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OMB Number: 3235-0063 Expires: May 31, 2025 Estimated average burden hours per response . . . 2,255.26

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

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission file number 1-12043

OPPENHEIMER HOLDINGS INC.

(Exact name of registrant as specified in its charter)

Delaware	**98-0080034**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
85 Broad Street, New York, NY	**10004**
(Address of principal executive offices)	**(Zip Code)**

Registrant's Telephone number, including area code: (212) 668-8000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A non-voting common stock	OPY	The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

Not Applicable
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated Filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incen-tive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the voting stock of the Company held by non-affiliates of the Company cannot be calculated in a meaningful way because there is only limited trading in the class of voting stock of the Company. The aggregate market value of the Class A non-voting common stock held by non-affiliates of the Company at June 30, 2022 was $372.4 million based on the per share closing price of the Class A non-voting common stock on the New York Stock Exchange on June 30, 2022 of $33.04.

The number of shares of the Company's Class A non-voting common stock and Class B voting common stock (being the only classes of common stock of the Company) outstanding on February 28, 2023 was 11,067,778 and 99,665 shares, respectively.

DOCUMENTS INCORPORATED BY REFERENCE

The Company's definitive Proxy Statement for the 2023 Annual Meeting of Stockholders to be filed by the Company pursuant to Regulation 14A is incorporated into Items 10, 11, 12, 13 and 14 of Part III of this Form 10-K.

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Throughout this annual report, we refer to Oppenheimer Holdings Inc., collectively with its subsidiaries, as the "Company." We refer to the directly and indirectly owned subsidiaries of Oppenheimer Holdings Inc. collectively as the "Operating Subsidiaries."

PART I

Item 1. BUSINESS

OVERVIEW

Oppenheimer Holdings Inc. ("OPY" or the "Parent"), through its Operating Subsidiaries (together, the "Company", "we", "our" or "us"), is a leading middle-market investment bank and full service broker-dealer. With roots tracing back to 1881, the Company is engaged in a broad range of activities in the financial services industry, including retail securities brokerage, institutional sales and trading, investment banking (both corporate and public finance), equity and fixed income research, market-making, trust services and investment advisory and asset management services. The Parent owns, through subsidiaries, Oppenheimer & Co. Inc. ("Oppenheimer"), a New York-based securities broker-dealer and investment adviser, Oppenheimer Asset Management Inc. and its subsidiary advisors ("OAM"), a New York-based investment adviser, Freedom Investments, Inc. ("Freedom"), a discount securities broker-dealer based in New Jersey, Oppenheimer Trust Company ("Oppenheimer Trust"), a Delaware limited purpose bank, and OPY Credit Corp. ("OPY Credit"), a New York corporation organized to trade and clear syndicated corporate loans. We conduct our international businesses through Oppenheimer Europe Ltd. (United Kingdom with offices in the Isle of Jersey, Germany and Switzerland), Oppenheimer Investments Asia Limited (Hong Kong), and Oppenheimer Israel (OPCO) Ltd. (Israel).

Oppenheimer Holdings Inc. was originally incorporated under the laws of British Columbia. Pursuant to its Certificate and Articles of Incorporation, effective on May 11, 2005, the Company's legal existence was continued under the Canada Business Corporations Act. Effective May 11, 2009, the Company changed its jurisdiction of incorporation from the federal jurisdiction of Canada to the State of Delaware in the United States with the approval of its shareholders.

PRIVATE CLIENT

Through its Private Client Division, Oppenheimer provides a comprehensive array of financial services through a network of 968 financial advisors in 92 offices located throughout the United States. Clients include high-net-worth individuals and families, corporate executives, and public and private businesses. Clients may choose a variety of ways to establish a relationship and conduct business including brokerage accounts with transaction-based pricing and/or investment advisory accounts with asset-based fee pricing. As of December 31, 2022, the Company held client assets under administration of $105 billion. Oppenheimer provides the following private client services:

Full-Service Brokerage — Oppenheimer offers full-service brokerage covering investment alternatives including exchange-traded and over-the-counter corporate equity and debt securities, money market instruments, exchange-traded options and futures contracts, municipal bonds, mutual funds, exchange-traded funds, and unit investment trusts. A portion of Oppenheimer's revenue is derived from commissions from private clients through accounts with transaction-based pricing. Brokerage commissions are charged on investment products in accordance with a schedule which Oppenheimer has formulated. Discounts are available to and can be negotiated with customers based on transaction size and volume as well as a number of other factors. In recent years, an increasing number of clients have chosen to do business through fee-based accounts.

Wealth Planning — Oppenheimer also offers financial and wealth planning services which include asset management, individual and corporate retirement solutions, insurance and annuity products, IRAs and 401(k) plans, U.S. stock plan services to corporate executives and businesses, education savings programs, and trust and fiduciary services to individual and corporate clients.

Margin Lending — Oppenheimer extends credit to its customers, collateralized by securities and cash in the customer's account, for a portion of the purchase price, and receives income from interest on such extensions of credit at interest rates derived from Oppenheimer's base rate as adjusted, from time to time.

ASSET MANAGEMENT

OAM is responsible for the Company's advisory programs and alternative investments businesses. The business includes discretionary and non-discretionary fee-based programs sponsored by Oppenheimer, OAM, Oppenheimer Investment Advisers ("OIA"), a division of OAM and Oppenheimer Investment Management LLC ("OIM"), as well as alternative investments sponsored through Advantage Advisers Multi Manager LLC, Advantage Advisers Management, LLC and Oppenheimer Alternative Investment Management LLC.

OAM offers tailored investment management solutions and services to high-net-worth private clients, institutions and corporations and/or plans sponsored by them. These include, but are not limited to, portfolio management, manager research and due diligence, asset allocation advice and financial planning. OAM offers proprietary and third party investment management capabilities through separately managed accounts, alternative investments and discretionary and non-discretionary portfolio management programs as well as managed portfolios of mutual funds. Platform support functions include sales and marketing along with administrative services such as trade execution, client services, records management and client reporting and performance monitoring as well as custody through Oppenheimer.

At December 31, 2022, the Company had $36.8 billion of client assets under management ("AUM") in fee-based programs. Revenues for OAM are generated by investment advisory and transactional fees for advisory services and revenue from sharing arrangements with registered and private alternative investment vehicles. OAM earns investment advisory fees on all assets held in discretionary and non-discretionary asset-based programs. These fees are typically billed monthly in advance, and are calculated based on all fee-based AUM balances at the end of the prior month. OAM also receives income from revenue-sharing arrangements that are derived from management and incentive fees on alternative investments and are calculated on a pre-determined basis with registered and private investment companies.

The Company's asset management services include:

Separately Managed Accounts - The Company provides clients with two fee-based programs: (i) a Unified Managed Account which allows multiple investment managers, mutual funds and exchange-traded funds to be combined in a single custodial account; and (ii) a Strategic Asset Review dual contract program designed for clients seeking a direct contractual relationship with investment managers.

Mutual Fund Managed Accounts - The Company offers two fee-based mutual fund managed account programs through Portfolio Advisory Services ("PAS"): (i) PAS, a non-discretionary advisory program where clients choose mutual funds approved by the Company to create strategic asset allocations; and (ii) PAS Directed, a discretionary advisory program where an Oppenheimer advisor chooses the mutual funds to create the asset allocation and portfolio construction.

Discretionary Advisory Accounts - Oppenheimer offers two discretionary portfolio management programs. Through its Omega and Alpha programs, Oppenheimer offers client-focused discretionary fee-based investment programs managed by Oppenheimer advisors.

Non-Discretionary Advisory Accounts - Under Oppenheimer's Preference Program, Oppenheimer provides fee-based non-discretionary investment advisory services and consultation to clients.

Alternative Investments - The Company offers high net worth and institutional investors the opportunity to participate in a wide range of non-traditional investment strategies. Strategies include single manager hedge funds, fund of funds, diversified private equity funds and single investment late stage private equity funds. For proprietary funds, the Company, through its subsidiaries, acts as a general partner.

Portfolio Enhancement Program - The Company offers qualified option investors the opportunity to participate in the Portfolio Enhancement Program which sells uncovered, out-of-the-money puts and calls on the S&P 500 Index. The program is funded and supported through Special Memorandum Account ("SMA") releases from the collateral in an account owned by the investor.

Oppenheimer Investment Advisers - OIA provides taxable and non-taxable fixed income portfolios and strategies managed by internal portfolio managers.

Oppenheimer Investment Management LLC - OIM provides institutional taxable fixed income portfolio management strategies and solutions to Taft-Hartley funds, public pension funds, corporate pension funds, insurance companies, foundations and endowments.

Private Market Opportunities - Through a collaborative effort among the Firm's global business units, the Private Market Opportunities platform focuses on sourcing private investments across various sectors. The transactions cover the full spectrum of private investments, including early stage, late stage, direct, co-investments, funds and secondary market transactions in debt, equity and hybrid securities.

CAPITAL MARKETS

Investment Banking

Oppenheimer employs more than 175 investment banking professionals in the United States, the United Kingdom, Germany and Israel. Oppenheimer's investment banking division provides strategic advisory services and capital markets products to emerging growth and middle market businesses as well as financial sponsors. The investment banking industry coverage groups focus on the consumer and retail, energy, financial institutions, healthcare, rental services, technology, transportation and logistics sectors. Oppenheimer's industry coverage teams partner with Oppenheimer's Mergers and Acquisitions, Fund Placements and Advisory, Debt Advisory and Restructuring as well as Equities and Fixed Income platforms, to provide their clients with tailored advice and complete access to capital markets.

Mergers & Acquisitions — Oppenheimer advises buyers and sellers on sales, divestitures, mergers, acquisitions, tender offers, privatizations, and joint ventures. Oppenheimer provides dedicated senior banker leadership throughout the life cycle of each financial advisory transaction, which combines our structuring and negotiating expertise with our industry knowledge, extensive relationships and capital markets capabilities.

Equities Capital Markets — Oppenheimer provides a full spectrum of capital raising solutions for corporate clients through initial public offerings, both fully and confidentially marketed public follow-on offerings, convertible note offerings, registered directs, private investments in public equity, private placements, at-the-market offerings, and special purpose acquisition companies ("SPACs"). Oppenheimer is a leading underwriter of mid- and small-cap equity offerings, where it may act as a Lead Book runner, Joint Book runner or Co-Manager as the case may be. In addition, Oppenheimer provides significant expertise and underwriting support to issuers of convertible debt, including the restructuring of such issues.

Debt Capital Markets — Oppenheimer offers a full range of debt capital markets solutions for domestic and international companies as well as foreign governments and quasi-sovereign institutions. Oppenheimer focuses on structuring and distributing public and private debt through financing transactions, including leveraged buyouts, acquisitions, growth capital financings, recapitalizations and Chapter 11 exit financings. Oppenheimer also both leads and participates in high yield debt and fixed and floating-rate senior and subordinated debt offerings. In addition, Oppenheimer advises on and acts as underwriter or placement agent on bond financings for both sovereign and corporate Emerging Market issuers.

Debt Advisory & Restructuring — Oppenheimer offers creative solutions to leveraged corporate issuers, financial sponsors, and credit investors. We evaluate a full range of strategic alternatives, identify the appropriate structure and source of funds to provide our clients with the ability to pursue an optimal and value maximizing outcome. We offer comprehensive services to meet our client needs in balance sheet restructurings and liability management, mergers and acquisitions, and strategic capital solutions.

Fund Placement — Oppenheimer's Fund Placement and Advisory Group provides alternative investment firms with a broad and deep portfolio of value-added services that complements the resources, relationships and thought leadership of the global Oppenheimer platform. Services include bespoke strategic and tactical advisory as well as primary fundraising, secondaries, co-investments and direct transactions. This group was formed to provide powerful growth opportunities for many of our clients and is an important step towards strengthening Oppenheimer's private capital markets business.

Equities Division

Oppenheimer employs 38 senior research analysts covering almost 700 equity securities, primarily listed in the U.S. and over 75 dedicated equity sales and trading professionals in offices throughout the U.S. and in the UK (London), Switzerland (Geneva), and Asia (Hong Kong). Oppenheimer provides fundamental equity research, execution services and access to all major U.S. equity exchanges and alternative execution venues, in addition to capital markets/origination, various arbitrage strategies, portfolio and electronic trading. Oppenheimer offers a suite of quantitative and algorithmic trading solutions to access liquidity in global markets. Oppenheimer's clients include domestic and international investors such as investment advisers, banks, mutual funds, insurance companies, hedge funds, and pension and profit sharing plans that are attracted by the research product, insights and market intelligence provided by our sales and trading staff as well as by the quality of our execution (measured by volume, timing, price and other factors), and competitive negotiated commission rates.

Institutional Equity Sales and Trading — Oppenheimer acts as both principal and agent in the execution of its customers' orders. Oppenheimer buys, sells and maintains inventory to make markets. In executing customer orders for securities in which it does not make a market, Oppenheimer generally charges a commission and acts as agent, or will act as principal by marking the security up or down in a riskless transaction. When an order is in a security in which Oppenheimer makes a market, Oppenheimer normally acts as principal and purchases from or sells to its brokerage customers at a price which is approximately equal to the current inter-dealer market price plus or minus a mark-up or mark-down. The stocks in which Oppenheimer makes a market may also include those of issuers which are followed by Oppenheimer's research department.

Equity Research — Oppenheimer provides regular research reports, notes and earnings updates and also sponsors research conferences where the management of covered companies can meet with investors in a group format as well as in one-on-one meetings. Oppenheimer arranges for company managements to meet with interested investors through meetings wherein management representatives travel to various sites to meet with Oppenheimer representatives and investors. Oppenheimer's analysts use a variety of quantitative and qualitative tools, integrating field analysis, proprietary channel checks and ongoing dialogue with the managements of the companies they cover, in order to produce reports and studies on individual companies and industry developments.

Equity Derivatives and Index Options — Oppenheimer offers listed equity and index options strategies for investors seeking to manage risk and optimize returns within the equities market. Oppenheimer's experienced professionals have expertise in many listed derivative products designed to serve the diverse needs of its institutional, corporate and private client base.

Convertible Bonds — Oppenheimer offers expertise in the sales, trading and analysis of U.S. domestic convertible bonds, convertible preferred shares and warrants, with a focus on transaction costs and maximizing liquidity. In addition Oppenheimer offers hedged (typically long convertible bonds and short equities) positions to its clients on an integrated trade basis.

Event Driven Sales and Trading — Oppenheimer has a dedicated team focused on providing specialized advice and trade execution expertise to institutional clients with an interest in investment strategies such as: risk / merger arbitrage, Dutch tender offers, SPAC valuation and trading, splits and spin-offs, recapitalizations, corporate reorganizations, and other event-driven trading strategies.

Portfolio & Electronic Trading — Oppenheimer has a dedicated team focused on providing a combination of High Touch and Low Touch equity execution strategies and service designed to meet the needs of institutional clients looking for portfolio or basket trading solutions. Capabilities include: pre-trade and post-trade analytics; access to all major market centers in the US; access to sophisticated and custom algorithms; professional clearing and settlement expertise.

Taxable Fixed Income

Oppenheimer employs over 85 dedicated fixed income sales and trading professionals in offices in the U.S., the United Kingdom (London), the Isle of Jersey (St. Helier) and Asia (Hong Kong). Oppenheimer offers capabilities in trading and sales; transacting in investment grade and high yield corporate bonds; mortgage-backed securities; U.S. government and Agency bonds; and the sovereign and corporate debt of industrialized and Emerging Market countries, which may be denominated in currencies other than U.S. dollars. Oppenheimer also publishes desk analysis with respect to a number of such securities. Risk of loss upon default by the borrower is significantly greater with respect to unrated or non-investment grade securities than with investment grade securities. These securities are generally unsecured and are often subordinated to other creditors of the issuer. These issuers usually have high levels of indebtedness and are more sensitive to adverse economic conditions, such as recession or increasing interest rates, than are investment grade issuers. Oppenheimer also participates in auctions for U.S. government securities conducted by the Federal Reserve Bank of New York on behalf of the U.S. Treasury Department as well as those of government agencies such as the Federal National Mortgage Association, Government National Mortgage Association and Federal Home Loan Banks.

Institutional Fixed Income Sales and Trading - Oppenheimer trades and holds positions in public and private debt (including sovereign debt) securities, including investment and non-investment grade, distressed and convertible corporate securities as well as municipal securities. There may be a limited market for some of these securities and market quotes may be available from only a small number of dealers or inter-dealer brokers. While Oppenheimer normally holds such securities for a short period of time in order to facilitate client transactions, there is a risk of loss upon default by the borrower or from a change in interest rates affecting the value of the security. These issuers may have high levels of indebtedness and be sensitive to adverse economic conditions, such as recession or increasing interest rates.

Fixed Income Research - Oppenheimer has a total of six fixed income research professionals covering high yield corporate, mortgage backed, Emerging Market, and municipal securities. Oppenheimer's High Yield corporate bond research effort is designed to identify United States debt issuances that provide a combination of high current yield plus capital appreciation over the short to medium term. Its mortgage backed securities practice focuses on the detailed analysis of individual agency and non-agency mortgage backed securities. Research professionals cover Emerging Market fixed income issuers, focus on sovereign bonds and provide commentary on Emerging Market corporate bond issuers. Municipal bond research professionals are dedicated to the tax-exempt municipal bond market.

Public Finance and Municipal Trading

Public Finance - Oppenheimer's public finance group advises and raises capital for state and local governments, public agencies, private developers and other borrowers. The group assists its clients by developing and executing capital financing plans that meet our clients' objectives and by maintaining strong national institutional and retail securities distribution capabilities. Public finance bankers have expertise in specific areas, including local governments and municipalities, primary and secondary schools, post-secondary and private schools, state and local transportation entities, health care institutions, senior-living facilities, public utility providers and project financing as well as lease financings through the issuance of taxable municipal bonds. In addition to underwriting longer-term municipal securities, Oppenheimer also underwrites municipal revenue anticipation, tax anticipation and bond anticipation notes for local government issuers, as well as short-term bonds for bridge financing and real estate projects.

Municipal Trading - Oppenheimer has regionally-based municipal bond trading desks serving our retail financial advisors and their clients. The desks serve Oppenheimer's financial advisors in supporting their high-net-worth clients' needs for taxable and non-taxable municipal securities. The firm also maintains a dedicated institutional municipal bond sales and trading effort focused on serving mid-tier and national institutional accounts. The institutional desks assist in distributing municipal securities originated by the Public Finance Department.

Proprietary Trading and Investment Activities

In the regular course of its business, Oppenheimer takes securities positions as a market maker and/or principal to facilitate customer transactions and for investment purposes. In making markets and when trading for its own account, Oppenheimer exposes its own capital to the risk of fluctuations in market value. In 2010, Congress enacted the Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") that prohibits proprietary trading by certain financial institutions (the "Volcker Rule") except where facilitating customer trades. The Volcker Rule went into effect in July 2015 and does not impact the Company's business or operations as it applies to banks and other subsidiaries of bank holding companies only. In recent years, the Volcker Rule has been relaxed in some regards in order to increase liquidity for client transactions.

The size of Oppenheimer's securities positions varies substantially based upon economic and market conditions, allocations of capital, underwriting commitments and trading volume. Also, the aggregate value of inventories of securities which Oppenheimer may carry is limited by the Net Capital Rule. See "Regulatory Capital Requirements" herein and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources" in Item 7.

The Company, through its subsidiaries, holds investments as general partner in a range of investment partnerships (hedge funds, fund of funds, private equity partnerships and real estate partnerships) which are offered to Oppenheimer hedge fund-qualified clients and on a limited basis to qualified clients of other broker-dealers. The Company may also take proprietary long-term investment positions in private companies where the Company believes the investment has the possibility of growth in the value of the investment based on the intrinsic business. Any such investments may also be a pre-cursor to offering participations in such investments through private early round partnership interests to qualified high net worth investors.

Repurchase Agreements

Additionally, through the use of securities sold under agreements to repurchase and securities purchased under agreements to resell, the Company secures funding for various inventory positions.

Securities Lending

In connection with both its trading and brokerage activities, Oppenheimer borrows securities to cover short sales and to complete transactions in which customers have failed to deliver securities by the required settlement date and lends securities to other brokers and dealers for similar purposes. Oppenheimer earns interest on its cash collateral provided and pays interest on the cash collateral received less a rebate earned for lending securities.

CONSOLIDATED SUBSIDIARIES

Oppenheimer & Co. Inc.

Oppenheimer is a registered broker-dealer with the U.S. Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and an investment adviser under the Investment Adviser Act of 1940, as amended (the "Adviser Act"), and transacts business on various exchanges. Oppenheimer engages in a broad range of activities in the securities industry, including retail securities brokerage, institutional sales and trading, investment banking and underwritings (both corporate and public finance), research, market-making, and investment advisory and asset management services. Oppenheimer provides its services from offices located in the United States.

Oppenheimer Asset Management Inc.

OAM is registered as an investment adviser with the SEC under the Adviser Act. OAM provides investment advice to clients through separate accounts and wrap fee programs.

OPY Credit Corp.

OPY Credit Corp. was formed in order to facilitate leveraged loan transactions on behalf of investment banking clients seeking such services.

Oppenheimer Trust Company of Delaware Inc.

Oppenheimer Trust offers a wide variety of trust services to clients of Oppenheimer. This includes custody services, advisory services and specialized servicing options for clients. At December 31, 2022, Oppenheimer Trust held custodial assets of $405.9 million.

Freedom Investments, Inc.

Freedom, a registered broker-dealer with the SEC, offers discount services to a small number of individual investors throughout the United States. The Company is a wholly-owned subsidiary of Oppenheimer & Co. Inc and a member of FINRA.

Oppenheimer Investments Asia Limited

Oppenheimer Investment Asia Limited, which is based in Hong Kong, China, provides fixed income and equities brokerage services to institutional investors and is regulated by the Securities and Futures Commission in Hong Kong.

Oppenheimer Europe Ltd.

Oppenheimer Europe Ltd., which is based in the United Kingdom, with offices in the Isle of Jersey, Germany and Switzerland, provides institutional equities and fixed income brokerage and corporate finance and is regulated by the Financial Conduct Authority in the United Kingdom, and the Jersey Financial Services Commission in the Isle of Jersey.

Oppenheimer Israel Ltd.

Oppenheimer Israel (OPCO) Ltd., which is based in Tel Aviv, Israel, provides investment services in the State of Israel and operates subject to the authority of the Israel Securities Authority.

ADMINISTRATION AND OPERATIONS

Administration and operations personnel are responsible for the processing of securities transactions; the receipt, identification and delivery of funds and securities; the maintenance of internal financial controls; accounting functions; custody of customers' securities; the handling of margin accounts for Oppenheimer and its correspondents; and general office services.

Oppenheimer executes its own and certain of its correspondents' securities transactions on all major United States exchanges as well as many non-U.S. exchanges and in the over-the-counter market. Oppenheimer clears all of its securities transactions (i.e., it delivers securities that it has sold, receives securities that it has purchased and transfers related funds) through its own facilities and through memberships in various clearing corporations and accounts with custodian banks in the United States as well as non-U.S. securities through EuroClear. The Company clears its non-U.S. international equities business in securities traded on European exchanges carried on by Oppenheimer Europe Ltd. through Global Prime Partners Ltd. Oppenheimer has a multi-currency platform which enables it to facilitate client trades in securities denominated in foreign currencies. Oppenheimer operates as an introducing broker and introduces its clients' commodities transactions through a correspondent firm on a fully-disclosed basis. Through this arrangement, Oppenheimer offers full commodity services on all commodity exchanges.

INFORMATION TECHNOLOGY

The information technology department develops and supports the integrated solutions that provide a customized platform for our businesses. These include a platform for financial advisors designed to allow them to spend more time with their clients and enhance and grow their businesses; systems that support institutional and retail sales and trading activity from initiation to settlement and custody; and security protocols to protect firm and client information. In the area of information security, we have developed and implemented a framework of principles, policies and technology to protect our own information and that of our clients. We apply numerous safeguards to maintain the confidentiality, integrity and availability of both client and firm information.

HUMAN CAPITAL OVERVIEW

The Company views human capital resources as its total workforce (full-time and part-time employees and consultants) and the various formal and informal programs and resources to support, recruit, train, and retain its workforce. As a financial services firm, our business relies extensively on our human capital resources to provide the highest level of services to meet the needs of our clients. The Company's human capital network includes, but is not limited to, financial advisors, research analysts, investment bankers, sales and trading professionals, portfolio managers, market analysts as well as employees in various support functions throughout the firm. The Company's human capital management strategy is defined and overseen by the Management Committee in collaboration with the Chairman and CEO. As the Company is engaged in many business lines within financial services, the Company relies on the expertise of its business leaders to manage the day-to-day human capital needs and priorities, including learning and development, recruiting and retention, and employee productivity. The human capital needs of our business are also supported by the Company's Human Resources Department, which reports into the Chief Financial Officer.

At December 31, 2022, the Company employed 2,912 employees (2,868 full-time and 44 part-time), of whom 968 were financial advisors. With financial advisors comprising a considerable segment of the Company's employee base, we believe they are a significant human capital resource for the Company, and, accordingly, we view their recruitment, retention, compensation and productivity as important to the success of the Company.

Culture and Strategy

As a leading middle-market investment bank and full service broker-dealer, the Company prides itself on its areas of specialization and its corporate culture of being supportive of its employees and providing direct access to senior management. Our values remain grounded in integrity and honesty, which form the core of our fundamental principles. It is our intention to prioritize these principles over business profits. Our Code of Conduct memorializes our beliefs and serves as a detailed guide for our directors, senior management, and employees to consult when making decisions about their conduct in relation to the Company's business as well as their conduct outside of the business.

Our people and culture are the cornerstones of our firm and our ability to deliver outstanding financial services to our clients. This culture is best exemplified by an employee base consisting of a high percentage of long-tenured, experienced professionals complemented by an up-and-coming talented group of associates in which the firm has and continues to invest time, effort and resources. The Company prides itself on having a culture of putting people first and values the thoughts, perspectives and experiences of individuals from all backgrounds. We strive to have an inclusive and bias-free workplace that will foster growth of our employees and allow them to excel in their careers. The Company recognizes that it is a long-term commitment to develop and sustain a diverse and inclusive environment. In addition, the Company has a relatively flat management structure that fosters innovative thought generation and quick decision-making. Employees are encouraged to escalate business issues, which are dealt with effectively and efficiently, in part, because Company management endeavors to always be accessible and accountable.

The Company takes a pragmatic approach to human capital strategy and continuously makes investments in its people, processes and technology. This approach allows the Company to adapt quickly to evolving business needs and maintain a competitive position, with the ability to readily implement change and employ best practices to meet or exceed industry standards. Our methods have proven to motivate and empower our employees and to cultivate an entrepreneurial mindset while fostering a culture of compliance.

Diversity, equity, and inclusion

We are committed to maintaining a diverse workforce and we are committed to ensuring that all our associates feel welcome, valued, respected, and heard, so that they can fully contribute their talents for the benefit of their careers, our clients, our firm, and our communities. In all of our diversity efforts, we strive to create opportunities for diverse communities to participate, contribute, and grow. We believe that to truly achieve all of the benefits of having a diverse and inclusive workforce, all associates and advisors need to be engaged in these discussions.

Recruitment, talent development, and retention

We seek to build a workforce that provides outstanding client service and helps clients achieve their financial goals. We have competitive programs dedicated to selecting new talent and enhancing the skills of our associates. Among other opportunities, we offer internships to selected college students, professionals returning to the workforce, and veterans, which may lead to permanent roles, and we offer pipeline programs which accelerate the progression from entry level positions for recent graduates across many areas of the firm. We are also committed to supporting associates in reaching their professional goals. We conduct a performance review process for each employee, which includes touch points throughout the year. We also offer associates the opportunity to participate in a variety of professional development programs. The firm also provides leadership development programs that prepare our current and future leaders for challenges they will face in new roles or with expanded responsibilities. We conduct ongoing and robust succession planning for senior roles of our Company, and we strive to ensure we have a diverse pool of candidates for such roles. We regularly discuss the results with executive leadership and the Board of Directors.

An important driver of our success is the continuous recruitment and retention of financial advisors. Our ability to attract high quality advisors is based on our values-based culture, our commitment to service, and the unique ways in which we provide services to our financial advisors. Individuals who want to become financial advisors can gain relevant branch experience through our Wealth Management Associate Program. We have a department dedicated to providing practice education and resources to our financial advisors. We also offer these advisors the opportunity to participate in conferences and workshops, and we offer resources and coaching at all levels to help them grow their businesses.

The development of the firm's current and future leaders is critical to the future growth of the Company. This starts with a focus on the professional development of entry-level employees by offering a variety of programs, including the annual Summer Internship Program, Rotational Trainee Program, Investment Banking Analyst Program and associate Financial Advisor Program. We also work with newly hired associates through our Associate Financial Professional Program, a multi-year training curriculum whereby new associates are partnered with experienced financial advisors in the same branch office. Meanwhile, senior advisors are provided resources to keep abreast of our ever-changing industry with the goal to better serve the best interests of our clients. In today's competitive and highly-regulated marketplace, it is important to engage in continuous improvement to not only distinguish ourselves from our competitors, but to also be accountable to the highest standards of the industry.

Professional development is a key foundational building block to our continued success. On an ongoing basis, the Company is committed to providing the highest level of learning for its employee base through Oppenheimer University, our eLearning platform comprised of a deep catalogue of content curated to the specific learning needs of our employees, covering a wide range of business areas, financial products, corporate matters, and regulatory and compliance training. These courses include, but are not limited to, Compliance – Anti-Money Laundering, Cybersecurity and Anti-Harassment and Discrimination training as well as in-depth information on industry topics. In addition, the Company sponsors employee participation in industry trade associations, regulatory licensing and training, and continuing professional education in order to support the career goals and objectives of its employees.

Compensation and Performance Assessment

The Company offers its employees comprehensive compensation programs that promote business expansion in a responsible manner and enable us to retain and appropriately reward employees. These programs are designed to provide competitive compensation and financial incentives for employees in meeting various performance targets which drive the overall financial performance of the Company while taking into account the Company's overall financial performance, individual performance, as well as the Company's corporate and risk management objectives. The compensation and benefits programs vary depending on the business or functional area within the firm but generally include a mix of salary, incentive cash compensation, production-related compensation, share-based compensation, and deferred compensation.

The Company's compensation programs are developed and governed by the Compensation Committee of the Board of Directors. The Company's Chief Executive Officer will provide recommendations to the Compensation Committee with respect to salary, bonus, and other compensation paid to senior management. In turn, senior management will make recommendations to the Chief Executive Officer regarding remuneration for their direct reports in various business and support functions.

The Company has performance assessment criteria from which to rate performance which is tied to overall compensation. These criteria include, but are not limited to, strategic thinking, integrity, building a corporate culture of ethical and responsible behavior, compliance with regulatory requirements, managing employee performance, retention and morale, and reaching various production-related milestone goals depending on the business or support unit.

As discussed above, the Company's compensation programs differ by area within the firm. Generally, employees are compensated as follows:

	Compensation Type				
Business Areas	Salary	Incentive	Production	Deferred	Share-Based
Wealth Management	X		X	X	X
Investment Banking	X	X		X	X
Sales & Trading	X		X	X	
Research	X	X		X	X
Support Functions	X	X			X

Compensation as a percentage of revenue is a metric that the firm monitors closely. A breakdown of the firm's compensation as a percentage of revenue by business segment is as follows:

	2022	2021	2020
Total Firm	66.7 %	64.3 %	63.6 %
Private Client	55.9 %	64.2 %	55.5 %
Asset Management	24.4 %	19.3 %	28.4 %
Capital Markets	77.3 %	59.0 %	66.7 %

Employee Safety and Well-Being

The health and well-being of our employees and their loved ones is paramount to the firm. The Company is committed to keeping everyone safe and healthy by providing our employees with a comprehensive healthcare and benefits program as well as useful resources and communications. In addition to a comprehensive healthcare and benefits program, the Company offers various health and wellness programs including confidential emotional support, work-life solutions, financial resources, and campaigns to promote the physical and emotional well-being of our employees.

The Company continues to monitor the effects of the COVID-19 pandemic both on a national level as well as regionally and locally and has responded by providing frequent communications to clients, employees, and regulators, and adopting various health protocols in our offices. We also have practices in place to mandate that employees self-quarantine if they have been exposed to COVID-19, or experience any relevant symptoms. Throughout 2022, most of our employees worked under a hybrid arrangement that recognizes the benefits of collaboration and hands-on training associated with in-person engagement, along with the importance of flexibility associated with a work from home/remote option. Our ability to avoid significant business disruptions is reliant on the continued ability to support our employees that continue to work remotely. To date, there have been no significant disruptions to our business or internal control processes as a result of this dispersion of employees. In recent months, we have seen increased attendance at the workplace as local regulations have been loosened, hospital visits reduced and a larger portion of the population vaccinated. There can be no assurance at this time that these improvements will continue and we continue to closely monitor the situation. The Company believes that in person engagement at the workplace provides important benefits that are largely lost through remote work and will continue to encourage employees to return to the workplace on a regular basis while continuing to provide some flexibility through an ability to work on a remote basis.

COMPETITION

Oppenheimer encounters intense competition in all aspects of the securities and investment banking business and competes directly with other securities firms, banks and investment banking boutiques, a significant number of which have substantially greater resources and offer a wider range of financial services than the Company. In addition, Oppenheimer faces increasing competition from other sources, such as commercial banks, insurance companies, private equity and financial sponsors and certain major corporations that have entered the securities industry through acquisition, including Fintech competitors offering online investment services to smaller investors. Recently online firms have offered “free” trades to all investors, which has become increasingly popular with small investors, living and working from home. At present, it is not possible to determine the nature of this competitive threat, given its newness and the type of client it has attracted to date. Additionally, foreign-based securities firms and commercial banks regularly offer their services in performing a variety of investment banking functions including mergers and acquisitions advice, leveraged buy-out financing, merchant banking, and bridge financing, all in direct competition with U.S. broker-dealers.

We also compete with companies that offer web-based financial services and discount brokerage services, usually with lower levels of service, to individual clients. In addition, we compete with advisors holding themselves out as "independent" and who are registered investment advisers or RIAs. We compete principally on the basis of the quality of our advisors, services, product selection, location and reputation in local markets. Our ability to compete effectively in these businesses is substantially dependent on our continuing ability to attract, retain and motivate qualified professionals, including successful financial advisors, research analysts, investment bankers, trading professionals, portfolio managers and other revenue producing or specialized support personnel.

The Company believes that the principal factors affecting competition in the securities and investment banking industries are the quality and ability of professional personnel and relative prices of services and products offered. In some instances, competition within the industry can be impacted by the credit ratings assigned to the firm offering services when potential clients are making a determination of acceptable counterparties. The ability of securities industry participants to offer credit facilities to potential investment banking clients may affect the assignment of individual transactions. The Company's ability to compete depends substantially on its ability to attract and retain qualified employees while managing compensation and other costs. Oppenheimer and its competitors employ advertising and direct solicitation of potential customers in order to increase business and furnish investment research publications in an effort to retain existing and attract potential new clients. Many of Oppenheimer's competitors engage in these programs more extensively than Oppenheimer. Increasingly, securities firms are providing automated investment advisory services that employ algorithms to determine recommended portfolio allocations at a much lower price point. This model is in the early stage and it is not yet clear whether this type of investment advisory service will provide meaningful competition to the full service investment model.

BUSINESS CONTINUITY PLAN

The Company has a business continuity plan in place which is designed to enable it to continue to operate and provide services to its clients under a variety of circumstances in which one or more events may make one or more firm operating locations unavailable due to a local, regional or national emergency, or due to the failure of one or more systems that the Company relies upon to provide the services that it routinely provides to its clients, employees and various business partners and counterparties. The plan covers all business areas of the Company and provides contingency plans for technology, staffing, equipment, and communication to employees, clients and counterparties. While the plan is intended to address many types of business continuity issues, there could be certain occurrences that, by their very nature, are unpredictable and can occur in a manner that is outside of our planning guidelines and could render the Company's estimates of timing for recovery inaccurate. Under all circumstances, it is the Company's intention to remain in business and to provide ongoing investment services as if no disruption had occurred.

Oppenheimer maintains its headquarters and principal operating locations in New York City. In order to provide continuity for these services, the Company operates a primary data center as well as maintains back-up facilities (information technology, operations and data processing) in sites with requisite communications back-up systems. In addition, the Company occupies significant office facilities in locations around the United States which could, in an emergency, house dislocated staff members for a short or intermediate time frame. Oppenheimer relies on public utilities for power and phone services, industry specific entities for ultimate custody of client securities and market operations, and various industry vendors for services that are significant and important to its business for the execution, clearance and custody of client holdings, for the pricing and valuing of client holdings, and for permitting our Company's employees to communicate on an efficient basis. The Company's headquarters and the primary location for its technology infrastructure are both supported by emergency electric generator back-up. All of these service providers have assured the Company that they have made plans for providing continued service in the case of an unexpected event that might disrupt their services.

After successfully implementing business continuity protocols at the onset of the COVID-19 pandemic in March 2020, and the following period of working remotely, we implemented our return to office strategy during 2022. We have continued to offer workplace flexibility to our associates as we continue to evaluate our long-term workplace strategy.

CYBERSECURITY

Cybersecurity presents significant challenges to the business community in general, including to the financial services industry. Increasingly, bad actors, both domestic and international, attempt to steal personal data and/or interrupt the normal functioning of businesses through accessing individuals' and companies' files and equipment connected to the internet. Recent incidents have reflected the increasing sophistication of intruders and their intent to steal personally identifiable information as well as funds and securities. These intruders sometimes use instructions that are seemingly from authorized parties but in fact, are from parties intent on attempting to steal. In other instances these intruders attempt to bypass normal safeguards and disrupt or steal significant amounts of information and then either release it to the internet or hold it for ransom. Regulators are increasingly requiring companies to provide heightened levels of sophisticated defenses. The Company maintains vigilance and ongoing planning and systems to prevent any such attack from disrupting its services to clients as well as to prevent any loss of data concerning its clients, their financial affairs, as well as Company privileged information. The Company has implemented new systems to detect and defend from such attacks and has appointed a Chief Information Security Officer ("CISO") and put in place a department of dedicated staff to provide ongoing development and oversight of the Company's systems and defenses and annual training to all Company employees.

REGULATION

Self-Regulatory Organization Membership — Oppenheimer is a member firm of the following self-regulatory organizations ("SROs"): the Financial Industry Regulatory Authority ("FINRA"), the Intercontinental Exchange, Inc., known as ICE Futures U.S., and the National Futures Association ("NFA"). In addition, Oppenheimer has satisfied the requirements of the Municipal Securities Rulemaking Board ("MSRB") for effecting customer transactions in municipal securities. Freedom is also a member of FINRA. Oppenheimer Europe Ltd. is regulated by the Financial Conduct Authority ("FCA") in the United Kingdom and the Jersey Financial Services Commission ("JFSC") in the Isle of Jersey. Oppenheimer Investments Asia Limited is regulated by the Securities and Futures Commission ("SFC") in Hong Kong. Oppenheimer Israel Ltd. operates subject to the authority of the Israel Securities Authority. Oppenheimer is also a member of the Securities Industry and Financial Markets Association ("SIFMA"), a non-profit organization that represents the shared interests of participants in the United States financial markets. The Company has access to a number of regional and national markets and is required to adhere to their applicable rules and regulations.

Securities Regulation — The securities industry in the United States is subject to extensive regulation under both federal and state laws. The SEC is the federal agency charged with administration of the federal securities laws. The Commodities Futures Trading Commission ("CFTC") is the federal agency charged with administration of the federal laws governing commodities and futures trading. Much of the regulation of broker-dealers has been delegated to SROs such as FINRA and the NFA. FINRA has been designated as the primary regulator of Oppenheimer and Freedom with respect to securities and option trading activities and the NFA has been designated as Oppenheimer's primary regulator with respect to commodities activities. SROs adopt rules (subject to approval by the SEC or the CFTC, as the case may be) governing the industry and conduct periodic examinations of Oppenheimer's and Freedom's operations. In recent years, the SEC has increased its programs for examinations of registrants, even where such examinations overlap with examinations conducted by other entities. Securities firms are also subject to regulation by state securities commissions in the states in which they do business. Oppenheimer and Freedom are each registered as a broker-dealer in the 50 states and the District of Columbia and Puerto Rico.

Broker-dealer Regulation — The regulations to which broker-dealers are subject cover all aspects of the securities business, including sales methods, trade practices among broker-dealers, the use and safekeeping of customers' funds and securities, capital structure of securities firms, record keeping and the conduct of directors, officers and employees. The SEC has adopted rules requiring underwriters to ensure that municipal securities issuers provide current financial information and imposing limitations on political contributions to municipal issuers by brokers, dealers and other municipal finance professionals. Additional legislation, changes in rules promulgated by the SEC, the CFTC and by SROs, or changes in the interpretation or enforcement of existing laws and rules may directly affect the method of operation and profitability of broker-dealers. The SEC, SROs (including FINRA) and state securities commissions may conduct administrative proceedings which can result in censure, fine, issuance of cease and desist orders or suspension or expulsion of a broker-dealer (for all or part of its activities), its officers, or employees. These administrative proceedings, whether or not resulting in adverse findings, can require substantial expenditures of time and money and can have an adverse impact on the reputation of a broker-dealer. The principal purpose of regulating and disciplining broker-dealers is to protect customers and the securities markets rather than to protect creditors and shareholders.

Regulation NMS and Regulation SHO have substantially affected the trading of equity securities. These regulations were intended to increase transparency in the markets and have acted to further reduce spreads and, with competition from electronic marketplaces, to reduce commission rates paid by institutional investors. These rules have also reduced liquidity in some markets under some circumstances.

Oppenheimer and certain of its affiliates are also subject to regulation by the SEC and under certain state laws in connection with its business as an investment adviser. The SEC has announced its intention to place additional oversight and scrutiny over dual registrants such as Oppenheimer, where the registrant conducts business as a broker-dealer and investment adviser.

Margin lending by Oppenheimer is subject to the margin rules of the Board of Governors of the Federal Reserve System and FINRA. Under such rules, Oppenheimer is limited in the amount it may lend in connection with certain purchases of securities and is also required to impose certain maintenance requirements on the amount of securities and cash held in margin accounts. In addition, Oppenheimer may (and currently does) impose more restrictive margin requirements than required by such rules.

The Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") — The Sarbanes-Oxley Act effected significant changes to corporate governance, auditing requirements and corporate reporting. This law generally applies to all companies, including the Company, with equity or debt securities registered under the Exchange Act. The Company has taken numerous actions, and incurred substantial expenses, since the passage of the legislation to comply with the Sarbanes-Oxley Act, related regulations promulgated by the SEC and other corporate governance requirements of the New York Stock Exchange (the "NYSE"). On May 14, 2013, the Committee of Sponsoring Organizations of the Treadway Commission (COSO) released an updated version of its Internal Control - Integrated Framework (the "2013 Framework"), which superseded the original framework that was developed in 1992. The Company adopted the 2013 Framework on December 15, 2014 as a basis for its compliance with the Sarbanes-Oxley Act. Management has determined that the Company's internal control over financial reporting as of December 31, 2022 was effective. See "Management's Report on Internal Control over Financial Reporting."

Wall Street Reform & Consumer Protection Act (the "Dodd-Frank Act") — In July 2010, Congress enacted extensive legislation known as the Dodd-Frank Act in which it mandated that the SEC and other regulators conduct comprehensive studies and issue new regulations based on their findings to control the activities of financial institutions in order to protect the financial system, the investing public and consumers from issues and failures of the type that occurred in the 2008-9 financial crisis. This effort has extensively impacted the regulation and practices of financial institutions including the Company. The changes have significantly reduced leverage available to financial institutions and increased transparency to regulators and investors of risks taken by such institutions. In addition, new rules have been adopted to regulate and/or prohibit proprietary trading for certain deposit taking institutions, control the amount and timing of compensation to "highly paid" employees, require the adoption of policies to "clawback" erroneously awarded compensation to executive officers, mandate disclosure of information reflecting the relationship between executive compensation paid and the entity's financial performance, create new regulations around financial transactions with retirement plans and increase the disclosures provided to clients. The Consumer Financial Protection Bureau also implemented new rules affecting the interaction between financial institutions and consumers.

Under rules issued by the SEC regarding registration of municipal advisers, certain activities will be covered by the fiduciary duty of a municipal adviser to its government clients imposed by the Dodd-Frank Act, and result in the need for new written representations by issuers. These rules may also limit the manner in which we, in our capacity as an underwriter or in our other professional roles, interact with municipal issuers.

Section 956 of the Dodd-Frank Act required the SEC, Federal Reserve, Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation, Federal Housing Finance Agency and National Credit Union Administration (the "agencies") to jointly prescribe regulations or guidelines related to the prohibition of incentive-based compensation arrangements that encourage inappropriate risks at certain financial institutions. The agencies released a re-proposed rule in May 2016 that would prohibit certain forms of incentive-based compensation arrangements for financial institutions with greater than $1 billion in total assets (the "Incentive-Based Compensation Proposal"). Much of the Incentive-Based Compensation Proposal would apply to financial institutions categorized as either "Level 1" institutions (assets of $250 billion or more) or "Level 2" institutions (assets of $50 billion to $250 billion), while "Level 3" institutions (assets of $1 billion to $50 billion) would be subject to less extensive obligations. All covered financial institutions would be required to, among other requirements: (i) annually document the structure of their incentive-based compensation arrangements; (ii) retain records of such annual documentation for at least seven years; and (iii) comply with general prohibitions on incentive-based compensation arrangements that could encourage inappropriate risk-taking. Should the Incentive-Based Compensation Proposal be adopted, we would be subject to the rule's requirements as a "Level 3" financial institution, which would require us to incur additional legal and compliance costs, as well as subject us to increased legal risks.

Bank Secrecy Act and USA PATRIOT Act of 2001— The Bank Secrecy Act and the USA PATRIOT Act of 2001 ("Patriot Act") and requirements administered by the Financial Crimes Enforcement Network ("FinCEN") require financial institutions, among other things, to implement a risk-based program reasonably designed to prevent money laundering and to combat the financing of terrorism, including through suspicious activity and currency transaction reporting, compliance, record-keeping and initial and on-going due diligence on customers. The Patriot Act also contains financial transparency laws and enhanced information collection tools and enforcement mechanisms for the U.S. government, including: due diligence and record-keeping requirements for private banking and correspondent accounts; standards for obtaining and verifying customer identification at account opening; and rules to produce certain records upon request of a regulator or law enforcement and to promote cooperation among financial institutions, regulators, and law enforcement in identifying parties that may be involved in terrorism, money laundering and other crimes. In May 2016, FinCEN issued a new rule that, since May 2018, has required certain financial institutions, including U.S. banks and broker-dealers, to obtain certain beneficial ownership information from legal entity clients. Failure to meet the requirements of the Bank Secrecy Act, the Patriot Act or FinCEN can lead to regulatory actions including significant fines and penalties as well as significant reputational damage.

Markets in Financial Instruments Directive (known as "MiFID II") — MiFID II became effective on January 3, 2018 in the United Kingdom and all of the European Union. The directive is intended to strengthen investor protection and improve the functioning of financial markets making them more efficient, resilient and transparent. MiFID II sets out: (i) conduct of business and organizational requirements for investment firms; (ii) authorization requirements for regulated markets; (iii) regulatory reporting to avoid market abuse; (iv) trade transparency obligations for shares; and (v) rules on the admission of financial instruments to trading. The new rulemaking has fundamentally altered the provision of research to financial institutions and also requires the registration of all market participants. This rulemaking has negatively impacted the overall availability of commission revenue in payment for equity research and possibly negatively impacted the liquidity of markets for equities and fixed income securities in Europe. It appears that the limitation of available services to smaller institutions in the UK as a result of MiFID II may be resulting in the applicability of these rules to smaller institutions. It is possible that these restrictive business practices may be adopted in the U.S. although there is currently no such regulatory requirement in the U.S.

Fiduciary Standard — Rulemaking by the U.S. Department of Labor and SEC— In April 2016, the U.S. Department of Labor ("DOL") finalized its definition of fiduciary under the Employee Retirement Income Security Act ("ERISA") through the release of new rules and changes to interpretations of six prohibited transaction exemptions which together set a new standard for the treatment and effects of advice given to retirement investors ("DOL Fiduciary Rules"). Under these rules, investment advice given to an employee benefit plan or an individual retirement account ("IRA") is considered fiduciary advice.

In March 2018, the U.S. 5th Circuit Court of Appeals found that the DOL did not have the jurisdiction to adopt the aforementioned rules and vacated the DOL Fiduciary Rules effective in June 2018. On April 18, 2018, the SEC announced its proposed "Regulation Best Interest," a package of rulemakings and interpretations that address customers' relationships with investment advisers and broker-dealers.

On June 5, 2019, the SEC adopted a final version of this rulemaking package that included the adoption of Regulation Best Interest (“Reg BI”) as Rule 15l-1 under the Exchange Act. Reg BI imposes a new federal standard of conduct on registered broker-dealers and their associated persons when dealing with retail clients and requires that a broker-dealer and its representatives act in the best interest of such client and not place its own interests ahead of the customer’s interests. Reg BI does not define the term “best interest” but instead sets forth four distinct obligations, disclosure, care, conflict of interest and compliance, that a broker-dealer must satisfy in each transaction. The effective date for compliance with Reg BI was June 30, 2020. In addition to passing Reg BI, the SEC also adopted rules (i) requiring broker-dealers and investment advisers to provide a written relationship summary to each client, and (ii) clarifying certain interpretations under the Advisers Act including but not limited to when a broker-dealer's activity is considered “solely incidental” to its broker-dealer business and is, therefore, not considered investment advisory activity (collectively, the “Reg BI Rules”).

The Reg BI Rules have impacted the conduct of the business of the Company, in particular, with respect to our business with non-institutional clients. The need for enhanced documentation for recommendations of securities transactions to broker-dealer retail clients as well as the cessation of certain practices as well as limitations on certain kinds of transactions previously conducted in the normal course of business have increased the amount of record–keeping, changed the permitted conduct of our representatives and led to more clients choosing fee-based programs for the conduct of their relationship with the Company. The new rules and processes related thereto may limit revenue and have increased costs, including, but not limited to, compliance costs associated with new or enhanced technology and may in the future lead to increased litigation costs.

The Company reviewed its business practices and operating models in light of the Reg BI Rules and made significant structural, technological and operational changes to our business for compliance with the Reg BI Rules. As a result, the Company conducted significant training of all its employees with respect to the requirements of Reg BI and made each of the required mailings (both electronic and conventional) prior to the effective date. The Company believes that the changes made to its business processes will result in compliance with these new requirements. As business continues to be conducted under the Reg

BI Rules, it is likely that additional changes may be necessary. It is noteworthy that many members of Congress are calling for additional regulation of the securities industry and calling for full fiduciary rules in lieu of Reg BI.

On December 18, 2020, the DOL published its final prohibited transaction exemption ("PTE") addressing investment advice fiduciaries to ERISA plans and IRAs. Similar to the proposal the DOL released in June of 2020, PTE takes a principles-based (rather than a prescriptive) approach to resolving conflicts that arise under ERISA when an investment advice fiduciary, its affiliate or a related party is paid certain types of compensation (such as commissions, trailing fees or revenue-sharing) or engages in certain principal transactions. The PTE should provide a new and more flexible approach to ERISA compliance for certain types of transactions, which financial institutions may choose to utilize in place of other existing exemptions. Like the proposal, the PTE does not materially change the scope of fiduciary activities under ERISA, with the exception of including certain rollover-related advice as fiduciary advice. The effective date for compliance with the PTE was February 1, 2022. The Company believes that many of the steps taken by the Company to achieve compliance with the Reg BI Rules have enabled the Company to comply with the PTE. The Company implemented certain additional processes beyond the actions taken to comply with the Reg BI Rules in order to ensure full compliance with the PTE.

The Department of Labor ("DOL") then reinstated the historical "five-part test" for determining who is an investment advice fiduciary when dealing with certain retirement plans and accounts. In 2022, the DOL promulgated a new exemption that enables investment advice fiduciaries to receive transaction-based compensation and engage in certain otherwise prohibited transactions, subject to compliance with the exemption's requirements. In addition, the DOL is expected to amend the five-part test by the end of 2023 so that the fiduciary standard would apply to a broader range of client relationships. Imposing such a new standard of care on additional client relationships could result in incremental costs for our business and we are evaluating how these regulatory changes may further impact our business.

Privacy — U.S. federal law establishes minimum federal standards for financial privacy by, among other provisions, requiring financial institutions to adopt and disclose privacy policies with respect to consumer information and setting forth certain limitations on disclosure to third parties of consumer information. U.S. state law and regulations adopted under U.S. federal law impose obligations on Oppenheimer and its subsidiaries for protecting the security, confidentiality and integrity of client information, and require notice of data breaches to certain U.S. regulators, and, in some cases, to clients. In 2018, the State of California passed the California Consumer Privacy Act ("CCPA") that applies to certain for-profit entities such as the Company that conduct business with residents of California. The CCPA required that specific privacy disclosures be given to California residents and that consumers be granted certain rights regarding their personal information held by businesses subject to the CCPA. The California Privacy Rights Act of 2020, effective January 1, 2023, subsequently amends the CCPA in a number of ways, including, without limitation, by introducing a new data category and additional privacy principles, as well as expanding data subject rights and establishing a dedicated privacy regulator. Enforcement is scheduled to begin on July 1, 2023. Additionally, Connecticut, Colorado, Utah and Virginia have adopted new privacy laws granting consumers various privacy rights that exceed the requirements set by federal law, which laws become effective on July 1, 2023, December 31, 2023, and January 1, 2023, respectively. Numerous other states are considering privacy legislation either along the lines of, or with more onerous requirements than, the CCPA.

The General Data Protection Regulation ("GDPR") imposes additional requirements for companies that collect or store personal data of European Union residents. The GDPR expands the scope of the EU data protection law to all foreign companies processing personal data of EU residents, imposes a strict data protection compliance regime, and includes new rights. Other jurisdictions have, or are proposing to pass privacy legislation that is similar to GDPR. Oppenheimer has adopted and disseminated privacy policies, and communicates required information relating to financial privacy and data security, in accordance with applicable law.

Money Market Funds — In July 2014, the SEC adopted amendments to the rules that govern money market mutual funds. The amendments make structural and operational reforms to address risks of excessive withdrawals over relatively short time frames by investors from money market funds, while preserving the benefits of the funds. Oppenheimer does not sponsor any money market funds. Oppenheimer utilizes such funds to a small extent for its own investment purposes and, as a result of the new rules, has extensively limited the availability of money market funds to its clients. Instead the Company offers FDIC short-term bank deposit alternatives as cash sweep investments. The SEC and FINRA have previously expressed interest in reviewing the programs under which broker-dealers offer FDIC-insured accounts to clients and their potential impact on the financial system. In December 2021, the SEC proposed further amendments to the rules governing money market funds.

Consolidated Audit Trail — The SEC approved Rule 613 on October 1, 2012 which introduced the requirement for a Consolidated Audit Trail ("CAT"), a central repository for all U.S. securities transactions that is to be utilized for monitoring of markets and for regulatory purposes by SROs and the SEC. The rule is in response to Wall Street's May 6, 2010 "Flash Crash", during which the market sustained a significant decline without any underlying news or economic rationale. The CAT will be utilized to identify the beneficial owner in every securities transaction and to correlate that information across market participants. In February 2015, the SROs submitted the CAT National Market System ("NMS") Plan to create the CAT and to announce the requirements for market participants. On November 15, 2016, the NMS Plan was unanimously approved by the SEC. The NMS Plan outlines the reporting requirements for industry participants, as well as the requirements for the Plan Processor, the entity that will hold and protect the data, while making the data available to authorized users.

U.S. broker-dealers and SROs are required to report all equity and option life cycle events to the repository on a daily basis. In addition, U.S. broker-dealers will be required to submit customer account information to the repository. This will make the CAT the world's largest repository of securities transactions. In June 2020, Oppenheimer, like other U.S. broker dealers, began reporting equity trades, and in July, 2020 non-complex option trades to the CAT. Oppenheimer began reporting complex option trades in 2021. Smaller broker-dealers were required to report equity and option trades in 2021. The CAT NMS Plan requires SROs to create plans to eliminate duplicative reporting.

The requirements of the CAT have been and will continue to be expensive to implement and present potential privacy issues that may not be protected under existing rule-making and may make the Company liable for improper disclosure or cybersecurity hacking of the CAT database. The securities industry has commenced various actions to limit the provision of personally identifiable information ("PII") to the CAT, given the potential liabilities to the provider associated with improper dissemination of such data. It is not possible to predict the success of any such actions.

Trust Company Regulation — Oppenheimer Trust is a limited purpose trust company organized under the laws of Delaware and is regulated by the Office of the State Banking Commissioner. The impact of any of, or more than one of, the foregoing regulations could have a material adverse effect on our business, financial condition and results of operations.

REGULATORY CAPITAL REQUIREMENTS

As registered broker-dealers and member firms regulated by FINRA, Oppenheimer and Freedom are subject to certain net capital requirements pursuant to Rule 15c3-1 (the "Net Capital Rule") promulgated under the Exchange Act. The Net Capital Rule, which specifies minimum net capital requirements for registered brokers and dealers, is designed to measure the general financial integrity and liquidity of a broker-dealer and requires that at least a minimum part of its assets be kept in liquid form.

Oppenheimer elects to compute net capital under the alternative method of calculation permitted by the Net Capital Rule. (Freedom computes net capital under the basic formula as provided by the Net Capital Rule.) Under the alternative method, Oppenheimer is required to maintain a minimum "net capital", as defined in the Net Capital Rule, at least equal to 2% of the amount of its "aggregate debit items" computed in accordance with the Formula for Determination of Reserve Requirements for Brokers and Dealers (Exhibit A to Rule 15c3-3 under the Exchange Act) or $1.5 million, whichever is greater. "Aggregate debit items" are assets that have as their source transactions with customers, primarily margin loans. Failure to maintain the required net capital may subject a firm to suspension or expulsion by FINRA, the SEC and other regulatory bodies and ultimately may require the firm's liquidation.

The Net Capital Rule also prohibits payment of dividends, redemption of stock and the prepayment of subordinated indebtedness if net capital thereafter would be less than 5% of aggregate debit items (or 7% of the funds required to be segregated pursuant to the Commodity Exchange Act and the regulations thereunder, if greater) and payments in respect of principal of subordinated indebtedness if net capital thereafter would be less than 5% of aggregate debit items (or 6% of the funds required to be segregated pursuant to the Commodity Exchange Act and the regulations thereunder, if greater). The Net Capital Rule also provides that the total outstanding principal amounts of a broker-dealer's indebtedness under certain subordination agreements (the proceeds of which are included in its net capital) may not exceed 70% of the sum of the outstanding principal amounts of all subordinated indebtedness included in net capital, par or stated value of capital stock, paid-in capital in excess of par, retained earnings and other capital accounts for a period in excess of 90 days.

Net capital is essentially defined in the Net Capital Rule as net worth (assets minus liabilities), plus qualifying subordinated borrowings minus certain mandatory deductions that result from excluding assets that are not readily convertible into cash and deductions for certain operating charges. The Net Capital Rule values certain other assets, such as a firm's positions in securities, conservatively. Among these deductions are adjustments (referred to as "haircuts") in the market value of securities to reflect the possibility of a market decline prior to disposition.

Compliance with the Net Capital Rule could limit those operations of the brokerage subsidiaries of the Company that require the intensive use of capital, such as underwriting and trading activities and the financing of customer account balances, and also could restrict the Company's ability to withdraw capital from its brokerage subsidiaries, which in turn could limit the Company's ability to pay dividends, repay debt and redeem or purchase shares of its outstanding capital stock. Under the Net

Capital Rule, broker-dealers are required to maintain certain records and provide the SEC with quarterly reports with respect to, among other things, significant movements of capital, including transfers to a holding company parent or other affiliate. The SEC and/or SROs may in certain circumstances restrict the Company's brokerage subsidiaries' ability to withdraw excess net capital and transfer it to the Company or to other Operating Subsidiaries or to expand the Company's business.

Oppenheimer Europe Ltd. is authorized by the FCA of the United Kingdom to provide investment services under Investment Firms’ Prudential Regime (“IFPR”). Effective January 2022, IFPR changed its minimum capital requirement, which is now sterling 750,000 (previously it was Euro 730,000). Capital ratios are now expressed differently, but are effectively unchanged when comparing performance to required regulatory minimums. As of December 31, 2022, Oppenheimer Europe Ltd. was in compliance with its regulatory requirements.

Oppenheimer Investments Asia Limited was approved by the SFC to provide institutional fixed income and equities brokerage services to Hong Kong institutional investors and corporate finance advisory services to Hong Kong institutional clients. Oppenheimer Investments Asia Limited is required to maintain Required Liquid Capital of the greater of HKD 3.0 million or 5% of Adjusted Liabilities as defined by the Hong Kong Securities and Futures Financial Resources Rules. As of December 31, 2022, Oppenheimer Investments Asia Limited was in compliance with its regulatory requirements.

See note 18 to the consolidated financial statements appearing in Item 8 for further information on the Company's regulatory capital requirements.

Senior Secured Notes

On June 23, 2017, the Company issued in a private offering $200.0 million aggregate principal amount of 6.75% Senior Secured Notes due 2022 (the "6.75% Notes") at an issue price of 100% of the principal amount. Interest on the 6.75% Notes was payable semi-annually on January 1st and July 1st. The 6.75% Notes were scheduled to mature on July 1, 2022.

The Company redeemed $50.0 million (25%) of the 6.75% Notes plus accrued and unpaid interest during the third quarter of 2019. During the first quarter of 2020, the Company repurchased $1.4 million of the 6.75% Notes. On August 28, 2020, the Parent issued a conditional notice of redemption to redeem the entire $150.0 million aggregate principal amount of the outstanding 6.75% Notes. The Company held $1.4 million in treasury for a net outstanding amount of $148.6 million. On September 22, 2020, the Parent issued a notice to satisfy and discharge all of its obligations under the Indenture governing the 6.75% Notes. On September 28, 2020, the 6.75% Notes were fully redeemed.

On September 22, 2020, the Parent issued $125.0 million aggregate principal amount of 5.50% Senior Secured Notes due 2025 (the “Notes”) at an issue price of 100% of the principal amount. The Notes will mature on October 1, 2025 and bear interest at a rate of 5.50% per annum, payable semiannually on April 1st and October 1st, respectively, of each year. The Parent used the net proceeds from the offering of the Notes, along with cash on hand, to redeem in full its 6.75% Notes.

During the fourth quarter of 2022, the Company repurchased and subsequently cancelled $10.95 million of the 5.50% Senior Secured Notes, recognizing a small extinguishment gain. As of December 31, 2022, $114.05 million aggregate principal amount of the Notes remains outstanding.

See note 12 to the consolidated financial statements appearing in Item 8 for further discussion.

Securities Investor Protection Corporation ("SIPC")

Oppenheimer and Freedom are each members of the SIPC, which provides, in the event of the liquidation of a broker-dealer, protection for customers' accounts (including the customer accounts of other securities firms when it acts on their behalf as a clearing broker) held by the firm of up to $500,000 for each customer, subject to a limitation of $250,000 for claims for cash balances. SIPC is funded through assessments on registered broker-dealers. In addition, Oppenheimer has purchased additional "excess of SIPC" policy protection from certain underwriters at Lloyd's of London of an additional $99.5 million (and $900,000 for claims for cash balances) per customer. The "excess of SIPC" policy has an overall aggregate limit of liability of $300.0 million. The Company has an indemnity agreement with Lloyd's of London pursuant to which the Company has agreed to indemnify Lloyd's of London for losses incurred by Lloyd's under the policy.

AVAILABLE INFORMATION

The Company's principal place of business is at 85 Broad Street, New York, NY 10004 and its telephone number is (212) 668-8000. The Company's internet address is http://www.oppenheimer.com. The Company makes available free of charge through its website its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy and information statements and other SEC filings and all amendments to those reports within 24 hours of such material being electronically filed with or furnished to the SEC.

Item 1A. RISK FACTORS

The Company's business and operations are subject to numerous risks. The material risks and uncertainties that management believes affect the Company are described below. The risks and uncertainties described below are not the only ones facing the Company. Additional risks and uncertainties that are presently unknown, management is not aware of or focused on or that management currently deems immaterial may also impair the Company's business operations. If any of the following risks actually occur, the Company's financial condition and results of operations may be materially and adversely affected.

FINANCIAL RISKS

Market Risk

Market risk refers to the risk that a change in the level of one or more market prices, rates, indices, volatilities, correlations or other market factors, such as market liquidity, will result in losses for a position or portfolio owned by us.

Our results of operations may be materially affected by market fluctuations and by global and economic conditions and other factors, including changes in asset values.

Our results of operations have been, in the past, and may, in the future, be materially affected by market fluctuations due to global financial markets, economic conditions, changes to global trade policies, tax legislation and tariffs and other factors, including the level and volatility of equity, fixed income and commodity prices, the level and term structure of interest rates, inflation and currency values, and the level of other market indices. The results of our Capital Markets business segment, particularly results relating to our involvement in primary and secondary markets for all types of financial products, are subject to substantial market fluctuations due to a variety of factors that we cannot control or predict with great certainty. These fluctuations impact results by causing variations in business flows and activity and in the fair value of securities and other financial products. Fluctuations also occur due to the level of global market activity, which, among other things, affects the size, number and timing of investment banking client assignments and transactions and the realization of returns from our principal investments. The Company may incur losses and be subject to reputational harm to the extent that, for any reason, it is unable to sell at anticipated price levels securities it purchased as an underwriter. As an underwriter, the Company is subject to heightened standards regarding liability for material misstatements or omissions in prospectuses and other offering documents relating to offerings it underwrites. Any such misstatement or omission could subject the Company to enforcement action by the SEC and claims of investors, either of which could have a material adverse impact on the Company's results of operations, financial condition and reputation. As a market maker and dealer, the Company may own large positions in specific securities, and these undiversified holdings concentrate the risk of market fluctuations and may result in greater losses than would be the case if the Company's holdings were more diversified.

During periods of unfavorable market or economic conditions, the level of individual investor participation in the global markets, as well as the level of client assets, may also decrease, which would negatively impact the results of our Private Client and Asset Management business segments. Substantial market fluctuations could also cause variations in the value of our investments in our funds, the flow of investment capital into or from Assets Under Management ("AUM"), and the way customers allocate capital among money market, equity, fixed income or other investment alternatives, which could negatively impact our Private Client and Asset Management business segments.

The value of our financial instruments may be materially affected by market fluctuations. Market volatility, illiquid market conditions and disruptions in the credit markets may make it extremely difficult to value and monetize certain of our financial instruments, particularly during periods of market displacement. Subsequent valuations in future periods, in light of factors then prevailing, may result in significant changes in the values of these instruments and may adversely impact historical or prospective fees and performance-based fees (also known as incentive fees, which include carried interest) in respect of certain businesses. In addition, at the time of any sales and settlements of these financial instruments, the price we ultimately realize will depend on the demand and liquidity in the market at that time and may be materially lower than their current fair value. Any of these factors could cause a decline in the value of our financial instruments, which may have an adverse effect on our results of operations in future periods. In addition, financial markets are susceptible to severe events evidenced by rapid depreciation in asset values accompanied by a reduction in asset liquidity. Under these extreme conditions, hedging and other risk management strategies may not be as effective at mitigating trading losses as they would be under more normal market conditions. Moreover, under these conditions, market participants are particularly exposed to trading strategies employed by many market participants simultaneously and on a large scale. Our risk management and monitoring processes seek to quantify and mitigate risk to more extreme market moves. However, severe market events have historically been difficult to predict and we could realize significant losses if extreme market events were to occur.

Holding large and concentrated positions may expose us to losses. Concentration of risk may reduce revenues or result in losses in our market-making, investing, underwriting, including block trading, and lending businesses in the event of unfavorable market movements, or when market conditions are more favorable for our competitors.

Changes in interest rates (especially if such changes are rapid), sustained low or high interest rates or uncertainty regarding the future direction of interest rates, may create a less favorable environment for certain of the Company's businesses, particularly its fixed income business, resulting in reduced business volume and reduced revenue.

Prior to the Federal Reserve increasing the federal funds rate by 425 basis points during 2022, the historical low interest rate environment substantially reduced the interest profits available to the Company through its margin lending and also reduced profit contributions from cash sweep products such as the FDIC-insured Bank Deposit program. If interest rates decrease from current levels and/or balances within our cash sweep products decrease, the Company's profitability will be negatively impacted.

Credit Risk

Credit risk may expose the Company to losses caused by the inability of borrowers or other third parties to satisfy their obligations.

The Company is exposed to the risk that third parties that owe it money, securities or other assets will not perform their obligations.

The Company is exposed to credit risk related to third parties such as trading counterparties, customers, clearing agents, exchanges, clearing houses, and other financial intermediaries as well as issuers whose securities we hold. These parties may default on their obligations owed to the Company due to bankruptcy, lack of liquidity, operational failure or other reasons. This default risk may arise, for example, from holding securities of third parties, executing securities trades that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries, and extending credit to clients through bridge or margin loans or other arrangements. Significant failures by third parties to perform their obligations owed to the Company could adversely affect the Company's revenue and its ability to borrow in the credit markets.

In addition, as a clearing member of several central counterparties, we are responsible for the defaults or misconduct of our customers and could incur financial losses in the event of default by other clearing members. Although we regularly review our credit exposures, default risk may arise from events or circumstances that are difficult to detect or foresee.

We also incur credit risk in our Private Client business segment lending to mainly individual investors related to margin loans collateralized by securities.

Defaults by another large financial institution could adversely affect financial markets generally.

The commercial soundness of many financial institutions may be closely interrelated as a result of credit, trading, clearing, or other relationships between these institutions. As a result, concerns about, or a default or threatened default by, one institution could lead to significant market-wide liquidity and credit problems, losses, or defaults by other institutions.

This is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with which the Company interacts on a daily basis, and therefore could adversely affect the Company.

The development and use of digital currencies may create additional credit risks. Recent failures of enterprises central to the functioning of that market have created uncertainty as to the impact of this market on currency markets and the general economy.

Liquidity Risk

Liquidity risk refers to the risk that we will be unable to finance our operations due to a loss of access to the capital markets or difficulty in liquidating our assets. Liquidity risk also encompasses our ability (or perceived ability) to meet our financial obligations without experiencing significant business disruption or reputational damage that may threaten our viability as a going concern as well as the associated funding risks triggered by the market or idiosyncratic stress events that may negatively affect our liquidity and may impact our ability to raise new funding.

Liquidity is essential to our businesses and we rely on external sources to finance a significant portion of our operations.

Our liquidity could be negatively affected by our inability to raise funding in the long-term or short-term debt capital markets, our inability to access the secured lending markets, or unanticipated outflows of cash or collateral by customers or clients. Factors that we cannot control, such as disruption of the financial markets or negative views about the financial services industry generally, including concerns regarding fiscal matters in the U.S. and other geographic areas, could impair our ability to raise funding. In addition, our ability to raise funding could be impaired if investors or lenders develop a negative perception of our long-term or short-term financial prospects due to factors such as an incurrence of large trading losses, a downgrade by the rating agencies, or a decline in the level of our business activity, if regulatory authorities take significant action against us or our industry, or we discover significant employee misconduct or illegal activity. If we are unable to raise funding using the methods described above, we would likely need to finance or liquidate unencumbered assets, such as our investment portfolios or trading assets, to meet maturing liabilities or other obligations. We may be unable to sell some of our assets or we may have to sell assets at a discount to market value, either of which could adversely affect our results of operations, cash flows and financial condition.

Our borrowing costs and access to the debt capital markets depend on our credit ratings.

The rating agencies continue to monitor certain company-specific and industry-wide factors that are important to the determination of our credit ratings. These include governance, the level and quality of earnings, capital adequacy, liquidity and funding, risk appetite and management, asset quality, strategic direction, business mix, regulatory or legislative changes, macroeconomic environment, and perceived levels of support. It is possible that the rating agencies could downgrade our ratings and those of similar institutions. Our long-term borrowing costs will continue to remain high given the Company's current rating levels. Any future downgrades would increase these borrowing costs and may impact our ability to access the debt capital markets in future periods.

If the Company is unable to repay its outstanding indebtedness when due, its operations may be materially adversely affected.

The Company cannot assure that its operations will generate funds sufficient to repay its existing debt obligations as they come due. The Company's failure to repay its indebtedness and make interest payments as required by our debt obligations could have a material adverse effect on our results of operations and financial condition, including the acceleration of the payment of debt.

Financial markets are susceptible to severe events such as dislocations which may lead to reduced liquidity. Under these extreme conditions, the Company's risk management strategies may not be as effective as they might otherwise be under normal market conditions.

Operational Risk

Operational risk refers to the risk of loss, or of damage to our reputation, resulting from inadequate or failed processes or systems, from human factors or from external events (e.g., fraud, theft, legal and compliance risks, cyber-attacks or damage to physical assets). We may incur operational risk across the full scope of our business activities, including revenue-generating activities (e.g., sales and trading) and support and control groups (e.g., information technology and trade processing).

We are subject to operational risks, including a failure, breach or other disruption of our operations or security systems or those of our third parties (or third parties thereof), as well as human error or malfeasance, which could adversely affect our businesses or reputation.

Our businesses are highly dependent on our ability to process and report, on a daily basis, a large number of transactions across numerous markets. We may introduce new products or services or change processes or reporting, including in connection with new regulatory requirements, resulting in new operational risk that we may not fully appreciate or identify. The trend toward direct access to automated, electronic markets and the move to more automated trading platforms has resulted in the use of increasingly complex technology that relies on the continued effectiveness of the programming code and integrity of the data to process the trades. We rely on the ability of our employees, consultants, and internal systems to operate our different businesses and process a high volume of transactions. Additionally, we are subject to complex and evolving laws and regulations governing cybersecurity, privacy and data protection, which may differ and potentially conflict, in various jurisdictions. As a participant in the global capital markets, we face the risk of incorrect valuation or risk management of our trading positions due to flaws in data, models, electronic trading systems or processes or due to fraud or cyber-attack.

The adoption of shortened settlement cycles in the execution and settlement of securities transactions places increased burdens on participants including the adoption of new processes and procedures to facilitate such settlement. A failure to successfully adopt such procedures and technology within the mandated adoption period could negatively impact our business, our clients and our reputation.

We also face the risk of operational failure or disruption of any of the clearing agents, exchanges, clearing houses or other financial intermediaries we use to facilitate our lending and securities transactions. In the event of a breakdown or improper operation of our or a direct or indirect third party’s systems (or third parties thereof) or processes or improper or unauthorized action by third parties, including consultants and subcontractors or our employees, we could suffer financial loss, an impairment to our liquidity position, a disruption of our businesses, regulatory sanctions or damage to our reputation. In addition, the interconnectivity of multiple financial institutions with central agents, exchanges and clearing houses, and the increased importance of these entities, increases the risk that an operational failure at one institution or entity may cause an industry-wide operational failure that could materially impact our ability to conduct business. Furthermore, the concentration of Company and personal information held by a handful of third parties increases the risk that a breach at a key third party may cause an industry-wide data breach that could significantly increase the cost and risk of conducting business. There can be no assurance that our business contingency and security response plans fully mitigate all potential risks to us. Our ability to conduct business may be adversely affected by a disruption in the infrastructure that supports our businesses and the communities where we are located. This may include a disruption involving physical site access; cybersecurity incidents; terrorist activities; political unrest; disease pandemics; catastrophic events; climate-related incidents and natural disasters (such as earthquakes, tornadoes, hurricanes and wildfires); electrical outages; environmental hazards; computer servers; communications or other services we use; and our employees or third parties with whom we conduct business. Although we employ backup systems for our data, those backup systems may be unavailable following a disruption, the affected data may not have been backed up or may not be recoverable from the backup, or the backup data may be costly to recover, which could adversely affect our business.

Notwithstanding evolving technology and technology-based risk and control systems, our businesses ultimately rely on people, including our employees and those of third parties with which we conduct business. As a result of human error or engagement in violations of applicable policies, laws, rules or procedures, certain errors or violations are not always discovered immediately by our technological processes or by our controls and other procedures, which are intended to prevent and detect such errors or violations. These can include calculation errors, mistakes in addressing emails or other communications, errors in software or model development or implementation, or errors in judgment, as well as intentional efforts to disregard or circumvent applicable policies, laws, rules or procedures. Human errors and malfeasance, even if promptly discovered and remediated, can result in material losses and liabilities for us. We conduct business in jurisdictions outside the U.S., including jurisdictions that may not have comparable levels of protection for their corporate assets such as intellectual property, trademarks, trade secrets, know-how and customer information and records. The protection afforded in those jurisdictions may be less established and/or predictable than in the U.S. or other jurisdictions in which we operate. As a result, there may also be heightened risks associated with the potential theft of their data, technology and intellectual property in those jurisdictions by domestic or foreign actors, including private parties and those affiliated with or controlled by state actors. Any theft of data, technology or intellectual property may negatively impact our operations and reputation, including disrupting the business activities of our subsidiaries, affiliates, joint ventures or clients conducting business in those jurisdictions.

The Company's information systems may experience an interruption or breach in security.

The Company relies heavily on communications and information systems to conduct its business. Any failure, interruption or breach in security of these systems could result in failures or disruptions in the Company's customer relationship management, regulatory or other reporting, general ledger, and other systems. While the Company has policies and procedures designed to prevent or limit the effect of the failure, interruption or security breach of its information systems, there can be no assurance that any such failures, interruptions or security breaches will not occur or, if they do occur, that they will be adequately addressed. Recent disclosures of such incursions by foreign and domestic unauthorized agents aimed at large financial institutions reflect higher risks for all such institutions. The occurrence of any failures, interruptions or security breaches of the Company's information systems could damage the Company's reputation, result in a loss of customer business, subject the Company to additional regulatory scrutiny, or expose the Company to civil litigation and possible financial liability, any of which could have a material adverse effect on the Company's financial condition and results of operations.

Our businesses rely extensively on data processing and communications systems. In addition to better serving clients, the effective use of technology increases efficiency and enables us to reduce costs. Adapting or developing our technology systems to meet new regulatory requirements, client needs, and competitive demands is critical for our business. Introduction of new technology presents challenges on a regular basis. There are significant technical and financial costs and risks in the development of new or enhanced applications, including the risk that we might be unable to effectively use new technologies or adapt our applications to emerging industry standards. Our continued success depends, in part, upon our ability to: (i) successfully maintain and upgrade the capability of our technology systems; (ii) address the needs of our clients by using technology to provide products and services that satisfy their demands; and (iii) retain skilled information technology employees. Failure of our technology systems, which could result from events beyond our control, or an inability to effectively upgrade those systems or implement new technology-driven products or services, could result in financial losses, liability to clients, and violations of applicable privacy and other applicable laws and regulatory sanctions.

Cybersecurity - Security breaches of our technology systems, or those of our clients or other third-party vendors we rely on, may expose us to significant liability and harm our reputation.

The expectations of sound operational and informational security practices have risen among our clients and vendors, the public at large and regulators. Our operational systems and infrastructure must continue to be safeguarded and monitored for potential failures, disruptions, cyber-attacks and breakdowns. Our operations rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Although cybersecurity incidents among financial services firms are on the rise, we have not experienced any material losses relating to cyber-attacks or other information security breaches. However, there can be no assurance that we will not suffer such losses in the future.

Despite our implementation of protective measures and endeavoring to modify them as circumstances warrant, our computer systems, software and networks may be vulnerable to human error, natural disasters, power loss, spam attacks, unauthorized access, distributed denial of service attacks, computer viruses and other malicious code and other events that could have an impact on the security and stability of our operations. Notwithstanding the precautions we take, if one or more of these events were to occur, this could jeopardize the information we confidentially maintain, including that of our clients and counterparties, which is processed, stored in and transmitted through our computer systems and networks, or otherwise cause interruptions or malfunctions in our operations or the operations of our clients and counterparties. We may be required to expend significant additional resources to modify our protective measures, to investigate and remediate vulnerabilities or other exposures or to make required notifications or disclosures. We may also be subject to litigation and financial losses that are neither insured nor covered under any of our current insurance policies.

A technological breakdown could also interfere with our ability to comply with financial reporting and other regulatory requirements, exposing us to potential disciplinary action by regulators. Our regulators have introduced programs to review our protections against such incidents which, if they determined that our systems do not reasonably protect our clients assets and their data, could result in enforcement activity and sanctions.

In providing services to clients, we may manage, utilize and store sensitive or confidential client or employee data, including personal data. As a result, we may be subject to numerous laws and regulations designed to protect this information, such as U.S. federal and state and international laws governing the protection of personally identifiable information. These laws and regulations are increasing in complexity and number. If any person, including any of our associates, negligently disregards or intentionally breaches our established controls with respect to client or employee data, or otherwise mismanages or misappropriates such data, we could be subject to significant monetary damages, regulatory enforcement actions, fines and/or criminal prosecution. In addition, unauthorized disclosure of sensitive or confidential client or employee data, whether through system failure, employee negligence, fraud or misappropriation, could damage our reputation and cause us to lose clients and related revenue.

Potential liability in the event of a security breach of client data could be significant. Depending on the circumstances giving rise to the breach, this liability may not be subject to a contractual limit or an exclusion of consequential or indirect damages. The federally mandated Consolidated Audit Trail ("CAT") program which requires that client personally identifiable information be submitted to a database not controlled by us may expose us to liability for breaches of that data base not under our control. See “Business -- REGULATION – Consolidated Audit Trail” in Part I, Item 1.

As a result of the foregoing, the Company has and is likely to incur significant costs in preparing its infrastructure and maintaining it to resist any such attacks. In addition to personnel dedicated to overseeing the infrastructure and systems to defend against cybersecurity incidents, senior management is regularly briefed on issues, preparedness and any incidents requiring response. At their regularly scheduled meetings, the Audit Committee of the Board of Directors and the Board of Directors are briefed and brought up to date on cybersecurity.

The Company continually encounters technological change

The financial services industry is continually undergoing rapid technological change with frequent introductions of new technology-driven products and services, driven by the emergence of the Fintech industry. The effective use of technology increases efficiency and enables financial institutions to better serve customers and reduce costs. The Company's future success depends, in part, upon its ability to address the needs of its customers by using technology to provide products and services that will satisfy customer demands, as well as to create additional efficiencies in the Company's operations. Many of the Company's competitors have substantially greater resources to invest in technological improvements. Failure to successfully keep pace with technological change affecting the financial services industry could have a material adverse impact on the Company's business and, in turn, the Company's financial condition and results of operations.

There is risk associated with the sufficiency of coverage under the Company’s insurance policies

The Company's operations and financial results are subject to risks and uncertainties related to the use of a combination of insurance, self-insured retention and self-insurance for a number of risks, including most significantly property and casualty, general liability, cyber-crime, workers' compensation, and the portion of employee-related health care benefits plans funded by the Company, and certain errors and omissions liability, among others.

While the Company endeavors to purchase insurance coverage that is appropriate to its assessment of risk, it is unable to predict with certainty the frequency, nature or magnitude of claims for direct or consequential damages. The Company's business may be negatively affected if in the future its insurance proves to be inadequate or unavailable. In addition, insurance claims may divert management resources away from operating the business.

Climate change concerns could disrupt our businesses, adversely affect client activity levels, adversely affect the creditworthiness of our counterparties and damage our reputation.

Climate change may cause extreme weather events that, among other things, could damage our facilities and equipment, injure our employees, disrupt operations at one or more of our primary locations, negatively affect our ability to service and interact with our clients, and adversely affect the value of our investments. Any of these events may increase our costs, including our costs to insure against these events. Additionally, climate change may pose longer-terms risks that could impact the broader economy, necessitating our re-assessment of asset values, reliability of cash flows and business continuity.

Climate change may also have a negative impact on the financial condition of our clients, which may decrease revenues from those clients and increase the credit exposures to those clients. Additionally, our reputation and client relationships may be damaged as a result of our involvement, or our clients' involvement, in certain industries associated with causing or exacerbating, or alleged to cause or exacerbate, climate change. Reporting requirements in connection with climate change may place an increased burden on our business including adopting processes and procedures at increased cost to meet the data reporting measures that may be required. We also may be negatively impacted by any decisions we make to continue to conduct or change our activities in response to considerations relating to climate change. New regulations or guidance relating to climate change, as well as the perspectives of shareholders, employees and other stakeholders regarding climate change, may affect whether and on what terms and conditions we engage in certain activities or offer certain products.

Environmental, Social and Governance (ESG) Risks - We are subject to risks relating to environmental, social, and governance ("ESG") matters that could adversely affect our reputation, business, financial condition, and results of operations, as well as the price of our common stock.

Increasingly, our society and our business are faced with challenges associated with the implementation of policies and practices that are supportive of concerns related to environmental, social and governance (ESG) issues. We continue to explore implementing ESG considerations across our business practices and operations, a task complicated by the lack of consensus around a defining standard of ESG. We continue to focus on improving the resilience of our operations, fostering an inclusive workforce and maintaining a system of good corporate governance. However, our efforts in this regard may be insufficient and may expose the Company to reputational risk from entities purporting to "grade" ESG platforms, reductions in business with certain clients demanding greater ESG efforts or to regulatory expectation and enforcement if such practices become the subject of rule-making by regulators to whom we are subject.

We are subject to risks, including reputational risk, associated with ESG issues. The public holds diverse and often conflicting views on ESG topics. As a financial institution, we have multiple stakeholders, including our shareholders, clients, associates, federal and state regulatory authorities, as well as the communities in which we operate, and these stakeholders will often have differing priorities and expectations regarding ESG issues. If we take action in conflict with one or another of those stakeholders' expectations, we could experience an increase in client complaints, a loss of business, or reputational harm. We could also face negative publicity or reputational harm based on the identity of those with whom we choose to do business. Any adverse publicity in connection with ESG issues could damage our reputation, and negatively impact our ability to attract and retain clients and associates, compete effectively, and grow our business.

In addition, proxy advisory firms and certain institutional investors who manage investments in public companies are increasingly integrating ESG factors into their investment analysis. The consideration of ESG factors in making investment and voting decisions is relatively new. Accordingly, the frameworks and methods for assessing ESG policies are not fully developed, vary considerably among the investment community, and will likely continue to evolve over time. Moreover, the subjective nature of methods used by various stakeholders to assess a company with respect to ESG criteria could result in erroneous perceptions or a misrepresentation of our actual ESG policies and practices. Organizations that provide ratings information to investors on ESG matters may also assign unfavorable ratings to us. Certain of our clients might also require that we implement additional ESG procedures or standards in order to continue to do business with them. If we fail to comply with specific ESG-related investor or client expectations and standards, or to provide the disclosure relating to ESG issues that any third parties may believe is necessary or appropriate (regardless of whether there is a legal requirement to do so), our reputation, business, financial condition, and/or results of operations, as well as the price of our common stock could be negatively impacted.

Moreover, there has been increased regulatory focus on ESG-related practices of investment managers. A growing interest on the part of investors and regulators in ESG factors, and increased demand for, and scrutiny of, ESG-related disclosures by asset managers has likewise increased the risk that we could be perceived as, or accused of, making inaccurate or misleading statements regarding the investment strategies offered to our clients or of our ESG efforts or initiatives, commonly referred to as “greenwashing.” Such perceptions or accusations could damage our reputation, result in litigation or regulatory enforcement actions, and adversely affect our business.

REGULATORY AND COMPLIANCE RISKS

The Company is subject to extensive securities regulation and the failure to comply with these regulations could subject it to monetary penalties or sanctions.

The securities industry and the Company's business are subject to extensive regulation by the SEC, state securities regulators, other governmental regulatory authorities and industry self-regulatory organizations. The Company may be adversely affected by new or revised legislation or regulations or changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations.

Oppenheimer is a broker-dealer and investment adviser registered with the SEC and is primarily regulated by FINRA. Broker-dealers are subject to regulations which cover all aspects of the securities business, including, without limitation sales methods and supervision, underwriting, trading practices among broker-dealers, emerging standards concerning fees and charges imposed on clients for fee-based programs, use and safekeeping of customers' funds and securities, anti-money laundering and the USA Patriot Act (the "Patriot Act") compliance, capital structure of securities firms, trade and regulatory reporting, cybersecurity, pricing of services, compliance with DOL rules and regulations for retirement accounts, compliance with lending practices (Regulation T), record keeping, and the conduct of directors, officers and employees.

Compliance with many of the regulations applicable to the Company involves a number of risks, particularly in areas where applicable regulations may be subject to varying interpretation. The requirements imposed by these regulations are designed to ensure the integrity of the financial markets and to protect customers and other third parties who deal with the Company. New regulations may result in enhanced standards of duty on broker-dealers in their dealings with their clients (fiduciary standards). Consequently, these regulations often serve to limit the Company's activities, including through net capital, customer protection and market conduct requirements, including those relating to principal trading. Much of the regulation of broker-dealers has been delegated to self-regulatory organizations, principally FINRA. FINRA adopts rules, subject to approval by the SEC, which govern its members and conducts periodic examinations of member firms' operations.

If the Company is found to have violated any applicable laws, rules or regulations, formal administrative or judicial proceedings may be initiated against it that may result in censure, fine, civil or criminal penalties, including treble damages in the case of insider trading violations, the issuance of cease-and-desist orders, the suspension or termination of our broker-dealer or investment advisory activities, the suspension or disqualification of our officers or employees; or other adverse consequences.

The imposition of any of the above or other penalties could have a material adverse effect on our operating results and financial condition.

Financial services firms have been subject to increased regulatory scrutiny increasing the risk of financial liability and reputational harm resulting from adverse regulatory actions.

Firms in the financial services industry have been operating in an onerous regulatory environment. The industry has experienced increased scrutiny from a variety of regulators, including the SEC and FINRA as well as state regulators. Penalties and fines sought by regulatory authorities have increased substantially. We may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and SROs. Each of the regulatory bodies with jurisdiction over us has regulatory powers dealing with many different aspects of financial services, including, but not limited to, the authority to fine us and to grant, cancel, restrict or otherwise impose conditions on the right to continue operating particular businesses. For example, the failure to comply with the obligations imposed by the Exchange Act on broker-dealers and the Advisers Act on investment advisers, including recordkeeping, registration, advertising and operating requirements, disclosure obligations and prohibitions on fraudulent activities, or by the Investment Company Act of 1940, as amended (the "1940 Act"), could result in investigations, sanctions and reputational damage. Increasingly, regulators have instituted a practice of "regulation by enforcement" where new interpretations of existing regulations are introduced by bringing enforcement actions against securities firms for activities that occurred in the past but were not then thought to be problematic. We also may be adversely affected as a result of new or revised legislation or regulations imposed by the SEC, other U.S. or foreign governmental regulatory authorities or SROs (e.g., FINRA) that supervise the financial markets. Substantial legal liability or significant regulatory action taken against us could have a material adverse effect on our business prospects including our cash position.

Numerous regulatory changes, and enhanced regulatory and enforcement activity, relating to the asset management business may increase our compliance and legal costs and otherwise adversely affect our business.

U.S. and foreign governments have taken regulatory actions impacting the investment management industry, and may continue to take further actions, including expanding current (or enacting new) standards, requirements and rules that may be applicable to us and our subsidiaries, particularly those subsidiaries that are SEC registered investment advisers. For example, the SEC and several states and municipalities in the United States have adopted "pay-to-play" rules, which could limit our ability to charge advisory fees. Such "pay-to-play" rules could affect the profitability of that portion of our business. Additionally, the use of "soft dollars," where a portion of commissions paid to broker-dealers in connection with the execution of trades also pays for research and other services provided to advisors has been mostly prohibited in Europe and, is periodically reexamined in the U.S. and may be limited or modified in the future The use of various mutual fund share classes has come under significant regulatory scrutiny. The SEC found in conjunction with its Mutual Fund Share Class Disclosure Initiative that the firm's investment management disclosure relating to 12b-1 fees was deficient resulting in restitution of fees to investment management clients. Furthermore, new regulations regarding the management of hedge funds and the use of certain investment products may impact our investment management business and result in increased costs. For example, many regulators around the world adopted disclosure and reporting requirements relating to the hedge fund business.

On June 5, 2019, the SEC adopted Regulation Best Interest (“Reg BI”) as Rule 15l-1 under the Exchange Act. Reg BI imposes a new federal standard of conduct on registered broker-dealers and their associated persons when dealing with retail clients and requires that a broker-dealer and its representatives act in the best interest of such client and not place its own interests ahead of the customer’s interests. The effective compliance date for Reg BI was June 30, 2020. The new rules and processes related thereto will likely limit revenue and most likely involve increased costs, including, but not limited to, compliance costs associated with new or enhanced technology as well as increased litigation costs. (*see* “Business – Regulation – Fiduciary Standard – Rulemaking by the U.S. Department of Labor and SEC” in Part I, Item 1).

It is not possible to determine the extent of the impact of any new laws, regulations or initiatives that may be imposed, or whether any existing proposals will become law. Conformance with any new laws or regulations could make compliance more difficult and expensive and affect the manner in which we conduct business.

If the Company violates the securities laws, or is involved in litigation in connection with a violation, the Company's reputation and results of operations may be adversely affected.

Many aspects of the Company's business involve substantial risks of liability. An underwriter is exposed to substantial liability under federal and state securities laws, other federal and state laws, and court decisions, including decisions with respect to underwriters' liability and limitations on indemnification of underwriters by issuers. For example, a firm that acts as an underwriter may be held liable for material misstatements or omissions of fact in a prospectus used in connection with the securities being offered or for statements made by its securities analysts or other personnel. The Company's underwriting activities will usually involve offerings of the securities of smaller companies, which often involve a higher degree of risk and are more volatile than the securities of more established companies. In comparison with more established companies, smaller companies are also more likely to be the subject of securities class actions, to carry directors and officers liability insurance policies with lower limits or not at all, and to become insolvent. In addition, in market downturns, claims tend to increase. Each of these factors increases the likelihood that an underwriter may be required to contribute to an adverse judgment or settlement of a securities lawsuit.

The Company is exposed to litigation and arbitration risks, which may adversely affect our reputation, financial position and results of operations.

In the normal course of business, the operating subsidiaries have been and continue to be the subject of numerous civil actions and arbitrations arising out of customer complaints relating to our activities as a broker-dealer and investment adviser, as an employer and as a result of other business activities. The risks associated with litigation, claims and assessments are oftentimes difficult to quantify. If the Company misjudged the amount of damages that may be assessed against it from pending or threatened claims, or if the Company is unable to adequately estimate the amount of damages that will be assessed against it from claims that arise in the future and reserve accordingly, its financial condition and results of operations may be materially adversely affected.

RISK MANAGEMENT

The Company's risk management policies and procedures may leave it exposed to unidentified risks or an unanticipated level of risk.

The policies and procedures the Company employs to identify, monitor and manage risks may not be fully effective. Some methods of risk management are based on the use of observed historical market behavior. As a result, these methods may not predict future risk exposures, which could be significantly greater than historical measures indicate. Other risk management methods depend on evaluation of information regarding markets, clients or other matters that are publicly available or otherwise accessible. This information may not be accurate, complete or up-to-date or properly evaluated. Management of operational, legal and regulatory risk requires, among other things, policies and procedures to properly record and verify a large number of transactions and events. The Company cannot give assurances that its policies and procedures will effectively and accurately record and verify this information.

The Company seeks to monitor and control its risk exposure through a variety of separate but complementary financial, credit, operational, compliance and legal reporting systems. The Company believes that it effectively evaluates and manages the market, credit, liquidity and other risks to which it is exposed. Nonetheless, the effectiveness of the Company's ability to manage risk exposure can never be completely or accurately predicted or fully assured, and there can be no guarantee that the Company's risk management will be successful. For example, unexpectedly large or rapid movements or disruptions in one or more markets or other unforeseen developments can have a material adverse effect on the Company's financial condition and results of operations. The consequences of these developments can include losses due to adverse changes in securities values, decreases in the liquidity of trading positions, higher volatility in earnings, increases in the Company's credit risk to customers as well as to third parties and increases in general systemic risk. Certain of the Company's risk management systems are subject to regulatory review and may be found to be insufficient by the Company's regulators potentially leading to regulatory sanctions. The Company over the past several years has increased its systems of surveillance over the various risks facing its business and has instituted standing committees to regularly review both the risks themselves as well as the adequacy of the systems providing information. There can be no guarantee that the operation of these systems will allow the Company to prevent or mitigate the various risks faced by its businesses. Various regulators periodically review the companies' risk control practices, and, if found inadequate, bring enforcement actions and sanctions against such firms.

RISKS ASSOCIATED WITH THE COMPANY'S COMMON STOCK

The holders of Class A Stock do not have the ability to vote on most corporate matters which limits the influence that these holders have over the Company.

The Company issues two classes of shares, Class A non-voting common stock (the "Class A Stock") and Class B voting common stock (the "Class B Stock"). At December 31, 2022, there were 99,665 shares of Class B Stock outstanding compared to 10,868,556 shares of Class A Stock. The voting power associated with the Class B Stock allows holders of Class B Stock to effectively exercise control over all matters requiring stockholder approval, including the election of all directors and approval of significant corporate transactions, and other matters affecting the Company. Approximately 98% of the Class B Stock is held by an entity controlled by Mr. Albert Lowenthal, the Chairman and CEO of the Company, which allows Mr. Lowenthal to control all matters requiring stockholder approval. Due to the lack of voting power, the holders of the Class A Stock have limited influence on corporate matters. The voting power of the holders of Class B Stock may have the effect of depressing the price of the Company's Class A Stock, delaying or preventing a change in control of the Company or may result in the receipt of a "control premium" by the controlling stockholder which premium would not be received by the holders of the Class A Stock. The controlling stockholder may have potential conflicts of interest with other stockholders including the ability to determine the outcome of "say on pay" votes at the Company.

The trading volume in the Company's Class A Stock is less than that of larger financial services companies.

Although the Company's Class A Stock is listed for trading on the NYSE, the trading volume in the Class A Stock is less than that of larger financial services companies. A public trading market having the desired characteristics of depth, liquidity and orderliness depends on the presence in the marketplace of willing buyers and sellers of the Company's Class A Stock at any given time. This presence depends on the individual decisions of investors and general economic and market conditions over which the Company has no control. Given the lower trading volume of the Company's Class A Stock, significant sales of shares of the Company's Class A Stock, or the expectation of these sales, could cause the Company's Class A Stock price to fall and increase the volatility of the Class A Stock generally.

We may be removed from market indices.

Our Class A Stock is listed on the New York Stock Exchange and is included as a component in various market indices. At any given time, a company may be added, dropped, or retained as a component of a market index. The factors governing whether a company is added, dropped, or retained as a component of a market index may be unique to that index, and may change over time. Because certain funds track market indices, changes in constituent components of a tracked index will necessitate purchase or divestitures of shares of the company being added or dropped from the index. Consequently, any removal of us from an index of which we are currently a constituent component may result in the sale of our Class A Stock by these funds which may negatively impact the liquidity of our Class A stock. We are currently a constituent component of, among others, the Russell 3000 index. We have been informed that because voting rights are exclusively associated with our Class B Stock, which does not publically trade, we will be removed from this index in or about May, 2023.

The Company is the holding company of several operating subsidiaries, and is reliant on dividends and other sources of funding from those subsidiaries to pay dividends to holders of Class A Stock and meet our debt service and other obligations.

As a holding company, we are dependent on dividends and other sources of liquidity from our various operating subsidiaries in order to meet our debt service obligations, make dividend payments to holders of Class A Stock once declared by our Board of Directors and meet our other obligations. Some of our operating subsidiaries are subject to laws and regulations that may restrict the timing and/or amount of dividends that can be distributed to the Company, or provide the regulators such as the SEC or FINRA with the ability to prohibit or reduce the amount of any planned dividend distributions to the Parent. Such restrictions could adversely impact the price of the Company's Class A Stock and/or could impair our ability to pay dividends to holders of Class A Stock.

Our ability to pay future dividends to holders of Class A Stock is subject to the Board of Directors' discretion and may be impacted by our financial and operating results.

Our Board of Directors declared cash dividends of $0.15 per share each quarter in 2022 to holders of Class A and Class B Stock and also authorized the Company to repurchase shares of its Class A Stock. The declaration and payment of future cash dividends and authorization of future share repurchases is subject to the Board of Director's discretion and may be impacted by a number of factors, including but not limited to our net income levels, ability to generate positive operating cash flows, compliance with the Indenture for our Senior Secured Notes, subsidiary capital requirements and general financial and business conditions.

GENERAL BUSINESS AND ECONOMIC RISKS

Preparation of our financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that may differ from actual results. Additionally, new accounting standards adopted by the relevant standard-setting authorities could impact future reported results.

The preparation of our consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. In presenting the consolidated financial statements, management makes estimates regarding valuations of financial instruments, loans and allowances for credit losses, the outcome of legal and regulatory matters, goodwill and other intangible assets, share-based compensation plans and income taxes. Estimates, by their nature, are based on judgment and available information and may require management to make difficult, subjective and/or complex judgments. If management's estimates and assumptions are inaccurate, our financial position and results could be materially and adversely impacted.

At times, the Financial Accounting Standards Board (the "FASB") and the SEC may amend or introduce new accounting standards or interpretive guidance that could impact the preparation of our financial statements. The nature and timing of these changes can be difficult to predict and can have a material impact on our financial statements. In some cases, the new or revised accounting standard may require retrospective application, which would result in us restating prior-period financial statements.

The effects of the outbreak of the novel coronavirus (COVID-19) have negatively affected the global economy, the United States economy and the global financial markets, and may disrupt our operations and our clients' operations, which could have an adverse effect on our business, financial condition and results of operations.

The ongoing COVID-19 global and national health emergency has caused significant disruption in the international and United States economies and financial markets. The spread of COVID-19 has caused widespread illness and death, quarantines, cancellation of events and travel, business and school shutdowns, reduction in business activity and financial transactions, unemployment, labor shortages, supply chain interruptions and overall economic and financial market instability in the United States. Similar impacts have been experienced in every country in which we do business. Impacts to our business could be widespread and global, and material impacts may be possible, including key employees contracting COVID-19, reductions in our operating effectiveness as our employees work from home or disaster-recovery locations, unavailability of key personnel necessary to conduct our business activities, an economic environment which may have significant accounting and financial reporting implications, unprecedented volatility in global financial markets, reductions in revenue across our operating businesses, delay in planned entry into, or expansion of, investments or projects in foreign jurisdictions, closure of our offices or the offices of our clients, and de-globalization.

We are taking precautions to protect the safety and well-being of our employees and customers. However, no assurance can be given that the steps being taken will be deemed to be adequate or appropriate, nor can we predict the level of disruption which will occur to our employees' ability to provide customer support and service. We implemented certain elements of our business continuity plan in response to the pandemic, and we continue to rely on the related processes and technologies that were established. While these plans have been effective, if COVID-19 or another highly infectious or contagious disease continues to spread, if the response to contain it is unsuccessful, or if there are adverse changes in political conditions or social unrest as a result of the response, we may experience adverse effects on our business, financial condition, liquidity, and/or results of operations.

Developments in market and economic conditions have adversely affected, and may in the future adversely affect, the Company's business and profitability.

Performance in the financial services industry is heavily influenced by the overall strength of economic conditions and financial market activity, which generally have a direct and material impact on the Company's results of operations and financial condition. These conditions are a product of many factors, which are mostly unpredictable and beyond the Company's control, and may affect the decisions made by financial market participants.

Changes in economic and political conditions, including economic output levels, interest and inflation rates, employment levels, prices of commodities including oil and gas, exogenous market events, consumer confidence levels, and fiscal and monetary policy can affect market conditions. For example, the Federal Reserve's policies determine, in large part, the cost of funds for lending and investing and the return earned on those loans and investments. The market impact from such policies also can decrease materially the value of certain of our financial assets, most notably debt securities. Changes in the Federal Reserve's policies are beyond our control and, consequently, the impact of these changes on our activities and results of our operations are difficult to predict. While many global financial markets have shown signs of improvement in recent years, uncertainty remains. A period of sustained downturns and/or volatility in the securities markets, and/or prolonged levels of increasing interest rates, could lead to a return to increased credit market dislocations, reductions in the value of real estate, and other negative market factors which could significantly impair our revenues and profitability.

U.S. markets may also be impacted by political and civil unrest occurring in the Middle East, Eastern Europe, Russia, Venezuela and Asia. Concerns about the European Union ("EU"), including Britain's recent exit from the EU ("Brexit"), and the stability of the EU's sovereign debt, has caused uncertainty and disruption for financial markets globally. Hostilities between Russia and Ukraine have created uncertainties around the spread of the conflict, the use of nuclear weapons as well as its impact on global supply chains impacting energy supplies and food supplies throughout the world. These issues could have unforeseen and negative impacts upon the markets and the Company and its operations.

Continued uncertainties loom over the outcome of the EU's financial support programs. It is possible that other EU member states may choose to follow Britain's lead and leave the EU. Any negative impact on economic conditions and global markets from these developments could adversely affect our business, financial condition and liquidity.

Uncertain or unfavorable market or economic conditions could result in reduced transaction volumes, reduced revenue and reduced profitability in any or all of the Company's principal businesses. For example:

- The Company's investment banking revenue, in the form of underwriting, placement and financial advisory fees, is directly related to the volume and value of transactions as well as the Company's role in these transactions. In an environment of uncertain or unfavorable market or economic conditions, the volume and size of capital-raising transactions and acquisitions and dispositions typically decreases, thereby reducing the demand for the Company's investment banking services and increasing price competition among financial services companies seeking such engagements. The completion of anticipated investment banking transactions in the Company's pipeline is uncertain and beyond its control, and its investment banking revenue is typically earned upon the successful completion of a transaction. In most cases, the Company receives little or no payment for investment banking engagements that do not result in the successful completion of a transaction. For example, a client's acquisition transaction may be delayed or terminated because of a failure to agree upon final terms with the counterparty, failure to obtain necessary regulatory consents or board or stockholder approvals, failure to secure necessary financing, adverse market conditions or unexpected financial or other problems in the client's or counterparty's business. If the parties fail to complete a transaction on which the Company is advising or an offering in which it is participating, the Company will earn little or no revenue from the transaction but may incur expenses including, but not limited, to legal fees. The Company may perform services subject to an engagement agreement and the client may refuse to pay fees due under such agreement, requiring the Company to re-negotiate fees or commence legal action for collection of such earned fees. Accordingly, the Company's business is highly dependent on market conditions, the decisions and actions of its clients and interested third parties. The number of engagements the Company has at any given time is subject to change and may not necessarily result in future revenues. During 2022, assignments related to special purpose acquisition companies ("SPACs") decreased significantly from the prior year. We cannot assure that the volume of transactions for SPACs and corresponding fees will return to prior year's record levels. Additionally, our investments in SPACs, may be subject to forfeiture, potential regulatory scrutiny and litigation that could negatively affect our financial results.

- A portion of the Company's revenues are derived from fees generated from its asset management business segment. Asset management fees often are primarily comprised of base management and performance (or incentive) fees. Management fees are primarily based on assets under management. Assets under management balances are impacted by net inflow/outflow of client assets and changes in market values. Poor investment performance by the Company's funds and portfolio managers could result in a loss of managed accounts and could result in reputational damage that might make it more difficult to attract new investors and thus further impact the Company's business and financial condition. If the Company experiences losses of managed accounts, fee revenue will decline. In addition, in periods of declining market values, the values of assets under management may ultimately decline, which would negatively impact fee revenues.
- In the past decade, passively managed index funds have seen greater investor interest, and this trend has become more prevalent in recent years. This has led to a decline in the revenue the Company generates from commissions on the execution of trading transactions as turnover in client accounts diminishes. A continued lessening of investor interest in active investing and continued increase in passive investing may lead to a continued decline in the revenue the Company generates from commissions on the execution of trading transactions and, in respect of its market-making activities, a reduction in the value of its trading positions and commissions and spreads.

The Company has experienced significant pricing pressure in areas of its business, which may impair its revenues and profitability.

In recent years the Company has experienced, and continues to experience, significant pricing pressures on trading margins and commissions in debt and equity trading. In the fixed income market, regulatory requirements have resulted in greater price transparency, leading to increased price competition and decreased trading margins. In the equity market, the Company has experienced increased pricing pressure from institutional clients to reduce commissions, and this pressure has been augmented by the increased use of electronic and direct market access trading, which has created additional downward pressure on trading margins. The trend toward using alternative trading systems is continuing to grow, which may result in decreased commission and trading revenue, reduce the Company's participation in the trading markets and its ability to access market information, and lead to the creation of new and stronger competitors. Institutional clients also have pressured financial services firms to alter "soft dollar" practices under which brokerage firms bundle the cost of trade execution with research products and services. Some institutions are entering into arrangements that separate (or "unbundle") payments for research products or services from sales commissions. Institutions subject to MiFID II, which the Company does business with primarily through its European-based subsidiary, were required to unbundle such payments commencing January 3, 2018.

These arrangements have increased the competitive pressures on sales commissions and have affected the value the Company's clients place on high-quality research. Moreover, the Company's inability to reach agreement regarding the terms of unbundling arrangements with institutional clients who are actively seeking such arrangements could result in the loss of those clients, which would likely reduce the level of institutional commissions. The Company believes that price competition and pricing pressures in these and other areas will continue as institutional investors continue to reduce the amounts they are willing to pay, including reducing the number of brokerage firms they use, and some of our competitors seek to obtain market share by reducing fees, commissions or margins. The announcement by several large securities firms as well as a similar “no commission” offering by retail firms utilizing the internet and electronic trading has proven popular among retail clients both new to securities markets as well as some experienced investors and will only add to this pricing pressure, especially on the firms likes ours that cater to retail investors. Additional pressure on sales and trading revenue may impair the profitability of the Company's business.

The Company may make strategic acquisitions of businesses, engage in joint ventures or divest or exit existing businesses, which could result in unforeseen expenses or disruptive effects on its business.

From time to time, the Company may consider acquisitions of other businesses or joint ventures with other businesses. Any acquisition or joint venture that the Company determines to pursue will be accompanied by a number of risks. After the announcement or completion of an acquisition or joint venture, the Company's share price could decline if investors view the transaction as too costly or unlikely to improve the Company's competitive position.

Costs or difficulties relating to such a transaction, including integration of products, employees, offices, technology systems, accounting systems and management controls, may be difficult to predict accurately and be greater than expected causing the Company's estimates to differ from actual results. The Company may be unable to retain key personnel after the transaction, and the transaction may impair relationships with customers and business partners. In addition, the Company may be unable to achieve anticipated benefits and synergies from the transaction as fully as expected or within the expected time frame. Divestitures or elimination of existing businesses or products could have similar effects, including the loss of earnings of the divested business or operation. These difficulties could disrupt the Company's ongoing business, increase its expenses and adversely affect its operating results and financial condition. As the costs of doing business increase, the Company may not be able to continue to grow its revenues through “organic” growth (the growth attendant to hiring one employee at a time or through expanding into a new business line through a limited investment in technology and employment). In lieu of organic growth, it becomes increasingly necessary to grow through the acquisition of a business or businesses that fulfill the Company's strategic decisions for growth. However, due to competition or the cost of such acquisitions, such expansion may not be available on a profitable basis and may threaten the Company's ongoing ability to expand its business.

The business operations that are conducted outside of the United States subject the Company to unique risks and potential loss.

To the extent the Company conducts business outside the United States, it is subject to risks including, without limitation, the risk that it will be unable to provide effective operational support to these business activities, the risk of non-compliance with foreign laws and regulations, the general economic and political conditions in countries where it conducts business and currency fluctuations. The Company operates in Israel, the United Kingdom, the Isle of Jersey, Germany, Switzerland and Hong Kong. If the Company is unable to manage these risks relating to its foreign operations effectively, its reputation and results of operations could be harmed.

The United Kingdom's exit from the EU could impact our overseas operations.

In June 2016, the UK held a referendum in which voters approved an exit from the EU, commonly referred to as "Brexit," and the UK exited the EU in January 2020. The withdrawal, among other outcomes, has disrupted the free movement of goods, services and people between the UK and the EU, undermined bilateral cooperation in key policy areas and significantly disrupted trade between the UK and the EU. The UK exited the EU without a continuing agreement covering many aspects of its relationship, at least as that relates to financial services, which has been disruptive to the economies of both parties and has negatively affected our business conducted in the EU. We may also face new regulatory costs and challenges as a result of Brexit that could have a negative effect on our operations. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the UK determines which EU laws to replace or replicate. Given the lack of comparable precedent, it is unclear what financial, regulatory, trade and legal implications the withdrawal of the UK from the EU will continue to have and how such withdrawal will continue to affect us. The Company has reviewed various strategies to be able to continue its relationships with clients within the EU, including becoming domiciled in one or more EU countries and becoming subject to their respective regulations. We presently plan to have an EU office in Portugal to be able to continue to service various constituencies operating inside the EU. There is no assurance that this strategy will be successful or effective.

It is possible that the level of economic activity in the UK and the rest of Europe will be adversely impacted and that we will face increased regulatory and legal complexities, including those related to tax, trade, security and employee relations as a result of Brexit. Such changes could be costly and potentially disruptive to our operations and business relationships in affected regions.

The ability to attract, develop and retain highly skilled and productive employees, particularly qualified financial advisors is critical to the success of the Company's business.

The Company faces intense competition for qualified employees from other businesses in the financial services industry, and the performance of its business may suffer to the extent it is unable to attract and retain employees effectively, particularly given the relatively small size of the Company and its employee base compared to some of its competitors. The primary sources of revenue in each of the Company's business lines are commissions and fees earned on advisory and underwriting transactions and customer accounts managed by its employees, who are regularly recruited by other firms and in certain cases are able to take their client relationships with them when they change firms. Experienced employees are regularly offered financial inducements by larger competitors to change employers, and thus competitors can de-stabilize the Company's relationship with valued employees. Some specialized areas of the Company's business are operated by a relatively small number of employees, the loss of any of whom could jeopardize the continuation of that business following the employee's departure.

Turnover in the financial services industry is high. The cost of retaining skilled professionals in the financial services industry has escalated considerably. Financial industry employers are increasingly offering guaranteed contracts, upfront payments, and increased compensation. These can be important factors in a current employee's decision to leave us as well as in a prospective employee's decision to join us. As competition for skilled professionals in the industry remains intense, we may have to devote significant resources to attracting and retaining qualified personnel. To the extent we have compensation targets, we may not be able to retain our employees, which could result in increased recruiting expense or result in our recruiting additional employees at compensation levels that are not within our target range. In particular, our financial results may be adversely affected by the costs we incur in connection with any upfront loans or other incentives we may offer to newly recruited financial advisors and other key personnel. If we were to lose the services of any of our investment bankers, senior equity research, sales and trading professionals, asset managers, or executive officers to a competitor or otherwise, we may not be able to retain valuable relationships and some of our clients could choose to use the services of a competitor instead of our services. If we are unable to retain our senior professionals or recruit additional professionals, our reputation, business, results of operations and financial condition could be adversely affected. Further, new business initiatives and efforts to expand existing businesses generally require that we incur compensation and benefits expense before generating additional revenues.

Moreover, companies in our industry whose employees accept positions with competitors frequently claim that those competitors have engaged in unfair hiring practices. We have been subject to such claims and may be subject to additional claims in the future as we seek to hire qualified personnel, some of whom may work for our competitors. Some of these claims may result in material litigation.

We could incur substantial costs in defending against these claims, regardless of their merits. Such claims could also discourage potential employees who work for our competitors from joining us. Recent actions by some larger competitors to reject the "Recruiting Protocol", an industry adopted set of practices permitting financial advisors to port their client relationships to a new firm under strict rules, is likely to increase the likelihood of litigation among competitors surrounding the employment of new advisors and their solicitation of their clients and may act as a new barrier to recruitment of financial advisors.

The Company depends on its senior employees and the loss of their services could harm its business.

The Company's success is dependent in large part upon the services of its senior executives and employees. Any loss of service of the chief executive officer ("CEO") may adversely affect the business and operations of the Company. The Company maintains key man insurance on the life of its CEO. Approximately 98% of the shares of Class B Stock are held by Phase II Financial Inc. ("Phase II"), a Delaware corporation controlled by Mr. Albert Lowenthal, the Chairman and CEO of the Company. In the event of Mr. Lowenthal's death or incapacity, control of Phase II would pass to Mr. Lowenthal's spouse. If the Company's senior executives or employees terminate their employment and the Company is unable to find suitable replacements in relatively short periods of time, its operations may be materially and adversely affected.

The precautions the Company takes to prevent and detect employee misconduct may not be effective and the Company could be exposed to unknown and unmanaged risks or losses.

The Company runs the risk that employee misconduct could occur. Misconduct by employees could include, employees binding the Company to transactions that exceed authorized limits or present unacceptable risks to the Company (rogue trading); employee theft and improper use of Company or client property; employees conspiring with other employees or third parties to defraud the Company; employees hiding unauthorized or unsuccessful activities from the Company, including outside business activities that are undisclosed and may result in liability to the Company; employees steering or soliciting their clients into investments which have not been sponsored by the Company and without the proper diligence; the improper use of confidential information; employee conduct outside of acceptable norms including harassment; or employees engaging in “hacking” or breaching our cybersecurity safeguards.

These types of misconduct could result in unknown and unmanaged risks or losses to the Company including regulatory sanctions and serious harm to its reputation. The precautions the Company takes to prevent and detect these activities may not be effective. If employee misconduct does occur, the Company's business operations could be materially adversely affected.

There have been a number of highly-publicized cases involving fraud or other misconduct by employees in the financial services industry, and the Company has experienced such cases in the past and there is a risk that our employees could engage in misconduct in the future that adversely affects our business. The Company has experienced employee misconduct which has led to regulatory sanctions and legal liability that has adversely affected our results and could continue to adversely affect our results in the future. We remain subject to a number of obligations and standards arising from our asset management business and our authority over the assets managed by our asset management business. In addition, our financial advisors may act in a fiduciary capacity, providing financial planning, investment advice and discretionary asset management. The violation of these obligations and standards by any of our employees could adversely affect our clients and us. It is not always possible to deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in all cases. If our employees engage in misconduct, our business could be materially adversely affected including our cash position.

Employee misconduct, including harassment in the workplace, has come under increasing scrutiny in the national media. While the Company has adopted a Code of Conduct and instituted training for its employees, it is difficult to predict when an employee may deviate from acceptable practices and open the Company to liability either from actions taken by other employees or by authorities.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. PROPERTIES

The Company and Oppenheimer maintain offices at their headquarters at 85 Broad Street, New York, New York which houses their executive management team and many administrative functions for the firm as well as their research, trading, investment banking, and asset management divisions. Generally, the offices outside of 85 Broad Street serve as bases for sales representatives who process trades and provide other brokerage services in co-operation with Oppenheimer's New York offices using the data processing facilities located there. The Company maintains an office in Troy, Michigan, which among other things, houses its payroll and human resources departments. Oppenheimer Trust is based in Wilmington, Delaware. Freedom conducts its business from its offices located in Edison, New Jersey. Management believes that its present facilities are adequate for the purposes for which they are used and have adequate capacity to provide for presently contemplated future uses. In addition, the Company has offices in London, England, St. Helier, Isle of Jersey, Geneva, Switzerland, Frankfurt, Germany, Tel Aviv, Israel and Hong Kong, China. Working arrangements for employees based outside of our corporate headquarters varies based on local regulations and COVID-19 infection rates. Management is assessing its future real estate needs in light of the ongoing pandemic, current remote conditions, the existing footprint, and upcoming lease expirations.

Item 3. LEGAL PROCEEDINGS

Many aspects of the Company's business involve substantial risks of liability. In the normal course of business, the Company has been the subject of customer complaints and has been named as a defendant or co-defendant in various lawsuits or arbitrations creating substantial exposure. The Company is also involved from time to time in certain governmental and self-regulatory agency investigations and proceedings. These proceedings arise primarily from securities brokerage, asset management and investment banking activities. Regulatory investigations in the financial services industry may include investigations by multiple regulators of matters involving the same or similar underlying facts and seek substantial penalties, fines or other monetary relief.

While the ultimate resolution of routine pending litigation, regulatory and other matters cannot be currently determined, in the opinion of management, after consultation with legal counsel, the Company does not believe that the resolution of these matters will have a material adverse effect on its consolidated balance sheet and statement of cash flows. However, the Company's results of operations could be materially affected during any period if liabilities in that period differ from prior estimates.

Notwithstanding the foregoing, multiple adverse results in arbitrations, litigations or regulatory proceedings currently filed or to be filed against the Company, could have a material adverse effect on the Company's results of operations and financial condition, including its cash position.

The materiality of legal and regulatory matters to the Company's future operating results depends on the level of future results of operations as well as the timing and ultimate outcome of such legal and regulatory matters. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Factors Affecting 'Forward-Looking Statements'" in Part I, Item 2.

In accordance with applicable accounting guidance, the Company establishes reserves for litigation and regulatory matters when those matters present loss contingencies that are both probable and reasonably estimable. When loss contingencies are not both probable and reasonably estimable, the Company does not establish reserves. In some of the matters described below, loss contingencies are not probable and reasonably estimable in the view of management and, accordingly, the Company has not established reserves for those matters. For legal or regulatory proceedings where there is at least a reasonable possibility that a loss or an additional loss may be incurred, the Company estimates a range of aggregate loss in excess of amounts accrued of up to $40 million. This estimated aggregate range is based upon currently available information for those legal proceedings in which the Company is involved, where an estimate for such losses can be made. For certain cases, the Company does not believe that it can make an estimate. The foregoing estimate is based on various factors, including the varying stages of the proceedings (including the fact that some are currently in preliminary stages), the numerous yet-unresolved issues in many of the proceedings and the attendant uncertainty of the various potential outcomes of such proceedings. Accordingly, the Company's estimate will change from time to time, and actual losses may be materially more than the current estimate.

Beginning on or about August 31, 2021, Oppenheimer has been named as a respondent in thirty-seven arbitrations, many containing multiple claimants, each filed before FINRA, relating to those claimants' purported investment in Horizon Private Equity, III, LLC ("Horizon"). Horizon is alleged to be a fraudulent scheme involving, among others, a former Oppenheimer employee John Woods. John Woods left Oppenheimer’s employ in 2016 and Oppenheimer never received a complaint or question from any of the investors prior to the Securities and Exchange Commission (“SEC”) bringing a complaint against Woods and his co-conspirators in 2021. Each investor signed a document acknowledging that Horizon was not an approved Oppenheimer product. Over a protracted period of time, Woods made multiple false statements to Oppenheimer, to regulators and to a state court. The claimants are seeking damages based on a number of legal theories, including, without limitation, violations of various state and federal statutes, breach of fiduciary duty, procurement of breach of fiduciary duty, negligent misrepresentation, aiding and abetting fraud, and unjust enrichment. Claimants do not allege Oppenheimer received any of the funds invested in Horizon, but rather that Oppenheimer’s purported failure to properly supervise its employees allowed the alleged scheme to occur and continue. The twenty-six arbitrations still pending claim specific monetary damages allege losses of approximately $36.4 million in the aggregate while a few others claim unspecified damages. Oppenheimer believes these claims to be without merit and intends to defend itself vigorously against these claims.

As previously reported Oppenheimer’s motion to vacate the arbitration award in *Donald Robinson, Timothy and Sharon Padden, Rhett Rainey, Kelly A. Rainey Trust, Toucan Holdings LP, Robert Goodman, Robert Daniel Burgner, Individually and as Trustee of the Burgner Family Charitable Remainder Trust, Douglas Kasemeier, Wesley Callaway, and Billy Loveless v. Oppenheimer & Co. Inc.* (the “Robinson Arbitration”) was denied on January 30, 2023. Oppenheimer has settled, or settled in principle, eleven of the Horizon related arbitrations, including the Robinson Arbitration,with approximately forty-one individual complainants. The aggregate settlement payments for those eleven arbitrations total approximately $48.6 million.

On June 30, 2022, the Company received a "Wells Notice" from the SEC requesting that Oppenheimer make a written submission to the SEC to explain why Oppenheimer should not be charged with violations of Section 15c2-12 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Rule 15c2-12 thereunder as well as Municipal Securities Rulemaking Board Rules G-17 and G-27 in relation to its sales of municipal notes pursuant to an exemption from continuing disclosure contained in Rule 15c2-12. On September 13, 2022, the SEC filed a complaint against Oppenheimer in the United States District Court for the Southern District of New York (the “Court”) alleging that Oppenheimer violated Section 15B(c)(1) of the Exchange Act and Rule15c2-12 thereunder as well as Municipal Securities Rulemaking Board Rules G-17 and G-27 for not having fully complied with the exemption from the continuing disclosure obligations under Rule 15c2-12. The SEC asked the Court to enter an order enjoining Oppenheimer from violating the above referenced rules and requiring it to disgorge approximately $1.9 million plus interest. The Company believes such claim to be without merit and intends to vigorously defend itself against such claim.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

Item 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

(a) The Company's Class A Stock is listed and traded on the NYSE (trading symbol "OPY"). The Class B Stock is not traded on any stock exchange and, as a consequence, there is only limited trading in the Class B Stock. The Company does not presently contemplate listing the Class B Stock in the United States on any national or regional stock exchange or on NASDAQ.

The Company paid cash dividends of $0.60 per share in 2022 to holders of Class A and Class B Stock for a total of $7.0 million. The Company paid cash dividends of $1.54 per share in 2021 to holders of Class A and Class B Stock, including a special dividend of $1.00 per share paid on December 31, 2021, for a total of $19.4 million. The Company paid cash dividends of $1.48 per share in 2020 for a total of $18.6 million. The payment of dividends in the future is subject to the discretion of our Board of Directors and will depend upon general business conditions, legal and contractual restrictions on the payment of dividends and other factors that our Board of Directors may deem to be relevant.

As of December 31, 2022, there were 1,695,239 shares of Class A Stock underlying outstanding options and restricted share awards. The Class A Stock underlying all vested options, if exercised, and restricted shares could be sold pursuant to Rule 144 or effective registration statements on Form S-8.

(b) The following table sets forth information about the stockholders of the Company as of February 28, 2023 as set forth in the records of the Company's transfer agent and registrar:

	Number of Shares Outstanding	Number of Stockholders of Record
Class A Stock	11,067,778	90
Class B Stock	99,665	31

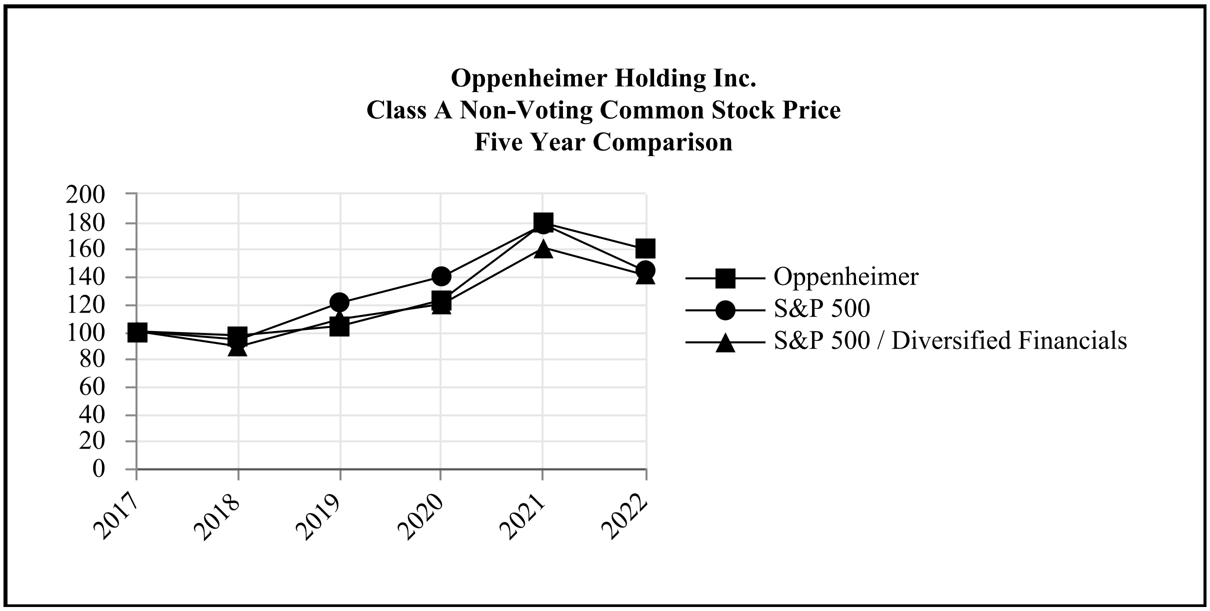
(c) Share-Based Compensation Plans

On February 26, 2014, the Company adopted the Oppenheimer Holdings Inc. 2014 Incentive Plan (the "OIP") pursuant to which the Compensation Committee of the Board of Directors of the Company grants options to purchase Class A Stock, restricted Class A Stock awards and Class A Stock awards to officers, directors and key employees of the Company and its subsidiaries.

The Company's share-based compensation plans are described in note 16 to the consolidated financial statements appearing in Item 8.

(d) Share Performance Graph

The following graph shows changes over the past five year period of U.S. $100 invested in (1) the Company's Class A Stock, (2) the Standard & Poor's 500 Index (S&P 500), and (3) the Standard & Poor's 500 Diversified Financial Index (S&P 500 / Diversified Financials – S5DIVF):



As of December 31,	2017	2018	2019	2020	2021	2022
Oppenheimer Class A Stock	100	97	104	123	179	160
S&P 500	100	94	121	140	178	144
S&P 500 / Diversified Financials	100	89	109	120	161	141

Stock Buy-Back and Repurchase of Senior Secured Notes

On May 15, 2020, the Company announced that its Board of Directors approved a share repurchase program that authorizes the Company to purchase up to 530,000 shares of the Company's Class A Stock, representing approximately 4.2% of its 12,636,523 then issued and outstanding shares of Class A Stock. This authorization supplemented the 98,625 shares that remained authorized and available under the Company's previous share repurchase program for a total of 628,625 shares authorized and available for repurchase at May 15, 2020.

On February 28, 2022, the Company announced that its Board of Directors approved a share repurchase program that authorizes the Company to purchase up to 518,000 shares of the Company's Class A Stock, representing approximately 4.2% of its 12,322,073 then issued and outstanding shares of Class A Stock. This authorization supplemented the 12,407 shares that remained authorized and available under the Company's previous share repurchase program for a total of 530,407 shares authorized and available for repurchase at February 28, 2022.

On May 24, 2022, the Company announced that its Board of Directors approved a share repurchase program that authorizes the Company to purchase up to 550,000 shares of the Company's Class A Stock, representing approximately 4.6% of its 11,863,559 then issued and outstanding shares of Class A Stock. This authorization supplemented the 71,893 shares that remained authorized and available under the Company's previous share repurchase program for a total of 621,893 shares authorized and available for repurchase at May 24, 2022.

On July 29, 2022, the Company's Board of Directors approved a share repurchase program that authorizes the Company to purchase up to 536,500 shares of the Company's Class A Stock, representing approximately 4.8% of its 11,251,930 then issued and outstanding shares of Class A Stock. This authorization supplemented the 4,278 shares that remained authorized and available under the Company's previous share repurchase program for a total of 540,778 shares authorized.

On December 13, 2022, the Company's Board of Directors approved a share repurchase program that authorizes the Company to purchase up to 543,000 shares of the Company's Class A Stock, representing approximately 5.0% of its 10,867,660 then issued and outstanding shares of Class A Stock. This authorization supplemented the 144,034 shares that remained authorized and available under the Company's previous share repurchase program for a total of 687,034 shares authorized.

During the year ended December 31, 2022, the Company purchased and canceled an aggregate of 1,684,287 (15%) shares of Class A Stock for a total consideration of $60.6 million ($36.00 per share). As of December 31, 2022, 687,034 shares remained available to be purchased under its share repurchase program. During the year ended December 31, 2021, the Company purchased and canceled an aggregate of 177,192 shares of Class A Stock for a total consideration of $7.7 million ($43.67 per share). As of December 31, 2021, 223,821 shares remained available to be purchased under the share repurchase program.

Any such share purchases will be made by the Company from time to time in the open market at the prevailing open market price using cash on hand, in compliance with the applicable rules and regulations of the New York Stock Exchange and federal and state securities laws and the terms of the Company's Notes. All shares purchased will be canceled. The share repurchase program is expected to continue indefinitely. The timing and amounts of any purchases will be based on market conditions and other factors including price, regulatory requirements, tax impact and capital availability. The share repurchase program does not obligate the Company to repurchase any dollar amount or number of shares of Class A Stock. Depending on market conditions and other factors, these repurchases may be commenced or suspended from time to time without prior notice.

During the fourth quarter of 2022, the Company issued 8,692 shares of Class A Stock pursuant to the Company's share-based compensation plans to employees of the Company for no cash consideration. Such issuances were exempt from registration pursuant to Section 4(a)(2) of the Securities Act. The following table provides information regarding purchases of shares of Class A Stock during the fourth quarter:

Period	(a) Total number of shares purchased	(b) Average price paid per share	(c) Total number of shares purchased as part of publicly announced plans or programs	(d) Maximum number of shares that may yet be purchased under the plans or programs (2)
October 1 - 31, 2022	8,692	$31.47	8,692	144,034
November 1 - 30, 2022	—	$—	—	144,034
December 1 - 31, 2022 (1)	—	$—	—	687,034
Q4 2022 Total	**8,692**	**$31.47**	**8,692**	**687,034**

(1) On December 13, 2022, the Company announced that its Board of Directors approved a share repurchase program that authorizes the Company to purchase up to 543,000 shares of the Company's Class A Stock.

(2) None of the foregoing authorizations is subject to expiration.

In addition, the Company has repurchased and may continue to seek to repurchase its outstanding 5.50% Senior Secured Notes due 2025 (the "Senior Secured Notes") from time to time through, as applicable, tender offers, open market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will depend on a number of factors, including, but not limited to, the Company's priorities for the use of cash, price, market and economic conditions, its liquidity requirements, and legal and contractual restrictions. During 2022, the Company repurchased and cancelled $10.95 million aggregate principal amount of its Senior Secured Notes in the open market

Item 6. Reserved

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The purpose of this section is to discuss and analyze our consolidated financial condition, liquidity and capital resources and results of operations for the years ended December 31, 2022 and 2021. For a discussion of our results of operations and liquidity and capital resources for the year ended December 31, 2020, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

This analysis should be read in conjunction with the consolidated financial statements and related footnote disclosures contained in this report.

BACKGROUND

The consolidated financial statements include the accounts of Oppenheimer Holdings Inc. and its consolidated subsidiaries (together, the "Company", "Parent", "we", "our" or "us"). The Company's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The following discussion should be read in conjunction with the consolidated financial statements and notes thereto which appear elsewhere in this annual report.

Oppenheimer Holdings Inc., through its operating subsidiaries, is a leading middle market investment bank and full service broker-dealer that is engaged in a broad range of activities in the securities industry, including retail securities brokerage, institutional sales and trading, market-making, research, investment banking (both corporate and public finance), investment advisory and asset management services and trust services. Its principal subsidiaries are Oppenheimer & Co. Inc. ("Oppenheimer") and Oppenheimer Asset Management Inc. ("OAM"). As of December 31, 2022, we provided our services from 92 offices in 25 states located throughout the United States, offices in Puerto Rico, Tel Aviv, Israel, Hong Kong, China, London, England, St. Helier, Isle of Jersey, Munich, Germany and Geneva, Switzerland. The Company provides investment advisory services through OAM and Oppenheimer Investment Management LLC ("OIM") and Oppenheimer's financial advisor directed programs. At December 31, 2022, client assets under management LLC ("AUM") totaled $36.8 billion. AUM includes the total market value of client investments in discretionary and non-discretionary advisory programs and as well as the net asset value of private placement of alternative investments offered by and held by clients of the firm. Client assets under administration ("CAUA") as of December 31, 2022 totaled $105.0 billion. CAUA includes AUM and the other assets for which the firm provides services. We also provide trust services and products through Oppenheimer Trust Company of Delaware and discount brokerage services through Freedom Investments, Inc. ("Freedom"). Through OPY Credit Corp., from time to time we may offer syndication as well as trading of issued syndicated corporate loans. At December 31, 2022, the Company employed 2,912 employees (2,868 full-time and 44 part-time), of whom 968 were financial advisors.

Outlook

We are focused on growing our private client and asset management businesses through strategic additions of experienced financial advisors in our existing branch system and employment of experienced money management personnel in our asset management business as well as deploying our capital for expansion through targeted acquisitions. We are increasingly creating and investing in private market opportunities on our own behalf and on behalf of qualified clients. We are also focused on opportunities in our capital markets businesses where we can employ experienced personnel and/or small units that will improve our ability to attract institutional clients in both equities and fixed income without significantly raising our risk profile. We are continuously reviewing ways in which we can increase security around our data and our platform as the risks of cybercrime increase. In investment banking, we are committed to growing our footprint by adding experienced bankers within our existing industry practices as well as new industry practices where we believe we can be successful.

We continuously invest in and improve our technology platform to support client service and to remain competitive, while continuously managing expenses. The Company's long-term growth plan is to continue to expand existing offices by hiring experienced professionals as well as expand through the purchase of operating branch offices from other broker-dealers or the opening of new branch offices in attractive locations, and to continue to grow and develop the existing trading, investment banking, investment advisory and other divisions. We are committed to continuing to improve our capabilities to ensure compliance with industry regulations, support client service and expand our wealth management and capital markets capabilities. We recognize the importance of compliance with applicable regulatory requirements and are committed to performing rigorous and ongoing assessments of our compliance and risk management effort, and investing in people and programs, while providing a platform with first class investment programs and services.

The Company is also reviewing its full service business model to determine the opportunities available to build or acquire closely related businesses in areas where others have shown some success. Equally important is the search for viable acquisition candidates. Our long-term intention is to pursue growth by acquisition where we can find a comfortable match in terms of corporate goals and personnel at a price that would provide our shareholders with incremental value. We review potential acquisition opportunities from time to time with the aim of fulfilling the Company's strategic goals, while evaluating and managing our existing businesses. In addition, the Company may from time to time make minority private investments out of excess capital in allied or unrelated businesses with the goal of either syndicating the investment to eligible clients or retaining ownership because we believe them to be an attractive investment.

Impact of Interest Rates

The Federal Reserve ("FED") increased the federal funds rate by 425 basis point during 2022, with the majority of that increase occurring during the second half of the year. While we have seen indications in the fourth quarter that inflation has peaked and is beginning to slowly abate, it remains at elevated levels. As a result, it is likely that the FED will continue to increase the federal funds rate when it meets in early 2023, though at a slower pace, and in fact did so on February 1, 2023, with a 25 basis point increase. In addition, the FED has continued to reduce its balance sheet as it allows maturing bonds to runoff without re-investing the proceeds. The increases in the federal funds rate will be favorable to the Company's interest-based revenues. However, the FED's current policies, which are intended to reduce inflation, are also likely to reduce economic activity possibly leading to a recession. Such increases, while bringing down inflationary pressures may also prove detrimental to economic activity and thereby to financial markets in general. The impact of rate increases seems likely to increase volatility in financial markets, decrease the value of fixed income investments and negatively impact equity share prices while reducing revenues the Company derives from commissions and from fees based on the value of client assets managed by the Company. However, increases in interest rates will increase fees the Company earns from FDIC-insured deposits of clients through a program offered by the Company, though such increases may be offset if the cash sweep balances decrease. These rate increases will also increase the rates the Company charges on margin balances and have a positive impact on our earnings.

Ukraine War

In February 2022, without provocation, Russia invaded Ukraine. The war has lasted longer than previously anticipated, and it seems likely it will last for an extended period of time as the Ukrainians continue to be more successful than initially expected at turning back Russian forces and as NATO and other countries supply the Ukrainians with armaments and supplies. The European Union and the United States have imposed broad-based sanctions and impounded financial assets of Russia, its companies and various notable Russian individuals. The impact of the sanctions has been to increase the price of hydrocarbons and the costs of various agricultural products produced by both Russia and Ukraine. In addition, the disruption of supplies for those products has further increased inflationary pressures in Europe as well as the rest of the world and in addition has led to significant cutbacks in economic activity due to anticipated shortages of natural gas in the winter period due to actions taken by Russia and OPEC. It has also had the indirect effect of lowering consumer confidence and consumer spending in Europe, all of which could have an adverse impact on financial markets in Europe as well as the U.S. and, thus on our business.

Inflation Reduction Act of 2022

On August 16, 2022, President Biden signed H.R. 5376, commonly referred to as the Inflation Reduction Act (the "IRA"), into law, which includes an excise tax on stock buybacks, a new alternative minimum tax and significant tax incentives for energy and climate initiatives, among other provisions. Effective for repurchases occurring after December 31, 2022, the IRA imposes a nondeductible 1% excise tax on the net value of certain stock that is repurchased during the tax year. The value of stock repurchases subject to the tax is reduced by the value of any stock issued during the tax year. Additionally, effective for tax years beginning after December 31, 2022, the IRA imposes a 15% corporate alternative minimum tax on companies with adjusted financial statement income exceeding $1 billion over a three-year period. While we are currently assessing the impact of the IRA's provisions, we do not expect it to have a material impact on the Company's financial statements although buybacks by the Company occurring after December 31, 2022 may be subject to the 1% excise tax.

COVID-19 PANDEMIC

The Company continues to monitor the effects of the COVID-19 pandemic both on a national level as well as regionally and locally and is responding accordingly. In early March 2020, the Company executed on its Business Continuity Plan whereby the vast majority of our employees began to work remotely with only "essential" employees reporting to our offices. We accomplished this by significantly expanding the use of technology infrastructure that facilitates remote operations. Our ability to avoid significant business disruptions is reliant on the continued ability to support our employees that continue to work remotely. To date, there have been no significant disruptions to our business or control processes as a result of this dispersion of employees. Since the direct impact of the virus has been substantially reduced, we have seen increased attendance at the workplace as local regulations have been loosened, hospital visits reduced and a larger portion of the population vaccinated. Throughout 2022, most of our employees worked under a hybrid arrangement that recognizes the benefits of collaboration and hands-on training associated with in-person engagement, along with the importance of flexibility associated with a work from home/remote option. At the same time, employees from our home office and branch locations continue to work remotely. There can be no assurance at this time that these improvements will continue and we continue to closely monitor the situation.

EXECUTIVE SUMMARY

The results for the full year 2022 are significantly reduced from the prior year's record levels, largely reflecting the impact of challenging macroeconomic conditions as well as an adverse arbitration decision in 2022. Concerns around whether inflation, rising interest rates and other geopolitical tensions could induce a recession weighed negatively on market sentiment during the year. This resulted in significant declines in transaction volumes and in the valuations of the equity and fixed income markets, which drove a meaningful reduction in both our transaction based revenues and advisory fee revenues. The volatile markets also led to a cooling of equity IPOs, secondary offerings and M&A transaction activity, which negatively impacted our capital markets income.

Nevertheless, in spite of these headwinds, we were able to deliver profitable results for the year owing to the diversity and countercyclical nature of our revenue streams. In particular, bank deposit sweep income and interest income on margin loans increased significantly throughout the year, as both received a benefit from the short-term interest rate increases enacted by the FED. Importantly, while we experienced higher legal expenses during the year, we remain focused on managing our controllable costs and maintaining discipline on our overall expense levels.

The Company continues to maintain a strong balance sheet with a significant excess in regulatory capital. During the year, the Company took advantage of the lower level of its share price to purchase 1,684,287 shares (15%) of its Class A Stock at an average price of $36.00 per share in the open market under its share repurchase program. This resulted in 10,868,556 shares of Class A Stock remaining outstanding at December 31, 2022. We remain confident in the strength of our brand, the resiliency of our businesses and our ability to continue to provide essential investment services to our clients.

RESULTS OF OPERATIONS

The following table and discussion summarizes the changes in the major revenue and expense categories for the past three years:

(Expressed in thousands)	For the Years Ended December 31,			For the Years Ended December 31,		
	2022	**2021**	**% Change**	**2021**	**2020**	**% Change**
REVENUE						
Commissions	$ 370,382	$ 401,607	(7.8)	$ 401,607	$ 395,097	1.6
Advisory fees	425,615	451,197	(5.7)	451,197	455,261	(0.9)
Investment banking	127,529	435,870	(70.7)	435,870	222,298	96.1
Bank deposit sweep income	104,558	15,557	572.1	15,557	34,829	(55.3)
Interest	60,713	36,482	66.4	36,482	33,477	9.0
Principal transactions, net	21,031	23,984	(12.3)	23,984	27,874	(14.0)
Other	1,113	29,338	(96.2)	29,338	29,831	(1.7)
Total revenue	1,110,941	1,394,035	(20.3)	1,394,035	1,198,667	16.3
EXPENSES						
Compensation and related expenses	740,827	886,840	(16.5)	886,840	770,997	15.0
Communications and technology	85,474	80,520	6.2	80,520	82,132	(2.0)
Occupancy and equipment costs	59,897	60,069	(0.3)	60,069	62,352	(3.7)
Clearing and exchange fees	25,566	22,306	14.6	22,306	22,978	(2.9)
Interest	23,846	9,855	142.0	9,855	15,680	(37.1)
Other	129,777	109,804	18.2	109,804	75,528	45.4
Total expenses	1,065,387	1,169,394	(8.9)	1,169,394	1,029,667	13.6
Pre-tax income	45,554	224,641	(79.7)	224,641	169,000	32.9
Income taxes	13,444	65,677	(79.5)	65,677	46,014	42.7
Net Income	$ 32,110	$ 158,964	(79.8)	$ 158,964	$ 122,986	29.3
Net income (loss) attributable to noncontrolling interest, net of tax	(241)	—	*	—	—	*
Net income attributable to Oppenheimer Holdings Inc.	$ 32,351	$ 158,964	(79.6)	$ 158,964	$ 122,986	29.3

**Percentage not meaningful*

Fiscal 2022 compared to Fiscal 2021

Revenue

- Commission revenue was $370.4 million for the year ended December 31, 2022, a decrease of 7.8% compared with $401.6 million for the year ended December 31, 2021 due to decreased client activity in mutual funds, listed securities, OTC products and annuities, partially offset by higher commission income on municipal bonds.

- Advisory fees were $425.6 million for the year ended December 31, 2022, a decrease of 5.7% compared with $451.2 million for the year ended December 31, 2021 due to the reduced valuations of assets under management.

- Investment banking revenue was $127.5 million for the year ended December 31, 2022, a decrease of 70.7% compared with $435.9 million for the year ended December 31, 2021 driven by an industry-wide decrease in M&A transactions, and significantly lower levels of capital issuances in the equity markets, particularly in the healthcare and technology sectors.

- Bank deposit sweep income was $104.6 million for the year ended December 31, 2022, an increase of 572.1% compared with $15.6 million for the year ended December 31, 2021 due to significantly higher short-term interest rates.

- Interest revenue was $60.7 million for the year ended December 31, 2022, an increase of 66.4% compared with $36.5 million in 2021 due to higher average margin balances and higher short-term interest rates.

- Principal transactions revenue was $21.0 million for the year ended December 31, 2022, a decrease of 12.3% compared with $24.0 million for the year ended December 31, 2021 driven by lower income from investment grade, high yield, Emerging Markets, and municipal bonds partially offset by higher income from U.S. government securities.

- Other revenue was $1.1 million for the year ended December 31, 2022, a decrease of 96.2% compared to $29.3 million for the year ended December 31, 2021 primarily due to a decrease in the cash surrender value of Company-owned life insurance during 2022, which fluctuates based on changes in fair value of the policies' underlying investments.

Expenses

- Compensation and related expenses totaled $740.8 million during the year ended December 31, 2022, a decrease of 16.5% compared with the year ended December 31, 2021 due to decreased incentive compensation costs. Compensation and related expenses as a percentage of revenue was 66.7% for the year ended December 31, 2022 compared with 63.6% for the year ended December 31, 2021.

- Non-compensation expenses were $324.6 million during the year ended December 31, 2022, an increase of 14.9% compared with $282.6 million during the year ended December 31, 2021 due to higher legal costs recorded during third quarter of 2022 which related to an adverse arbitration decision.

- The effective income tax rate for the year ended December 31, 2022 was 29.5% compared with 29.2% for the year ended December 31, 2021.

Fiscal 2021 compared to Fiscal 2020

Revenue

- Commission revenue was $401.6 million for the year ended December 31, 2021, an increase of 1.6% compared with $395.1 million for the year ended December 31, 2020 due to increased client activity in mutual funds, options, annuities, and mortgage backed securities partially offset by lower commission income on municipal bonds.
- Advisory fees were $451.2 million for the year ended December 31, 2021, a decrease of 0.9% compared with $455.3 million for the year ended December 31, 2020 due to a significant decrease in incentive fees from alternative investments partially offset by higher management fees from advisory programs during 2021.

- Investment banking revenue was $435.9 million for the year ended December 31, 2021, an increase of 96.1% compared with $222.3 million for the year ended December 31, 2020 driven by increased M&A activity and fees associated with a significant number of capital raising transactions (PIPES) in the healthcare and technology sectors completed during the 2021 year.

- Bank deposit sweep income was $15.6 million for the year ended December 31, 2021, a decrease of 55.3% compared with $34.8 million for the year ended December 31, 2020 due to lower short-term interest rates partially offset by higher average cash sweep balances.
- Interest revenue was $36.5 million for the year ended December 31, 2021, an increase of 9.0% compared with $33.5 million in 2020 due to higher average margin balances partially offset by lower short-term interest rates.

- Principal transactions revenue was $24.0 million for the year ended December 31, 2021, a decrease of 14.0% compared with $27.9 million for the year ended December 31, 2020 driven by lower income from investment grade, high yield, Emerging Markets, and municipal bonds partially offset by higher income from corporate and convertible bonds.

- Other revenue was $29.3 million for the year ended December 31, 2021, a decrease of 1.7% compared to $29.8 million for the year ended December 31, 2020 primarily due to a decrease in the cash surrender value of Company-owned life insurance during 2021.

Expenses

- Compensation and related expenses totaled $886.8 million during the year ended December 31, 2021, an increase of 15.0% compared with the year ended December 31, 2020. The increase was due to increased incentive compensation costs during the year tied to significant increases in revenue during the year ended December 31, 2021. Compensation and related expenses as a percentage of revenue was 63.6% for the year ended December 31, 2021 compared with 64.3% for the year ended December 31, 2020.
- Non-compensation expenses were $282.6 million during the year ended December 31, 2021, an increase of 9.2% compared with $258.7 million during the year ended December 31, 2020 due to increased legal, underwriting, travel and entertainment, and conference costs partially offset by reduced interest costs during the year ended December 31, 2021.

BUSINESS SEGMENTS

The table below presents information about the reported revenue and pre-tax income (loss) of the Company's reportable business segments for the three months and years ended December 31, 2022 and 2021:

(Expressed in thousands)	For the Three Months Ended December 31,			For the Years Ended December 31,		
	2022	2021	% Change	2022	2021	% Change
Revenue						
Private Client	$ 201,748	$ 173,310	16.4	$ 675,680	$ 665,060	1.6
Asset Management	22,940	27,930	(17.9)	99,242	104,598	(5.1)
Capital Markets	90,549	165,575	(45.3)	337,821	625,704	(46.0)
Corporate/Other	(1,657)	(1,697)	(2.4)	(1,802)	(1,327)	35.8
Total	313,580	365,118	(14.1)	1,110,941	1,394,035	(20.3)
Pre-Tax Income (Loss)						
Private Client	49,331	17,784	177.4	142,250	101,146	40.6
Asset Management	9,837	10,270	(4.2)	35,753	35,874	(0.3)
Capital Markets	(11,328)	96,838	*	(25,696)	204,090	*
Corporate/Other	(17,568)	(32,940)	(46.7)	(106,753)	(116,469)	8.3
Total	$ 30,272	$ 91,952	(67.1)	$ 45,554	$ 224,641	(79.7)

** Percentage not meaningful*

Private Client

Private Client reported revenue of $675.7 million for the year ended December 31, 2022, 1.6% higher compared with the prior year. Pre-tax income was $142.3 million, an increase of 40.6% from the prior year. Financial advisor headcount declined amid retirements to 968 at the end of 2022 compared to 996 at the end of 2021.

(Expressed in thousands, except financial advisor headcount or otherwise indicated)

	For the Years Ended December 31,		
	2022	2021	% Change
Revenue	**$ 675,680**	**$ 665,060**	**1.6**
Commissions	190,614	217,724	(12.5)
Advisory fees	326,240	346,559	(5.9)
Bank deposit sweep income	104,558	15,557	572.1
Interest	51,866	29,290	77.1
Other	2,402	55,930	(95.7)
Total Expenses	**$ 533,430**	**$ 563,914**	**(5.4)**
Compensation	377,671	446,968	(15.5)
Non-compensation	155,759	116,946	33.2
Pre-Tax Income	**$ 142,250**	**$ 101,146**	**40.6**
Compensation Ratio	55.9 %	67.2 %	(16.8)
Non-compensation Ratio	23.1 %	17.6 %	31.3
Pre-Tax Margin	**21.1 %**	**15.2 %**	**38.8**
AUA (billions)	**$ 105.0**	**$ 122.1**	**(14.0)**
Cash Sweep Balances (billions)	**$ 5.5**	**$ 7.9**	**(30.4)**
Financial Advisor Headcount	**968**	**996**	**(2.8)**

- Retail commissions decreased 12.5% from the prior year primarily due to decreased client activity in mutual funds, listed securities, OTC products and annuities, partially offset by higher commission income on municipal bonds.
- Advisory fees decreased 5.9% due to the reduced valuations of assets under management.
- Bank deposit sweep income increased $89.0 million or 572.1% from the prior year due to significant increases in short-term interest rates.
- Interest revenue increased 77.1% from the prior year due to higher average margin balances and higher short-term interest rates.
- Other revenue declined 95.7% compared with the prior year primarily due to decreases in the cash surrender value of Company-owned life insurance policies which fluctuates based on changes in fair value of the policies' underlying investments.
- Compensation expenses decreased 15.5% from the prior year primarily due to decreased production, share-based and incentive compensation costs, partially offset by the inflationary impact on salaries.
- Non-compensation expenses increased 33.2% from the prior year primarily due to higher legal costs recorded during third quarter of 2022 which related to an adverse arbitration decision.

Asset Management

Asset Management reported revenue of $99.2 million for the year ended December 31, 2022, 5.1% lower compared with the prior year. Pre-tax income was $35.8 million, a decrease of 0.3% compared with the prior year.

(Expressed in thousands, unless otherwise indicated)	For the Years Ended December 31,		
	2022	2021	% Change
Revenue	**$ 99,242**	**$ 104,598**	**(5.1)**
Advisory fee revenue	99,224	104,584	(5.1)
Other	18	14	28.6
Total Expenses	**$ 63,489**	**$ 68,724**	**(7.6)**
Compensation	24,261	27,811	(12.8)
Non-compensation	39,228	40,913	(4.1)
Pre-Tax Income	**$ 35,753**	**$ 35,874**	**(0.3)**
Compensation Ratio	24.4 %	26.6 %	(8.3)
Non-compensation Ratio	39.5 %	39.1 %	1.0
Pre-Tax Margin	**36.0 %**	**34.3 %**	**5.0**
AUM (billions)	**$ 36.8**	**$ 46.2**	**(20.3)**

- Advisory fee revenue on traditional and alternative managed products decreased 5.1% from the prior year primarily due to lower management fees from advisory programs, partially offset by higher incentive fees from alternative investments during the year.
- AUM were at reduced levels of $36.8 billion at December 31, 2022, which is the basis for advisory fee billings for January 2023. The decrease in AUM from December 31, 2021 to December 31, 2022 was comprised of lower asset values of $7.6 billion on existing client holdings and a net distribution of assets of $1.8 billion.
- Compensation expenses were down 12.8% when compared to the prior year driven primarily by lower incentive compensation costs.
- Non-compensation expenses were down 4.1% when compared to the prior year primarily due to lower external portfolio management costs which are directly related to the decrease in AUM, partially offset by an increase in total communications and technology expenses.

The following table provides a breakdown of the change in assets under management for the year ended December 31, 2022:

(Expressed in millions)	For the Year Ended December 31, 2022				
Fund Type	Beginning Balance	Contributions	Redemptions	Appreciation (Depreciation)	Ending Balance
Traditional [1]	$ 37,832	$ 5,356	$ (6,253)	$ (5,522)	$ 31,413
Institutional Fixed Income [2]	869	109	(70)	(72)	836
Alternative Investments:					
Hedge funds [3]	4,678	170	(275)	(1,532)	3,041
Private Equity Funds [4]	2,444	159	(965)	(486)	1,152
Portfolio Enhancement Program [5]	380	10	(37)	(1)	352
	$ 46,203	$ 5,804	$ (7,600)	$ (7,613)	$ 36,794

(1) Traditional investments include third party advisory programs, Oppenheimer financial advisor managed and advisory programs, and Oppenheimer Asset Management taxable and tax-exempt portfolio management strategies.
(2) Institutional fixed income provides solutions to institutional investors including: Taft-Hartley Funds, Public Pension Funds, Corporate Pension Funds, and Foundations and Endowments.
(3) Hedge funds represent single manager hedge fund strategies in areas including hedged equity, technology and financial services, and multi-manager and multi-strategy fund of funds.
(4) Private equity funds represent private equity fund of funds including portfolios focused on natural resources and related assets.

(5) The portfolio enhancement program sells uncovered, far out-of-money puts and calls on the S&P 500 Index. The program is market neutral and uncorrelated to the index. Valuation is based on collateral requirements for a series of contracts representing the investment strategy.

Capital Markets

Capital Markets reported revenue of $337.8 million for the year ended December 31, 2022, 46.0% lower compared with the prior year. Pre-tax loss was $25.7 million compared with a pre-tax income of $204.1 million for the prior year.

(Expressed in thousands)	For the Years Ended December 31,		
	2022	2021	% Change
Revenue	**$ 337,821**	**$ 625,704**	**(46.0)**
Investment Banking	**$ 117,101**	**$ 410,539**	**(71.5)**
Advisory fees	84,569	194,753	(56.6)
Equities underwriting	24,583	186,736	(86.8)
Fixed income underwriting	8,898	27,004	(67.0)
Other	(949)	2,046	*
Sales and Trading	**$ 217,712**	**$ 213,491**	**2.0**
Equities	141,013	138,363	1.9
Fixed income	76,699	75,128	2.1
Other	**$ 3,008**	**$ 1,674**	**79.7**
Total Expenses	**$ 363,517**	**$ 421,614**	**(13.8)**
Compensation	260,974	318,850	(18.2)
Non-compensation	102,543	102,764	(0.2)
Pre-Tax Income (Loss)	**$ (25,696)**	**$ 204,090**	*
Compensation Ratio	77.3 %	51.0 %	51.6
Non-compensation Ratio	30.4 %	16.4 %	85.4
Pre-Tax Margin	**(7.6)%**	**32.6 %**	*

** Percentage not meaningful*

- Advisory fees earned from investment banking activities decreased 56.6% compared with the prior year driven by an industry-wide decrease in M&A transactions.
- Equities underwriting fees decreased 86.8% compared with the prior year due to significantly lower levels of capital issuances in the equity markets, particularly in the healthcare and technology sectors.
- Fixed income underwriting fees were down 67.0% compared with the prior year primarily driven by fewer public finance debt issuances during the year.
- Equities sales and trading increased 1.9% compared with the prior year.
- Fixed income sales and trading increased 2.1% compared with the prior year driven by higher trading income from U.S. government securities.
- Compensation expenses decreased 18.2% compared with the prior year primarily due to decreased incentive compensation costs.
- Non-compensation expenses were 0.2% lower compared with the prior year.

CRITICAL ACCOUNTING ESTIMATES

The Company's accounting estimates are essential to understanding and interpreting the financial results reported on the consolidated financial statements. The significant accounting policies used in the preparation of the Company's consolidated financial statements are summarized in note 2 to those statements. Certain of those policies are considered to be particularly important to the presentation of the Company's financial results because they require management to make difficult, complex or subjective judgments, often as a result of matters that are inherently uncertain. The following is a discussion of these estimates:

Fair Value Measurements

Critical estimates - The accounting guidance for the fair value measurement (ASC 820) of financial assets defines fair value, establishes a framework for measuring fair value, establishes a fair value measurement hierarchy, and expands fair value measurement disclosures. Fair value, as defined by the accounting guidance, is the price that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When market observable inputs are not available, our judgment is applied to reflect those judgments that a market participant would use in valuing the same asset or liability.

Assumption and judgement - The fair value hierarchy established by ASC 820 prioritizes the inputs used in valuation techniques into the following three categories (highest to lowest priority):

- Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets;
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly; and
- Unobservable inputs that are significant to the overall fair value measurement.

The availability of observable inputs can vary for different products. We use prices and inputs that are current as of the measurement date even in periods of market disruption or illiquidity. Financial instruments are classified as Level 3 if observable pricing inputs are not available due to limited market activity for the asset or liability. The valuation of financial instruments are classified in Level 3 of the fair value hierarchy and consists of valuation techniques that incorporate one or more significant unobservable inputs, and therefore requires the greatest amount of management judgment. As of December 31, 2022, the Company had $31.8 million in financial instruments, comprised of auction rate securities, classified within Level 3 of the fair value hierarchy. See note 7 to the consolidated financial statements appearing in Item 8 for further information on the fair value definition, Level 1, Level 2 and Level 3 and related valuation techniques.

Impact if actual results differ from assumptions – We established an independent valuation process to evaluate and approve the valuation of our financial instruments. For financial instruments that are classified in Level 3, we review the appropriateness of the unobservable inputs to ensure consistency with how a market participant would arrive at the unobservable input. Although an independent review process is in place, the fair value of the Level 3 financial instrument could be significantly different due to the sensitivity of some unobservable inputs (for example, interest rates) and any such difference could also have a material adverse effect on our consolidated financial statements.

Legal and Regulatory Reserves

Critical estimates – In the normal course of business, the Company has been named as defendant or co-defendant in various legal actions, including arbitrations, class actions and other litigation, creating substantial exposure and periodic expenses. Management is required to assess the probability of loss and estimate the amount of such loss when preparing its consolidated financial statements.

Assumption and judgement - The determination of the levels of these reserves requires significant judgment on the part of management. In accordance with applicable accounting guidance, we established reserves for litigation and regulatory matters where available information indicates that it is probable a liability had been incurred at the date of the consolidated financial statements and we can reasonably estimate the amount of that loss. When loss contingencies are not probable or cannot be reasonably estimated, we do not establish reserves. When determining whether to record a reserve, management considers many factors including, but not limited to, the amount of the claim; the stage and forum of the proceeding, the sophistication of the claimant, the amount of the loss, if any, in the client's account and the possibility of wrongdoing, if any, on the part of an employee of the Company; the basis and validity of the claim; previous results in similar cases; and applicable legal precedents and case law. Each legal and regulatory proceeding is reviewed with counsel in each accounting period and the reserve is adjusted as deemed appropriate by management. Any change in the reserve amount is recorded in the results of that period. See note 17 to the consolidated financial statements appearing in Item 8 for further details.

Impact if actual results differ from assumptions – Due to the inherent uncertainties of the legal and regulatory proceedings, our judgement may be materially different from the actual outcome. The assumptions we used to determine the estimates of reserves may be incorrect and the actual disposition of a legal or regulatory proceeding could be greater or less than the reserve amount.

Income Taxes

Critical estimates – We are subject to the income tax laws of the U.S., its states, and the municipalities in which we operate. We are also subject to the tax laws of our international subsidiaries and branches. These tax laws are complex and subject to different interpretations by the taxpayer and the relevant government taxing authorities. We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. We record uncertain tax positions in accordance with ASC 740, "Income Taxes", on the basis of a two-step process whereby we determined whether it is more-likely-than-not that the tax positions will be sustained on the basis of the technical merits of the position and, for those tax positions that meet the more-likely-than-not recognition threshold, we will recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

Assumption and judgement - We recognize deferred tax assets to the extent we believe these assets are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies, and the results of recent operations. In establishing a provision for income tax expense, we must make judgements and interpretations about the application of these inherently complex tax laws. We estimate when certain items will affect taxable income in the various jurisdictions in the future. We are also required to evaluate and measure all uncertain tax positions taken or expected to be taken on tax returns and to record liabilities for the amount of such positions that may not be sustained, or may only be partially sustained, upon examination by the relevant taxing authorities. See note 15 to the consolidated financial statements appearing in Item 8 for further details.

Impact if actual results differ from assumptions – Although we believe that our estimates and judgements are reasonable, actual results may differ from these estimates. Some or all of these judgements are subject to review by the relevant taxing authorities. If one or more of the taxing authorities were to successfully challenge our right to realize some or all of the tax benefit we recorded, and we were not able to realize this benefit, our effective income tax rate in a given financial statement period could be materially affected and it could also have a material adverse effect on our consolidated financial statements.

New Accounting Pronouncements

The potential impact of recently issued accounting pronouncements are described in note 2 to the consolidated financial statements appearing in Item 8.

LIQUIDITY AND CAPITAL RESOURCES

Total assets decreased by 10.8% from December 31, 2021 to December 31, 2022. The Company satisfies its need for short-term financing from internally generated funds and collateralized and uncollateralized borrowings, consisting primarily of bank call loans, stock loans, and uncommitted lines of credit. We finance our trading in government securities through the use of securities sold under agreements to repurchase ("repurchase agreements"). We met our longer-term capital needs through the issuance of the 5.50% Senior Secured Notes due 2025 (see "Senior Secured Notes" below). Oppenheimer has arrangements with banks for borrowings on a fully-collateralized basis. The amount of Oppenheimer's bank borrowings fluctuates in response to changes in the level of the Company's securities inventories and customer margin debt, changes in notes receivable from employees, investment in furniture, equipment and leasehold improvements, changes in stock loan balances and financing through repurchase agreements. At December 31, 2022, the Company had no such borrowings outstanding compared to outstanding borrowings of $69.5 million at December 31, 2021. The Company also has some availability of short-term bank financing on an unsecured basis.

The Company's overseas subsidiaries, Oppenheimer Europe Ltd. and Oppenheimer Investments Asia Limited, are subject to local regulatory capital requirements that restrict our ability to utilize their capital for other purposes. The regulatory capital requirements for Oppenheimer Europe Ltd. and Oppenheimer Investments Asia Limited were $5.14 million and $383,963, respectively, at December 31, 2022. The liquid assets at Oppenheimer Europe Ltd. are primarily comprised of cash deposits in bank accounts.

The liquid assets at Oppenheimer Investments Asia Limited are primarily comprised of investments in U.S. Treasuries and cash deposits in bank accounts. Any restrictions on transfer of these liquid assets from Oppenheimer Europe Ltd. and Oppenheimer Investments Asia Limited to the Company or its other subsidiaries would be limited by regulatory capital requirements.

The Company permanently reinvests eligible earnings of its foreign subsidiaries and, accordingly, does not accrue any U.S. income taxes that would arise if these earnings were repatriated. The unrecognized deferred tax liability associated with the outside basis difference of its foreign subsidiaries is estimated at $3.5 million for those subsidiaries. We have continued to reinvest permanently the excess earnings of Oppenheimer Israel (OPCO) Ltd. in its own business and in the businesses in Europe and Asia to support business initiatives in those regions. We will continue to review our historical treatment of these earnings to determine whether our historical practice will continue or whether a change is warranted.

Senior Secured Notes

On September 22, 2020, in a private offering, we issued $125.0 million aggregate principal amount of 5.50% Senior Secured Notes due 2025 (the "Unregistered Notes") under an Indenture at an issue price of 100% of the principal amount. Interest on the Unregistered Notes is payable semi-annually on April 1st and October 1st. We used the net proceeds from the offering of the Unregistered Notes, along with cash on hand, to redeem in full our 6.75% Senior Secured Notes due July 1, 2022 in the principal amount of $150.0 million (the Company held $1.4 million in treasury for a net outstanding amount of $148.6 million), and pay all related fees and expenses related thereto. On November 23, 2020, we completed an exchange offer in which we exchanged 99.8% of our Unregistered Notes for a like principal amount of notes with identical terms except that such new notes have been registered under the Securities Act of 1933, as amended (the "Notes"). We did not receive any proceeds in the exchange offer.

During the fourth quarter of 2022, the Company repurchased and subsequently cancelled $10.95 million of the 5.50% Senior Secured Notes, recognizing a small extinguishment gain. As of December 31, 2022, $114.05 million aggregate principal amount of the Notes remain outstanding. See note 12 to the consolidated financial statements appearing in Item 1 for further discussion.

The Notes are jointly and severally and fully and unconditionally guaranteed on a senior secured basis by E.A. Viner International Co. and Viner Finance Inc. (together, the "Guarantors"), unless released as described below. Each of the Guarantors is 100% owned by the Parent. The indenture for the Notes contains covenants with restrictions which are discussed in note 12.

The guarantees are senior secured obligations of each Guarantor. The guarantees rank:

- effectively senior in right of payment to all unsecured and unsubordinated obligations of such Guarantor, to the extent of the value of the collateral owned by such Guarantor (and, to the extent of any unsecured remainder after payment of the value of the collateral, rank equally in right of payment with such unsecured and unsubordinated indebtedness of such Guarantor); and
- senior in right of payment to any subordinated debt of such Guarantor (The Notes are secured on a first-priority basis by the collateral, subject to certain exceptions and permitted liens, and it is intended that pari passu lien indebtedness, if any, will be secured on an equal and ratable basis).

Each subsidiary guarantee is limited so that it does not constitute a fraudulent conveyance under applicable law, which may reduce the subsidiary's obligation under the guarantee. There are no externally imposed restrictions on transfers of assets between the Company and its subsidiaries.

Each Guarantor will be automatically and unconditionally released and discharged upon: the sale, exchange or transfer of the capital stock of a Guarantor and the Guarantor ceasing to be a direct or indirect subsidiary of the Parent if such sale does not constitute an asset sale under the Indenture for the Notes or does not constitute an asset sale effected in compliance with the asset sale and merger covenants of the Indenture for the Notes; a Guarantor being dissolved or liquidated; a Guarantor being designated unrestricted in compliance with the applicable provisions of the Notes; or the exercise by the Parent of its legal defeasance option or covenant defeasance option or the discharge of the Parent's obligations under the Indenture for the Notes in accordance with the terms of such Indenture.

The following tables present results of operations for the twelve months ended December 31, 2022 and balance sheet at December 31, 2022 for the Parent and Guarantors.

(Expressed in thousands)	As of December 31, 2022
Total Assets	$ 2,037,404
Due From Non-Guarantor Subsidiary	15,596
Total Liabilities	541,605
Due To Non-guarantor Subsidiary	5,412
	For the Year Ended December 31, 2022
Total Revenue	$ 10,310
Pre-Tax Loss	297
Net Loss	203

On June 17, 2021, S&P upgraded the Company's Corporate Family rating and rating on the Unregistered Notes from 'B+' with a stable outlook to 'BB-' with a stable outlook. On August 23, 2021, Moody's upgraded the Company's Corporate Family rating and the rating on the Unregistered Notes from "B1" with a stable outlook to "Ba3" with a stable outlook.

Liquidity

For the most part, the Company's assets consist of cash and cash equivalents and assets that it can readily convert into cash. The receivable from brokers, dealers and clearing organizations represents deposits for securities borrowed transactions, margin deposits or current transactions awaiting settlement. The receivable from customers represents margin balances and amounts due on transactions awaiting settlement. Our receivables are, for the most part, collateralized by marketable securities. Our collateral maintenance policies and procedures are designed to limit our exposure to credit risk. Securities owned, with the exception of the ARS, are mainly comprised of actively trading, readily marketable securities. We advanced $19.8 million in forgivable notes (which are inherently illiquid) to employees for the year ended December 31, 2022 ($22.1 million for the year ended December 31, 2021) as upfront or backend inducements to commence or continue employment as the case may be. The amount of funds allocated to such inducements will vary with hiring activity.

We satisfy our need for short-term liquidity from internally generated funds, collateralized and uncollateralized bank borrowings, stock loans and repurchase agreements and warehouse facilities. Bank borrowings are, in most cases, collateralized by firm and customer securities.

We obtain short-term borrowings primarily through bank call loans. Bank call loans are generally payable on demand and bear interest at various rates. At December 31, 2022, bank call loans were zero ($69.5 million at December 31, 2021). The average daily bank loan outstanding for the year ended December 31, 2022 was $79.4 million ($76.4 million for the year ended December 31, 2021). The largest daily bank loan outstanding for the year ended December 31, 2022 was $226.6 million ($227.7 million for the year ended December 31, 2021).

At December 31, 2022, securities loan balances totaled $320.8 million ($244.2 million at December 31, 2021). The average daily securities loan balance for the year ended December 31, 2022 was $297.6 million ($285.2 million for the year ended December 31, 2021). The largest daily stock loan balance for the year ended December 31, 2022 was $350.1 million ($322.2 million for the year ended December 31, 2021).

We finance our government trading operations through the use of securities purchased under agreements to resell ("reverse repurchase agreements") and repurchase agreements. Except as described below, repurchase and reverse repurchase agreements, principally involving government and agency securities, are carried at amounts at which securities subsequently will be resold or reacquired as specified in the respective agreements and include accrued interest.

Repurchase and reverse repurchase agreements are presented on a net-by-counterparty basis, when the repurchase and reverse repurchase agreements are executed with the same counterparty, have the same explicit settlement date, are executed in accordance with a master netting arrangement, the securities underlying the repurchase and reverse repurchase agreements exist in "book entry" form and certain other requirements are met.

Certain of our repurchase agreements and reverse repurchase agreements are carried at fair value as a result of the Company's fair value option election. We elected the fair value option for those repurchase agreements and reverse repurchase agreements that do not settle overnight or have an open settlement date in order for these instruments to more accurately reflect market and economic events in our earnings and to mitigate a potential imbalance in earnings caused by using different measurement attributes (i.e. fair value versus carrying value) for certain assets and liabilities. At December 31, 2022, we did not have any repurchase agreements and reverse repurchase agreements that did not settle overnight or have an open settlement date.

At December 31, 2022, the gross balances of reverse repurchase agreements and repurchase agreements were $28.0 million and $189.0 million, respectively. The average daily balance of reverse repurchase agreements and repurchase agreements on a gross basis for the year ended December 31, 2022 was $172.4 million and $356.5 million, respectively ($120.3 million and $352.8 million, respectively, for the year ended December 31, 2021). The largest amount of reverse repurchase agreements and repurchase agreements outstanding on a gross basis during the year ended December 31, 2022 was $663.9 million and $668.3 million, respectively ($424.2 million and $636.7 million, respectively, for the year ended December 31, 2021).

Liquidity Management

We manage our need for liquidity on a daily basis to ensure compliance with regulatory requirements. Our liquidity needs may be affected by market conditions, increased inventory positions, business expansion and other unanticipated occurrences. In the event that existing financial resources do not satisfy our liquidity needs, we may have to seek additional external financing. The availability of such additional external financing may depend on market factors outside our control.

We have Company-owned life insurance policies which are utilized to fund certain non-qualified deferred compensation plans. Certain policies which could provide additional liquidity if needed had a cash surrender value of $74.8 million as of December 31, 2022.

We regularly review our sources of liquidity and financing and conduct internal stress analysis to determine the impact on the Company of events that could remove sources of liquidity or financing and to plan actions the Company could take in the case of such an eventuality. Our reviews have resulted in plans that we believe would result in a reduction of assets through liquidation that would significantly reduce the Company's need for external financing.

Our primary long-term cash requirements include $113.4 million principal outstanding as of December 31, 2022 under our Senior Secured Notes (due in 2025) and $182.6 million of operating lease obligations. The total cash requirement for interest expense related to the Notes and operating lease obligations is estimated to be approximately $17.6 million for the 2023 year.

Funding Risk

(Expressed in thousands)	For the Years Ended December 31,	
	2022	2021
Cash provided by operating activities	$ 64,492	$ 227,786
Cash used in investing activities	(14,137)	(6,267)
Cash provided by/(used in) financing activities	(253,912)	84,581
Net increase/(decrease) in cash and cash equivalents and restricted cash	$ (203,557)	$ 306,100

Management believes that funds from operations, combined with our capital base and available credit facilities, are sufficient for our liquidity needs in the foreseeable future. Under some circumstances, banks including those on whom we rely may back away from providing funding to the securities industry. Such a development might impact our ability to finance our day-to-day activities or increase the costs to acquire funding. We may or may not be able to pass such increased funding costs on to our clients.

During periods of high volatility, we have seen increased calls for deposits of collateral to offset perceived risk between the Company's settlement liability to industry utilities such as the Options Clearing Corporation (“OCC”) and National Securities Clearing Corp. (“NSCC”) as well as more stringent collateral arrangements with our bank lenders. All such requirements have been met in the ordinary course with available collateral.

CYBERSECURITY

For many years, we have sought to maintain the security of our clients' data, limit access to our data processing environment, and protect our data processing facilities. See "Risk Factors — Cybersecurity – Security breaches of our technology systems, or those of our clients or other third-party vendors we rely on, could subject us to significant liability and harm our reputation" in Item 1A. Recent examples of vulnerabilities by other companies and the government that have resulted in loss of client data and fraudulent activities by both domestic and foreign actors have caused us to continuously review our security policies and procedures and to take additional actions to protect our network and our information.

Given the importance of the protection of client data, regulators have developed increased oversight of cybersecurity planning and protections that broker-dealers and other financial service providers have implemented. Such planning and protection are subject to the SEC's and FINRA's oversight and examination on a periodic or targeted basis. We expect that regulatory oversight will intensify, as a result of publicly announced data breaches by other organizations involving tens of millions of items of personally identifiable information. We continue to implement protections and adopt procedures to address the risks posed by the current information technology environment. The Company has significantly increased the resources dedicated to this effort and believes that further increases may be required in the future, in anticipation of increases in the sophistication and persistency of such attacks. There can be no guarantee that our cybersecurity efforts will be successful in discovering or preventing a security breach.

REGULATORY MATTERS AND DEVELOPMENTS

Regulation Best Interest (U.S.)

On June 5, 2019, the SEC adopted Regulation Best Interest (“Reg BI”) as Rule 15l-1 under the Exchange Act. Reg BI imposes a federal standard of conduct on registered broker-dealers and their associated persons when dealing with retail clients and requires that a broker-dealer and its representatives act in the best interest of clients and not place its own interests ahead of the customer’s interests. Reg BI does not define the term “best interest” but instead sets forth four distinct obligations, disclosure, care, conflict of interest and compliance that a broker-dealer must satisfy in each transaction. Compliance with Reg BI became effective on June 30, 2020. In addition to adopting Reg BI, the SEC adopted rules (i) requiring broker-dealers and investment advisers to provide a written relationship summary to each client, and (ii) clarifying certain interpretations under the Investment Advisers Act of 1940 including but not limited to when a broker-dealer's activity is considered “solely incidental” to its broker-dealer business and is, therefore, not considered investment advisory activity (collectively, the “Reg BI Rules”).

Reg BI requires enhanced documentation for recommendations of securities transactions to broker-dealer retail clients as well as the cessation of certain practices and limitations on certain kinds of transactions previously conducted in the normal course of business. The new rules and processes related thereto may limit revenue and most likely will involve increased costs, including, but not limited to, compliance costs associated with new or enhanced technology as well as increased litigation costs. The Company made significant structural, technological and operational changes to our business practices to comply with the requirements of the Reg BI Rules and it is likely that additional changes may be necessary to continue to comply as more experience with the Reg BI Rules is gained. Regulators have commenced reviews of the industry’s compliance with the requirements of Reg BI, including that of the Company.

See “Business – Regulation – Fiduciary Standard – Rulemaking by the U.S. Department of Labor and SEC” in Part I, Item 1.

On December 18, 2020, the DOL published its final prohibited transaction exemption (“PTE”) addressing investment advice fiduciaries to ERISA plans and IRAs. Similar to the proposal the DOL released in June of 2020 the PTE takes a principles-based (rather than a prescriptive) approach to resolving conflicts that arise under ERISA when an investment advice fiduciary, its affiliate or a related party is paid certain types of compensation (such as commissions, trailing fees or revenue-sharing) or engages in certain principal transactions. The PTE should provide a new and more flexible approach to ERISA compliance for certain types of transactions, which financial institutions may choose to utilize in place of other existing exemptions. Like the proposal (but in contrast to the precursor rule the DOL finalized in April 2016 that the U.S. Court of Appeals for the Fifth Circuit later vacated in June 2018), the PTE does not materially change the scope of fiduciary activities under ERISA, with the exception of including certain rollover-related advice as fiduciary advice. The effective date for compliance with the PTE was February 1, 2022. The Company believes many of the steps taken by the Company to achieve compliance with the Reg BI Rules will enable the Company to comply with the PTE. The Company implemented certain additional processes beyond the actions taken to comply with the Reg BI Rules in order to ensure full compliance with the PTE.

Regulatory Environment

See the discussion of the regulatory environment in which we operate and the impact on our operations of certain rules and regulations in Item 1 “Business - Regulation” herein for additional information.

Oppenheimer and many of its affiliates are each subject to various regulatory capital requirements. As of December 31, 2022, all of our active regulated domestic and international subsidiaries had net capital in excess of minimum requirements. See “Business – Regulatory - Regulatory Capital Requirements” in Part I, Item 1 and note 18 of the Notes to Consolidated Financial Statements in Item 8 for further information on regulatory capital requirements.

Other Regulatory Matters

On November 18, 2022, the Company received an information request from the SEC requesting information relating to the use of text messaging and similar forms of electronic communications by employees of the Company and whether those communications were properly retained by the Company as part of its records preservation requirements relating to the broker-dealer or investment adviser business activities of the Company. The Company has responded to the information request and continues to cooperate with the SEC inquiry.

FACTORS AFFECTING "FORWARD-LOOKING STATEMENTS"

From time to time, the Company may publish or make oral statements that constitute “forward-looking statements” under the Private Securities Litigation Reform Act of 1995 which provides a safe harbor for forward-looking statements. These forward-looking statements may relate to such matters as anticipated financial performance, future revenues, earnings, liabilities or expenses, business prospects, projected ventures, new products, anticipated market performance, and similar matters. The Company cautions readers that a variety of factors could cause the Company’s actual results to differ materially from the anticipated results or other expectations expressed in the Company’s forward-looking statements. These risks and uncertainties, many of which are beyond the Company’s control, include, but are not limited to: (i) transaction volume in the securities markets, (ii) the volatility of the securities markets, (iii) fluctuations in interest rates, (iv) changes in regulatory requirements that could affect the cost and method of doing business, (v) general economic conditions, both domestic and international, (vi) competition from existing financial institutions, new entrants and other participants in the securities markets and financial services industry, (vii) cybersecurity threats, (viii) legal developments affecting the litigation experience of the securities industry and the Company, (ix) changes in foreign, federal and state tax laws that could affect the popularity of products sold by the Company or impose taxes on securities transactions, including the Inflation Reduction Act. (x) the adoption and implementation of the SEC’s “Regulation Best Interest” and other regulations adopted in recent years, (xi) war, terrorist acts and nuclear confrontation as well as political unrest, including events relating to Russia’s invasion of Ukraine and Western sanctions, (xii) the Company’s ability to achieve its business plan, (xiii) the effects of the economy on the Company’s ability to find and maintain financing options and liquidity, (xiv) credit, operational, legal and regulatory risks, (xv) risks related to foreign operations, including those in the United Kingdom which may be affected by Britain’s January 2020 exit from the EU(“Brexit”) and economic uncertainty in the UK, EU, and elsewhere, (xvi) the effect of technological innovation on the financial services industry and securities business, (xvii) risks related to election results, Congressional gridlock, political and social unrest, government shutdowns and investigations, trade wars, changes in or uncertainty surrounding regulation, and the potential for default by the U.S. government on the nation's debt, (xviii) risks related to changes in capital requirements under international standards that may cause banks to back away from providing funding to the securities industry, and (xix) risks related to the severity and duration of the COVID-19 Pandemic; the COVID-19 Pandemic’s impact on the U.S. and global economies; and federal, state and local governmental responses to the COVID-19 Pandemic. There can be no assurance that the Company has correctly or completely identified and assessed all of the factors affecting the Company's business. See “Risk Factors” in Part I, Item 1A.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Risk Management

The Company's principal business activities by their nature involve significant market, credit and other risks. The Company's effectiveness in managing these risks is critical to its success and stability.

As part of its normal business operations, the Company engages in the trading of both fixed income and equity securities in both a proprietary and market-making capacity. The Company makes markets in over-the-counter equities in order to facilitate order flow and accommodate its institutional and retail customers. The Company also makes markets in municipal bonds, mortgage-backed securities, government bonds and high yield bonds and short term fixed income securities and loans issued by various corporations.

Market Risk. Market risk generally means the risk of loss that may result from the potential change in the value of a financial instrument as a result of fluctuations in interest and currency exchange rates and in equity and commodity prices. Market risk is inherent in all types of financial instruments, including both derivatives and non-derivatives. The Company's exposure to market risk arises from its role as a financial intermediary for its customers' transactions and from its proprietary trading and arbitrage activities.

Oppenheimer monitors market risks through daily profit and loss statements and position reports. Each trading department adheres to internal position limits determined by the Market Risk Committee and regularly reviews the age and composition of its proprietary accounts. Positions and profits and losses for each trading department are reported to senior management on a daily basis.

In its market-making activities, Oppenheimer must provide liquidity in the equities for which it makes markets. As a result of this, Oppenheimer has risk containment policies in place, which limit position size and monitor transactions on a minute-to-minute basis.

Credit Risk. Credit risk represents the loss that the Company would incur if a client, counterparty or issuer of securities or other instruments held by the Company fails to perform its contractual obligations. The Company follows industry practice to reduce credit risk related to various investing and financing activities by obtaining and maintaining collateral wherever possible. The Company adjusts margin requirements if it believes the risk exposure is not appropriate based on market conditions. When Oppenheimer advances funds or securities to a counterparty in a principal transaction or to a customer in a brokered transaction, it is subject to the risk that the counterparty or customer will not repay such advances. If the market price of the securities purchased or loaned has declined or increased, respectively, Oppenheimer may be unable to recover some or all of the value of the amount advanced. A similar risk is also present where a customer is unable to respond to a margin call and the market price of the collateral has dropped. In addition, Oppenheimer's securities positions are subject to fluctuations in market value and liquidity.

In addition to monitoring the credit-worthiness of its customers and counterparties, Oppenheimer imposes more conservative margin requirements than those of FINRA Rule 4210. Generally, Oppenheimer limits customer loans to an amount not greater than 65% of the value of the securities (or lower if the securities in the account are concentrated in a limited number of issues). Particular attention and more restrictive requirements are placed on more highly volatile securities traded in the NASDAQ market. In comparison, FINRA Rule 4210 permits loans of up to 75% of the value of the equity securities in a customer's account. Further discussion of credit risk appears in note 8 to the Company's consolidated financial statements appearing in Item 8.

Operational Risk. Operational risk generally refers to the risk of loss resulting from the Company's operations, including, but not limited to, improper or unauthorized execution and processing of transactions, deficiencies in its operating systems, business disruptions and inadequacies or breaches in its internal control processes. The Company operates in diverse markets and it is reliant on the ability of its employees and systems to process high numbers of transactions often within short time frames. In the event of a breakdown or improper operation of systems, human error or improper action by employees, the Company could suffer financial loss, regulatory sanctions or damage to its reputation. In order to mitigate and control operational risk, the Company has developed and continues to enhance policies and procedures (including the maintenance of disaster recovery facilities and procedures related thereto) that are designed to identify and manage operational risk at appropriate levels. With respect to its trading activities, the Company has procedures designed to ensure that all transactions are accurately recorded and properly reflected on the Company's books on a timely basis.

With respect to client activities, the Company operates a system of internal controls designed to ensure that transactions and other account activity (new account solicitation, transaction authorization, transaction processing, billing and collection) are properly approved, processed, recorded and reconciled. The Company has procedures designed to assess and monitor counterparty risk.

Legal and Regulatory Risk. Legal and regulatory risk includes the risk of non-compliance with applicable legal and regulatory requirements, client claims and the possibility of sizeable adverse legal judgments. The Company is subject to extensive regulation in the different jurisdictions in which it conducts its activities. Regulatory oversight of the securities industry has become increasingly intense over the past several years and the Company, as well as others in the industry, have been directly affected by this increased regulatory scrutiny. Timely and accurate compliance with the increased volume of regulatory requests has become increasingly problematic within the industry, and regulators have tended to bring enforcement proceedings in relation to such matters. See further discussion of these risks in "Management's Discussion and Analysis of Financial Condition and Results of Operations — Regulatory Matters and Developments" in Item 7.

The Company has comprehensive procedures for addressing issues such as regulatory capital requirements, sales and trading practices, use of and safekeeping of customer funds and securities, granting of credit, collection activities, money laundering, and record keeping. The Company has designated Anti-Money Laundering Compliance Officers who monitor compliance with regulations under the U.S. Patriot Act. See further discussion of the Company's reserve policy in "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Estimates" in Item 7, "Legal Proceedings" in Item 3 and "Business — Regulation" in Item 1.

Value-at-Risk. Value-at-risk is a statistical measure of the potential loss in the fair value of a portfolio due to adverse movements in underlying risk factors. In response to the SEC's market risk disclosure requirements, the Company has performed a value-at-risk analysis of its trading of financial instruments and derivatives. The value-at-risk calculation uses standard statistical techniques to measure the potential loss in fair value based upon a one-day holding period and a 95% confidence level of loss. The calculation is based upon a variance-covariance methodology, which assumes a normal distribution of changes in portfolio value. The forecasts of variances and co-variances used to construct the model for the market factors relevant to the portfolio were generated from historical data. Although value-at-risk models are sophisticated tools, their use can be limited as historical data is not always an accurate predictor of future conditions. The Company attempts to manage its market exposure using other methods, including trading authorization limits and concentration limits.

At December 31, 2022 and 2021, the Company's value-at-risk for each component of market risk was as follows:

(Expressed in thousands)	VAR for Fiscal 2022			VAR for Fiscal 2021		
	High	Low	Average	High	Low	Average
Equity price risk	$ 298	$ 25	$ 104	$ 196	$ 17	$ 106
Interest rate risk	2,928	881	1,547	605	387	496
Commodity price risk	—	—	—	90	—	45
Diversification benefit	(483)	(903)	(652)	(359)	(238)	(299)
Total	$ 2,743	$ 3	$ 999	$ 532	$ 166	$ 348

(Expressed in thousands)	VAR at December 31,	
	2022	2021
Equity price risk	$ 67	$ 46
Interest rate risk	1,192	387
Diversification benefit	(578)	(1,178)
Total	$ 681	$ (745)

The potential future loss presented by the total value-at-risk generally falls within predetermined levels of loss that should not be material to the Company's results of operations, financial condition or cash flows. The changes in the value-at-risk amounts reported in 2022 from those reported in 2021 reflect changes in the size and composition of the Company's trading portfolio at December 31, 2022 compared to December 31, 2021. The Company's portfolio as of December 31, 2022 includes approximately $24.3 million in corporate equities, which are related to deferred compensation liabilities and which do not bear any value-at-risk to the Company. Further discussion of risk management appears in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 1A, "Risk Factors."

The value-at-risk estimate has limitations that should be considered in evaluating the Company's potential future losses based on the year-end portfolio positions. Recent market conditions, including increased volatility, may result in statistical relationships that result in higher value-at-risk than would be estimated from the same portfolio under different market conditions. Likewise, the converse may be true. Critical risk management strategy involves the active management of portfolio levels to reduce market risk. The Company's market risk exposure is continuously monitored as the portfolio risks and market conditions change.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Oppenheimer Holdings Inc. is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process designed under the supervision of the Company's principal executive and principal financial officers to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles.

As of December 31, 2022, management conducted an assessment of the effectiveness of the Company's internal control over financial reporting based on the framework established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013. Based on this assessment, management has concluded that the Company's internal control over financial reporting as of December 31, 2022 was effective.

The Company's internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets and provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and the directors of the Company and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Company's financial statements.

The Company's internal control over financial reporting as of December 31, 2022 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report included herein, which expresses an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of December 31, 2022.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Oppenheimer Holdings Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Oppenheimer Holdings Inc. and subsidiaries (the "Company") as of December 31, 2022, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2022, of the Company and our report dated February 28, 2023, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP
New York, New York
February 28, 2023

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Oppenheimer Holdings Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Oppenheimer Holdings Inc. and subsidiaries (the "Company") as of December 31, 2022 and 2021, the related consolidated statements of income, comprehensive income, changes in stockholders' equity and redeemable noncontrolling interests, and cash flows, for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report, dated February 28, 2023, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical Audit Matter Description

The Company earns advisory fees in connection with advisory and asset management services it provides to various types of funds and investment vehicles through its subsidiaries. Advisory fees earned on asset-based programs are generally based on the customer's account value at the valuation date per the respective asset management agreements. Fees are calculated based on underlying information, such as asset balances and rates, sourced from multiple internal and external systems. For the year ended December 31, 2022, total advisory fee revenue was $426 million, of which $326 million represents fees earned on assets held in the Company's asset-based programs.

Given the Company's use of multiple systems and databases in recording advisory fees on asset-based programs, auditing the balance was complex and challenging due to the extent of audit effort required to evaluate the completeness and accuracy of underlying information and required the involvement of information technology (IT) professionals with specialized skills and expertise.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the Company's systems to process advisory revenue earned on asset-based programs included the following, among others:

- With the assistance of our IT specialists, we: identified the significant systems used in the calculation of advisory fees and, using a risk-based approach, tested the relevant general IT controls over each of these systems. Additionally, for the relevant service organizations, we obtained the service auditor's reports and evaluated IT-related controls, related exceptions and complementary user entity controls specified in the reports.

- We tested the effectiveness of controls over the Company's revenue balance, including automated business controls and system interface controls, as well as the controls designed to ensure the accuracy and completeness of advisory fee revenue.
- With the assistance of our data specialists, we created data visualizations to evaluate recorded advisory fee revenue and evaluate trends in the transactional revenue data.
- For a sample of revenue transactions, we performed detail transaction testing by agreeing the amounts recognized to source documents and testing the mathematical accuracy of the recorded advisory fee revenue.
- For a sample of accounts, we tested the accuracy and completeness of assets under management by obtaining independent pricing support and reconciling total positions to third-party statements.

/s/ Deloitte & Touche LLP
New York, New York
February 28, 2023

We have served as the Company's auditor since 2013.

OPPENHEIMER HOLDINGS INC.
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31,

(Expressed in thousands, except number of shares and per share amounts)	2022	2021 [1]
ASSETS		
Cash and cash equivalents	$ 112,433	$ 213,759
Deposits with clearing organizations	77,691	66,968
Restricted cash	25,534	127,765
Receivable from brokers, dealers and clearing organizations	206,077	169,902
Receivable from customers, net of allowance for credit losses of $350 ($3,326 in 2021)	1,202,764	1,221,450
Securities purchased under agreements to resell	—	935
Securities owned, including amounts pledged of $175,724 ($266,428 in 2021), at fair value	498,594	634,504
Notes receivable, net	57,495	53,983
Furniture, equipment and leasehold improvements, net of accumulated depreciation of $97,751 ($92,785 in 2020)	36,742	28,036
Right-of-use lease assets, net of accumulated amortization of $82,449 ($76,462 in 2021)	142,630	150,121
Intangible assets	32,100	32,100
Goodwill	137,889	137,889
Other assets	184,443	205,838
Total assets	$ 2,714,392	$ 3,043,250
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Bank call loans	—	69,500
Payable to brokers, dealers and clearing organizations	550,006	422,057
Payable to customers	456,475	456,958
Securities sold under agreements to repurchase	161,009	277,322
Securities sold but not yet purchased, at fair value	52,768	71,958
Accrued compensation	239,136	342,125
Accounts payable and other liabilities	102,202	76,655
Income tax payable	4,130	13,536
Lease liabilities	182,570	192,019
Senior secured notes, net of debt issuance costs of $616 ($926 in 2021)	113,434	124,074
Deferred tax liabilities, net of deferred tax assets of $55,628 ($54,957 in 2021)	32,241	44,016
Total liabilities	1,893,971	2,090,220
Commitments and contingencies (note 17)		
Redeemable noncontrolling interests	25,466	$ 127,765
Stockholders' equity		
Common Stock ($0.001 par value per share):		
Class A: shares authorized: 50,000,000; shares issued and outstanding 10,868,556 and 12,447,036 as of December 31, 2022 and 2021, respectively Class B: shares authorized, issued and outstanding: 99,665 as of December 31, 2022 and 2021	11	13
Additional paid-in capital	28,628	78,032
Retained earnings	764,178	740,926
Accumulated other comprehensive income	1,416	4,225
Total Oppenheimer Holdings Inc. stockholders' equity	794,233	823,196
Non-controlling interests (Note 2)	$ 722	$ 2,069
Total Stockholders' Equity	$ 794,955	$ 825,265
Total Liabilities, Redeemable Noncontrolling Interests and Stockholders' Equity	$ 2,714,392	$ 3,043,250

(1) Certain prior period reported amounts were reclassified to conform to the current period presentation, See Note 2.

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

OPPENHEIMER HOLDINGS INC.
CONSOLIDATED INCOME STATEMENTS
FOR THE THREE YEARS ENDED DECEMBER 31,

(Expressed in thousands, except number of shares and per share amounts)	2022	2021	2020
REVENUE			
Commissions	$ 370,382	$ 401,607	$ 395,097
Advisory fees	425,615	451,197	455,261
Investment banking	127,529	435,870	222,298
Bank deposit sweep income	104,558	15,557	34,829
Interest	60,713	36,482	33,477
Principal transactions, net	21,031	23,984	27,874
Other	1,113	29,338	29,831
Total revenue	1,110,941	1,394,035	1,198,667
EXPENSES			
Compensation and related expenses	740,827	886,840	770,997
Communications and technology	85,474	80,520	82,132
Occupancy and equipment costs	59,897	60,069	62,352
Clearing and exchange fees	25,566	22,306	22,978
Interest	23,846	9,855	15,680
Other	129,777	109,804	75,528
Total expenses	1,065,387	1,169,394	1,029,667
Pre-tax income	45,554	224,641	169,000
Income taxes	13,444	65,677	46,014
Net income	$ 32,110	$ 158,964	$ 122,986
Net income (loss) attributable to noncontrolling interests, net of tax	(241)	—	—
Net income attributable to Oppenheimer Holdings Inc.	$ 32,351	$ 158,964	$ 122,986
Earnings per share attributable to Oppenheimer Holdings Inc.			
Basic	$ 2.77	$ 12.57	$ 9.73
Diluted	2.57	$ 11.70	$ 9.30
Weighted average shares outstanding			
Basic	11,666,194	12,642,306	12,642,576
Diluted	12,607,752	13,582,828	13,217,335
Period end shares outstanding	10,968,221	12,546,701	12,481,443

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

OPPENHEIMER HOLDINGS INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE YEARS ENDED DECEMBER 31,

(Expressed in thousands)	2022	2021	2020
Net income	$ 32,110	$ 158,964	$ 122,986
Other comprehensive income (loss), net of tax			
Currency translation adjustment	(2,809)	777	1,687
Comprehensive income	$ 29,301	$ 159,741	$ 124,673
Less net income (loss) attributable to noncontrolling interests	(241)	—	—
Comprehensive income attributable to Oppenheimer Holdings Inc.	$ 29,542	$ 159,741	$ 124,673

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

OPPENHEIMER HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY AND REDEEMABLE NONCONTROLLING INTERESTS
FOR THE THREE YEARS ENDED DECEMBER 31,

(Expressed in thousands except per share amounts)	2022	2021 (1)	2020 (1)
Common stock ($0.001 par value per share)			
Balance at beginning of year	$ 13	$ 12	$ 13
Issuance of Class A non-voting common stock	—	1	—
Repurchase of Class A non-voting common stock for cancellation	(2)	—	(1)
Balance at end of year	11	13	12
Additional paid-in capital			
Balance at beginning of year	78,032	80,802	93,951
Issuance of Class A non-voting common stock	2,924	4,846	7,824
Repurchase of Class A non-voting common stock for cancellation	(58,581)	(7,738)	(15,048)
Share-based expense	11,555	10,514	7,683
Vested employee share plan awards	(5,081)	(9,739)	(13,608)
Change in redemption value of redeemable noncontrolling interests	(221)	(653)	—
Balance at end of year	28,628	78,032	80,802
Retained earnings			
Balance at beginning of year	740,926	601,406	496,998
Repurchase of Class A non-voting common stock for cancellation	(2,055)	—	—
Net income (2)	32,351	158,964	122,986
Dividends paid	(7,044)	(19,444)	(18,578)
Balance at end of year	764,178	740,926	601,406
Accumulated other comprehensive income			
Balance at beginning of year	4,225	3,448	1,761
Currency translation adjustment	(2,809)	777	1,687
Balance at end of year	1,416	4,225	3,448
Total Oppenheimer Holdings Inc. stockholders' equity	794,233	823,196	685,668
Non-controlling interests			
Balance at beginning of year	2,069	11,946	—
Capital distribution to noncontrolling interests	(90)	—	—
Net loss attributable to non-controlling interests	(241)	(11)	—
Change in redemption value of redeemable noncontrolling interests	(1,016)	(9,866)	—
Balance at end of year	722	2,069	—
Total stockholders' equity	$ 794,955	$ 825,265	$ 685,668
Redeemable Non Controlling Interests			
Balance at beginning of year	127,765	117,246	—
Redemption of redeemable noncontrolling interests	(103,536)	—	—
Change in redemption value of redeemable noncontrolling interests	1,237	10,519	—
Balance at end of year	$ 25,466	$ 127,765	$ —
Dividends paid per share	$ 0.60	$ 1.54	$ 1.48

(1) Certain prior period reported amounts were reclassified to conform to the current period presentation, See Note 2.

(2) Attributable to Oppenheimer Holdings Inc.

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

OPPENHEIMER HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE YEARS ENDED DECEMBER 31,

(Expressed in thousands)	2022	2021	2020
Cash flows from operating activities			
Net income	$ 32,110	$ 158,964	$ 122,986
Adjustments to reconcile net income to net cash provided by (used in) operating activities			
Non-cash items included in net income:			
Depreciation and amortization of furniture, equipment and leasehold improvements	7,605	7,994	8,143
Deferred income taxes	(14,616)	(792)	21,336
Amortization of notes receivable	13,741	13,427	11,763
Amortization of debt issuance costs	248	250	206
Write-off of debt issuance costs	61	—	341
Provision for (reversal of) credit losses	(2,955)	2,896	(41)
Share-based compensation	15,914	31,138	16,220
Amortization of right-of-use lease assets	26,804	26,125	25,150
Gain on repurchase of senior secured notes	(235)	—	(86)
Decrease (increase) in operating assets:			
Deposits with clearing organizations	(10,723)	16,375	(34,928)
Receivable from brokers, dealers and clearing organizations	(36,175)	33,592	(40,201)
Receivable from customers	21,641	(113,511)	(313,860)
Income tax receivable	—	—	5,170
Securities purchased under agreements to resell	935	(935)	—
Securities owned	135,910	(23,987)	189,202
Notes receivable	(17,253)	(21,249)	(14,254)
Other assets	16,412	65,814	(105,435)
Increase (decrease) in operating liabilities:			
Payable to brokers, dealers and clearing organizations	127,949	162,146	(261,064)
Payable to customers	(483)	(45,849)	168,072
Securities sold under agreements to repurchase	(116,313)	(65,116)	55,173
Securities sold but not yet purchased	(19,190)	(54,213)	25,600
Accrued compensation	(107,350)	23,238	82,367
Income tax payable	(9,406)	3,810	9,726
Accounts payable and other liabilities	(139)	7,669	(25,645)
Cash provided by/(used in) operating activities	64,492	227,786	(54,059)

(Expressed in thousands)	2022	2021	2020
Cash flows from investing activities			
Purchase of furniture, equipment and leasehold improvements	(16,311)	(8,268)	(4,528)
Proceeds from the settlement of Company-owned life insurance	2,174	2,001	587
Cash used in investing activities	(14,137)	(6,267)	(3,941)
Cash flows from financing activities			
Cash dividends paid on Class A non-voting and Class B voting common stock	(7,044)	(19,444)	(18,578)
Issuance of Class A non-voting common stock	127	58	56
Repurchase of Class A non-voting common stock for cancellation	(60,636)	(7,737)	(15,048)
Payments for employee taxes withheld related to vested share-based awards	(2,283)	(4,967)	(5,839)
Issuance of senior secured notes		—	125,000
Payment of Company sponsored Initial Public Offering costs	—	(454)	—
Contributions from noncontrolling interests	—	3,147	—
Proceeds from Company sponsored Initial Public Offering	—	126,500	—
Distribution to noncontrolling interests	(90)	—	—
Redemption on redeemable noncontrolling interests	(103,536)	—	—
Redemption of senior secured notes	—	—	(148,574)
Repurchase of senior secured notes	(10,950)	—	(1,426)
Debt issuance costs	—	(22)	(1,210)
Debt redemption costs	—	—	(2,507)
(Decrease)/increase in bank call loans, net	(69,500)	(12,500)	82,000
Cash provided by/(used in) financing activities	(253,912)	84,581	13,874
Net increase/(decrease) in cash and cash equivalents and restricted cash	(203,557)	306,100	(44,126)
Cash and cash equivalents and restricted cash, beginning of year	341,524	35,424	79,550
Cash and cash equivalents and restricted cash, end of year	$ 137,967	$ 341,524	$ 35,424

Reconciliation of cash and cash equivalents and restricted cash within the consolidated balance sheet:	2022	2021	2020
Cash and cash equivalents	$ 112,433	$ 213,759	$ 35,424
Restricted cash	25,534	127,765	—
Total cash and cash equivalents and restricted cash	$ 137,967	$ 341,524	$ 35,424
Schedule of non-cash financing activities			
Employee share plan issuance	$ 4,288	$ 7,361	$ 12,167
Supplemental disclosure of cash flow information			
Cash paid during the year for interest	$ 22,810	$ 10,089	$ 19,013
Cash paid during the year for income taxes, net	$ 37,512	$ 62,378	$ 11,191

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

1. Organization

Oppenheimer Holdings Inc. ("OPY" or the "Parent") is incorporated under the laws of the State of Delaware. The consolidated financial statements include the accounts of OPY and its consolidated subsidiaries (together, the "Company"). Oppenheimer Holdings Inc., through its operating subsidiaries, is a leading middle market investment bank and full service broker-dealer that is engaged in a broad range of activities in the financial services industry, including retail securities brokerage, institutional sales and trading, investment banking (corporate and public finance), equity and fixed income research, market-making, trust services, and investment advisory and asset management services.

The Company is headquartered in New York and has 92 retail branch offices in the United States and institutional businesses located in London, Tel Aviv, and Hong Kong. The principal subsidiaries of OPY are Oppenheimer & Co. Inc. ("Oppenheimer"), a registered broker-dealer in securities and investment adviser under the Investment Advisers Act of 1940; Oppenheimer Asset Management Inc. ("OAM") and its wholly-owned subsidiary, Oppenheimer Investment Management LLC, both registered investment advisers under the Investment Advisers Act of 1940; Oppenheimer Trust Company of Delaware ("Oppenheimer Trust"), a limited purpose trust company that provides fiduciary services such as trust and estate administration and investment management; OPY Credit Corp., which offers syndication as well as trading of issued corporate loans; Oppenheimer Europe Ltd., based in the United Kingdom, with offices in the Isle of Jersey, Germany and Switzerland, which provides institutional equities and fixed income brokerage and corporate finance and is regulated by the Financial Conduct Authority in the United Kingdom and the Jersey Financial Services Commission in the Isle of Jersey; and Oppenheimer Investments Asia Limited, based in Hong Kong, China, which provides fixed income and equities brokerage services to institutional investors and is regulated by the Securities and Futures Commission; and Oppenheimer Israel Ltd., based in Tel Aviv, Israel, which provides investment services in the State of Israel and operates subject to the authority of the Israel Securities Authority.

2. Summary of significant accounting policies and estimates

Basis of Presentation

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). Intercompany transactions and balances have been eliminated in the preparation of the consolidated financial statements.

Change in Presentation

Effective June 30, 2022, the Company reclassified certain stockholders' equity amounts on the consolidated balance sheet and consolidated statements of changes in stockholders' equity and redeemable noncontrolling interests. The reclassification included separately presenting the par value of common stock, and combining previously disclosed share capital and contributed capital amounts in the currently reported additional paid-in capital amount. The reclassification had no impact on previously reported total stockholders' equity amounts.

Use of Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods.

In presenting the consolidated financial statements, management makes estimates regarding valuations of financial instruments, loans and allowances for credit losses, the outcome of legal and regulatory matters, goodwill and other intangible assets, share-based compensation plans and income taxes. Estimates, by their nature, are based on judgment and available information. Therefore, actual results could be materially different from these estimates.

Financial Instruments and Fair Value

Financial Instruments

Securities owned, securities sold but not yet purchased, investments and derivative contracts are carried at fair value with changes in fair value recognized in earnings each period.

Fair Value Measurements

Accounting guidance for the fair value measurement of financial assets defines fair value, establishes a framework for measuring fair value, establishes a fair value measurement hierarchy, and requires certain fair value measurement disclosures. Fair value, as defined by the accounting guidance, is the price that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy established by this accounting guidance prioritizes the inputs used in valuation techniques into the following three categories (highest to lowest priority):

Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly; and

Level 3: Unobservable inputs that are significant to the overall fair value measurement.

The Company's financial instruments that are recorded at fair value generally are classified within Level 1 or Level 2 within the fair value hierarchy using quoted market prices or quotes from market makers or broker-dealers. Financial instruments classified within Level 1 are valued based on quoted market prices in active markets and consist of U.S. Treasury, corporate equities, and certain money market instruments. Level 2 financial instruments primarily consist of investment grade and high-yield corporate debt, convertible bonds, U.S. Agency securities, mortgage and asset-backed securities, and municipal obligations. Financial instruments classified as Level 2 are valued based on quoted prices for similar assets and liabilities in active markets and quoted prices for identical or similar assets and liabilities in markets that are not active. Some financial instruments are classified within Level 3 within the fair value hierarchy as observable pricing inputs are not available due to limited market activity for the asset or liability. As of December 31, 2022 and December 31, 2021, the Company had $31.8 million of auction rate securities ("ARS") in level 3 assets. See note 7 for further details.

Fair Value Option

The Company elected the fair value option for securities sold under agreements to repurchase ("repurchase agreements") and securities purchased under agreements to resell ("reverse repurchase agreements") that do not settle overnight or have an open settlement date. The Company has elected the fair value option for these instruments to reflect more accurately market and economic events in its earnings and to mitigate a potential mismatch in earnings caused by using different measurement attributes (i.e. fair value versus carrying value) for certain assets and liabilities. As of December 31, 2022, the Company did not have any repurchase agreements and reverse repurchase agreements that do not settle overnight or have an open settlement date.

Consolidation

The Company consolidates all subsidiaries in which it has a controlling financial interest, as well as any variable interest entities ("VIEs") where the Company is deemed to be the primary beneficiary, when it has the power to make the decisions that most significantly affect the economic performance of the VIE and has the obligation to absorb significant losses or the right to receive benefits that could potentially be significant to the VIE. The Company reviews factors, including the rights of the equity holders at risk and obligations of equity holders to absorb losses or receive expected residual returns, to determine if the entity is a VIE. Under US GAAP, a general partner will not consolidate a partnership or similar entity under the voting interest model. See note 9 for further details.

Financing Receivables

The Company's financing receivables include customer margin loans, securities purchased under agreements to resell ("reverse repurchase agreements"), and securities borrowed transactions. The Company uses financing receivables to extend margin loans to customers, meet trade settlement requirements, and facilitate its matched-book arrangements and inventory requirements.

The Company's financing receivables are secured by collateral received from clients and counterparties. In many cases, the Company is permitted to sell or re-pledge securities held as collateral. These securities may be used to collateralize repurchase agreements, to enter into securities lending agreements, to cover short positions or to fulfill the obligation of securities fails to deliver. The Company monitors the market value of the collateral received on a daily basis and may require clients and counterparties to deposit additional collateral or return collateral pledged, when appropriate.

Customer receivables, primarily consisting of customer margin loans collateralized by customer-owned securities, are stated net of allowance for credit losses. The Company reviews large customer accounts that do not comply with the Company's margin requirements on a case-by-case basis to determine the likelihood of collection and records an allowance for credit loss following that process. For small customer accounts that do not comply with the Company's margin requirements, the allowance for credit loss is generally recorded as the amount of unsecured or partially secured receivables.

The Company also makes loans to financial advisors as part of its hiring process. These loans are recorded as notes receivable on its consolidated balance sheet. Allowances are established on these loans if the financial advisor is no longer associated with the Company and the loan has not been promptly repaid.

Legal and Regulatory Reserves

The Company records reserves related to legal and regulatory proceedings in accounts payable and other liabilities. The determination of the amounts of these reserves requires significant judgment on the part of management. In accordance with applicable accounting guidance, the Company establishes reserves for litigation and regulatory matters where available information indicates that it is probable a liability had been incurred and the Company can reasonably estimate the amount of that loss. When loss contingencies are not probable or cannot be reasonably estimated, the Company does not establish reserves.

When determining whether to record a reserve, management considers many factors including, but not limited to, the amount of the claim; the stage and forum of the proceeding, the sophistication of the claimant, the amount of the loss, if any, in the client's account and the possibility of wrongdoing, if any, on the part of an employee of the Company; the basis and validity of the claim; previous results in similar cases; and applicable legal precedents and case law. Each legal and regulatory proceeding is reviewed with counsel in each accounting period and the reserve is adjusted as deemed appropriate by management. Any change in the reserve amount is recorded in the results of that period. The assumptions of management in determining the estimates of reserves may be incorrect and the actual disposition of a legal or regulatory proceeding could be greater or less than the reserve amount.

Leases

Right-of-use ("ROU") assets and lease liabilities are initially recognized based on the present value of the future minimum lease payments over the lease term, excluding non-base rent components such as fixed common area maintenance costs and other fixed costs such as real estate taxes and insurance. The discount rates used in determining the present value of leases are the Company’s incremental borrowing rates, developed based upon each lease’s term. The lease term includes options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. For operating leases, the ROU assets also include any prepaid lease payments and initial direct costs incurred and are reduced by lease incentives. For these leases, lease expense is recognized on a straight-line basis over the lease term if the ROU asset has not been impaired or abandoned.

Goodwill

The Company defines a reporting unit as an operating segment. The Company's goodwill resides in its Private Client Division ("PCD") reporting unit. Goodwill of a reporting unit is subject to at least an annual test for impairment to determine if the estimated fair value of a reporting unit is less than its carrying amount. Goodwill of a reporting unit is required to be tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Due to the volatility in the financial services sector and equity markets in general, determining whether an impairment of goodwill has occurred is increasingly difficult and requires management to exercise significant judgment. The Company's annual goodwill impairment analysis performed as of December 31, 2022 applied the same valuation methodologies with consistent inputs as that performed as of December 31, 2021.

In estimating the fair value of the PCD reporting unit, the Company uses traditional standard valuation methods, including the market comparable approach and income approach. The market comparable approach is based on comparisons of the subject company to public companies whose stocks are actively traded ("Price Multiples") or to similar companies engaged in an actual merger or acquisition ("Precedent Transactions"). As part of this process, multiples of value relative to financial variables, such as earnings or stockholders' equity, are developed and applied to the appropriate financial variables of the subject company to indicate its value. The income approach involves estimating the present value of the subject company's future cash flows by using projections of the cash flows that the business is expected to generate, and discounting these cash flows at a given rate of return ("Discounted Cash Flow" or "DCF"). Each of these standard valuation methodologies requires the use of management estimates and assumptions.

In its Price Multiples valuation analysis, the Company uses various operating metrics of comparable companies, including revenues, after-tax earnings, and EBITDA as well as price-to-book value ratios at a point in time. The Company analyzes prices paid in Precedent Transactions that are comparable to the business conducted in the PCD. The DCF analysis includes the Company's assumptions regarding discount rate, growth rates of the PCD's revenues, expenses, EBITDA, and capital expenditures, adjusted for current economic conditions and expectations. The Company weighs each of the three valuation methods equally in its overall valuation. Given the subjectivity involved in selecting which valuation method to use, the corresponding weightings, and the input variables for use in the analyses, it is possible that a different valuation model and the selection of different input variables could produce a materially different estimate of the fair value of the PCD reporting unit.

Intangible Assets

Indefinite intangible assets are comprised of trademarks, trade names and an Internet domain name. These intangible assets carried at $32.1 million, which are not amortized, are subject to at least an annual test for impairment to determine if the estimated fair value is less than their carrying amount. The fair value of the trademarks and trade names was substantially in excess of their carrying value as of December 31, 2022.

Share-Based Compensation Plans

As part of the compensation to employees and directors, the Company uses stock-based compensation, consisting of restricted stock, stock options and stock appreciation rights. In accordance with ASC Topic 718, "Compensation - Stock Compensation," the Company classifies the stock options and restricted stock awards as equity awards, which requires the compensation cost to be recognized in the consolidated income statements over the requisite service period of the award at grant date fair value and adjusted for actual forfeitures. The fair value of restricted stock awards is determined based on the grant date closing price of the Company's Class A non-voting common stock ("Class A Stock") adjusted for the present value of the dividend to be received upon vesting. The fair value of stock options is determined using the Black-Scholes model. Key assumptions used to estimate the fair value include the expected term and the expected volatility of the Company's Class A Stock over the term of the award, the risk-free interest rate over the expected term, and the Company's expected annual dividend yield. The Company classifies stock appreciation rights ("OARs") as liability awards, which requires the fair value to be remeasured at each reporting period until the award vests. The fair value of OARs is also determined using the Black-Scholes model at the end of each reporting period. The compensation cost is adjusted each reporting period for changes in fair value prorated for the portion of the requisite service period rendered.

Revenue Recognition

Brokerage

Customers' securities and commodities transactions are reported on a settlement date basis, which is generally two business days after trade date for securities transactions and one day for commodities transactions. Related commission income and expense is recorded on a trade date basis.

Principal Transactions

Transactions in proprietary securities and related revenue and expenses are recorded on a trade date basis. Securities owned and securities sold but not yet purchased are reported at fair value generally based upon quoted prices. Realized and unrealized changes in fair value are recognized in principal transactions, net in the period in which the change occurs.

Investment Banking Fees

Advisory fees from mergers, acquisitions and restructuring transactions are recorded when services for the transactions are completed and income is reasonably determinable, generally as set forth under the terms of the engagement. Retainer fees and engagement fees are recognized ratably over the service period.

Underwriting fees are recorded when the transactions are completed. Transaction-related expenses, primarily consisting of legal, travel and other costs directly associated with the transaction, are deferred and recognized in the same period as the related investment banking transaction revenue. Underwriting revenues and the related expenses are presented gross on the consolidated income statements.

Interest

Interest revenue represents interest earned on margin debit balances, securities borrowed transactions, reverse repurchase agreements, fixed income securities, firm investments, and cash and cash equivalents. Interest revenue is recognized in the period earned based upon average or daily asset balances, contractual cash flows, and interest rates. Interest earned from the customer margin loans is recorded in the consolidated income statements in interest income.

Asset Management

Asset management fees are generally recognized over the period the related service is provided based on the account value at the valuation date per the respective asset management agreements. In certain circumstances, OAM is entitled to receive performance (or incentive) fees when the return on assets under management ("AUM") exceeds certain benchmark returns or other performance targets. Performance fees are generally based on investment performance over a 12-month period and are not subject to adjustment once the measurement period ends. Such fees are computed as of the fund's year-end when the measurement period ends and generally are recorded as earned in the fourth quarter of the Company's fiscal year. Asset management fees and performance fees are included in advisory fees in the consolidated income statements. Assets under management are not included as assets of the Company.

Bank Deposit Sweep Income

Bank deposit sweep income consists of revenues earned from the Advantage Bank Deposit Program. Under this program, client funds are swept into deposit accounts at participating banks and are eligible for FDIC deposit insurance up to FDIC standard maximum deposit insurance amounts. The Company earns the fee paid on these deposits after administrative fees are paid to the administrator of the program. The fee earned in the period is recorded in bank deposit sweep income and the portion of interest credited to clients is recorded in interest expense in the consolidated income statements.

Balance Sheet

Cash and Cash Equivalents

The Company defines cash equivalents as highly liquid investments with original maturities of less than 90 days that are not held for sale in the ordinary course of business.

Receivables from / Payables to Brokers, Dealers and Clearing Organizations

Securities borrowed and securities loaned are carried at the amounts of cash collateral advanced or received. Securities borrowed transactions require the Company to deposit cash or other collateral with the lender. The Company receives cash or collateral in an amount generally in excess of the market value of securities loaned. The Company monitors the market value of securities borrowed and loaned on a daily basis and may require counterparties to deposit additional collateral or return collateral pledged, when appropriate.

Securities failed to deliver and receive represent the contract value of securities which have not been delivered or received, respectively, by settlement date.

Receivables from / Payables to Customers

Receivables from and payables to customers include balances arising from customer securities and margin transactions. Receivables from customers are recorded when margin loans are extended to customers and are recorded on a settlement date basis. Payables to customers are recorded when customers deposit cash into their accounts and are recorded on a settlement date basis.

Securities Purchased under Agreements to Resell and Securities Sold under Agreements to Repurchase

Reverse repurchase agreements and securities sold under agreements to repurchase ("repurchase agreements") are treated as collateralized financing transactions and are recorded at their contractual amounts plus accrued interest. The resulting interest income and expense for these arrangements are included in interest income and interest expense in the consolidated income statements. Additionally, the Company elected the fair value option for repurchase agreements and reverse repurchase agreements that do not settle overnight or have an open settlement date. The Company can present the reverse repurchase and repurchase transactions on a net-by-counterparty basis when the specific offsetting requirements are satisfied.

Notes Receivable

Notes receivable represent recruiting and retention payments generally in the form of upfront loans to financial advisors and key revenue producers as part of the Company's overall growth strategy. These notes generally amortize over a service period of 3 to 10 years from the initial date of the note or based on productivity levels of employees. All such notes are contingent on the employees' continued employment with the Company. The unforgiven portion of the notes becomes due on demand in the event the employee departs during the service period. Amortization of notes receivable is included in the consolidated income statements in compensation and related expenses.

Furniture, Equipment and Leasehold Improvements

Furniture, equipment and leasehold improvements are stated at cost less accumulated depreciation. Depreciation of furniture, fixtures, and equipment is provided on a straight-line basis generally over 3 to 7 years. Leasehold improvements are amortized on a straight-line basis over the shorter of the life of the improvement or the remaining term of the lease.

Drafts Payable

Drafts payable represent amounts drawn by the Company against a bank.

Bank Call Loans

Bank call loans are generally payable on demand and bear interest at various rates, and such loans are collateralized by firm and/or customer's margin securities.

Foreign Currency Translations

Foreign currency balances have been translated into U.S. dollars as follows: monetary assets and liabilities at exchange rates prevailing at period end; revenue and expenses at average rates for the period; gains or losses resulting from translating foreign currency financial statements, net of related tax effects, are reflected in accumulated other comprehensive income in the consolidated balance sheets. The functional currency of the overseas operations is the local currency in each location except for Oppenheimer Europe Ltd. and Oppenheimer Investments Asia Limited which have the U.S. dollar as their functional currency.

Income Taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company recognizes deferred tax assets to the extent it believes these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies, and the results of recent operations.

The Company records uncertain tax positions in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, "Income Taxes", on the basis of a two-step process whereby it determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

The Company records interest and penalties accruing on unrecognized tax benefits in pre-tax income as interest expense and other expense, respectively, in its consolidated income statements.

The Company permanently reinvests eligible earnings of its foreign subsidiaries and, accordingly, does not accrue any U.S. income taxes that would arise if such earnings were repatriated.

OPY Acquisition Corp. I

On October 26, 2021, OPY Acquisition Corp. I ("OHAA") consummated its $126.5 million initial public offering (the "OHAA IPO"). OHAA is a special purpose acquisition company, incorporated in Delaware for the purpose of entering into a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination with one or more businesses or entities (a "Business Combination"). OPY Acquisition LLC I (the "Sponsor"), a Delaware series limited liability company and the Company's subsidiary, is the sponsor of OHAA. The Company and its employees control OHAA through the Sponsor's ownership of Class A founder shares of OHAA. As a result, both OHAA and the Sponsor are recorded in the Company's consolidated financial statements.

Upon IPO completion, funds totaling $127.8 million, including proceeds from the OHAA IPO of $126.5 million and $1.3 million investment from the Sponsor, are held in a trust account until the earlier of (i) the completion of a Business Combination or (ii) ten business days after April 29, 2023, 18 months from the closing of the OHAA IPO ("Combination Period"), pursuant to OHAA's certificate of incorporation. The cash held in the trust account is recorded in "Restricted Cash" on the consolidated balance sheet.

Transaction costs, which consisted of a net underwriting fee of $2.5 million and $0.5 million of other offering costs, were charged against the gross proceeds of the OHAA IPO consistent with SEC Staff Accounting Bulletin (SAB) Topic 5.

On December 20, 2022, OHAA's stockholders approved an amendment to its certificate of incorporation that was filed with the Delaware Secretary of State on December 22, 2022 which extends the deadline by which it must complete its initial business combination from April 29, 2023 to October 30, 2023. In connection with its proposal to amend its certificate of incorporation, OHAA was required to give its Class A stockholders the opportunity to redeem their shares of Class A common stock. Of the 12,650,000 shares of Class A common stock that were outstanding, a total of 10,170,490 shares exercised their redemption rights. As of December 31, 2022, $25.5 million remained in the trust account that is recorded within "Restricted Cash" on the consolidated balance sheet.

"Redeemable noncontrolling interests" of $25.5 million associated with the publicly held OHAA Class A ordinary shares are recorded on the Company's consolidated balance sheet as of December 31, 2022 at redemption value and classified as temporary equity in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 480 "Distinguishing Liabilities from Equity". Changes in redemption value are recognized immediately as they occur and will adjust the carrying value of redeemable noncontrolling interests to equal the redemption value at the end of each reporting period. Increases or decreases in the carrying amount of redeemable noncontrolling interests shall be affected by charges to additional paid-in-capital and noncontrolling interests attributable to certain members of the Sponsor on a pro rata ownership.

The public warrants and private warrants exercisable for OHAA Class A ordinary shares that were issued in connection with the OHAA IPO (the "OHAA Warrants") qualify for equity accounting treatment under FASB ASC Topic 815.

Oppenheimer Principal Investments LLC

Oppenheimer Principal Investments LLC ("OPI") is a Delaware special purpose "Series" limited liability company formed in December 2020 and designed to retain and reward talented employees of the Company, primarily in connection with the deployment of Company capital into successful private market investments, and also in connection with the Company's receipt of non-cash compensation from investment banking assignments. OPI is designed to promote alignment of Company, client and employee interests as they relate to profitable investment opportunities. This program acts as an incentive for senior employees to identify attractive private investments for the Company and its clients, and as a retention tool for key employees of the Company. OPI treats its members as partners for tax purposes generally and with respect to the separate Series formed to participate in (i) the incentive fees generated by successful client investments in the Company's Private Market Opportunities program, or (ii) principal investments made by the Company or a portion of the gains thereon, either through the outright purchase of an investment or consideration earned in lieu of an investment banking fee or other transaction fee. Employees who become members of a Series receive a "profit interest", as that term is used in IRS regulations, and receive an allocation of capital appreciation of the investment held by the particular Series that exceeds a threshold amount established for each Series. Participating employees are also subject to vesting and forfeiture requirements for each Series investment. The Company's policy is to consolidate those entities where it owns the majority voting interests. The Company owns the majority voting interest of OPI through Oppenheimer Alternative Investment Management ("OAIM"), the managing member of OPI and a subsidiary of OAM. Pursuant to the Company's policy for consolidation, the Company consolidates OPI.

Noncontrolling Interests

Noncontrolling interests represents ownership interests in the Sponsor of OHAA which includes OHAA Class A founder and Class A ordinary shares held by management and employees of the Company as well as OHAA Class B shares held by directors and officers of OHAA and an employee of the Company. Noncontrolling interests also includes the OHAA Warrants and publicly held warrants to purchase OHAA Class A ordinary shares.

For the years ended December 31, 2022 and December 31, 2021, the net loss attributed to noncontrolling interests was $241,000 and $8,000 (net of taxes), respectively.

Restricted Cash

Restricted cash represents OHAA deposits held in trust as indicated above.

New Accounting Pronouncements

The Company has reviewed and evaluated the impact of the recently issued Accounting Standard Updates by the Financial Accounting Standards Board ("FASB") and noted that they are not expected to have a material impact on its consolidated financial statements and disclosure.

3. Financial Instruments - Credit Losses

Under ASC 326 "Financial Instruments - Credit Losses", the Company can elect to use an approach to measure the allowance for credit losses using the fair value of collateral where the borrower is required to, and reasonably expected to, continually adjust and replenish the amount of collateral securing the instrument to reflect changes in the fair value of such collateral. The Company has elected to use this approach for securities borrowed, margin loans, and reverse repurchase agreements. No material historical losses have been reported on these assets. See note 8 for details.

As of December 31, 2022, the Company has $57.5 million of notes receivable. Notes receivable represents recruiting and retention payments generally in the form of upfront loans to financial advisors and key revenue producers as part of the Company's overall growth strategy. These notes generally amortize over a service period of 3 to 10 years from the initial date of the note or based on productivity levels of employees. All such notes are contingent on the employees' continued employment with the Company. The unforgiven portion of the notes becomes due on demand in the event the employee departs during the service period. At this point any uncollected portion of the notes gets reclassified into a defaulted notes category.

The allowance for uncollectibles is a valuation account that is deducted from the amortized cost basis of the defaulted notes balance to present the net amount expected to be collected. Balances are charged-off against the allowance when management deems the amount to be uncollectible.

The Company reserves 100% of the uncollected balance of defaulted notes which are five years and older and applies an expected loss rate to the remaining balance. The expected loss rate is based on historical collection rates of defaulted notes. The expected loss rate is adjusted for changes in environmental and market conditions such as changes in unemployment rates, changes in interest rates and other relevant factors. For the year ended December 31, 2022, no adjustments were made to the expected loss rates. The Company will continuously monitor the effect of these factors on the expected loss rate and adjust it as necessary.

The allowance is measured on a pool basis as the Company has determined that the entire defaulted portion of notes receivable has similar risk characteristics.

As of December 31, 2022, the uncollected balance of defaulted notes was $6.9 million and the allowance for uncollectibles was $4.3 million. The allowance for uncollectibles consisted of $2.5 million related to defaulted notes balances (five years and older) and $1.8 million (under five years).

The following table presents the disaggregation of defaulted notes by year of origination as of December 31, 2022:

(Expressed in thousands)	As of December 31, 2022	
2022	$	1,133
2021		2,317
2020		444
2019		347
2018		132
2017 and prior		2,507
Total	$	6,880

The following table presents activity in the allowance for uncollectibles of defaulted notes for the years ended December 31, 2022 and 2021:

(Expressed in thousands)	For the Year Ended December 31,			
	2022		2021	
Beginning balance	$	4,923	$	4,234
Additions and other adjustments		(596)		689
Ending balance	$	4,327	$	4,923

4. Leases

The Company and its subsidiaries have operating leases for office space and equipment expiring at various dates through 2034. The Company leases its corporate headquarters at 85 Broad Street, New York, New York which houses its executive management team and many administrative functions for the firm as well as its research, trading, investment banking, and asset management divisions and an office in Troy, Michigan, which among other things, houses its payroll and human resources departments. In addition, the Company has 92 retail branch offices in the United States as well as offices in London, England, St. Helier, Isle of Jersey, Geneva, Switzerland, Munich, Germany, Tel Aviv, Israel and Hong Kong, China.

The Company is constantly assessing its needs for office space and, on a rolling basis, has many leases that expire in any given year.

Substantially all of the leases are held by the Company's subsidiary, Viner Finance Inc., which is a consolidated subsidiary and 100% owned by the Company.

Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term. Most leases include an option to renew and the exercise of lease renewal options is at the Company's sole discretion. The Company did not include the renewal options as part of the right of use assets and liabilities.

The depreciable life of assets and leasehold improvements is limited by the expected lease term. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

As of December 31, 2022, the Company had right-of-use operating lease assets of $142.6 million (net of accumulated amortization of $82.4 million) which are comprised of real estate leases of $139.7 million (net of accumulated amortization of $80.0 million) and equipment leases of $2.9 million (net of accumulated amortization of $2.4 million). As of December 31, 2022, the Company had operating lease liabilities of $182.6 million which are comprised of real estate lease liabilities of $179.7 million and equipment lease liabilities of $2.9 million. The Company had no finance leases as of December 31, 2022.

As most of the Company's leases do not provide an implicit rate, the Company uses the incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The Company used the incremental borrowing rate on January 1, 2019 for operating leases that commenced prior to that date. The Company used the incremental borrowing rate as of the lease commencement date for the operating leases that commenced subsequent to January 1, 2019.

The following table presents the weighted average lease term and weighted average discount rate for the Company's operating leases as of December 31, 2022 and December 31, 2021, respectively:

	As of	
	December 31, 2022	December 31, 2021
Weighted average remaining lease term (in years)	6.82	7.38
Weighted average discount rate	6.66%	6.89%

The following table presents operating lease costs recognized for the years ended December 31, 2022 and December 31, 2021, respectively, which are included in occupancy and equipment costs on the consolidated income statements:

(Expressed in thousands)	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Operating lease costs:		
Real estate leases - Right-of-use lease asset amortization	$ 25,128	$ 24,343
Real estate leases - Interest expense	12,996	14,139
Equipment leases - Right-of-use lease asset amortization	1,672	1,784
Equipment leases - Interest expense	152	142

The maturities of lease liabilities as of December 31, 2022 are as follows:

(Expressed in thousands)	As of December 31, 2022
2023	$ 42,343
2024	38,018
2025	31,684
2026	29,671
2027	28,178
After 2027	58,146
Total lease payments	$ 228,040
Less interest	(45,470)
Present value of lease liabilities	$ 182,570

As of December 31, 2022, the Company had $40.2 million of additional operating leases that have not yet commenced. ($16.2 million as of December 31, 2021).

5. Revenues from contracts with customers

Revenue from contracts with customers is recognized when, or as, the Company satisfies its performance obligations by transferring the promised goods or services to customers. A good or service is transferred to a customer when, or as, the customer obtains control of that good or service. A performance obligation may be satisfied over time or at a point in time. Revenue from a performance obligation satisfied over time is recognized by measuring the Company's progress in satisfying the performance obligation in a manner that depicts the transfer of the goods or services to the customer. Revenue from a performance obligation satisfied at a point in time is recognized at the point in time that the Company determines the customer obtains control over the promised good or service.

The amount of revenue recognized reflects the consideration to which the Company expects to be entitled in exchange for those promised goods or services (i.e., the "transaction price"). In determining the transaction price, the Company considers multiple factors, including the effects of variable consideration. Variable consideration is included in the transaction price only to the extent it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainties with respect to the amount are resolved. In determining when to include variable consideration in the transaction price, the Company considers the range of possible outcomes, the predictive value of its past experiences, the time period during which uncertainties are expected to be resolved and the amount of consideration that is susceptible to factors outside of the Company's influence, such as market volatility or the judgment and actions of third parties.

The Company earns revenue from contracts with customers and other sources (principal transactions, interest and other). The following provides detailed information on the recognition of the Company's revenue from contracts with customers:

Commissions

Commissions from Sales and Trading — The Company earns commission revenue by executing, settling and clearing transactions with clients primarily in exchange-traded and over-the-counter corporate equity and debt securities, money market instruments and exchange-traded options and futures contracts. A substantial portion of Company's revenue is derived from commissions from private clients through accounts with transaction-based pricing. Trade execution and clearing services, when provided together, represent a single performance obligation as the services are not separately identifiable in the context of the contract. Commission revenue associated with combined trade execution and clearing services, as well as trade execution services on a standalone basis, is recognized at a point in time on trade date when the performance obligation is satisfied.

Commission revenue is generally paid on settlement date, which is generally two business days after trade date for equity securities and corporate bond transactions and one day for government securities, options and commodities transactions. The Company records a receivable on the trade date and receives a payment on the settlement date.

Mutual Fund Income — The Company earns mutual fund income for sales and distribution of mutual fund shares, which consists of a fixed fee amount and a variable amount. The Company recognizes mutual fund income at a point in time on trade date when the performance obligation is satisfied which is when the mutual fund interest is sold to the investor. The ongoing distribution fees for distributing investment products from mutual fund companies are generally considered variable consideration because they are based on the value of AUM and are uncertain on trade date. The Company recognizes distribution fees over the investment period as the amounts become known and the portion recognized in the current period may relate to distribution services performed in prior periods. Mutual fund income is generally received within 90 days.

Advisory Fees

The Company earns management and performance (or incentive) fees in connection with the advisory and asset management services it provides to various types of funds, asset-based programs and investment vehicles through its subsidiaries. Management fees are generally based on the account value at the valuation date per the respective asset management agreements and are recognized over time as the customer receives the benefits of the services evenly throughout the term of the contract. Performance fees are recognized when the return on client AUM exceeds a specified benchmark return or other performance targets over a 12-month measurement period are met. Performance fees are considered variable as they are subject to fluctuation and/or are contingent on a future event over the measurement period and are not subject to adjustment once the measurement period ends. Such fees are computed as of the fund's year-end when the measurement period ends and generally are recorded as earned in the fourth quarter of the Company's fiscal year. Both management and performance fees are generally received within 90 days.

Investment Banking

The Company earns underwriting revenues by providing capital raising solutions for corporate clients through initial public offerings, follow-on offerings, equity-linked offerings, private investments in public entities, and private placements. Underwriting revenues are recognized at a point in time on trade date, as the client obtains the control and benefit of the capital markets offering at that time. These fees are generally received within 90 days after the transactions are completed. Transaction-related expenses, primarily consisting of legal, travel and other costs directly associated with the transaction, are deferred and recognized in the same period as the related investment banking transaction revenue. Underwriting revenues and related expenses are presented gross on the consolidated income statements.

Revenue from financial advisory services includes fees generated in connection with mergers, acquisitions and restructuring transactions. Such revenue and fees are primarily recorded at a point in time when services for the performance obligations have been completed and income is reasonably determinable, generally as set forth under the terms of the engagement. Payment for advisory services is generally due upon a completion of the transaction or milestone. Retainer fees and fees earned from certain advisory services are recognized ratably over the service period as the customer receives the benefit of the services throughout the term of the contracts, and such fees are collected based on the terms of the contracts.

Bank Deposit Sweep Income

Bank deposit sweep income consists of revenue earned from the FDIC-insured bank deposit program. Under this program, client funds are swept into deposit accounts at participating banks and are eligible for FDIC deposit insurance up to FDIC standard maximum deposit insurance amounts. Fees are earned over time and are generally received within 30 days.

Disaggregation of Revenue

The following presents the Company's revenue from contracts with customers disaggregated by major business activity and other sources of revenue for the years ended December 31, 2022 and 2021:

OPPENHEIMER HOLDINGS INC.
Notes to Consolidated Financial Statements

(Expressed in thousands)	For the Year Ended December 31, 2022				
	Reportable Segments				
	Private Client	Asset Management	Capital Markets	Corporate/ Other	Total
Revenues from contracts with customers:					
Commissions from sales and trading	$ 159,441	$ —	$ 179,694	$ 40	$ 339,175
Mutual fund income	31,173	—	8	26	31,207
Advisory fees	326,240	99,224	117	34	425,615
Investment banking - capital markets	9,352	—	33,481	—	42,833
Investment banking - advisory	127	—	84,569	—	84,696
Bank deposit sweep income	104,558	—	—	—	104,558
Other	16,451	—	2,113	510	19,074
Total revenues from contracts with customers	647,342	99,224	299,982	610	1,047,158
Other sources of revenue:					
Interest	51,866	—	7,453	1,394	60,713
Principal transactions, net	(4,013)	—	29,610	(4,566)	21,031
Other	(19,515)	18	776	760	(17,961)
Total other sources of revenue	28,338	18	37,839	(2,412)	63,783
Total revenue	$ 675,680	$ 99,242	$ 337,821	$ (1,802)	$ 1,110,941

(Expressed in thousands)	For the Year Ended December 31, 2021				
	Reportable Segments				
	Private Client	Asset Management	Capital Markets	Corporate/ Other	Total
Revenues from contracts with customers:					
Commissions from sales and trading	$ 181,073	$ —	$ 183,778	$ 9	$ 364,860
Mutual fund income	36,651	—	8	88	36,747
Advisory fees	346,559	104,584	3	51	451,197
Investment banking - capital markets	24,965	—	215,902	—	240,867
Investment banking - advisory	250	—	194,753	—	195,003
Bank deposit sweep income	15,557	—	—	—	15,557
Other	13,382	—	1,198	58	14,638
Total revenues from contracts with customers	618,437	104,584	595,642	206	1,318,869
Other sources of revenue:					
Interest	29,290	—	6,990	202	36,482
Principal transactions, net	3,195	—	22,598	(1,809)	23,984
Other	14,138	14	474	74	14,700
Total other sources of revenue	46,623	14	30,062	(1,533)	75,166
Total revenue	$ 665,060	$ 104,598	$ 625,704	$ (1,327)	$ 1,394,035

Contract Assets and Liabilities

The timing of the Company's revenue recognition may differ from the timing of payment by its customers. The Company records contract assets when payment is due from a client conditioned on future performance or the occurrence of other events. Alternatively, when payment precedes the provision of the related services, the Company records deferred revenue until the performance obligations are satisfied.

The Company had receivables related to revenue from contracts with customers of $32.8 million and $37.2 million at December 31, 2022 and December 31, 2021, respectively. The Company had no significant impairments related to these receivables during the years ended December 31, 2022 and 2021.

Deferred revenue relates to IRA fees received annually in advance on customers' IRA accounts managed by the Company and retainer fees and other fees earned from certain advisory transactions where the performance obligations have not yet been satisfied. Total deferred revenue was $900,000 and $235,000 for years ended December 31, 2022 and 2021.

The following presents the Company's contract assets and deferred revenue balances from contracts with customers, which are included in other assets and other liabilities, respectively, on the consolidated balance sheet:

(Expressed in thousands)	As of	
	December 31, 2022	December 31, 2021
Contract assets (receivables):		
Commission (1)	$ 3,533	$ 2,886
Mutual fund income (2)	4,993	6,205
Advisory fees (3)	5,368	4,546
Bank deposit sweep income (4)	9,057	595
Investment banking fees (5)	5,136	17,765
Other	4,686	5,195
Total contract assets	$ 32,773	$ 37,192
Deferred revenue (payables):		
Investment banking fees (6)	$ 900	$ 235
Total deferred revenue	$ 900	$ 235

(1) Commission recorded on trade date but not yet settled.
(2) Mutual fund income earned but not yet received.
(3) Management and performance fees earned but not yet received.
(4) Fees earned from FDIC-insured bank deposit program but not yet received.
(5) Underwriting revenue and advisory fees earned but not yet received, including certain receivables.
(6) Retainer fees and fees earned from certain advisory transactions where the performance obligations have not yet been satisfied.

Contract Costs

The Company incurs incremental transaction-related costs to obtain and/or fulfill contracts associated with investment banking and advisory engagements where the revenue is recognized at a point in time and the costs are determined to be recoverable. As of December 31, 2022, these contract costs were $1.4 million ($1.5 million as of December 31, 2021). There were no significant charges recognized in relation to these costs for year ended December 31, 2022.

6. Receivable from and payable to brokers, dealers and clearing organizations

(Expressed in thousands)	As of December 31,	
	2022	2021
Receivable from brokers, dealers and clearing organizations consists of:		
Securities borrowed	$ 127,817	$ 99,752
Receivable from brokers	49,125	39,716
Securities failed to deliver	9,099	9,212
Clearing organizations and other	20,036	21,222
Total	$ 206,077	$ 169,902
Payable to brokers, dealers and clearing organizations consists of:		
Securities loaned	$ 320,843	$ 244,223
Payable to brokers	123	2,077
Securities failed to receive	62,646	6,457
Clearing organizations and other (1)	166,394	169,300
Total	$ 550,006	$ 422,057

(1) The balances are primarily related to a trade/settlement date adjustment for U.S. Government Securities.

7. Fair value measurements

Securities owned, securities sold but not yet purchased, investments and derivative contracts are carried at fair value with changes in fair value recognized in earnings each period.

Valuation Techniques

A description of the valuation techniques applied and inputs used in measuring the fair value of the Company's financial instruments is as follows:

U.S. Government Obligations

U.S. Treasury securities are valued using quoted market prices obtained from active market makers and inter-dealer brokers.

U.S. Agency Obligations

U.S. agency securities consist of agency issued debt securities and mortgage pass-through securities. Non-callable agency issued debt securities are generally valued using quoted market prices, quoted market prices for comparable securities or discounted cash flow models. Callable agency issued debt securities are valued by benchmarking model-derived prices to quoted market prices and trade data for identical or comparable securities. The fair value of mortgage pass-through securities are model driven with respect to spreads of the comparable to-be-announced ("TBA") security.

Sovereign Obligations

The fair value of sovereign obligations is determined based on quoted market prices when available or a valuation model that generally utilizes interest rate yield curves and credit spreads as inputs.

Corporate Debt and Other Obligations

The fair value of corporate bonds is estimated using recent transactions, broker quotations and bond spread information.

Mortgage and Other Asset-Backed Securities

The Company values non-agency securities collateralized by home equity and various other types of collateral based on external pricing and spread data provided by independent pricing services. When specific external pricing is not observable, the valuation is based on yields and spreads for comparable bonds.

Municipal Obligations

The fair value of municipal obligations is estimated using recently executed transactions, broker quotations, and bond spread information.

Convertible Bonds

The fair value of convertible bonds is estimated using recently executed transactions and dollar-neutral price quotations, where observable. When observable price quotations are not available, fair value is determined based on cash flow models using yield curves and bond spreads as key inputs.

Corporate Equities

Equity securities and options are generally valued based on quoted prices from the exchange or market where traded. To the extent quoted prices are not available, fair values are generally derived using bid/ask spreads.

Auction Rate Securities ("ARS")

Background

In February 2010, Oppenheimer finalized settlements with each of the New York Attorney General's office ("NYAG") and the Massachusetts Securities Division ("MSD" and together with the NYAG, the "Regulators") concluding proceedings by the Regulators concerning Oppenheimer's marketing and sale of ARS. Pursuant to the settlements with the Regulators, Oppenheimer agreed to extend offers to repurchase ARS from certain of its clients. As of September 30, 2021, the Company had completed its ARS purchase obligations related to the settlements with the Regulators. In addition to the settlements with the Regulators, Oppenheimer had also reached settlements of and received adverse awards in legal proceedings with various clients where the Company was obligated to purchase ARS. As of December 31, 2022, the Company no longer had any obligations to purchase ARS from such legal settlements or adverse awards.

As of December 31, 2022, the Company owned $31.8 million of ARS. This amount represents the unredeemed or unsold amount that the Company holds as a result of ARS buybacks pursuant to the settlements with the Regulators and legal settlements and awards referred to above.

Valuation

The Company’s ARS owned referred to above have, for the most part, been subject to issuer tender offers. The Company has valued the ARS securities owned at the tender offer price and categorized them in Level 3 of the fair value hierarchy due to the illiquid nature of the securities and the period of time since the last tender offer. The fair value of ARS is particularly sensitive to movements in interest rates. However, an increase or decrease in short-term interest rates may or may not result in a higher or lower tender offer in the future or the tender offer price may not provide a reasonable estimate of the fair value of the securities. In such cases, other valuation techniques might be necessary.

As of December 31, 2022, the Company had a valuation allowance totaling $5.2 million relating to ARS owned (which is included as a reduction to securities owned on the consolidated balance sheet).

Investments

In its role as general partner in certain hedge funds and private equity funds, the Company, through its subsidiaries, holds direct investments in such funds. The Company uses the net asset value of the underlying fund as a basis for estimating the fair value of its investment.

The following table provides information about the Company's investments in Company-sponsored funds as of December 31, 2022:

(Expressed in thousands)	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge funds (1)	$ 574	$ —	Quarterly - Annually	30 - 120 Days
Private equity funds (2)	8,221	3,018	N/A	N/A
	$ 8,795	$ 3,018		

(1) Includes investments in hedge funds and hedge fund of funds that pursue long/short, event-driven, and activist strategies.
(2) Includes private equity funds and private equity fund of funds with diversified portfolios focusing on but not limited to technology companies, venture capital and global natural resources.

The following table provides information about the Company's investments in Company-sponsored funds as of December 31, 2021:

(Expressed in thousands)	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge funds (1)	$ 900	$ —	Quarterly - Annually	30 - 120 Days
Private equity funds (2)	4,621	4,035	N/A	N/A
	$ 5,521	$ 4,035		

(1) Includes investments in hedge funds and hedge fund of funds that pursue long/short, event-driven, and activist strategies.
(2) Includes private equity funds and private equity fund of funds with diversified portfolios, focusing on but not limited to technology companies, venture capital and global natural resources.

During 2020, the Company made an investment in a financial technologies firm. The Company elected the fair value option for this investment and it is included in other assets on the consolidated balance sheet. The Company determined the fair value of the investment based on an implied market-multiple approach and observable market data, including comparable company transactions. As of December 31, 2022, the fair value of the investment was $6.0 million and was categorized in Level 2 of the fair value hierarchy.

Assets and Liabilities Measured at Fair Value

The Company's assets and liabilities, recorded at fair value on a recurring basis, as of December 31, 2022 and 2021, have been categorized based upon the above fair value hierarchy as follows:

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Assets and liabilities measured at fair value on a recurring basis as of December 31, 2022

(Expressed in thousands)	Fair Value Measurements as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets				
Deposits with clearing organizations	$ 24,937	$ —	$ —	$ 24,937
Securities owned:				
U.S. Treasury securities	362,815	—	—	362,815
U.S. Agency securities	—	6,012	—	6,012
Sovereign obligations	—	9,502	—	9,502
Corporate debt and other obligations	—	9,844	—	9,844
Mortgage and other asset-backed securities	—	1,882	—	1,882
Municipal obligations	—	30,126	—	30,126
Convertible bonds	—	21,800	—	21,800
Corporate equities	24,837	—	—	24,837
Money markets	—	—	—	—
Auction rate securities	—	—	31,776	31,776
Securities owned, at fair value	387,652	79,166	31,776	498,594
Investments (1)	—	7,068	—	7,068
Derivative contracts:				
TBAs	—	1,762	—	1,762
Total	$ 412,589	$ 87,996	$ 31,776	$ 532,361
Liabilities				
U.S. Treasury securities	$ 25,006	$ —	$ —	$ 25,006
U.S. Agency securities	—	3	—	3
Sovereign obligations	—	9,048	—	9,048
Corporate debt and other obligations	—	2,905	—	2,905
Convertible bonds	—	4,428	—	4,428
Corporate equities	11,378	—	—	11,378
Securities sold but not yet purchased, at fair value	36,384	16,384	—	52,768
Derivative contracts:				
Futures	44	—	—	44
TBAs	—	1,761	—	1,761
Derivative contracts, total	44	1,761	—	1,805
Total	$ 36,428	$ 18,145	$ —	$ 54,573

(1) Included in other assets on the consolidated balance sheet.

Assets and liabilities measured at fair value on a recurring basis as of December 31, 2021

(Expressed in thousands)				
	Fair Value Measurements as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Assets				
Deposits with clearing organizations	$ 29,083	$ —	$ —	$ 29,083
Securities owned:				
U.S. Treasury securities	505,875	—	—	505,875
U.S. Agency securities	—	5,622	—	5,622
Sovereign obligations	—	1,494	—	1,494
Corporate debt and other obligations	—	8,111	—	8,111
Mortgage and other asset-backed securities	—	3,889	—	3,889
Municipal obligations	—	18,520	—	18,520
Convertible bonds	—	13,778	—	13,778
Corporate equities	45,380	—	—	45,380
Money markets	31	—	—	31
Auction rate securities	—	—	31,804	31,804
Securities owned, at fair value	551,286	51,414	31,804	634,504
Investments (1)	—	12,970	—	12,970
Derivative contracts:				
TBAs	—	92	—	92
Total	$ 580,369	$ 64,476	$ 31,804	$ 676,649
Liabilities				
Securities sold but not yet purchased:				
U.S. Treasury securities	$ 42,298	$ —	$ —	$ 42,298
U.S. Agency securities	—	4	—	4
Corporate debt and other obligations	—	2,515	—	2,515
Convertible bonds	—	8,462	—	8,462
Corporate equities	18,679	—	—	18,679
Securities sold but not yet purchased, at fair value	60,977	10,981	—	71,958
Derivative contracts:				
Futures	287	—	—	287
TBAs	—	81	—	81
Derivative contracts, total	287	81	—	368
Total	$ 61,264	$ 11,062	$ —	$ 72,326

(1) Included in other assets on the consolidated balance sheet.

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The following tables present changes in Level 3 assets and liabilities measured at fair value on a recurring basis for the years ended December 31, 2022 and 2021:

(Expressed in thousands)	Level 3 Assets and Liabilities For the Year Ended December 31, 2022					
	Beginning Balance	Total Realized and Unrealized Losses (3)(4)	Purchases and Issuances	Sales and Settlements	Transfers In / (Out)	Ending Balance
Assets						
Auction rate securities (1)	$ 31,804	$ (28)	$ 1,375	$ (1,375)	$ —	$ 31,776
Liabilities						
ARS purchase commitments (2)	—	—	—	—	—	—

(1) Represents auction rate securities that failed in the auction rate market.
(2) Represents the difference in principal and fair value for auction rate securities purchase commitments outstanding at the end of the period.
(3) Included in principal transactions in the consolidated income statement.
(4) Unrealized losses are attributable to assets or liabilities that are still held at the reporting date.

(Expressed in thousands)	Level 3 Assets and Liabilities For the Year Ended December 31, 2021					
	Beginning Balance	Total Realized and Unrealized Losses(3)(4)	Purchases and Issuances	Sales and Settlements	Transfers In / (Out)	Ending Balance
Assets						
Auction rate securities (1)	$ 30,701	$ (197)	$ 1,350	$ (50)	$ —	$31,804
Liabilities						
ARS purchase commitments (2)	195	(1)	—	(196)	—	—

(1) Represents auction rate securities that failed in the auction rate market.
(2) Represents the difference in principal and fair value for auction rate securities purchase commitments outstanding at the end of the period.
(3) Included in principal transactions in the consolidated income statement.
(4) Unrealized losses are attributable to assets or liabilities that are still held at the reporting date.

Financial Instruments Not Measured at Fair Value

The table below presents the carrying value, fair value and fair value hierarchy category of certain financial instruments that are not measured at fair value on the consolidated balance sheets. The table below excludes non-financial assets and liabilities (e.g., furniture, equipment and leasehold improvements and accrued compensation).

The carrying value of financial instruments not measured at fair value categorized in the fair value hierarchy as Level 1 or Level 2 (e.g., cash and receivables from customers) approximates fair value because of the relatively short-term nature of the underlying assets. The fair value of the Company's senior secured notes, categorized in Level 2 of the fair value hierarchy, is based on quoted prices from the market in which the notes trade.

Assets and liabilities not measured at fair value as of December 31, 2022

(Expressed in thousands)		Fair Value Measurement: Assets			
	Carrying Value	Level 1	Level 2	Level 3	Total
Cash	$ 112,433	$ 112,433	$ —	$ —	$ 112,433
Restricted cash	25,534	25,534	—	—	25,534
Deposits with clearing organization	52,754	52,754	—	—	52,754
Receivable from brokers, dealers and clearing organizations:					
Securities borrowed	127,817	—	127,817	—	127,817
Receivables from brokers	49,125	—	49,125	—	49,125
Securities failed to deliver	9,099	—	9,099	—	9,099
Clearing organizations and other	20,035	—	20,035	—	20,035
	$ 206,076	—	$ 206,076	—	$ 206,076
Receivable from customers	1,202,764	—	1,202,764	—	1,202,764
Notes receivable, net	57,495	—	57,495	—	57,495
Investments (1)	79,322	—	79,322	—	79,322

(1) Included in other assets on the consolidated balance sheet.

(Expressed in thousands)		Fair Value Measurement: Liabilities			
	Carrying Value	Level 1	Level 2	Level 3	Total
Bank call loans	$ —	$ —	$ —	$ —	$ —
Payables to brokers, dealers and clearing organizations:					
Securities loaned	$ 320,843	—	$ 320,843	—	$ 320,843
Payable to brokers	123	—	123	—	123
Securities failed to receive	62,646	—	62,646	—	62,646
Other	166,350	—	166,350	—	166,350
	$ 549,962	—	$ 549,962	—	$ 549,962
Payables to customers	456,475	—	456,475	—	456,475
Securities sold under agreements to repurchase	161,009	—	161,009	—	161,009
Senior secured notes	114,050	—	113,233	—	113,233

Assets and liabilities not measured at fair value as of December 31, 2021

(Expressed in thousands)		Fair Value Measurement: Assets			
	Carrying Value	Level 1	Level 2	Level 3	Total
Cash	$ 213,759	$ 213,759	$ —	$ —	$ 213,759
Restricted cash	127,765	127,765	—	—	127,765
Deposits with clearing organization	37,885	37,885	—	—	37,885
Receivable from brokers, dealers and clearing organizations:					
Securities borrowed	99,752	—	99,752	—	99,752
Receivables from brokers	39,716	—	39,716	—	39,716
Securities failed to deliver	9,212	—	9,212	—	9,212
Clearing organizations	19,518	—	19,518	—	19,518
Other	1,693	—	1,693	—	1,693
	169,891	—	169,891	—	169,891
Receivable from customers	1,221,450	—	1,221,450	—	1,221,450
Securities purchased under agreements to resell	935	—	935	—	935
Notes receivable, net	53,983	—	53,983	—	53,983
Investments (1)	99,169	—	99,169	—	99,169

(1) Included in other assets on the consolidated balance sheet.

(Expressed in thousands)		Fair Value Measurement: Liabilities			
	Carrying Value	Level 1	Level 2	Level 3	Total
Bank call loans	69,500	—	69,500	—	69,500
Payables to brokers, dealers and clearing organizations:					
Securities loaned	$ 244,223	$ —	$ 244,223	$ —	$ 244,223
Payable to brokers	2,077	—	2,077	—	2,077
Securities failed to receive	6,457	—	6,457	—	6,457
Other	169,013	—	169,013	—	169,013
	421,770	—	421,770	—	421,770
Payables to customers	456,958	—	456,958	—	456,958
Securities sold under agreements to repurchase	277,322	—	277,322	—	277,322
Senior secured notes	125,000	—	131,094	—	131,094

Derivative Instruments and Hedging Activities

The Company transacts, on a limited basis, in exchange traded and over-the-counter derivatives for both asset and liability management as well as for trading and investment purposes. Risks managed using derivative instruments include interest rate risk and, to a lesser extent, foreign exchange risk. All derivative instruments are measured at fair value and are recognized as either assets or liabilities on the consolidated balance sheet.

Foreign exchange hedges

From time to time, the Company also utilizes forward and options contracts to hedge the foreign currency risk associated with compensation obligations to Oppenheimer Israel (OPCO) Ltd. employees denominated in New Israeli Shekel ("NIS"). Such hedges have not been designated as accounting hedges. Unrealized gains and losses on foreign exchange forward contracts are recorded in other assets or other liabilities on the consolidated balance sheet and other income in the consolidated income statement.

Derivatives used for trading and investment purposes

Futures contracts represent commitments to purchase or sell securities or other commodities at a future date and at a specified price. Market risk exists with respect to these instruments. Notional or contractual amounts are used to express the volume of these transactions and do not represent the amounts potentially subject to market risk. The Company uses futures contracts, including U.S. Treasury notes, Federal Funds, General Collateral futures and Eurodollar contracts primarily as an economic hedge of interest rate risk associated with government trading activities. Unrealized gains and losses on futures contracts are recorded on the consolidated balance sheet in payable to brokers, dealers and clearing organizations and in the consolidated income statement as principal transactions revenue, net.

To-be-announced securities

The Company also transacts in pass-through mortgage-backed securities eligible to be sold in the TBA market as economic hedges against mortgage-backed securities that it owns or has sold but not yet purchased. TBAs provide for the forward or delayed delivery of the underlying instrument with settlement up to 180 days. The contractual or notional amounts related to these financial instruments reflect the volume of activity and do not reflect the amounts at risk. Net unrealized gains and losses on TBAs are recorded on the consolidated balance sheet in receivable from brokers, dealers and clearing organizations or payable to brokers, dealers and clearing organizations and in the consolidated income statement as principal transactions revenue, net.

The notional amounts and fair values of the Company's derivatives as of December 31, 2022 and 2021 by product were as follows:

(Expressed in thousands)	Fair Value of Derivative Instruments as of December 31, 2022		
	Description	Notional	Fair Value
Assets:			
Derivatives not designated as hedging instruments [(1)]			
Other contracts	TBAs	$ 1,775	$ 1,762
	Forward reverse repurchase agreements	15,000	—
	Other	275	—
		$ 17,050	$ 1,762
Liabilities:			
Derivatives not designated as hedging instruments [(1)]			
Commodity contracts	Futures	$ 1,912,500	$ 44
Other contracts	TBAs	1,775	1,761
		$ 1,914,275	$ 1,805

(1) See "Derivative Instruments and Hedging Activities" above for a description of derivative financial instruments. Such derivative instruments are not subject to master netting agreements, thus the related amounts are not offset.

(Expressed in thousands)

	Fair Value of Derivative Instruments as of December 31, 2021		
	Description	Notional	Fair Value
Assets:			
Derivatives not designated as hedging instruments (1)			
Other contracts	TBAs	$ 14,300	$ 92
		$ 14,300	$ 92
Liabilities:			
Derivatives not designated as hedging instruments (1)			
Commodity contracts	Futures	$ 3,520,000	$ 287
Other contracts	TBAs	14,300	81
		$ 3,534,300	$ 368

(1) See "Derivative Instruments and Hedging Activities" above for a description of derivative financial instruments. Such derivative instruments are not subject to master netting agreements, thus the related amounts are not offset.

The following table presents the location and fair value amounts of the Company's derivative instruments and their effect in the consolidated income statements for the years ended December 31, 2022 and 2021:

(Expressed in thousands)

	The Effect of Derivative Instruments in the Consolidated Income Statement For the Year Ended December 31, 2022		
Types	Description	Location	Net Gain (Loss)
Commodity contracts	Futures	Principal transactions revenue	$ 4,652
Other contracts	Foreign exchange forward contracts	Other revenue	(28)
	TBAs	Principal transactions revenue	60
			$ 4,684

(Expressed in thousands)

	The Effect of Derivative Instruments in the Consolidated Income Statement For the Year Ended December 31, 2021		
Types	Description	Location	Net Gain (Loss)
Commodity contracts	Futures	Principal transactions revenue	$ 812
Other contracts	Foreign exchange forward contracts	Other revenue	(22)
	TBAs	Principal transactions revenue	157
	Purchase commitments	Principal transactions revenue	(987)
	ARS purchase commitments	Principal transactions revenue	(1)
			$ (41)

8. Collateralized transactions

The Company enters into collateralized borrowing and lending transactions in order to meet customers' needs and earn interest rate spreads, obtain securities for settlement and finance trading inventory positions. Under these transactions, the Company either receives or provides collateral, including U.S. Government and Agency, asset-backed, corporate debt, equity, and non-U.S. Government and Agency securities.

The Company obtains short-term borrowings primarily through bank call loans. Bank call loans are generally payable on demand and bear interest at various rates. As of December 31, 2022, the outstanding balance of bank call loans was zero ($69.5 million as of December 31, 2021).

As of December 31, 2022, the Company had approximately $1.7 billion of customer securities under customer margin loans that are available to be pledged, of which the Company has re-pledged approximately $268.2 million under securities loan agreements.

As of December 31, 2022, the Company had pledged $305.9 million of customer securities directly with the Options Clearing Corporation to secure obligations and margin requirements under option contracts written by customers.

As of December 31, 2022, the Company had no outstanding letters of credit.

The Company enters into reverse repurchase agreements, repurchase agreements, securities borrowed and securities loaned transactions to, among other things, acquire securities to cover short positions and settle other securities obligations, to accommodate customers' needs and to finance the Company's inventory positions. Except as described below, repurchase and reverse repurchase agreements, principally involving U.S. Government and Agency securities, are carried at amounts at which the securities subsequently will be resold or reacquired as specified in the respective agreements and include accrued interest.

Repurchase agreements and reverse repurchase agreements are presented on a net-by-counterparty basis, when the repurchase agreements and reverse repurchase agreements are executed with the same counterparty, have the same explicit settlement date, are executed in accordance with a master netting arrangement, the securities underlying the repurchase agreements and reverse repurchase agreements exist in "book entry" form and certain other requirements are met.

The following table presents a disaggregation of the gross obligation by the class of collateral pledged and the remaining contractual maturity of the repurchase agreements and securities loaned transactions as of December 31, 2022:

(Expressed in thousands)	Overnight and Open
Repurchase agreements:	
U.S. Government and Agency securities	$ 189,021
Securities loaned:	
Equity securities	320,843
Gross amount of recognized liabilities for repurchase agreements and securities loaned	$ 509,864

The following tables present the gross amounts and the offsetting amounts of reverse repurchase agreements, repurchase agreements, securities borrowed and securities loaned transactions as of December 31, 2022 and 2021:

As of December 31, 2022 (Expressed in thousands)	Gross Amounts of Recognized Assets	Gross Amounts Offset on the Balance Sheet	Net Amounts of Assets Presented on the Balance Sheet	Gross Amounts Not Offset on the Balance Sheet: Financial Instruments	Gross Amounts Not Offset on the Balance Sheet: Cash Collateral Received	Net Amount
Reverse repurchase agreements	$ 28,012	$ (28,012)	$ —	$ —	$ —	$ —
Securities borrowed [1]	127,817	—	127,817	(127,365)	—	452
Total	$ 155,829	$ (28,012)	$ 127,817	$ (127,365)	$ —	$ 452

(1) Included in receivable from brokers, dealers and clearing organizations on the consolidated balance sheet.

	Gross Amounts of Recognized Liabilities	Gross Amounts Offset on the Balance Sheet	Net Amounts of Liabilities Presented on the Balance Sheet	Gross Amounts Not Offset on the Balance Sheet: Financial Instruments	Gross Amounts Not Offset on the Balance Sheet: Cash Collateral Pledged	Net Amount
Repurchase agreements	$ 189,021	$ (28,012)	$ 161,009	$ (157,981)	$ —	$ 3,028
Securities loaned [2]	320,843	—	320,843	(308,535)	—	12,308
Total	$ 509,864	$ (28,012)	$ 481,852	$ (466,516)	$ —	$ 15,336

(2) Included in payable to brokers, dealers and clearing organizations on the consolidated balance sheet.

As of December 31, 2021 (Expressed in thousands)	Gross Amounts of Recognized Assets	Gross Amounts Offset on the Balance Sheet	Net Amounts of Assets Presented on the Balance Sheet	Gross Amounts Not Offset on the Balance Sheet: Financial Instruments	Gross Amounts Not Offset on the Balance Sheet: Cash Collateral Received	Net Amount
Reverse repurchase agreements	$ 30,406	$ (29,471)	$ 935	$ —	$ —	$ 935
Securities borrowed [1]	99,752	—	99,752	(96,929)	—	2,823
Total	$ 130,158	$ (29,471)	$ 100,687	$ (96,929)	$ —	$ 3,758

(1) Included in receivable from brokers, dealers and clearing organizations on the consolidated balance sheet.

	Gross Amounts of Recognized Liabilities	Gross Amounts Offset on the Balance Sheet	Net Amounts of Liabilities Presented on the Balance Sheet	Gross Amounts Not Offset on the Balance Sheet: Financial Instruments	Gross Amounts Not Offset on the Balance Sheet: Cash Collateral Pledged	Net Amount
Repurchase agreements	$ 306,793	$ (29,471)	$ 277,322	$ (276,992)	$ —	$ 330
Securities loaned [2]	244,223	—	244,223	(236,597)	—	7,626
Total	$ 551,016	$ (29,471)	$ 521,545	$ (513,589)	$ —	$ 7,956

(2) Included in payable to brokers, dealers and clearing organizations on the consolidated balance sheet.

The Company elects the fair value option for those repurchase agreements and reverse repurchase agreements that do not settle overnight or have an open settlement date. As of December 31, 2022, the Company did not have any repurchase agreements and reverse repurchase agreements that do not settle overnight or have an open settlement date.

The Company receives collateral in connection with securities borrowed and reverse repurchase agreement transactions and customer margin loans. Under many agreements, the Company is permitted to sell or re-pledge the securities received (e.g., use the securities to enter into securities lending transactions, or deliver to counterparties to cover short positions). As of December 31, 2022, the fair value of securities received as collateral under securities borrowed transactions and reverse repurchase agreements was $124.1 million ($96.4 million as of December 31, 2021) and $28.0 million ($307.3 million as of December 31, 2021), respectively, of which the Company has sold and re-pledged approximately $39.4 million ($29.4 million as of December 31, 2021) under securities loaned transactions and $28.0 million under repurchase agreements ($307.3 million as of December 31, 2021).

The Company pledges certain of its securities owned for securities lending and repurchase agreements and to collateralize bank call loan transactions. The carrying value of pledged securities owned that can be sold or re-pledged by the counterparty was $175.7 million, as presented on the face of the consolidated balance sheet as of December 31, 2022 ($266.4 million as of December 31, 2021).

The Company manages credit exposure arising from repurchase and reverse repurchase agreements by, in appropriate circumstances, entering into master netting agreements and collateral arrangements with counterparties that provide the Company, in the event of a customer default, the right to liquidate securities and the right to offset a counterparty's rights and obligations. The Company manages market risk of repurchase agreements and securities loaned by monitoring the market value of collateral held and the market value of securities receivable from others. It is the Company's policy to request and obtain additional collateral when exposure to loss exists. In the event the counterparty is unable to meet its contractual obligation to return the securities, the Company may be exposed to off-balance sheet risk of acquiring securities at prevailing market prices.

Credit Concentrations

Credit concentrations may arise from trading, investing, underwriting and financing activities and may be impacted by changes in economic, industry or political factors. In the normal course of business, the Company may be exposed to credit risk in the event customers, counterparties including other brokers and dealers, issuers, banks, depositories or clearing organizations are unable to fulfill their contractual obligations. The Company seeks to mitigate these risks by actively monitoring exposures and obtaining collateral as deemed appropriate. Included in receivable from brokers, dealers and clearing organizations as of December 31, 2022 are receivables from 5 major U.S. broker-dealers totaling approximately $100.7 million.

The Company is obligated to settle transactions with brokers and other financial institutions even if its clients fail to meet their obligations to the Company. Clients are required to complete their transactions on the settlement date, generally one to two business days after the trade date. If clients do not fulfill their contractual obligations, the Company may incur losses. The Company has clearing/participating arrangements with the National Securities Clearing Corporation, the Fixed Income Clearing Corporation ("FICC"), R.J. O'Brien & Associates (commodities transactions), Mortgage-Backed Securities Division (a division of FICC) and others. With respect to its business in reverse repurchase and repurchase agreements, substantially all open contracts as of December 31, 2022 are with the FICC**.** In addition, the Company clears its non-U.S. international equities business carried on by Oppenheimer Europe Ltd. through Global Prime Partners, Ltd, a global clearing financial institution located in United Kingdom. The clearing organizations have the right to charge the Company for losses that result from a client's failure to fulfill its contractual obligations. Accordingly, the Company has credit exposures with these clearing brokers. The clearing brokers can re-hypothecate the securities held on behalf of the Company. As the right to charge the Company has no maximum amount and applies to all trades executed through the clearing brokers, the Company believes there is no maximum amount assignable to this right. As of December 31, 2022, the Company had recorded no liabilities with regard to this right. The Company's policy is to monitor the credit standing of the clearing brokers and banks with which it conducts business.

9. Variable interest entities ("VIEs")

The Company's policy is to consolidate all subsidiaries in which it has a controlling financial interest, as well as any VIEs where the Company is deemed to be the primary beneficiary, when it has the power to make the decisions that most significantly affect the economic performance of the VIE and has the obligation to absorb significant losses or the right to receive benefits that could potentially be significant to the VIE.

The Company serves as general partner of hedge funds and private equity funds that were established for the purpose of providing alternative investments to both its institutional and qualified retail clients. The Company's investment in and additional capital commitments to these hedge funds and private equity funds are considered variable interests. The Company's additional capital commitments are subject to call at a later date and are limited to the amount committed.

The Company assesses whether it is the primary beneficiary of the hedge funds and private equity funds in which it holds a variable interest in the form of general and limited partner interests. In each instance, the Company has determined that it is not the primary beneficiary and therefore need not consolidate the hedge funds or private equity funds. The subsidiaries' general and limited partnership interests and additional capital commitments represent its maximum exposure to loss. The subsidiaries' general partnership and limited partnership interests is included in other assets on the consolidated balance sheet.

In addition, the Company serves as general partner of Oppenheimer Acquisition LLC I and Oppenheimer Acquisition LLC II (the "Sponsors"). They are sponsors of two special purpose acquisition companies, OHAA and Oppenheimer Acquisition Corp. II (the "SPACs”), that are seeking to effect a transaction which could be in the form of a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. The Sponsors and the SPACs are consolidated VIE's as the Company is the primary beneficiary.

On October 26, 2021, OHAA consummated its $126.5 million IPO. The Company and its employees control OHAA through the Sponsor’s ownership of Class A founder shares of OHAA. As a result, both OHAA and the Sponsor are consolidated in the Company’s financial statements. See note 2 for further details.

On December 20, 2022, OHAA’s stockholders approved an amendment to its certificate of incorporation that was filed with the Delaware Secretary of State on December 22, 2022 which extends the deadline by which it must complete its initial business combination from April 29, 2023 to October 30, 2023. In connection with its proposal to amend its certificate of incorporation, OHAA was required to give its Class A stockholders the opportunity to redeem their shares of Class A common stock. Of the 12,650,000 shares of Class A common stock that were outstanding, a total of 10,170,490 shares exercised their redemption rights. As of December 31, 2022, $25.5 million remained in the trust account that is recorded within “Restricted Cash” on the consolidated balance sheet.

The following table sets forth the total assets and liabilities of VIE's consolidated on our consolidated balance sheet:

(Expressed in thousands)	For the Years Ended December 31,	
	2022	2021
Asset		
Cash and cash equivalents	$ 1,694	$ 1,798
Restricted Cash	25,535	127,765
Other Assets	318	722
Total Assets	$ 27,547	$ 130,285
Liabilities		
Other Liabilities	828	24
Total Liabilities	$ 828	$ 24

10. Furniture, equipment and leasehold improvements

(Expressed in thousands)	For the Years Ended December 31, 2022	2021
Furniture, fixtures and equipment	$ 76,070	$ 63,334
Leasehold improvements	58,423	57,487
Total	134,493	120,821
Less accumulated depreciation	(97,751)	(92,785)
Total	$ 36,742	$ 28,036

Depreciation and amortization expense, included in occupancy and equipment costs in the consolidated income statements was $7.6 million, $8.0 million and $8.1 million for the years ended December 31, 2022, 2021 and 2020, respectively.

11. Bank call loans

Bank call loans, primarily payable on demand, bear interest at various rates. Details of the bank call loans are as follows:

(Expressed in thousands, except percentages)	2022	2021
Year-end balance	$ —	$ 69,500
Weighted interest rate (at end of year)	— %	0.96 %
Maximum balance (at any month-end)	179,200	117,800
Average amount outstanding (during the year)	79,366	76,412
Average interest rate (during the year)	2.18 %	0.95 %

Interest expense for the year ended December 31, 2022 on bank call loans was $1.8 million ($0.7 million in 2021 and $0.8 million in 2020).

12. Long-term debt

(Expressed in thousands) Issued	Maturity Date	December 31, 2022	December 31, 2021
5.50% Senior Secured Notes	10/1/2025	$ 114,050	$ 125,000
Unamortized Debt Issuance Cost		(616)	(926)
		$ 113,434	$ 124,074

5.50% Senior Secured Notes due 2025 (the "Notes")

On September 22, 2020, in a private offering, the Company issued $125.0 million aggregate principal amount of 5.50% Senior Secured Notes due 2025 (the "Unregistered Notes") under an Indenture at an issue price of 100% of the principal amount. Interest on the Unregistered Notes is payable semi-annually on April 1st and October 1st. The Company used the net proceeds from the offering of the Unregistered Notes, along with cash on hand, to redeem in full our 6.75% Senior Secured Notes due July 1, 2022 (the "Old Notes") in the principal amount of $150.0 million (the Company held $1.4 million in treasury for a net outstanding amount of $148.6 million), and pay all related fees and expenses in relation thereto.

On November 23, 2020, we completed an exchange offer in which we exchanged 99.8% of the Unregistered Notes for a like principal amount of Notes with identical terms, except that such new notes have been registered under the Securities Act of 1933, as amended (the "Securities Act"). We did not receive any proceeds in the exchange offer. The Notes will mature on

October 1, 2025 and bear interest at a rate of 5.50% per annum, payable semiannually on April 1st and October 1st, respectively, of each year.

The Parent used the net proceeds from the offering of the Notes, along with cash on hand, to redeem in full its Old Notes, in the principal amount of $150.0 million (the Parent held $1.4 million in treasury for a net outstanding amount of $148.6 million), and pay all related fees and expenses in relation thereto. The cost to issue the Notes was $3.1 million, of which $1.9 million was paid to its subsidiary, (Oppenheimer & Co Inc., who served as the initial purchaser of the offering), and was eliminated in consolidation. The remaining $1.2 million was capitalized and is amortized over the term of the Notes.

The Company has repurchased and may continue to seek to repurchase its Notes from time to time through, as applicable, tender offers, open market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will depend on a number of factors, including, but not limited to, the Company's priorities for the use of cash, price, market and economic conditions, its liquidity requirements, and legal and contractual restrictions. As of December 31, 2022, the Company repurchased and cancelled $10.95 million aggregate principal amount of its Notes in the open market. As of December 31, 2022, $114.05 million aggregate principal amount of the Notes remain outstanding.

The Indenture governing the Notes contains covenants which place restrictions on the incurrence of indebtedness, the payment of dividends, the repurchase of equity, the sale of assets, the issuance of guarantees, mergers and acquisitions and the granting of liens. These covenants are subject to a number of important exceptions and qualifications. These exceptions and qualifications include, among other things, a variety of provisions that are intended to allow the Company to continue to conduct its brokerage operations in the ordinary course of business. In addition, certain of the covenants will be suspended upon the Parent attaining an investment grade debt rating for the Notes from both S&P Global Ratings and Moody's Investors Service, Inc.

Pursuant to the Indenture, the following covenants apply to the Parent and its restricted subsidiaries, but generally do not apply, or apply only in part, to its Regulated Subsidiaries (as defined):

- limitation on indebtedness and issuances of preferred stock, which restricts the Parent's ability to incur additional indebtedness or to issue preferred stock;
- limitation on restricted payments, which generally restricts the Parent's ability to declare certain dividends or distributions, repurchase its capital stock or to make certain investments;
- limitation on dividends and other payment restrictions affecting restricted subsidiaries or Regulated Subsidiaries, which generally limits the ability of certain of the Parent's subsidiaries to pay dividends or make other transfers;
- limitation on future Subsidiary Guarantors (as hereinafter defined), which prohibits certain of the Parent's subsidiaries from guaranteeing its indebtedness or indebtedness of any restricted subsidiary unless the Notes are comparably guaranteed;
- limitation on transactions with shareholders and affiliates, which generally requires transactions among the Parent's affiliated entities to be conducted on an arm's-length basis;
- limitation on liens, which generally prohibits the Parent and its restricted subsidiaries from granting liens unless the Notes are comparably secured; and
- limitation on asset sales, which generally prohibits the Parent and certain of its subsidiaries from selling assets or certain securities or property of significant subsidiaries.

The Indenture also provides for events of default which, if any of them occurs, would permit or require the principal of and accrued interest on the Notes to become or to be declared due and payable. As of December 31, 2022, we believe that the Parent was in compliance with all of its covenants.

The Notes are jointly and severally and fully and unconditionally guaranteed on a senior secured basis by the Subsidiary Guarantors and future subsidiaries are required to guarantee the Notes pursuant to the indenture. The Notes are secured by a first-priority security interest in substantially all of the Parent's and the Subsidiary Guarantors' existing and future tangible and intangible assets, subject to certain exceptions and permitted liens.

Interest expense on the Notes for the year ended December 31, 2022 was $6.8 million ($6.9 million for the year ended December 31, 2021). Interest paid on the Notes for the year ended December 31, 2022 was $6.7 million ($7.0 million for the year ended December 31, 2021).

6.75% Senior Secured Notes (the "Old Notes")

On June 23, 2017, the Parent issued in a private offering $200.0 million aggregate principal amount of 6.75% Senior Secured Notes due 2022 under an indenture at an issue price of 100% of the principal amount. Interest on the Old Notes was payable semi-annually on January 1st and July 1st, beginning January 1, 2018.

The Company redeemed $50.0 million (25%) of the Old Notes on August 25, 2019 plus accrued and unpaid interest and incurred $1.9 million in costs associated with paying the associated call premium ($1.7 million) and the write-off of debt issuance costs ($0.2 million) during the third quarter of 2019.

During the first quarter of 2020, the Company repurchased $1.4 million of the Old Notes. The Company recorded a gain of $85,560 on the repurchase during the first quarter of 2020. The Old Notes were scheduled to mature on July 1, 2022.

On August 28, 2020, the Parent issued a conditional notice of redemption to redeem the entire $150.0 million aggregate principal amount of the outstanding Old Notes on September 28, 2020 (the “Redemption Date”). On September 28, 2020, the Old Notes were fully redeemed.

Interest expense and interest paid on the Old Notes for the year ended December 31, 2020 was $7.4 million.

13. Stockholders' Equity

The Company's authorized shares consists of (a) 50,000,000 shares of Preferred Stock, par value $0.001 per share; (b) 50,000,000 shares of Class A Stock, par value $0.001 per share; and (c) 99,665 shares of Class B Stock, par value $0.001 per share. No Preferred Stock has been issued. 99,665 shares of Class B Stock have been issued and are outstanding.

The Class A Stock and the Class B Stock are equal in all respects except that the Class A Stock is non-voting.

The following table reflects changes in the number of shares of Class A Stock outstanding for the years indicated:

	2022	2021
Class A Stock outstanding, beginning of year	12,447,036	12,381,778
Issued pursuant to share-based compensation plans (note 16)	105,807	242,450
Repurchased and canceled pursuant to the stock buy-back	(1,684,287)	(177,192)
Class A Stock outstanding, end of year	10,868,556	12,447,036

Stock buy-back

On May 15, 2020, the Company announced that its Board of Directors approved a share repurchase program that authorizes the Company to purchase up to 530,000 shares of the Company's Class A Stock, representing approximately 4.2% of its 12,636,523 then issued and outstanding shares of Class A Stock. This authorization supplemented the 98,625 shares that remained authorized and available under the Company's previous share repurchase program for a total of 628,625 shares authorized and available for repurchase at May 15, 2020.

On February 28, 2022, the Company announced that its Board of Directors approved a share repurchase program that authorizes the Company to purchase up to 518,000 shares of the Company's Class A Stock, representing approximately 4.2% of its 12,322,073 then issued and outstanding shares of Class A Stock. This authorization supplemented the 12,407 shares that remained authorized and available under the Company's previous share repurchase program for a total of 530,407 shares authorized and available for repurchase at February 28, 2022.

On May 24, 2022, the Company announced that its Board of Directors approved a share repurchase program that authorizes the Company to purchase up to 550,000 shares of the Company's Class A Stock, representing approximately 4.6% of its 11,863,559 then issued and outstanding shares of Class A Stock. This authorization supplemented the 71,893 shares that remained authorized and available under the Company's previous share repurchase program for a total of 621,893 shares authorized and available for repurchase at May 24, 2022.

On July 29, 2022, the Company's Board of Directors approved a share repurchase program that authorizes the Company to purchase up to 536,500 shares of the Company's Class A Stock, representing approximately 4.8% of its 11,251,930 then issued and outstanding shares of Class A Stock. This authorization supplemented the 4,278 shares that remained authorized and available under the Company's previous share repurchase program for a total of 540,778 shares authorized.

On December 13, 2022, the Company's Board of Directors approved a share repurchase program that authorizes the Company to purchase up to 543,000 shares of the Company's Class A Stock, representing approximately 5.0% of its 10,867,660 then issued and outstanding shares of Class A Stock. This authorization supplemented the 144,034 shares that remained authorized and available under the Company's previous share repurchase program for a total of 687,034 shares authorized.

During the year ended December 31, 2022, the Company purchased and canceled an aggregate of 1,684,287 (15%) shares of Class A Stock for a total consideration of $60.6 million ($36.00 per share). As of December 31, 2022, 687,034 shares remained available to be purchased under its share repurchase program. During the year ended December 31, 2021, the Company purchased and canceled an aggregate of 177,192 shares of Class A Stock for a total consideration of $7.7 million ($43.67 per share). As of December 31, 2021, 223,821 shares remained available to be purchased under the share repurchase program.

Share purchases will be made by the Company from time to time in the open market at the prevailing open market price using cash on hand, in compliance with the applicable rules and regulations of the New York Stock Exchange and federal and state securities laws and the terms of the Company's Notes. All shares purchased will be canceled. The share repurchase program is expected to continue indefinitely. The timing and amounts of any purchases will be based on market conditions and other factors including price, regulatory requirements and capital availability. The share repurchase program does not obligate the Company to repurchase any dollar amount or number of shares of Class A Stock. Depending on market conditions and other factors, these repurchases may be commenced or suspended from time to time without prior notice.

Dividends

The Company paid cash dividends of $0.60 per share in 2022 to holders of Class A and Class B Stock, in the aggregate amount of 7.0 million. In 2021, the Company paid cash dividends of $1.54 per share which includes a special cash dividend of $1.00 per share paid on December 31, 2021 in the aggregate amount of $19.4 million. The Company paid cash dividends of $1.48 per share in 2020 in the aggregate amount of 18.6 million.

14. Earnings per share

Basic earnings per share is computed by dividing net income over the weighted average number of shares of Class A non-voting common stock ("Class A Stock") and Class B voting common stock ("Class B Stock") outstanding. Diluted earnings per share includes the weighted average number of shares of Class A Stock and Class B Stock outstanding and options to purchase Class A Stock and unvested restricted stock awards of Class A Stock using the treasury stock method.

Earnings per share have been calculated as follows:

(Expressed in thousands, except number of shares and per share amounts)	For the Years Ended December 31,		
	2022	2021	2020
Basic weighted average number of shares outstanding	11,666,194	12,642,306	12,642,576
Net dilutive effect of share-based awards, treasury stock method (1)	941,558	940,522	574,759
Diluted weighted average number of shares outstanding	12,607,752	13,582,828	13,217,335
Net income attributable to Oppenheimer Holdings Inc.	$ 32,351	$ 158,964	$ 122,986
Earnings per share attributable to Oppenheimer Holdings Inc.			
Basic	$ 2.77	$ 12.57	$ 9.73
Diluted	$ 2.57	$ 11.70	$ 9.30

(1) For the year ended December 31, 2022, the diluted net income per share computation did not include the anti-dilutive effect of 4,100 shares of Class A Stock granted under share-based compensation arrangements. For the year ended December 31, 2021, there was no Class A Stock granted under share-based compensation arrangements that were anti-dilutive. For the year ended December 31, 2020, the diluted net income per share computation did not include the anti-dilutive effect of 10,770 shares of Class A Stock granted under share-based compensation arrangements.

15. Income taxes

Income tax expenses shown in the consolidated income statements are reconciled to amounts of tax that would have been payable from the application of the federal tax rate to pre-tax profit, as follows:

(Expressed in thousands)	For the Years Ended December 31,					
	2022		2021		2020	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
U.S. federal statutory income tax	$ 9,497	21.0 %	$ 47,176	21.0 %	$ 35,491	21.0 %
U.S. state and local income taxes, net of U.S. federal income tax benefits	3,110	6.8 %	13,585	6.0 %	8,770	5.2 %
Unrecognized tax benefit	180	0.4 %	59	— %	(853)	-0.5 %
Valuation allowance	1,054	2.3 %	1,121	0.5 %	517	0.3 %
Non-taxable income	(1,083)	(2.4)%	(430)	(0.2)%	(580)	(0.3)%
Provision to return adjustments	(316)	(0.7)%	281	0.1 %	239	0.1 %
Change in state and foreign tax rates	(660)	(1.4)%	1,384	0.6 %	238	0.1 %
Foreign tax rate differentials	(285)	(0.6)%	(223)	(0.1)%	(469)	(0.3)%
Excess tax benefits from share-based awards	(471)	(1.0)%	(1,542)	(0.7)%	(1,008)	(0.6)%
Non-Deductible Executive Compensation	1,605	3.5 %	3,956	1.8 %	2,831	1.7 %
Other non-deductible expenses	813	1.6 %	310	0.2 %	838	0.5 %
Total income taxes	$ 13,444	29.5 %	$ 65,677	29.2 %	$ 46,014	27.2 %

Income tax expenses included in the consolidated income statements represent the following:

(Expressed in thousands)	For the Years Ended December 31,		
	2022	2021	2020
Current:			
U.S. federal tax	$ 18,862	$ 47,880	$ 17,794
State and local tax	8,068	18,331	6,498
Non-U.S. operations	1,129	258	386
Total Current	28,059	66,469	24,678
Deferred:			
U.S. federal tax	(10,420)	(1,745)	17,182
State and local tax	(4,538)	790	4,310
Non-U.S. operations	343	163	(156)
Total Deferred	(14,615)	(792)	21,336
Total	$ 13,444	$ 65,677	$ 46,014

Pre-tax income with respect to non-U.S. operations was $7.7 million for the year ended December 31, 2022. (Pre-tax loss with respect to non-U.S. operation was $1.2 million for the year ended December 31, 2021). Pre-tax income with respect to non-U.S. operations was $1.5 million for the year ended December 31, 2020.

The effective income tax rate for the year ended December 31, 2022 was 29.5% compared with 29.2% for the year ended December 31, 2021. The higher tax rate in the 2022 year was primarily due to the impact of unfavorable permanent items.

Deferred income taxes reflect the net tax effects of temporary differences between the financial reporting and tax bases of assets and liabilities and are measured using enacted tax rates and laws that will be in effect when such differences are expected to reverse. Significant components of the Company's deferred tax assets and liabilities as of December 31, 2022 and 2021 were as follows:

(Expressed in thousands)	As of December 31,	
	2022	2021
Deferred tax assets:		
Deferred compensation	$ 27,161	$ 31,083
Deferred rent and lease incentives	9,877	10,828
Net operating losses and credits	9,593	9,304
Receivable reserves	1,294	2,257
Accrued expenses	13,121	3,516
Auction rate securities reserves	1,394	1,387
Involuntary conversion	1,704	1,749
Other	958	986
Total deferred tax assets	65,102	61,110
Valuation allowance	(7,036)	(6,153)
Deferred tax assets after valuation allowance	58,066	54,957
Deferred tax liabilities:		
Goodwill	41,775	42,455
Partnership investments	32,679	37,196
Company-owned life insurance	11,527	16,854
Depreciation	1,617	2,139
Other	272	329
Total deferred tax liabilities	87,870	98,973
Deferred tax liabilities, net	$ (29,804)	$ (44,016)

The Company recognized deferred tax assets of $2.4 million at December 31, 2022 within other assets arising from net operating losses incurred by Oppenheimer Israel (OPCO) Ltd. The Company believes that realization of the deferred tax assets is more likely than not based on expectations of future taxable income in Israel. These net operating losses carry forward indefinitely and are not subject to expiration, provided that these subsidiaries and their underlying businesses continue operating normally (as is anticipated).

As of December 31, 2022, the Company had deferred tax assets of $5.4 million arising from net operating losses incurred by Oppenheimer Europe Ltd and had recorded full valuation allowances, although the net operating losses carry forward indefinitely, the Company believes it is more likely than not that the Company will not be able to realize its deferred tax assets in the future. The net change during the year in the total valuation allowance is $1 million.

Goodwill arising from the acquisitions of Josephthal Group Inc. and the Oppenheimer Divisions was amortized for tax purposes on a straight-line basis over 15 years. The difference between book and tax is recorded as a deferred tax liability.

The Company and one or more of its subsidiaries files income tax returns in the U.S. federal jurisdiction and in various states and foreign jurisdictions. The Company has closed tax years through 2017 in the U.S. federal jurisdiction.

The Company has unrecognized tax benefits of $0.7 million, $0.3 million and $0.2 million as of December 31, 2022, 2021 and 2020, respectively (as shown on the table below). Included in the balance of unrecognized tax benefits as of December 31, 2022 and 2021 were $847,000 and $271,000, respectively, of tax benefits for either year that, if recognized, would affect the effective tax rate.

During the year ended December 31, 2022, the Company added $0.7 million related to state and local tax matters. The Company does not believe any unrecognized tax benefit will significantly increase or decrease within twelve months. A reconciliation of the beginning and ending amount of unrecognized tax benefit follows:

(Expressed in thousands)	2022	2021	2020
Balance at beginning of year	$ 343	$ 212	$ 1,079
Additions for tax positions of prior years	729	343	212
Settlements with taxing authorities	—	(212)	(1,079)
Balance at end of year	$ 1,072	$ 343	$ 212

In its consolidated income statements, the Company records interest and penalties accruing on unrecognized tax benefits in pre-tax income as interest expense and other expense, respectively. For the year ended December 31, 2022, the Company added tax-related interest expense of $173,000, and for the years ended December 2021 and 2020, the Company released tax-related interest expense of $164,000 and $227,000, respectively, in its consolidated income statement. As of December 31, 2022 and 2021, the Company had an income tax-related interest payable of $214,000 and $41,000, respectively, on its consolidated balance sheets.

16. Employee compensation plans

The Company maintains various employee compensation plans for the benefit of its employees. Two types of employee compensation are granted under share-based compensation and cash-based compensation plans.

Share-based Compensation Plans

Oppenheimer Holdings Inc. 2014 Incentive Plan

On February 26, 2014, the Company adopted the Oppenheimer Holdings Inc. 2014 Incentive Plan (the "OIP"). Pursuant to the OIP, the Compensation Committee of the Board of Directors of the Company (the "Committee") is permitted to grant options to purchase Class A Stock ("stock options"), Class A Stock awards and restricted Class A Stock (collectively "restricted stock awards") to or for the benefit of employees and non-employee directors of the Company and its subsidiaries as part of their compensation. Stock options are generally granted for a five-year term and generally vest at the rate of 25% of the amount granted on the second anniversary of the grant, 25% on the third anniversary of the grant, 25% on the fourth anniversary of the grant and 25% on the six months before expiration. Restricted stock awards are generally awarded for a three or five year term and fully vest at the end of the term.

Oppenheimer Holdings Inc. Stock Appreciation Right Plan

Under the Oppenheimer Holdings Inc. Stock Appreciation Right Plan, the Company awards stock appreciation rights ("OARs") to certain employees as part of their compensation package based on a formula reflecting gross production and length of service. These awards are granted once per year in January with respect to the prior year's production. The OARs vest five years from grant date and settle in cash at vesting.

Restricted stock - The Company has granted restricted stock awards pursuant to the OIP. The following table summarizes the status of the Company's non-vested restricted Class A Stock awards under the OIP for the year ended December 31, 2022:

	Number of Class A Shares Subject to Restricted Stock Awards	Weighted Average Fair Value Per Share	Weighted Average Remaining Contractual Life
Nonvested at beginning of year	1,542,716	$ 26.59	2.2 years
Granted	403,823	38.80	3.2 years
Vested	(156,477)	26.17	—
Forfeited	(100,056)	28.27	—
Nonvested at end of year	1,690,006	$ 29.42	1.9 years

As of December 31, 2022, all outstanding restricted Class A Stock awards were non-vested. The aggregate intrinsic value of restricted Class A Stock awards outstanding as of December 31, 2022 was $71.5 million. During the year ended December 31, 2022, the Company included $11.5 million ($10.5 million in 2021 and $7.7 million in 2020) of compensation expense in its consolidated income statements relating to restricted Class A Stock awards.

As of December 31, 2022, there was $23.1 million of total unrecognized compensation cost related to unvested restricted Class A Stock awards. The cost is expected to be recognized over a weighted average period of 1.9 years.

As of December 31, 2022, the number of shares of Class A Stock available under the share-based compensation plans, but not yet awarded, was 386,290.

On January 25, 2023, the Company awarded a total of 274,140 restricted shares of Class A Stock to current employees pursuant to the OIP. Of these restricted shares, 157,660 shares will cliff vest in three years and 116,480 shares will cliff vest in five years. These awards will be expensed over the applicable three or five year vesting period.

Stock options - The Company has granted stock options pursuant to the OIP. There were 5,233 and 10,770 options outstanding as of December 31, 2022 and 2021, respectively.

In the year ended December 31, 2022, the Company included $15,702 ($21,669 in 2021 and $25,300 in 2020) of compensation expense in its consolidated income statements relating to the expensing of stock options.

OARs - The Company has awarded OARs pursuant to the Oppenheimer Holdings Inc. Stock Appreciation Right Plan. The following table summarizes the status of the Company's outstanding OARs awards as of December 31, 2022:

Grant Date	Number of OARs Outstanding	Strike Price	Remaining Contractual Life	Fair Value as of December 31, 2022
January 5, 2018	417,370	$ 27.05	5 days	$ 15.28
January 11, 2019	490,016	26.45	1 year	17.01
January 10, 2020	502,160	27.54	2 years	17.47
January 11, 2021	606,159	32.16	3 years	17.48
January 7, 2022	632,807	49.57	4 years	11.79
Total OARs Outstanding	2,648,512			
Total weighted average values		$ 33.58	3.0 years	$ 15.68

The fair value as of December 31, 2022 for each of the OARs was estimated using the Black-Scholes model with the following assumptions:

	Grant Date				
	January 5, 2018	January 11, 2019	January 10, 2020	January 11, 2021	January 7, 2022
Expected term (1)	5 days	1 year	2 years	3 years	4 years
Expected volatility factor (2)	12.966 %	37.031 %	36.412 %	43.974 %	39.848 %
Risk-free interest rate (3)	0.513 %	4.680 %	4.421 %	4.221 %	4.112 %
Quarterly dividends (4)	$ 0.6	$ 0.6	$ 0.6	$ 0.6	$ 0.6

(1) The expected term was determined based on the remaining life of the actual awards.
(2) The volatility factor was measured using the weighted average of historical daily price changes of the Company's Class A Stock over a historical period commensurate to the expected term of the awards.
(3) The risk-free interest rate was based on periods equal to the expected term of the awards based on the U.S. Treasury yield curve in effect at December 31, 2022.
(4) Quarterly dividends were used to compute the expected annual dividend yield.

As of December 31, 2022, 2,648,512 of outstanding OARs were unvested. As of December 31, 2022, the aggregate intrinsic value of OARs outstanding was $27.7 million. In the year ended December 31, 2022, the Company included $4.4 million ($20.6 million in 2021 and $8.5 million in 2020) in compensation expense in its consolidated income statements relating to OARs awards. The liability related to the OARs was $23.9 million as of December 31, 2022. As of December 31, 2022, there was $17.7 million of total unrecognized compensation cost related to unvested OARs. The cost is expected to be recognized over a weighted average period of 3.0 years.

On January 6, 2023, 522,190 OARs were awarded to Oppenheimer employees related to fiscal 2022 performance. These OARs will be expensed over 5 years (the vesting period).

Cash-based Compensation Plans

Defined Contribution Plan

The Company, through its subsidiaries, maintains a defined contribution plan covering substantially all full-time U.S. employees. The Oppenheimer & Co. Inc. 401(k) Plan provides that Oppenheimer may make discretionary contributions. Eligible Oppenheimer employees could make voluntary contributions which could not exceed $20,500, $19,500 and $19,500 per annum in 2022, 2021 and 2020, respectively. The Company made contributions to the 401(k) Plan of $4.3 million, $4.3 million and $3.5 million in 2022, 2021 and 2020, respectively.

Deferred Compensation Plans

The Company maintains an Executive Deferred Compensation Plan ("EDCP") and a Deferred Incentive Plan ("DIP") in order to offer certain qualified high-performing financial advisors a bonus based upon a formula reflecting years of service, production, net commissions and a valuation of their clients' assets. The bonus amounts resulted in deferrals for fiscal 2022 of

$11.1 million ($12.8 million in 2021 and $10.0 million in 2020). These deferrals normally vest after five years. The liability is being recognized on a straight-line basis over the vesting period. The EDCP also includes voluntary deferrals by senior executives that are not subject to vesting. The Company maintains a Company-owned life insurance policy, which is designed to hedge a portion of the EDCP obligation. The EDCP liability is being tracked against the value of a benchmark investment portfolio held for this purpose. As of December 31, 2022, the Company's liability with respect to the EDCP, DIP and CMDP totaled $53.6 million and is included in accrued compensation on the consolidated balance sheet as of December 31, 2022.

In addition, the Company is maintaining a deferred compensation plan on behalf of certain employees who were formerly employed by CIBC World Markets. The Company hedges this deferred compensation obligation with a portfolio of mutual fund investments. As of December 31, 2022, the Company's liability with respect to this plan totaled $16.8 million.

On December 15, 2021, the Company adopted the Oppenheimer & Co. Inc. Investment Banking and Capital Markets Deferred Compensation Plan ("CMDP") for eligible employees in the Capital Markets business segment. An employee is eligible to participate in the Plan if the employee (i) is an Investment Banking Division employee of Oppenheimer with a title of Associate or above whose previous year’s salary and bonus exceeded $200,000, or (ii) is a professional working in the Oppenheimer Capital Markets Division (but not the Investment Banking Division) who is designated by the Plan Administrator (in its sole discretion) as eligible to participate in the Plan. The CMDP has both mandatory and elective contributions. The amount of compensation subject to mandatory deferral (“Bonus Deferral Credit”) is based on a schedule maintained by the Plan Administrator from time to time. The Bonus Deferral Credit vests ratably over a period of three years and is distributed upon vesting. For the elective portion, a participant is eligible if his or her base salary and bonus exceed $500,000 and he or she may elect to defer up to 50% of the total of his or her base salary and bonus amounts (“Elective Deferral Credit”) for a 5-year or 10-year period. The Elective Deferral Credit is 100% vested at all times. The Company provides a Matching Credit of 10% of the Elective Deferral Credit which vests on last day of the Performance Year (as defined in the CMDP) attributable to the Matching Credit. The Elective Deferral Credit and the Matching Credit are distributed in lump sums in the year following the fifth or tenth anniversary of the last day of the Performance Year (as defined in the CMDP), depending on the participant’s election. At December 31, 2022, the Company’s deferral related to the CMDP totaled $9.3 million which is comprised of Bonus Deferral Credits. Eligibility for Elective Deferral Credits begins in 2023 for elections made by December 31, 2021.

The total amount expensed in 2022 for the Company's deferred compensation plans was $5.3 million ($18.4 million in 2021 and $18.1 million in 2020).

17. Commitments and contingencies

Commitments

The Company had capital commitments of $3.0 million with respect to unfunded obligation in private equity funds sponsored by the Company and $40.2 million of commitments related to additional operating leases that have not yet commenced.

As of December 31, 2022, the Company had no collateralized or uncollateralized letters of credit outstanding.

Contingencies

Many aspects of the Company's business involve substantial risks of liability. In the normal course of business, the Company has been named as defendant or co-defendant in various legal actions, including arbitrations, class actions and other litigation, creating substantial exposure and periodic expenses. Certain of the actual or threatened legal matters include claims for substantial compensatory and/or punitive damages or claims for indeterminate amounts of damages. These proceedings arise primarily from securities brokerage, asset management and investment banking activities. The Company is also involved, from time to time, in other reviews, investigations and proceedings (both formal and informal) by governmental and self-regulatory agencies regarding the Company's business, which may result in expenses, adverse judgments, settlements, fines, penalties, injunctions or other relief. The investigations include inquiries from the SEC, the Financial Industry Regulatory Authority ("FINRA") and various state regulators.

The Company accrues for estimated loss contingencies related to legal and regulatory matters within Other Expenses in the consolidated income statement when available information indicates that it is probable a liability had been incurred and the Company can reasonably estimate the amount of that loss. In many proceedings, however, it is inherently difficult to determine whether any loss is probable or even possible or to estimate the amount of any loss. In addition, even where a loss is possible or an exposure to loss exists in excess of the liability already accrued with respect to a previously recognized loss contingency, it is often not possible to reasonably estimate the size of the possible loss or range of loss or possible additional losses or range of additional losses.

For certain legal and regulatory proceedings, the Company cannot reasonably estimate such losses, particularly for proceedings that are in their early stages of development or where plaintiffs seek substantial, indeterminate or special damages. Counsel may be required to review, analyze and resolve numerous issues, including through potentially lengthy discovery and determination of important factual matters, and by addressing novel or unsettled legal questions relevant to the proceedings in question, before the Company can reasonably estimate a loss or range of loss or additional loss for the proceeding. Even after lengthy review and analysis, the Company, in many legal and regulatory proceedings, may not be able to reasonably estimate possible losses or range of loss.

For certain other legal and regulatory proceedings, the Company can estimate possible losses, or range of loss in excess of amounts accrued, but does not believe, based on current knowledge and after consultation with counsel, that such losses individually, or in the aggregate, will have a material adverse effect on the Company's consolidated financial statements as a whole.

For legal and regulatory proceedings where there is at least a reasonable possibility that a loss or an additional loss may be incurred, the Company estimates a range of aggregate loss in excess of amounts accrued of up to $40 million. This estimated aggregate range is based upon currently available information for those legal proceedings in which the Company is involved, where the Company can make an estimate for such losses. For certain cases, the Company does not believe that it can make an estimate. The foregoing aggregate estimate is based on various factors, including the varying stages of the proceedings (including the fact that some are currently in preliminary stages), the numerous yet-unresolved issues in many of the proceedings and the attendant uncertainty of the various potential outcomes of such proceedings. Accordingly, the Company's estimate will change from time to time, and actual losses may be more than the current estimate.

Beginning on or about August 31, 2021, Oppenheimer has been named as a respondent in thirty-seven arbitrations, many containing multiple claimants, each filed before FINRA, relating to those claimants' purported investment in Horizon Private Equity, III, LLC ("Horizon"). Horizon is alleged to be a fraudulent scheme involving, among others, a former Oppenheimer employee John Woods. John Woods left Oppenheimer's employ in 2016 and Oppenheimer never received a complaint or question from any of the investors prior to the Securities and Exchange Commission ("SEC") bringing a complaint against Woods and his co-conspirators in 2021. Each investor signed a document acknowledging that Horizon was not an approved Oppenheimer product. Over a protracted period of time, Woods made multiple false statements to Oppenheimer, to regulators and to a state court. The claimants are seeking damages based on a number of legal theories, including, without limitation, violations of various state and federal statutes, breach of fiduciary duty, procurement of breach of fiduciary duty, negligent misrepresentation, aiding and abetting fraud, and unjust enrichment. Claimants do not allege Oppenheimer received any of the funds invested in Horizon, but rather that Oppenheimer's purported failure to properly supervise its employees allowed the alleged scheme to occur and continue. The twenty-six arbitrations still pending claim specific monetary damages allege losses of approximately $36.4 million in the aggregate while a few others claim unspecified damages. Oppenheimer believes these claims to be without merit and intends to defend itself vigorously against these claims.

As previously reported Oppenheimer's motion to vacate the arbitration award in *Donald Robinson, Timothy and Sharon Padden, Rhett Rainey, Kelly A. Rainey Trust, Toucan Holdings LP, Robert Goodman, Robert Daniel Burgner, Individually and as Trustee of the Burgner Family Charitable Remainder Trust, Douglas Kasemeier, Wesley Callaway, and Billy Loveless v. Oppenheimer & Co. Inc.* (the "Robinson Arbitration") was denied on January 30, 2023. Oppenheimer has settled, or settled in principle, eleven of the Horizon related arbitrations, including the Robinson Arbitration,with approximately forty-one individual complainants. The aggregate settlement payments for those eleven arbitrations total approximately $48.6 million.

On June 30, 2022, the Company received a "Wells Notice" from the SEC requesting that Oppenheimer make a written submission to the SEC to explain why Oppenheimer should not be charged with violations of Section 15c2-12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Rule 15c2-12 thereunder as well as Municipal Securities Rulemaking Board Rules G-17 and G-27 in relation to its sales of municipal notes pursuant to an exemption from continuing disclosure contained in Rule 15c2-12. On September 13, 2022, the SEC filed a complaint against Oppenheimer in the United States District Court for the Southern District of New York (the "Court") alleging that Oppenheimer violated Section 15B(c)(1) of the Exchange Act and Rule 15c2-12 thereunder as well as Municipal Securities Rulemaking Board Rules G-17 and G-27 for not having fully complied with the exemption from the continuing disclosure obligations under Rule 15c2-12. The SEC asked the Court to enter an order enjoining Oppenheimer from violating the above referenced rules and requiring it to disgorge approximately $1.9 million plus interest. The Company believes such claim to be without merit and intends to vigorously defend itself against such claim.

18. Regulatory requirements

The Company's U.S. broker dealer subsidiaries, Oppenheimer and Freedom, are subject to the uniform net capital requirements of the SEC under Rule 15c3-1 (the "Rule") promulgated under the Exchange Act. Oppenheimer computes its net capital requirements under the alternative method provided for in the Rule which requires that Oppenheimer maintain net capital equal to two percent of aggregate customer-related debit items, as defined in SEC Rule 15c3-3. As of December 31, 2022, the net capital of Oppenheimer as calculated under the Rule was $432.5 million or 35.78% of Oppenheimer's aggregate debit items. This was $408.3 million in excess of the minimum required net capital at that date. Freedom computes its net capital requirement under the basic method provided for in the Rule, which requires that Freedom maintain net capital equal to the greater of $100,000 or 6-2/3% of aggregate indebtedness, as defined. As of December 31, 2022, Freedom had net capital of $4.4 million, which was $4.3 million in excess of the $100,000 required to be maintained at that date.

As of December 31, 2022, the capital required and held under FCA's Investment Firms' Prudential Regime ("IFPR") for Oppenheimer Europe Ltd. was as follows:

- Common Equity Tier 1 ratio 157.0% (required 56.0%);
- Tier 1 Capital ratio 157.0% (required 75.0%); and
- Total Capital ratio 209.0% (required 100.0%).

Effective January 2022, IFPR changed its minimum capital requirement, which is now sterling 750,000 (previously it was Euro 730,000). Capital ratios are now expressed differently, but are effectively unchanged when comparing performance to required regulatory minimums. As of December 31, 2022, Oppenheimer Europe Ltd. was in compliance with its regulatory requirements.

As of December 31, 2022, the regulatory capital of Oppenheimer Investments Asia Limited was $4.9 million, which was $4.5 million in excess of the $383,963 required to be maintained on that date. Oppenheimer Investments Asia Limited computes its regulatory capital pursuant to the requirements of the Securities and Futures Commission of Hong Kong. As of December 31, 2022, Oppenheimer Investment Asia Limited was in compliance with its regulatory requirements.

19. Goodwill and intangibles

Goodwill

The Company's goodwill of $137.9 million resides in its PCD reporting unit. The Company performed its annual test for goodwill impairment as of December 31, 2022 and 2021, which did not result in any impairment charges for either period. At each annual goodwill impairment testing date, the PCD reporting unit had a fair value that was substantially in excess of its carrying value.

Intangible Assets

Indefinite intangible assets are comprised of trademarks, trade names and an Internet domain name. These intangible assets are carried at $32.1 million, are not amortized, and are subject to at least an annual test for impairment to determine if the estimated fair value is less than their carrying amount. Trademarks and trade names recorded as of December 31, 2022 and 2021 have been tested for impairment and it has been determined that no impairment has occurred. At each annual intangible assets impairment testing date, the trademarks and trade names had a fair value that was substantially in excess of their carrying value.

20. Segment information

The Company has determined its reportable segments based on the Company's method of internal reporting, which disaggregates its retail business by branch and its proprietary and investment banking businesses by product. The Company evaluates the performance of its segments and allocates resources to them based upon profitability.

The Company's reportable segments are:

Private Client — includes commissions and a proportionate amount of fee income earned on assets under management ("AUM"), net interest earnings on client margin loans and cash balances, fees from money market funds, custodian fees, net contributions from stock loan activities and financing activities, and direct expenses associated with this segment;

Asset Management — includes a proportionate amount of fee income earned on AUM from investment management services of Oppenheimer Asset Management Inc. Oppenheimer's asset management divisions employ various programs to manage client assets either in individual accounts or in funds, and includes direct expenses associated with this segment; and

Capital Markets — includes investment banking, institutional equities sales, trading, and research, taxable fixed income sales, trading, and research, public finance and municipal trading, as well as the Company's operations in the United Kingdom, Hong Kong and Israel, and direct expenses associated with this segment.

The Company does not allocate costs associated with certain infrastructure support groups that are centrally managed for its reportable segments. These areas include, but are not limited to, legal, compliance, operations, accounting, and internal audit. Costs associated with these groups are separately reported in a Corporate/Other category and primarily include compensation and benefits.

The table below presents information about the reported revenue and pre-tax income (loss) of the Company for the years ended December 31, 2022, 2021 and 2020. Asset information by reportable segment is not reported, since the Company does not produce such information for internal use by the chief operating decision maker.

(Expressed in thousands)	For the Years Ended December 31,		
	2022	2021	2020
Revenue			
Private client [1]	$ 675,680	$ 665,060	$ 642,083
Asset management [1]	99,242	104,598	130,274
Capital markets	337,821	625,704	426,752
Corporate/Other	(1,802)	(1,327)	(442)
Total	$ 1,110,941	$ 1,394,035	$ 1,198,667
Pre-Tax Income (Loss)			
Private client [1]	$ 142,250	$ 101,146	$ 122,844
Asset management [1]	35,753	35,874	71,625
Capital markets	(25,696)	204,090	83,442
Corporate/Other	(106,753)	(116,469)	(108,911)
Total	$ 45,554	$ 224,641	$ 169,000

(1) Clients investing in the OAM advisory program are charged fees based on the value of AUM. Advisory fees were allocated 10.0% to the Asset Management and 90.0% to the Private Client segments.

Revenue, classified by the major geographic areas in which it was earned for the years ended December 31, 2022, 2021 and 2020 was as follows:

(Expressed in thousands)	For the Years Ended December 31,		
	2022	2021	2020
Americas	$ 1,058,188	$ 1,336,628	$ 1,146,759
Europe/Middle East	47,080	51,698	45,767
Asia	5,673	5,709	6,141
Total	$ 1,110,941	$ 1,394,035	$ 1,198,667

21. Subsequent events

On January 27, 2023, the Company announced a quarterly dividend in the amount of $0.15 per share, payable on February 24, 2023 to holders of Class A Stock and Class B Stock of record on February 10, 2023.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

The Company carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of its disclosure controls and procedures pursuant to Rule 13a–15(e) of the Exchange Act. Based on this evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report.

Management, including the Chief Executive Officer and Chief Financial Officer, does not expect that the Company's disclosure controls and procedures or its internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include, but are not limited to, the realities that judgments in decision–making can be faulty and that break-downs can occur because of a simple error or omission. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based, in part, upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost–effective control system, misstatements due to error or fraud may occur and not be detected.

The Company confirms that its management, including its Chief Executive Officer and its Chief Financial Officer, concluded that the Company's disclosure controls and procedures are effective to ensure that the information required to be disclosed by the Company in its reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal controls over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting during the quarter ended December 31, 2022.

Management's Report on Internal Control over Financial Reporting and the Report of Independent Registered Public Accounting Firm are set forth in Part II, Item 8 of this Annual Report on Form 10-K.

Section 303A.12(a) CEO Certification

The Company submitted a Section 12(a) CEO Certification to the New York Stock Exchange on June 8, 2021 with respect to fiscal 2021.

Sarbanes-Oxley Act Section 302 CEO and CFO Certifications

The Company submitted the CEO and CFO Certifications required under Section 302 of the Sarbanes-Oxley Act as exhibits to its Annual Report on Form 10-K for the year ended December 31, 2021 and is submitting such Certifications for 2022 herewith.

Item 9B. OTHER INFORMATION

None.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item will be contained under the caption "Election of Directors" in our definitive Proxy Statement for the 2023 Annual Meeting of Stockholders. Information about compliance with Section 16(a) of the Securities Exchange Act of 1934 required by this form will be contained under the caption "Executive Compensation and Related Information - Section 16(a) Beneficial Ownership Reporting Compliance" in that proxy statement. That information is incorporated herein by reference.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES, WHISTLEBLOWER POLICY AND COMMITTEE CHARTERS

A copy of the Company's Statement of Corporate Governance Practices and its Whistleblower Policy, as well as copies of the Charters of the Audit Committee, Compensation Committee, Compliance Committee and Nominating/Corporate Governance Committee, are posted on the Company's website at www.oppenheimer.com. These documents are available at no charge and can be requested by writing to the Company at its head office or by making an email request to info@opco.com.

CODE OF ETHICS

The Company has adopted a Code of Conduct and Business Ethics for Directors, Officers and Employees, which can be found on its website at www.oppenheimer.com. This document is available at no charge and can be requested by writing to the Company at its head office or by making an email request to info@opco.com. The Company will disclose any amendment or waiver to the Code of Conduct and Business Ethics for Directors, Officers and Employees on its website at www.oppenheimer.com.

Item 11. EXECUTIVE COMPENSATION

The information required by this item will be contained under the caption "Executive Compensation and Related Information" in our definitive Proxy Statement for the 2023 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item will be contained under the caption "Executive Compensation and Related Information - Security Ownership of Certain Beneficial Owners and Management" in our definitive Proxy Statement for the 2023 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item will be contained under the caption "Executive Compensation and Related Information - Certain Relationships and Related Party Transactions" under the sub-heading "Indebtedness of Directors and Executive Officers under (1) Securities Purchase and (2) Other Programs" in our definitive Proxy Statement for the 2023 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this item will be contained under the caption "Appointment of Independent Registered Public Accounting Firm – Principal Accounting Fees and Services" in our definitive Proxy Statement for the 2023 Annual Meeting of Stockholders and is incorporated herein by reference.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) (i) Financial Statements
See Item 8 (pages 58 to 111)

(ii) Financial Statement Schedules
Not Applicable.

(iii) Listing of Exhibits
The exhibits which are filed with this Form 10-K or are incorporated herein by reference are set forth in the Exhibit Index (pages 115 to 116)

(b) Exhibits
See the Exhibit Index included hereinafter on pages 115 to 116

(c) Financial Statement Schedules excluded from the annual report to stockholders
None

Item 16. FORM 10-K SUMMARY

None

EXHIBIT INDEX

Unless there is a parenthetical indicating that such document has been filed herewith, the Exhibits listed below have been heretofore filed by the Company pursuant to Section 13 or 15(d) of the Exchange Act and are hereby incorporated herein by reference to the pertinent prior filing.

Number	Description
3.1	Certificate of Incorporation of Oppenheimer Holdings Inc., a Delaware corporation (previously filed as an exhibit to Form 10-Q for the quarterly period ended June 30, 2009).
3.2	Amended and Restated By-Laws of Oppenheimer Holdings Inc. (previously filed as an exhibit to Form 10-K for the year ended December 31, 2021)
4.1	Indenture dated as of September 22, 2020 among Oppenheimer Holdings Inc., the subsidiary guarantors, The Bank of New York Mellon Trust Company, N.A., as Trustee and The Bank of New York Mellon Trust Company, as Collateral Agent (previously filed as exhibit 4.1 to Form 8-K dated September 22, 2020).
4.2	Registration Rights Agreement dated September 22J, 2020 by and among Oppenheimer Holdings Inc., a Delaware corporation, E.A. Viner International Co., a Delaware corporation, Viner Finance Inc., a Delaware corporation and Oppenheimer & Co. Inc., as representative of the several Initial Purchasers (previously filed as exhibit 10.2 to Form 8-K dated September 22, 2020).
10.1	Assurance of Discontinuance, dated February 23, 2010, between the Attorney General of the State of New York and Oppenheimer & Co. Inc. (previously filed as an Exhibit to Form 8-K filed February 26, 2010).
10.2	Lease dated July 15, 2011 between 85 Broad Street LLC, Landlord and Viner Finance Inc., Tenant for premises at 85 Broad Street, New York, NY (previously filed as an exhibit to Form 10-Q for the quarterly period ended June 30, 2011).
10.3	Consent Order from the Commonwealth of Massachusetts Division of Securities dated February 26, 2010 (previously filed as an exhibit to Form 10-K for the year ended December 31, 2009).
10.4	Security Agreement by and among Oppenheimer Holdings Inc., as grantor, and each other grantor from time to time party thereto and the Bank of New York Mellon Trust Company, N.A., as Collateral Agent dated as of September 22, 2020 (previously filed as exhibit 10.1 to Form 8-K dated September 22, 2020).
10.5	First Amendment to Agreement of Lease dated January 29, 2013 between 85 Broad Street LLC, Landlord and Viner Finance Inc., Tenant for premises at 85 Broad Street, New York, NY (previously filed as an exhibit to Form 10-K for the year ended December 31, 2012).
10.6	Form of Indemnification Agreement between Oppenheimer Holdings Inc. and the directors of Oppenheimer Holdings Inc., as the Indemnified Party, dated as of October 25, 2012. (previously filed as an exhibit to Form 10-K for the year ended December 31, 2012).
10.7	Form of Indemnification Agreement between Oppenheimer Holdings Inc. and the officers of Oppenheimer Holdings Inc., as the Indemnified Party, dated as of October 25, 2012. (previously filed as an exhibit to Form 10-K for the year ended December 31, 2012).
10.8	Oppenheimer & Co. Inc. Executive Deferred Compensation Plan (As Amended and Restated Effective January 1, 2005) (As Further Amended and Restated with respect to Specific Elective Accounts Effective as of March 1, 2013) (previously filed as an exhibit to Form 10-K for the year ended December 31, 2012).
10.9	Oppenheimer Holdings Inc. 2014 Incentive Plan (previously filed as an exhibit to Form 10-K for the year ended December 31, 2013).
10.10	Amended and Restated Performance-Based Compensation Agreement between Oppenheimer Holdings Inc. and Albert G. Lowenthal effective as of May 11, 2015 (previously filed as an exhibit to form 10-K for the year ended December 31, 2017).
10.11	Oppenheimer & Co. Inc. 2019 Executive Deferred Compensation Plan (previously filed as an exhibit to form 10-K for the year ended December 31, 2018)

10.12	Oppenheimer & Co. Inc. 2021 Executive Deferred Compensation Plan (previously filed as an Exhibit to Form 8-K filed December 20, 2021).
10.13	Offer of Settlement, dated February 22, 2010, between the Commonwealth of Massachusetts Division of Securities and Oppenheimer & Co. Inc., Albert Lowenthal, Robert Lowenthal and Greg White (previously filed as an Exhibit to Form 8-K filed February 26, 2010).
21	Subsidiaries of the registrant (filed herewith).
22	Subsidiary Guarantors and Issuers of Registered Senior Secured Notes (filed herewith).
23.1	Consent of independent accountants (filed herewith).
31.1	Certification signed by A.G. Lowenthal (filed herewith).
31.2	Certification signed by Brad M. Watkins (filed herewith).
32.1	Certification pursuant to 18 U.S.C. Section 1350 signed by A.G. Lowenthal (filed herewith).
32.2	Certification pursuant to 18 U.S.C. Section 1350 signed by Brad M. Watkins (filed herewith).
101	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) the Consolidated Balance Sheets as of December 31, 2022 and December 31, 2021, (ii) the Consolidated Income Statements for the three years ended December 31, 2022, 2021 and 2020, (iii) the Consolidated Statements of Comprehensive Income for the three years ended December 31, 2022, 2021 and 2020, (iv) the Consolidated Statements of Changes in Stockholders' Equity for the three years ended December 31, 2022, 2021 and 2020, (v) the Consolidated Statements of Cash Flows for the three years ended December 31, 2022, 2021 and 2020, and (vi) the notes to the Consolidated Financial Statements.*

* This information is furnished and not filed for purposes of Sections 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on the 28th day of February, 2023.

OPPENHEIMER HOLDINGS INC.

BY: /s/ Brad M. Watkins
Brad M. Watkins, Chief Financial Officer
(on behalf of the Registrant)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ B.M. Watkins B.M. Watkins	Chief Financial Officer (Principal Financial and Accounting Officer)	February 28, 2023
/s/ E. Behrens E. Behrens	Director	February 28, 2023
/s/ T. Dwyer T. Dwyer	Director	February 28, 2023
/s/ W. Ehrhardt W. Ehrhardt	Director	February 28, 2023
/s/ P. Friedman P. Friedman	Director	February 28, 2023
/s/ L. Roth L. Roth	Director	February 28, 2023
/s/ A.G. Lowenthal A.G. Lowenthal	Chairman, Chief Executive Officer (Principal Executive Officer), Director	February 28, 2023
/s/ R.S. Lowenthal R.S. Lowenthal	Director, President	February 28, 2023
/s/ A.W. Oughtred A.W. Oughtred	Director	February 28, 2023
/s/ T. Glasser T. Glasser	Director	February 28, 2023

EXHIBIT 21

Subsidiaries of Oppenheimer Holdings Inc.
As of December 31, 2022

Pursuant to Item 601(b)(21)(ii) of Regulation S-K, the names of certain other subsidiaries of Oppenheimer are omitted because, considered in the aggregate as a single subsidiary, they would not constitute a "significant subsidiary" as that term is defined in Rule 1-02(w) of Regulation S-X under the Securities Exchange Act of 1934.

Company	**Jurisdiction of Incorporation or Formation**
Oppenheimer & Co. Inc.	Delaware
E.A. Viner International Co.	Delaware
Oppenheimer Asset Management Inc.	New York
Oppenheimer Europe Ltd.	United Kingdom

Exhibit 22

Subsidiary Guarantors and Issuers of Registered Senior Secured Notes

Oppenheimer Holdings, Inc. has Senior Secured Notes that are jointly and severally and fully and unconditionally guaranteed on a senior secured basis by the following subsidiaries of the Company:

Entity	**5.50% Senior Secured Notes due 2025**
Oppenheimer Holdings, Inc.	Issuer
E.A. Viner International Co.	Guarantor
Viner Finance, Inc.	Guarantor

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement on Form S-3 (No. 333-249433), Form S-4 (No. 333-249423), Form S-8 (Nos. 333-111225, 333-129385, 333-129387, 333-129389, 333-129390, 333-135064, 333-146989, 333-146990, 333-157686, 333-180979, 333-195951, 333-217824 and 333-238190) of our reports dated February 28, 2023, relating to the financial statements and financial statement schedules of Oppenheimer Holdings Inc. and subsidiaries (the "Company") and the effectiveness of the Company's internal control over financial reporting, appearing in this Annual Report on Form 10-K of the Company for the year ended December 31, 2022.

/s/ Deloitte & Touche LLP
New York, NY
February 28, 2023

EXHIBIT 31.1

CERTIFICATION

I, Albert G. Lowenthal, certify that:

1. I have reviewed this annual report on Form 10-K of Oppenheimer Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Albert G. Lowenthal

Name: Albert G. Lowenthal

Title: Chief Executive Officer

February 28, 2023

EXHIBIT 31.2

CERTIFICATION

I, Brad M. Watkins, certify that:

1. I have reviewed this annual report on Form 10-K of Oppenheimer Holdings Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Brad M. Watkins

Name: Brad M. Watkins

Title: Chief Financial Officer

February 28, 2023

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

The undersigned, Albert G. Lowenthal, Chairman and Chief Executive Officer of Oppenheimer Holdings Inc. (the "Company"), hereby certifies that to his knowledge the Annual Report on Form 10-K for the year ended December 31, 2022 of the Company filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the period specified.

Signed at New York, New York, this 28th day of February, 2023.

/s/ Albert G. Lowenthal
Albert G. Lowenthal
Chairman and Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

The undersigned, Brad M. Watkins, Chief Financial Officer of Oppenheimer Holdings Inc. (the “Company”), hereby certifies that to his knowledge the Annual Report on Form 10-K for the year ended December 31, 2022 of the Company filed with the Securities and Exchange Commission on the date hereof (the “Report”) fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the period specified.

Signed at New York, New York, this 28th day of February, 2023.

/s/ Brad M. Watkins
Brad M. Watkins
Chief Financial Officer