companies and pooled investment vehicles pay performance fees as well as management fees. Financial Advisors of Oppenheimer receive a portion of the management fee and incentive fee paid by collective investment vehicles to affiliates of Oppenheimer as well as placement fees and may have a financial incentive to recommend those collective investment vehicles.

Oppenheimer also is a registered broker dealer and full service investment firm as well as a registered investment adviser. Oppenheimer provides services such as investment banking, equity research, institutional sales, municipal finance and debt capital markets. Oppenheimer Trust Company of Delaware, an affiliate of Oppenheimer, provides trust services to high net worth individuals, not for profit organizations and businesses. Oppenheimer Trust Company of Delaware may recommend Oppenheimer advisory programs or products to its trust clients.

Mutual funds that may be purchased in advisory accounts do not pay any fees to Oppenheimer for participating in these programs. Advisers or distributors of mutual funds available in Oppenheimer advisory programs may pay for or reimburse for various costs relating to client and prospective client meeting sales and marketing materials and educational training and sales meetings held with Financial Advisors of Oppenheimer. These affiliates of mutual funds also may pay for the cost of reasonable entertainment in connection with Oppenheimer sponsored or client related events. Oppenheimer acts as the placement agent for the sale of interests in collective investment vehicles for which subsidiaries of OAM serve as investment advisor or general partner.

Mutual funds that are purchased in Oppenheimer advisory programs may have other business relationships with Oppenheimer such as institutional trading. Oppenheimer Financial Advisors may not consider any such relationships when determining whether or not to recommend a mutual fund for one of the advisory programs.

Mutual funds available in advisory programs also may be purchased by clients in their brokerage accounts but are sold with the applicable sales charge.

Certain fund companies pay Oppenheimer a system support or networking fee per client account. Unit investment trusts ("UITs") may be purchased in fee based advisory accounts if purchased on an agency basis at a 50 basis point charge, none of which is paid to Oppenheimer. Purchases of UITs in fee based advisory programs are not taken into account for the payment of any volume bonuses by sponsors of UITs to Oppenheimer. Sponsors of UITs may have trading relationships with Oppenheimer. The existence of any such relationships is not a factor in the determination by a Financial Advisor to recommend the purchase of a UIT for an advisory program.

Managers that Oppenheimer recommends to clients in the Consulting Services or Retirement Services programs may have other business relationships with Oppenheimer such as institutional trading. Oppenheimer does not consider these relationships when determining whether or not to recommend a portfolio manager or mutual fund. Service providers to retirement plans and sponsors of insurance products sponsor events to which Financial Advisors of Oppenheimer are invited such as meals or golf outings. Financial Advisors must receive the approval of the Product Manager before attending any of these events.

Cash balances in all programs sponsored by Oppenheimer are invested automatically in certain participating banks in the ABD Program. Oppenheimer receives a fee from each deposit bank. The amount of the fee paid to Oppenheimer will affect the interest rate paid on Deposit Accounts. To the extent more of the fee paid is retained by Oppenheimer the interest rate paid to clients on Deposit Accounts will be less.

For more information about the ABD Program see item 4.

Financial Advisors of Oppenheimer receive compensation for the sale of interests in hedge funds recommended by its affiliate OAM out of payments made by the funds to Oppenheimer. Certain hedge funds make higher payments to Oppenheimer than other funds on the OAM hedge fund platform and accordingly, Financial Advisors who sell these funds receive higher payments than they receive from selling other hedge funds. This practice represents a conflict of interest and gives Oppenheimer and the Financial Advisor an incentive to recommend investment products based on the compensation received, rather than on a client's needs.

### Research

Oppenheimer has procedures in place to avoid improper communications between Oppenheimer research employees and employees of other Oppenheimer departments including Financial Advisors of Oppenheimer. Oppenheimer Research employees are generally prohibited from, among other things:

- Discussing with any person outside of the Research Department and the Legal and Compliance Department any unpublished research reports, opinions or recommendations;
- Recommending the purchase or sale of, a security ahead of the issuance of research or changes to a view on a security;
- Recommending the purchase or sale of, a security of an issuer for any account while in possession of material non-public information on the issuer;
- Providing unpublished drafts of research reports for review or approval to any non-Research personnel;
- Providing unpublished drafts of research reports for review or approval to third parties, except pursuant to authorized gate-keeping procedures;
- Making any oral, written, or electronic communication, either internally or externally, that is inconsistent with an analyst's research, opinions or analysis; and
- Disclosing material changes to opinions, recommendations or price target to select persons prior to general publication.

### Investment Banking

In order to prevent the improper use of material, non-public information from one part of Oppenheimer to another, Oppenheimer has created "information barriers" or "information walls" around each department that holds this information. Each business unit that regularly holds customer confidential information (such as investment banking) is on the "Private Side" of the information wall. In contrast, each business unit that does not hold confidential information is on the "Public Side" of the wall. Financial Advisors of Oppenheimer are considered to be on the "Public Side" of the wall. Employees on the Private Side of each information wall are prohibited from providing any material, non-public information to employees on the Public Side of the information wall.

Regulatory requirements prohibit Private Side investment banking personnel who are in possession of material, non-public information from discussing a pending transaction with individuals on the Public Side (or employees on the Private Side who do not have a "need to know"). Only those employees directly involved in or necessary to the due diligence process of an investment banking transaction are permitted to be brought "over the wall."

### Material Conflicts of Interest Relating to other Investment Advisers

Oppenheimer receives compensation from other investment advisers for recommending those advisers to clients. These arrangements are in place for advisers that are not available in programs offered by Oppenheimer or its affiliates. Oppenheimer also acts as a selling broker-dealer for interests in collective investment vehicles managed by other investment advisers. Financial Advisors who recommend other advisers or interests in collective investment vehicles receive a portion of the compensation paid to Oppenheimer under these arrangements. These arrangements give Financial Advisors an incentive to recommend investments based on the compensation received, rather than on a client's needs. Oppenheimer will execute trades on behalf of clients and will receive financial and other benefits as a result.

## ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

### Code of Ethics

Oppenheimer has adopted a written Code of Ethics pursuant to Rule 204A-1 under the Investment Advisers Act of 1940. A copy of the Code of Ethics will be provided upon request to any client or prospective client. The purpose of the Code of Ethics is to set forth standards of conduct expected of advisory personnel and address conflicts, such as front running, that arise from personal trading by advisory personnel. The Code of Ethics addresses these conflicts as follows:

1. Certain advisory personnel with access to the securities trading on behalf of advisory clients are deemed as “access persons”;
2. These access persons of Oppenheimer are required to certify that they are in compliance with the Code of Ethics on an annual basis;
3. Access persons are also required to provide compliance personnel with brokerage accounts through which they conduct personal trading; and
4. Access persons are required to execute securities transactions on behalf of advisory accounts prior to or at a better price than any securities transactions in the same issuer for personal accounts. Note, however, that personal accounts established as advisory accounts are treated the same as other advisory accounts.

Oppenheimer and certain of its affiliates are engaged or may engage in investment activities for separate accounts for individuals and institutions or for their own accounts. These various accounts may from time to time purchase, sell or hold certain investments which are also being purchased, sold or held by other client accounts of Oppenheimer. For client accounts of Oppenheimer pursuing the same investment strategy, Oppenheimer will allocate investments among these accounts on an equitable basis, taking into account such factors as the relative amounts of capital available for new investments. Oppenheimer and its officers and employees devote as much of their time to the activities of its clients as Oppenheimer deems necessary and appropriate.

Oppenheimer effects transactions on an agency basis on behalf of its clients and as principal for its own account in those securities in which it makes a market. Oppenheimer may, on occasion, act as broker for an advisory client of Oppenheimer on one side and a client for whom it (or its affiliates) does not act as investment adviser on the other side of a securities transaction.

All clients are advised through clauses in the advisory contract that Oppenheimer is a broker-dealer and may have a position or interest in securities which are recommended or purchased for their accounts. In their capacity as registered representatives of Oppenheimer, Financial Advisors may indirectly receive a portion of client commissions paid to Oppenheimer.

Oppenheimer acts as the placement agent for the sale of interests in collective investment vehicles for which affiliates of Oppenheimer serve as investment adviser or general partner. Financial Advisors of Oppenheimer receive a portion of the fees paid to the investment adviser or general partner with respect to client accounts in such funds.

A copy of this Code of Ethics may be obtained by contacting Brian Roth at [Brian.Roth@opco.com](mailto:Brian.Roth@opco.com).

## ITEM 12. BROKERAGE PRACTICES

Oppenheimer executes securities transactions for advisory program accounts except when the transaction cannot be executed by Oppenheimer for regulatory or other reasons.



Oppenheimer aggregates the purchase or sale of securities for client accounts whenever possible. Aggregation of transactions may result in lower transaction costs for clients and average pricing across an aggregated block.

Oppenheimer as a broker-dealer receives remuneration, compensation or other consideration for directing customer orders for securities to particular market centers for execution. Such consideration, if any, may take the form of credits against fees due market centers, monetary payments, research, reciprocal agreements for the provision of order flow, products or services or other items of remuneration.

Oppenheimer as a broker-dealer may also receive payment for routing options orders to designated broker/dealers or market centers for execution. Compensation may be in the form of a per contract cash payment. The source and amount of any compensation received in connection with options transactions and any additional information concerning the options order flow payments will be furnished upon written request.

### ITEM 13. REVIEW OF ACCOUNTS

Activity in Financial Advisor advisory program accounts is reviewed by the Financial Advisor's Branch Manager pursuant to specific written supervisory procedures that include unusual, suspicious or otherwise inappropriate activity utilizing various reports. Compliance and Branch Managers review for potential conflicts between Financial Advisors and clients with respect to trading activity and outside business activities. Branch Managers review each account for suitability before it is opened and review trading activity in managed accounts that are managed on a discretionary basis including trading volume in Alpha accounts. In addition to supervision by the Branch Manager, the Product Management group supervises certain aspects of management and trading for Financial Advisor advisory program accounts.

Certain advisory program accounts may be reviewed more frequently if there is an unusual level of trading or pattern of trading.

#### Consulting Services and Retirement Services

Files containing client questionnaires, agreements, investment policy statements, and performance reports are maintained with the Financial Advisor, branch management, and the product department. The Financial Advisor's Branch Manager is responsible for monitoring the Financial Advisor to determine that advice provided by the Financial Advisor is consistent and in compliance with the Consulting Service Agreement. These policies and procedures are designed to provide specific reviews to be conducted by the Branch Manager on a periodic basis. On a semi-annual basis, the Branch Manager conducts a series of reviews to verify compliance with the Consulting Services Agreement.

In addition, the product supervisor or an appropriate designee will review each client file at inception and annually. The services stipulated in each client agreement will be reviewed with the Financial Advisor. Plan investments, asset allocation and recommendations will also be reviewed. Evidence of each annual review is maintained in each client's product department file.

Performance reporting is provided on an annual, semi-annual, or quarterly basis depending on the Consulting and Retirement Services client request. Performance reports can provide a variety of data and analysis concerning client investments and asset allocation such as: style measurements, comparative returns, expenses and account management.

Non-fee based Alpha and FAM clients may receive brokerage confirmations for all transactions as well as monthly brokerage statements.

#### ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

Oppenheimer does not receive direct economic benefits from third parties for providing investment advice or other advisory services to clients.

Oppenheimer pays cash compensation for client referrals in accordance with Rule 206(4)-3 under the Investment Advisers Act of 1940 to registered investment advisors and may receive such compensation for soliciting clients for other managers. Compensation paid is a percentage of the assets under management or fee payable by the referred clients and may continue for the length of the client's advisory relationship with Oppenheimer. The client does not incur any additional fees as a result of such client referral arrangements.

Oppenheimer also compensates unaffiliated third parties such as other broker-dealers, accountants and consultants for client referrals in accordance with Rule 206(4)-3. Compensation paid is a percentage of the account assets under management or the fee payable by the referred clients' assets invested in various Oppenheimer advisory programs, investment partnerships or private funds sponsored by Oppenheimer (only if investor is qualified); or a percentage of commission fees for accounts maintained at Oppenheimer in connection with Oppenheimer's business as a broker-dealer. The client does not incur any additional fees as a result of such client referral arrangements.

Cash assets in the Advisory Programs will be invested at certain participating banks in the Advantage Bank Deposit Program. The Advantage Bank Deposit Program may be significantly more profitable to Oppenheimer than money market fund sweep vehicles. The fee payable to Oppenheimer may be as high as 5% of the household balances invested in the Advantage Bank Deposit Program. Oppenheimer retains fees earned on cash deposits for retirement accounts in the Advantage Bank Deposit Program. This practice presents a conflict of interest and gives an FA incentive to recommend holding cash based on the compensation received, rather than on a client's needs.

#### ITEM 15. CUSTODY

Oppenheimer is a qualified custodian and maintains direct custody of clients' funds or securities. Oppenheimer sends clients a monthly account statement and confirmation statements after each transaction for accounts that pay commissions. Clients may decide to custody their funds and securities at a qualified custodian other than Oppenheimer. In that case, clients will receive account statements from the broker-dealer, bank or other qualified custodian and should carefully review those statements. Clients in certain advisory program accounts also receive a quarterly performance report from Oppenheimer. Clients should carefully compare the account statement they receive from their qualified custodian to the quarterly performance report they receive from Oppenheimer. In the course of executing client instructions, Oppenheimer may authorize and facilitate the transfer of client funds between qualified custodians to facilitate the execution such client instructions.

Clients may request a copy of the most recent *Report on Oppenheimer & Co. Inc.'s Description of the System and the Suitability of the Design and Operating Effectiveness of its Controls Related to Its Custody Services* (prepared pursuant to Statement on Standards for Attestation Engagement No. 18) by contacting Brian Roth at [Brian.Roth@opco.com](mailto:Brian.Roth@opco.com).

#### ITEM 16. INVESTMENT DISCRETION

Oppenheimer accepts discretionary authority to manage securities accounts for clients. This authority is stated in the investment management agreement that Oppenheimer enters into with the client. Clients may specify certain types of securities that they do not want us to purchase for their account and may otherwise limit our discretion.

#### ITEM 17. VOTING CLIENT SECURITIES

Oppenheimer generally does not vote proxies for securities held in advisory program accounts unless specifically requested to do so by a client. Oppenheimer has adopted policies with respect to the voting of proxies for client



accounts, which are summarized below. Financial Advisors may vote proxies for certain client accounts using Proxy Edge.

Oppenheimer has engaged Glass Lewis & Co. Inc. (“Glass Lewis”) to provide research and advice on shareholder voting. Oppenheimer has reviewed and adopted Glass Lewis guidelines on proxy voting. Glass Lewis will submit its recommended vote to Oppenheimer and Oppenheimer will have the opportunity to accept or override the recommendation. For matters that are decided on a case by case basis or that are not covered by the Glass Lewis guidelines, a decision will be made by the Proxy Oversight Committee of Oppenheimer after consultation with Glass Lewis. Matters that are considered on a case-by-case basis include board risk management oversight, advisory votes on executive compensation, golden parachute arrangements, other compensation arrangements, and cumulative voting and anti-takeover measures.

Clients may request information on how Oppenheimer has voted proxies for their accounts and may request Oppenheimer’s Proxy Voting Policies and Procedures by contacting:

Oppenheimer & Co. Inc.  
85 Broad Street, New York, NY 10004  
Attn: Proxy Voting Department  
212-885-4828

If Oppenheimer does not have authority to vote client securities, clients will receive their proxies directly from their custodian.

As a general matter, Oppenheimer refrains from participating in class action matters and from submitting proofs of claim on behalf of its clients.

#### ITEM 18. FINANCIAL INFORMATION

Not applicable.