

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20140418328-01**

TO: Department of Market Regulation
Financial Industry Regulatory Authority ("FINRA")

RE: Oppenheimer & Co. Inc., Respondent
Broker-Dealer
CRD No. 249

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Oppenheimer & Co. Inc. (the "firm") submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against the firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. The firm hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND AND RELEVANT DISCIPLINARY HISTORY

The firm became a member of FINRA on March 22, 1945, and its registration remains in effect. The firm has no relevant disciplinary history.

SUMMARY

In 20140418328, the staff in the Department of Market Regulation's Municipal Securities Trade Reporting Section (the "staff") reviewed the firm's compliance with Municipal Securities Rulemaking Board ("MSRB") Rule G-15(f) during the period January 1, 2012 through June 24, 2014 (the "review period").

MSRB Rule G-15(f)(i) prohibits a broker, dealer, or municipal securities dealer from effecting a customer transaction in municipal securities issued after June 1, 2002 in an amount lower than the minimum denomination of the issue.

Issuers set minimum denominations for the purchase or sale of municipal securities and disclose those minimum denominations in Official Statements, which are documents

prepared by or on behalf of the issuer of municipal securities in connection with a primary offering. Minimum denominations generally range from \$5,000 to \$100,000. An issuer may set a minimum denomination at \$100,000 or higher to qualify for one of several exemptions from Securities Exchange Act Rule 15c2-12, which is designed to ensure production of certain disclosure documents in the primary and secondary markets. In addition, an issuer may set high minimum denominations because of a concern that the offered securities may not be appropriate for retail investors who are likely to purchase securities in relatively small amounts.

There are two limited exceptions to executing transactions below the minimum denomination. First, under MSRB Rule G-15(f)(ii), a dealer may purchase municipal securities from a customer in an amount below the minimum denomination of the issue if the dealer determines that the customer's position in the issue is already below the minimum denomination and the customer's entire position in the issue would be liquidated by the transaction.

Second, under MSRB Rule G-15(f)(iii), a dealer may sell municipal securities to a customer in an amount below the minimum denomination of the issue if the dealer determines that the position being sold resulted from the liquidation of another customer's entire position in the issue which was below the minimum denomination of the issue. Additionally, a dealer selling under MSRB Rule G-15(f)(iii) must, at or before the completion of the transaction, notify the customer that the amount of the transaction is below the minimum denomination of the issue and that this may adversely affect the liquidity of the customer's position.

Under MSRB Rule G-15(f), brokers, dealers, and municipal securities dealers may not sell (or buy) municipal securities in amounts below the minimum denomination of an issue to a customer regardless of whether the customer holds or would hold a position in the issue which is equal to or exceeds the minimum denomination of the issue.

FACTS AND VIOLATIVE CONDUCT

As a result of the review, the staff determined that during the review period:

1. The firm effected 148 customer transactions in a municipal security in an amount lower than the minimum denomination of the issue which were not subject to an exception under the rule. These transactions are detailed in Exhibit A, attached. The conduct described in this paragraph constitutes separate and distinct violations of MSRB Rule G-15(f); and
2. The firm failed to disclose all material facts concerning 148 municipal securities transactions at or prior to the time of trade. Specifically, the firm failed to inform its customer that the municipal securities transaction was in an amount below the minimum denomination of the issue. In Notice 2002-05, the MSRB stated that a dealer should consider a transaction below an issue's minimum denomination to

be a material fact that generally requires disclosure to the customer. The conduct described in this paragraph constitutes separate and distinct violations of MSRB Rule G-17.¹

B. The firm also consents to the imposition of the following sanctions:

- A censure;
- A fine of \$200,000; and
- Rescission must be offered to the customers who purchased securities listed on Exhibit A hereto at either the original purchase price or the current fair market value, whichever is higher. The offer of rescission shall remain open with the affected customer for a period of 60 days. A registered principal on behalf of the firm shall submit satisfactory proof of offer of the rescission, or of reasonable and documented efforts undertaken to effect rescission, including the offered price and a description of how the offered price was determined. Such proof shall be submitted to the COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850, either by letter that identifies the Respondent and case number, or by email from a work-related account of the registered principal of the firm to MarketRegulationComp@finra.org. This proof shall be provided to FINRA no later than 90 days after acceptance of this AWC.

The firm agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. The firm has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

The firm specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

The firm specifically and voluntarily waives the following rights granted under FINRA's Code

¹ In addition to the violations described herein, the staff identified certain deficiencies with respect to the firm's supervisory system, including its written supervisory procedures, related to transactions in municipal securities in amounts lower than the minimum denomination of the issue. In this matter, the Legal Section determined not charge the firm for such deficiencies in light of a prior regulatory action taken by the Securities and Exchange Commission in November 2014.

of Procedure:

- A. To have a Complaint issued specifying the allegations against the firm;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the NAC and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, the firm specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

The firm further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

The firm understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against the firm; and
- C. If accepted:
 - 1. this AWC will become part of the firm's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against the firm;

2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 4. The firm may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. The firm may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the firm's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. The firm may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The firm understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

The undersigned, on behalf of the firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that it has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the firm to submit it.

11/23/15
Date

Respondent
Oppenheimer & Co. Inc.

By: John T. McGuire

Name: JOHN T. MCGUIRE

Title: Deputy General Counsel

Reviewed by:

John T. McGuire
Attorney Name John T. McGuire
Counsel for Respondent Oppenheimer & Co. Inc.
Firm Name
Address 85 Broad St
City/State/Zip New York, NY 10014
Phone Number 212 668 5036

Accepted by FINRA:

12/22/15
Date

Signed on behalf of the
Director of ODA, by delegated authority

Robert A. Marchman
Robert A. Marchman, Esq.
Executive Vice President
Department of Market Regulation

Oppenheimer & Co. Inc. ("OPCO")

Review Period: January 1, 2012 through June 24, 2014

Review Number: 20140418328

Exhibit A

Count	Trade Date	CUSIP	Seller	Volume	Price	Buyer	XREF ID
1	03/07/2014	66537EAY8	OPCO	15000	78.811	CUST	0307VM005727014
2	03/07/2014	66537EAY8	OPCO	10000	78.811	CUST	0307VM005732014
3	03/07/2014	66537EAY8	OPCO	50000	78.811	CUST	0307VM006081014
4	03/07/2014	66537EAY8	OPCO	25000	78.811	CUST	0307VM006096014
5	03/07/2014	66537EAY8	OPCO	25000	78.811	CUST	0307VM006097014
6	03/07/2014	66537EAY8	OPCO	20000	78.811	CUST	0307VM006100014
7	03/07/2014	66537EAY8	OPCO	15000	78.811	CUST	0307VM006109014
8	03/07/2014	66537EAY8	OPCO	20000	78.811	CUST	0307VM006119014
9	03/07/2014	66537EAY8	OPCO	30000	78.811	CUST	0307VM006120014
10	03/07/2014	66537EAY8	OPCO	50000	78.811	CUST	0307VM006123014
11	03/07/2014	66537EAY8	OPCO	5000	78.811	CUST	0307VM006146014
12	03/07/2014	66537EAY8	OPCO	5000	78.811	CUST	0307VM006161014
13	03/07/2014	66537EAY8	OPCO	5000	78.811	CUST	0307VM006164014
14	03/07/2014	66537EAY8	OPCO	20000	78.811	CUST	0307VM006167014
15	03/07/2014	66537EAY8	OPCO	75000	78.811	CUST	0307VM006208014
16	03/07/2014	66537EAY8	OPCO	25000	78.811	CUST	0307VM006210014
17	03/07/2014	66537EAY8	OPCO	15000	78.811	CUST	0307VM006211014
18	03/07/2014	66537EAY8	OPCO	40000	78.813	CUST	0307VM006214014
19	03/07/2014	66537EAY8	OPCO	25000	78.813	CUST	0307VM006229014
20	03/07/2014	66537EAY8	OPCO	10000	78.813	CUST	0307VM006230014
21	03/07/2014	66537EAY8	OPCO	15000	78.811	CUST	0324VM004394014
22	03/10/2014	66537EAY8	OPCO	55000	78.813	CUST	0310VM004375014
23	03/11/2014	66537EAY8	OPCO	50000	79.823	CUST	0311VM004282014
24	03/11/2014	66537EAY8	OPCO	10000	79.823	CUST	0311VM004479014
25	03/11/2014	66537EAY8	OPCO	10000	79.823	CUST	0311VM004571014
26	03/12/2014	66537EAY8	OPCO	10000	79.82	CUST	0312VM005870014
27	03/13/2014	66537EAY8	OPCO	50000	79.822	CUST	0313VM004092014
28	03/13/2014	66537EAY8	OPCO	25000	79.822	CUST	0313VM004094014
29	03/13/2014	66537EAY8	OPCO	25000	79.822	CUST	0313VM004098014
30	03/13/2014	66537EAY8	OPCO	40000	79.822	CUST	0313VM004102014
31	03/13/2014	66537EAY8	OPCO	20000	79.822	CUST	0313VM004128014
32	03/13/2014	66537EAY8	OPCO	25000	79.822	CUST	0313VM004129014
33	03/13/2014	66537EAY8	OPCO	20000	79.822	CUST	0313VM004132014
34	03/13/2014	66537EAY8	OPCO	10000	79.822	CUST	0313VM004168014
35	03/13/2014	66537EAY8	OPCO	15000	79.822	CUST	0313VM004169014
36	03/13/2014	66537EAY8	OPCO	10000	79.822	CUST	0313VM004173014
37	03/13/2014	66537EAY8	OPCO	10000	79.822	CUST	0313VM004175014
38	03/13/2014	66537EAY8	OPCO	25000	79.822	CUST	0313VM004200014
39	03/13/2014	66537EAY8	OPCO	10000	79.822	CUST	0313VM004207014
40	03/13/2014	66537EAY8	OPCO	10000	79.822	CUST	0313VM004297014
41	03/13/2014	66537EAY8	OPCO	20000	79.822	CUST	0313VM004326014
42	03/13/2014	66537EAY8	OPCO	25000	79.822	CUST	0313VM004377014
43	03/13/2014	66537EAY8	OPCO	10000	79.822	CUST	0313VM004427014
44	03/13/2014	66537EAY8	OPCO	20000	79.822	CUST	0313VM004540014
45	03/13/2014	66537EAY8	OPCO	50000	79.822	CUST	0313VM004562014
46	03/13/2014	66537EAY8	OPCO	10000	79.822	CUST	0313VM004584014
47	03/13/2014	66537EAY8	OPCO	60000	79.822	CUST	0313VM004702014
48	03/13/2014	66537EAY8	OPCO	60000	79.822	CUST	0313VM004748014
49	03/13/2014	66537EAY8	OPCO	30000	79.822	CUST	0313VM004757014
50	03/13/2014	66537EAY8	OPCO	65000	79.822	CUST	0313VM004995014
51	03/13/2014	66537EAY8	OPCO	30000	79.822	CUST	0313VM005016014
52	03/13/2014	66537EAY8	OPCO	30000	79.822	CUST	0313VM005049014
53	03/13/2014	66537EAY8	OPCO	55000	79.822	CUST	0313VM005150014

Oppenheimer & Co. Inc. ("OPCO")
Review Period: January 1, 2012 through June 24, 2014
Review Number: 20140418328
Exhibit A

Count	Trade Date	CUSIP	Seller	Volume	Price	Buyer	XREF ID
54	03/13/2014	66537EAY8	OPCO	50000	79.822	CUST	0313VM005233014
55	03/13/2014	66537EAY8	OPCO	50000	79.822	CUST	0313VM005235014
56	03/13/2014	66537EAY8	OPCO	25000	79.822	CUST	0313VM005236014
57	03/14/2014	66537EAY8	OPCO	75000	78.809	CUST	0314VM004127014
58	03/14/2014	66537EAY8	OPCO	45000	78.809	CUST	0314VM004152014
59	03/14/2014	66537EAY8	OPCO	10000	78.813	CUST	0314VM004166014
60	03/14/2014	66537EAY8	OPCO	20000	79.824	CUST	0314VM004180014
61	03/14/2014	66537EAY8	OPCO	10000	79.824	CUST	0314VM004182014
62	03/14/2014	66537EAY8	OPCO	50000	79.824	CUST	0314VM004229014
63	03/14/2014	66537EAY8	OPCO	15000	79.824	CUST	0314VM004262014
64	03/14/2014	66537EAY8	OPCO	15000	79.824	CUST	0314VM004315014
65	03/14/2014	66537EAY8	OPCO	20000	79.824	CUST	0314VM004349014
66	03/14/2014	66537EAY8	OPCO	15000	79.824	CUST	0314VM004431014
67	03/14/2014	66537EAY8	OPCO	10000	79.824	CUST	0314VM004453014
68	03/14/2014	66537EAY8	OPCO	20000	79.824	CUST	0314VM004454014
69	03/14/2014	66537EAY8	OPCO	40000	79.824	CUST	0314VM004455014
70	03/14/2014	66537EAY8	OPCO	15000	79.824	CUST	0314VM004500014
71	03/14/2014	66537EAY8	OPCO	40000	79.824	CUST	0314VM004850014
72	03/14/2014	66537EAY8	OPCO	20000	79.824	CUST	0314VM004921014
73	03/14/2014	66537EAY8	OPCO	25000	79.824	CUST	0314VM005190014
74	03/14/2014	66537EAY8	OPCO	25000	79.824	CUST	0314VM005193014
75	03/17/2014	66537EAY8	OPCO	30000	79.826	CUST	0317VM004736014
76	03/17/2014	66537EBA9	OPCO	10000	76.979	CUST	0317VM005193014
77	03/17/2014	66537EBA9	OPCO	40000	76.979	CUST	0317VM005197014
78	03/17/2014	66537EBA9	OPCO	50000	76.979	CUST	0317VM005234014
79	03/17/2014	66537EBA9	OPCO	50000	76.979	CUST	0317VM005235014
80	03/17/2014	66537EBA9	OPCO	25000	76.979	CUST	0317VM005251014
81	03/17/2014	66537EBA9	OPCO	25000	76.979	CUST	0317VM005252014
82	03/17/2014	66537EBA9	OPCO	50000	76.979	CUST	0317VM005270014
83	03/17/2014	66537EBA9	OPCO	25000	76.979	CUST	0317VM005273014
84	03/17/2014	66537EBA9	OPCO	50000	75.229	CUST	0317VM005308014
85	03/17/2014	66537EBA9	OPCO	25000	76.979	CUST	0317VM005296014
86	03/18/2014	66537EAY8	OPCO	25000	79.828	CUST	0318VM004754014
87	03/18/2014	66537EBA9	OPCO	70000	76.98	CUST	0318VM004113014
88	03/18/2014	66537EBA9	OPCO	55000	76.98	CUST	0318VM004122014
89	03/18/2014	66537EBA9	OPCO	25000	76.98	CUST	0318VM004516014
90	03/18/2014	66537EBA9	OPCO	65000	76.98	CUST	0318VM004626014
91	03/18/2014	66537EBA9	OPCO	20000	75.25	CUST	0318VM004629014
92	03/19/2014	66537EAY8	OPCO	10000	78.811	CUST	0319VM004311014
93	04/01/2014	66537EAY8	OPCO	10000	78.813	CUST	0401VM004131014
94	05/16/2014	66537EAY8	OPCO	60000	81.896	CUST	0516VM004383014
95	06/03/2014	66537EAY8	OPCO	30000	84.001	CUST	0603VM005044014
96	1/9/2014	73358EAS3	CUST	45000	98.824	OPCO	0109VM00600601
97	1/14/2014	94243RAA8	CUST	50000	100	OPCO	0114VM00584001
98	1/14/2014	94243RAA8	CUST	50000	100	OPCO	0114VM00585001
99	1/17/2014	60374TAQ1	CUST	5000	87.432	OPCO	0117VM00498501
100	1/23/2014	371672AD8	CUST	5000	94.722	OPCO	0123VM00541801
101	1/23/2014	371672AD8	CUST	10000	94.722	OPCO	0123VM00539301
102	1/23/2014	371672AD8	CUST	5000	94.722	OPCO	0123VM00540501
103	1/23/2014	371672AD8	CUST	25000	94.722	OPCO	0123VM00558301
104	1/23/2014	371672AD8	CUST	75000	94.722	OPCO	0123VM00575101
105	1/23/2014	371672AD8	CUST	30000	94.722	OPCO	0123VM00441801
106	1/24/2014	371672AD8	CUST	55000	94.722	OPCO	0124VM00540001

Oppenheimer & Co. Inc. ("OPCO")
Review Period: January 1, 2012 through June 24, 2014
Review Number: 20140418328
Exhibit A

Count	Trade Date	CUSIP	Seller	Volume	Price	Buyer	XREF ID
107	1/24/2014	371672AD8	CUST	25000	94.722	OPCO	0124VM00479901
108	1/24/2014	371672AD8	CUST	15000	94.722	OPCO	0124VM00431501
109	1/28/2014	371672AD8	CUST	15000	94.723	OPCO	0128VM00487701
110	1/28/2014	371672AD8	CUST	25000	94.723	OPCO	0128VM00453601
111	1/30/2014	371672AD8	CUST	55000	94.724	OPCO	0130VM00422901
112	1/30/2014	371672AD8	CUST	50000	94.724	OPCO	0130VM00475401
113	1/30/2014	371672AD8	CUST	50000	94.724	OPCO	0130VM00475301
114	1/31/2014	371672AD8	CUST	50000	94.725	OPCO	0131VM00430101
115	1/31/2014	371672AD8	CUST	10000	94.725	OPCO	0131VM00452901
116	2/4/2014	371672AC0	CUST	30000	97.749	OPCO	0204VM00507801
117	2/5/2014	649903DA6	CUST	70000	103.25	OPCO	0205VM00538301
118	2/20/2014	130795CQ8	CUST	40000	100	OPCO	0220VM00545801
119	2/20/2014	130795CQ8	CUST	10000	100	OPCO	0220VM00545501
120	2/20/2014	130795CQ8	CUST	50000	100	OPCO	0220VM00545401
121	2/21/2014	92707UAC0	CUST	15000	100	OPCO	0221VM00536301
122	2/26/2014	371672AC0	CUST	25000	96.748	OPCO	0226VM00429801
123	2/26/2014	84552KAY7	CUST	5000	98.949	OPCO	0226VM00473501
124	2/26/2014	84552KAY7	CUST	10000	98.949	OPCO	0226VM00473401
125	2/28/2014	1309116K1	CUST	25000	98.85	OPCO	0228VM00522501
126	2/28/2014	649903WS6	CUST	10000	108.398	OPCO	0228VM00427201
127	2/28/2014	649903WS6	CUST	10000	108.398	OPCO	0228VM00427501
128	3/3/2014	84552MBN6	CUST	10000	95.546	OPCO	0303VM00406801
129	3/4/2014	130795CQ8	CUST	10000	100.466	OPCO	0304VM00511401
130	3/4/2014	64971PED3	CUST	10000	82.398	OPCO	0304VM00470401
131	3/4/2014	796826BF1	CUST	25000	103.256	OPCO	0304VM00439001
132	3/5/2014	130795CQ8	CUST	20000	100	OPCO	0305VM00453201
133	3/5/2014	130795CQ8	CUST	10000	100.465	OPCO	0305VM00537401
134	3/5/2014	130795CQ8	CUST	50000	100.465	OPCO	0305VM00475301
135	3/5/2014	64971PED3	CUST	30000	83.398	OPCO	0305VM00446101
136	3/6/2014	64971PED3	CUST	15000	83.398	OPCO	0306VM00585701
137	3/6/2014	64971PED3	CUST	25000	83.398	OPCO	0306VM00516701
138	3/20/2014	92707UAC0	CUST	30000	100	OPCO	0320VM00530801
139	3/21/2014	92707UAC0	CUST	15000	100	OPCO	0321VM00528201
140	3/24/2014	957480AE6	CUST	15000	89.673	OPCO	0324VM00476401
141	3/25/2014	927676RL2	CUST	15000	105.497	OPCO	0325VM00471701
142	3/25/2014	927676RL2	CUST	70000	105.497	OPCO	0325VM00518601
143	3/25/2014	927676RL2	CUST	20000	105.497	OPCO	0325VM00453301
144	3/25/2014	927676RL2	CUST	50000	105.497	OPCO	0325VM00454901
145	3/25/2014	927676RL2	CUST	50000	105.497	OPCO	0325VM00460401
146	3/26/2014	927676RL2	CUST	15000	105.493	OPCO	0326VM00439301
147	3/27/2014	130795CQ8	CUST	10000	100	OPCO	0327VM00595001
148	1/17/2014	60374TAQ1	OPCO	5000	85.432	CUST	0117VM00455801