OPPENHEIMER & CO. INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION
AS OF JUNE 30, 2014
(UNAUDITED)

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Oppenheimer & Co. Inc. and Subsidiaries
Consolidated Statement of Financial Condition
As of June 30, 2014 (unaudited)

(in thousands of dollars)		
Assets		
Cash and cash equivalents	$	33,509
Cash segregated under Federal and other purposes		18,261
Deposits with clearing organizations (includes securities with a fair value of $16,091)		31,391
Receivable from brokers, dealers and clearing organizations		351,317
Receivable from customers, net of allowance of credit losses of $2,436		950,684
Securities purchased under agreements to resell		250,000
Securities owned, including amount pledged of $664,654, at fair value		926,597
Office facilities, net of depreciation expense of $92,038		9,910
Notes receivable, net		37,130
Deferred income tax, net		42,565
Other assets		91,634
Total assets	$	2,742,998
Liabilities and Stockholder's Equity		
Drafts payable	$	32,913
Bank call loans		147,200
Securities sold under repurchase agreements		816,606
Payable to brokers, dealers and clearing organizations		255,432
Securities sold, but not yet purchased, at fair value		126,092
Payable to customers		684,884
Income taxes payable		35,742
Accrued compensation		114,515
Accounts payable and other liabilities		130,139
Subordinated borrowings		112,558
Total liabilities		2,456,081
Commitments and contingencies (Note 11)		
Stockholder's equity		
Common stock, par value $100 per share - 1,000 shares authorized; 760 shares issued and outstanding		76
Additional paid-in capital		293,549
Accumulated deficit		(7,522)
Accumulated other comprehensive income		2,172
Less 369 shares of treasury stock, at cost		(1,358)
Total stockholder's equity		286,917
Total liabilities and stockholder's equity	$	2,742,998

The accompanying notes are an integral part of the consolidated statement of financial condition.

1. Organization and Nature of Business

Oppenheimer & Co. Inc. (the "Company" and "Oppenheimer") is a wholly owned subsidiary whose ultimate parent is Oppenheimer Holdings Inc. (the "Parent"), a Delaware public corporation. The Company is a New York-based company and is a registered broker-dealer in securities under the Securities Exchange Act of 1934 ("the Act"). The Company is also a member of various exchanges, including the New York Stock Exchange, Inc.

The Company engages in a broad range of activities in the securities industry, including retail securities brokerage, institutional sales and trading, investment banking (both corporate and public finance), underwritings, research, market-making, and investment advisory and asset management services.

The Company provides its services from offices located throughout the United States. In addition, the Company conducts business in Israel and Latin America.

2. Summary of Significant Accounting Policies

Basis of Presentation
The consolidated statement of financial condition of the Company includes the accounts of the Company's wholly owned subsidiaries: Freedom Investments, Inc. ("Freedom"), a registered broker-dealer in securities, which also operates the BUY and HOLD division, offering on-line discount brokerage and dollar-based investing services; Oppenheimer Israel (OPCO) Ltd., which is engaged in offering investment services in the State of Israel; Pace Securities, Inc. ("Pace"), Prime Charter Ltd., Old Michigan Corp. and Subsidiaries (inactive), and Reich & Co., Inc. (in liquidation).

The consolidated statement of financial condition has been prepared in conformity with accounting principles generally accepted in the United States of America.

Intercompany transactions and balances have been eliminated in the preparation of the consolidated statement of financial condition.

Use of Estimates
The preparation of the consolidated statement of financial condition 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 date of the consolidated statement of financial condition.

In presenting the consolidated statement of financial condition, management makes estimates regarding valuations of financial instruments, loans and allowances for credit losses, the outcome of legal and regulatory matters, the carrying amount of goodwill and other intangible assets, valuation of stock-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. A discussion of certain areas in which estimates are a significant component of the amounts reported in the consolidated statement of financial condition follows:

New Accounting Pronouncements
Recently Adopted
In June 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2013-08 "Financial Services – Investment Companies, Amendments to the Scope, Measurement and Disclosure Requirement." The ASU clarifies the characteristics of an investment company by amending the measurement criteria for certain interests in other investment companies. Additionally, the ASU introduces new disclosure requirements. The ASU is effective for the annual reporting period in the fiscal year that begins after December 15, 2013. The Company adopted this guidance in the period ended March 31, 2014. The adoption of this accounting guidance did not have a material impact on the Company's consolidated statement of financial condition.

In July 2013, the FASB issued ASU No. 2013-11 "Presentation of Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists." The ASU provides guidance that an unrecognized tax benefit should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward. The ASU is effective for the annual reporting period in the fiscal year that begins after December 15, 2013. The Company adopted this guidance in the period ended March 31, 2014. The adoption of this accounting guidance did not have a material impact on the Company's consolidated statement of financial condition.

Recently Issued

In April 2014, the FASB issued ASU No. 2014-08, "Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity." Under this ASU, a discontinued operation is defined as a disposal of a component or group of components that is disposed of and represents a strategic shift that has or will have a major effect on an entity's operation. The ASU also modified related disclosure requirements. The ASU is effective for the annual reporting period in the fiscal year that begins after December 15, 2014 and early adoption is permitted. The Company is currently evaluating the impact, if any, that the ASU will have on its consolidated statement of financial condition.

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers." The ASU outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Additionally, the ASU expands the disclosure requirements for revenue recognition. The ASU is effective for the annual reporting period in the fiscal year that begins after December 15, 2017 and early adoption is not permitted. The Company is currently evaluating the impact, if any, that the ASU will have on its consolidated statement of financial condition.

In June 2014, the FASB issued ASU No. 2014-11, "Transfers and Servicing - Repurchase-to-Maturity Transactions, Repurchase Financing, and Disclosures, " which makes amendments to the guidance in Accounting Standards Codification 860 on accounting for certain repurchase agreements. The ASU is effective for the annual reporting period in the fiscal year that begins after December 15, 2015 and early adoption is not permitted. The Company is currently evaluating the impact, if any, that the ASU will have on its consolidated statement of financial condition.

In June 2014, the FASB issued ASU No. 2014-12, "Compensation - Stock Compensation." The ASU clarifies that entities should treat performance targets that can be met after the requisite service period of a share-based award as performance conditions that affect vesting. The ASU is effective for the annual reporting period in the fiscal year that begins after December 15, 2015 and early adoption is permitted. The Company will not early adopt this ASU. The Company is currently evaluating the impact, if any, that the ASU will have on its consolidated statement of financial condition.

3. Cash Segregated under Federal and Other Purposes

Deposits of $18.3 million were held at June 30, 2014 in special reserve bank accounts for the exclusive benefit of customers in accordance with regulatory requirements. To the extent permitted, these deposits may be invested in interest bearing accounts collateralized by qualified securities.

4. Receivable from and Payable to Brokers, Dealers and Clearing Organizations

(in thousands of dollars)		
		As of June 30, 2014
Receivable from brokers, dealers and clearing organizations consist of:		
Securities borrowed	$	245,206
Receivable from brokers		23,086
Securities failed to deliver		51,432
Clearing organizations		22,820
Other		8,773
	$	351,317
Payable to brokers, dealers and clearing organizations consist of:		
Securities loaned	$	203,585
Securities failed to receive		37,910
Clearing organizations and other		13,937
	$	255,432

5. Financial Instruments and Fair Value Measurement

Financial Instruments
Securities owned and securities sold but not yet purchased, investments and derivative contracts are carried at fair value. The Company’s other financial instruments are generally short-term in nature or have variable interest rates and as such their carrying values approximate fair value.

Securities Owned and Securities Sold, But Not Yet Purchased at Fair Value

(in thousands of dollars)

	As of June 30, 2014			
	Owned		Sold	
U.S. Government, agency, & sovereign obligations	$	633,862	$	72,327
Corporate debt and other obligations		22,259		477
Mortgage and other asset-backed securities		4,914		—
Municipal obligations		59,612		73
Convertible bonds		59,870		7,073
Corporate equities		50,885		46,116
Money markets		2,647		26
Auction rate securities		92,548		—
Total	$	926,597	$	126,092

Securities owned and securities sold, but not yet purchased, consist of trading and investment securities at fair values. Included in securities owned at June 30, 2014 are corporate equities with estimated fair values of approximately $15.6 million, which are related to deferred compensation liabilities to certain employees included in accrued compensation on the consolidated statement of financial condition.

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. Treasury Obligations

U.S. Treasury securities are valued using quoted market prices obtained from active market makers and inter-dealer brokers and, accordingly, are categorized in Level 1 in the fair value hierarchy.

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. 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. Actively traded noncallable agency issued debt securities are categorized in Level 1 of the fair value hierarchy. Callable agency issued debt securities and mortgage pass-through securities are generally categorized in Level 2 of the fair value hierarchy.

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. Sovereign obligations are categorized in Level 1 or 2 of the fair value hierarchy.

Corporate Debt and Other Obligations

The fair value of corporate bonds is estimated using recent transactions, broker quotations, and bond spread information. Corporate bonds are generally categorized in Level 2 of the fair value hierarchy.

Mortgage and Other Asset-Backed Securities

The Company holds non-agency securities collateralized by home equity and various other types of collateral which are valued based on external pricing and spread data provided by independent pricing services and are generally categorized in Level 2 of the fair value hierarchy. When specific external pricing is not observable, the valuation is based on yields and spreads for comparable bonds and, consequently, the positions are categorized in Level 3 of the fair value hierarchy.

Municipal Obligations

The fair value of municipal obligations is estimated using recently executed transactions, broker quotations, and bond spread information. These obligations are generally categorized in Level 2 of the fair value hierarchy; in instances where significant inputs are unobservable, they are categorized in Level 3 of the fair value hierarchy.

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. Convertible bonds are generally categorized in Level 2 of the fair value hierarchy; in instances where significant inputs are unobservable, they are categorized in Level 3 of the fair value hierarchy.

Corporate Equities

Equity securities and options are generally valued based on quoted prices from the exchange or market where traded and categorized as Level 1 of the fair value hierarchy. To the extent quoted prices are not available, prices are generally derived using bid/ask spreads, and these securities are generally categorized in Level 2 of the fair value hierarchy.

Other

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 investigations and administrative 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 subject to certain terms and conditions more fully described below. In addition to the settlements with the Regulators, Oppenheimer has also reached settlements of and received adverse awards in legal proceedings with various clients where the Company is obligated to purchase ARS. Pursuant to completed Purchase Offers (as defined) under the settlements with the Regulators and client related legal settlements and awards to purchase ARS, as of June 30, 2014, the Company purchased and holds (net of redemptions) approximately $99.4 million in ARS from its clients. In addition, the Company is committed to purchase another $20.2 million in ARS from clients through 2016 under legal settlements and awards. See Note 11 for further discussion.

The Company also held $150,000 in ARS in its proprietary trading account as of June 30, 2014 as a result of the failed auctions in February 2008. The ARS positions that the Company owns and are committed to purchase primarily represent auction rate preferred securities issued by closed-end funds and, to a lesser extent, municipal auction rate securities which are municipal bonds wrapped by municipal bond insurance and student loan auction rate securities which are asset-backed securities backed by student loans.

Interest rates on ARS typically reset through periodic auctions. Due to the auction mechanism and generally liquid markets, ARS have historically been categorized as Level 1 of the fair value hierarchy. Beginning in February 2008, uncertainties in the credit markets resulted in substantially all of the ARS market experiencing failed auctions. Once the auctions failed, the ARS could no longer be valued using observable prices set in the auctions. The Company has used less observable determinants of the fair value of ARS, including the strength in the underlying credits, announced issuer redemptions, completed issuer redemptions, and announcements from issuers regarding their intentions with respect to their outstanding ARS. The Company has also developed an internal methodology to discount for the lack of liquidity and non-performance risk of the failed auctions. Due to liquidity problems associated with the ARS market, ARS that lack liquidity are setting their interest rates according to a maximum rate formula. For example, an auction rate preferred security maximum rate may be set at 200% of a short-term index such as LIBOR or U.S. Treasury yield. For fair value purposes, the Company has determined that the maximum spread would be an adequate risk premium to account for illiquidity in the market. Accordingly, the Company applies a spread to the short-term index for each asset class to derive the discount rate. The Company uses short-term U.S. Treasury yields as its benchmark short-term index. The risk of non-performance is typically reflected in the prices of ARS positions where the fair value is derived from recent trades in the secondary market. Accordingly, the Company adds a spread to the short-term index for each asset class to derive the discount rate. The Company uses short-term U.S. Treasury yields as its benchmark short-term index.

The ARS purchase commitment, or derivative liability, arises from both the settlements with the Regulators and legal settlements and awards. The ARS purchase commitment represents the difference between the principal value and the fair value of the ARS the Company is committed to purchase. The Company utilizes the same valuation methodology for the ARS purchase commitment as it does for the ARS it owns. Additionally, the present value of the future principal value of ARS purchase commitments under legal settlements and awards is used in the discounted valuation model to reflect the time value of money over the period of time that the commitments are outstanding. The amount of the ARS purchase commitment only becomes determinable once the Company has met with its primary regulator and the NYAG and agreed upon a buyback amount, commenced the ARS buyback offer to clients, and received notice from its clients which ARS they are tendering. As a result, it is not possible to observe the current yields actually paid on the ARS until all of these events have happened which is typically very close to the time that the Company actually purchases the ARS. For ARS purchase commitments pursuant to legal settlements and awards, the criteria for purchasing ARS from clients is based on the nature of the settlement or award which will stipulate a time period and amount for each repurchase. The Company will not know which ARS will be tendered by the client until the stipulated time for repurchase is reached. Therefore, the Company uses the current yields of ARS owned in its discounted valuation model to determine a fair value of ARS purchase commitments. The Company also uses these current yields by asset class (i.e., auction rate preferred securities, municipal auction rate securities, and student loan auction rate securities) in its discounted valuation model to determine the fair value of ARS purchase commitments. In addition, the Company uses the discount rate and duration of ARS owned, by asset class, as a proxy for the duration of ARS purchase commitments.

Additional information regarding the valuation technique and inputs for level 3 financial instruments used is as follows:

(in thousands of dollars)

Quantitative Information about Level 3 Fair Value Measurements at June 30, 2014

Product	Principal	Valuation Adjustment	Fair Value	Valuation Technique	Unobservable Input	Range	Weighted Average
Auction Rate Securities Owned [1]							
Auction Rate Preferred Securities	$ 78,850	$ 4,059	$ 74,791	Discounted Cash Flow	Discount Rate [2]	1.37% to 1.86%	1.62%
					Duration	4.0 Years	4.0 Years
					Current Yield [3]	0.13% to 0.43%	0.28%
Municipal Auction Rate Securities	10,030	958	9,072	Discounted Cash Flow	Discount Rate [4]	2.51%	2.51%
					Duration	4.5 Years	4.5 Years
					Current Yield [3]	0.24%	0.24%
	5,975	441	5,534	Secondary Market Trading Activity	Observable trades in inactive market for in-portfolio securities	92.60% of par	92.60% of par
Student Loan Auction Rate Securities	900	92	808	Discounted Cash Flow	Discount Rate [5]	3.33%	3.33%
					Duration	7.0 Years	7.0 Years
					Current Yield [3]	1.67%	1.67%
Other[7]	3,625	1,282	2,343	Secondary Market Trading Activity	Observable trades in inactive market for in portfolio securities	64.60% of par	64.60% of par
	$ 99,380	$ 6,832	$ 92,548				
Auction Rate Securities Commitments to Purchase [6]							
Auction Rate Preferred Securities	$ 9,033	$ 443	$ 8,590	Discounted Cash Flow	Discount Rate [2]	1.37% to 1.86%	1.62%
					Duration	4.0 Years	4.0 Years
					Current Yield [3]	0.17% to 0.43%	0.28%
Municipal Auction Rate Securities	10,653	1,017	9,636	Discounted Cash Flow	Discount Rate [4]	2.51%	2.51%
					Duration	4.5 Years	4.5 Years
					Current Yield [3]	0.24%	0.24%
Student Loan Auction Rate Securities	527	54	473	Discounted Cash Flow	Discount Rate [5]	3.33%	3.33%
					Duration	7.0 Years	7.0 Years
					Current Yield [3]	1.67%	1.67%
	$ 20,213	$ 1,514	$ 18,699				
Total	$ 119,593	$ 8,346	$ 111,247				

(1) Principal amount represents the par value of the ARS and is included in securities owned in the consolidated statement of financial condition at June 30, 2014. The valuation adjustment amount is included as a reduction to securities owned in the consolidated statement of financial condition at June 30, 2014.
(2) Derived by applying a multiple to the spread between 110% to 150% to the U.S. Treasury rate of 1.24%.
(3) Based on current auctions in comparable securities that have not failed.
(4) Derived by applying a multiple to the spread of 175% to the U.S. Treasury rate of 1.43%.

(5) Derived by applying the sum of the spread of 1.20% to the U.S. Treasury rate of 2.13%.

(6) Principal amount represents the present value of the ARS par value that the Company is committed to purchase at a future date. This principal amount is presented as an off-balance sheet item. The valuation adjustment amount is included in accounts payable and other liabilities on the consolidated statement of financial condition at June 30, 2014.

(7) Represents ARS issued by credit default obligation structure that the Company has purchased and is committed to purchase as a result of a legal settlement.

The fair value of ARS and ARS purchase commitments is particularly sensitive to movements in interest rates. Increases in short-term interest rates would increase the discount rate input used in the ARS valuation and thus reduce the fair value of the ARS (increase the valuation adjustment). Conversely, decreases in short-term interest rates would decrease the discount rate and thus increase the fair value of ARS (decrease the valuation adjustment). However, an increase (decrease) in the discount rate input would be partially mitigated by an increase (decrease) in the current yield earned on the underlying ARS asset increasing the cash flows and thus the fair value. Furthermore, movements in short term interest rates would likely impact the ARS duration (i.e., sensitivity of the price to a change in interest rates), which would also have a mitigating effect on interest rate movements. For example, as interest rates increase, issuers of ARS have an incentive to redeem outstanding securities as servicing the interest payments gets prohibitively expensive which would lower the duration assumption thereby increasing the ARS fair value. Alternatively, ARS issuers are less likely to redeem ARS in a lower interest rate environment as it is a relatively inexpensive source of financing which would increase the duration assumption thereby decreasing the ARS fair value. For example, see the following sensitivities:

- The impact of a 25 basis point increase in the discount rate at June 30, 2014 would result in a decrease in the fair value of $1.0 million does not consider a corresponding reduction in duration as discussed above.

- The impact of a 50 basis point increase in the discount rate at June 30, 2014 would result in a decrease in the fair value of $2.1 million does not consider a corresponding reduction in duration as discussed above.

These sensitivities are hypothetical and are based on scenarios where they are "stressed" and should be used with caution. These estimates do not include all of the interplay among assumptions and are estimated as a portfolio rather than as individual assets.

Due to the less observable nature of these inputs, the Company categorizes ARS in Level 3 of the fair value hierarchy. As of June 30, 2014, the Company had a valuation adjustment (unrealized loss) of $6.8 million for ARS owned. As of June 30, 2014, the Company also had a valuation adjustment of $1.5 million on ARS purchase commitments from settlements with the Regulators and legal settlements and awards. The total valuation adjustment was $8.3 million as of June 30, 2014 The valuation adjustment represents the difference between the principal value and the fair value of the ARS owned and ARS purchase commitments.

Investments
In its role as general partner in certain hedge funds and private equity funds, the Company 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. Due to the illiquid nature of these investments and difficulties in obtaining observable inputs, these investments are included in Level 3 of the fair value hierarchy.

Derivative Contracts
From time to time, the Company transacts in exchange-traded and over-the-counter derivative transactions to manage its interest rate risk. Exchange-traded derivatives, namely U.S. Treasury futures, Federal funds futures and Eurodollar futures, are valued based on quoted prices from the exchange and are categorized in Level 1 of the fair value hierarchy.

Valuation Process
The Finance & Accounting ("F&A") group is responsible for the Company's fair value policies, processes and procedures. F&A is independent from the business units and trading desks and is headed by the Company's Chief Financial Officer, who has final authority over the valuation of the Company's financial instruments. The Finance Control Group ("FCG") within F&A is responsible for daily profit and loss reporting, front-end trading system position reconciliations, monthly profit and loss reporting, and independent price verification procedures.

For financial instruments categorized in Levels 1 and 2 of the fair value hierarchy, the FCG performs a monthly independent price verification to determine the reasonableness of the prices provided by the Company's independent pricing vendor. The FCG uses its third-party pricing vendor, executed transactions, and broker-dealer quotes for validating the fair values of financial instruments.

For financial instruments categorized in Level 3 of the fair value hierarchy measured on a recurring basis, primarily for ARS, a group comprised of the CFO, the Controller, and a financial analyst are responsible for the ARS valuation model and resulting fair valuations. Procedures performed include aggregating all ARS owned by type from firm inventory accounts and ARS purchase commitments from regulatory and legal settlements and awards provided by the Legal Department. Observable and unobservable inputs are aggregated from various sources and entered into the ARS valuation model. For unobservable inputs, the group reviews the appropriateness of the inputs to ensure consistency with how a market participant would arrive at the unobservable input. For example, for the duration assumption, the group would consider recent policy statements regarding short-term interest rates by the Federal Reserve and recent ARS issuer redemptions and announcements for future redemptions. The model output is reviewed for reasonableness and consistency. Where available, comparisons are performed between ARS owned or committed to purchase to ARS that are trading in the secondary market.

Fair Value Measurement

The Company's assets and liabilities recorded at fair value on a recurring basis as of June 30, 2014 have been categorized based upon the above fair value hierarchy as follows:

(in thousands of dollars)

	Fair Value Measurements at June 30, 2014			
	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents	$ 15,122	—	—	$ 15,122
Deposits with clearing organizations	16,091	—	—	16,091
Securities owned:				
U.S. Treasury securities	606,574	—	—	606,574
U.S. Agency securities	—	26,087	—	26,087
Sovereign obligations	—	1,201	—	1,201
Corporate debt and other obligations	—	22,259	—	22,259
Mortgage and other asset-backed securities	—	4,914	—	4,914
Municipal obligations	—	59,560	52	59,612
Convertible bonds	—	59,870	—	59,870
Corporate equities	50,885	—	—	50,885
Money markets	2,647	—	—	2,647
Auction rate securities	—	—	92,548	92,548
Securities owned, at fair value	660,106	173,891	92,600	926,597
Investments (1)	—	50,026	220	50,246
Securities purchased under agreements to resell (2)		250,000		250,000
Derivative contracts:				
TBAs	—	144	—	144
TBA sale contracts	—	2,513	—	2,513
Derivative contracts, total	—	2,657	—	2,657
Total	$ 691,319	$ 476,574	$ 92,820	$ 1,260,713
Liabilities				
Securities sold, but not yet purchased:				
U.S Treasury securities	$ 71,693	—	—	$ 71,693
U.S. Agency securities	—	35	—	35
Sovereign obligations		599		599
Corporate debt and other obligations	—	477	—	477
Municipal obligations	—	73	—	73
Convertible bonds	—	7,073	—	7,073
Corporate equities	46,116	—	—	46,116
Money markets	26	—	—	26
Securities sold, but not yet purchased at fair value	117,835	8,257	—	126,092
Derivative contracts:				
U.S. treasury futures	188	—	—	188
Federal funds futures	—	43	—	43
Euro dollars futures	—	88	—	88
TBAs	—	181	—	181
TBA purchase contracts	—	168		168
ARS purchase commitments	—	—	1,514	1,514
Derivative contracts, total	188	480	1,514	2,182
Total	$ 118,023	$ 8,737	$ 1,514	$ 128,274

(1) Included in other assets on the consolidated statement of financial condition.
(2) Included securities purchased under agreements to resell where the Company has elected fair value option treatment.

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 in the consolidated statement of financial condition. The table below excludes non-financial assets and liabilities (e.g., office facilities 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 period of time between their origination and expected maturity.

(in thousands of dollars)

			Fair Value Measurement: Assets			
	As of June 30, 2014		As of June 30, 2014			
	Carrying Value	Fair Value	Level 1	Level 2	Level 3	Total
Cash	$ 18,387	$ 18,387	$ 18,387	—	—	$ 18,387
Cash segregated for regulatory and other purposes	18,261	18,261	18,261	—	—	18,261
Deposits with clearing organization	15,300	15,300	15,300	—	—	15,300
Receivable from brokers, dealers and clearing organizations						
Securities borrowed	245,206	245,206	—	245,206	—	245,206
Clearing organizations	23,086	23,086		23,086		23,086
Omnibus accounts	51,432	51,432	—	51,432	—	51,432
Securities failed to deliver	22,820	22,820	—	22,820	—	22,820
Other	8,773	8,773	—	8,773	—	8,773
	351,317	351,317	—	351,317	—	351,317
Receivable from customers	950,684	950,684	—	950,684	—	950,684

			Fair Value Measurement: Liabilities			
	As of June 30, 2014		As of June 30, 2014			
	Carrying Value	Fair Value	Level 1	Level 2	Level 3	Total
Drafts payable	$ 32,913	$ 32,913	$ 32,913	—	—	$ 32,913
Bank call loans	147,200	147,200	147,200	—	—	147,200
Payables to brokers, dealers and clearing organizations						
Securities loaned	203,585	203,585	—	203,585	—	203,585
Securities failed to receive	37,910	37,910	—	37,910	—	37,910
Other	13,937	13,937	—	13,937	—	13,937
	255,432	255,432	—	255,432	—	255,432
Payables to customers	684,884	684,884	—	684,884	—	684,884
Securities sold under agreements to repurchase	816,606	816,606	—	816,606	—	816,606

Fair Value Option

The Company elected the fair value option for those repurchase agreements and 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 more accurately reflect market and economic events in its 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 June 30, 2014, the fair value of the reverse repurchase agreements and repurchase agreements were $250.0 million and $nil, respectively.

Fair Value of Derivative Instruments

The Company transacts, on a limited basis, in exchange traded and over-the-counter derivatives for both trading and investment purposes.

Foreign Exchange Hedges

From time to time, the Company 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 Shekels. Such hedges have not been designated as accounting hedges. At June 30, 2014, there were no forward or option contracts outstanding.

TBA Securities

The Company 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. Unrealized gains and losses on TBAs are recorded in the consolidated statement of financial condition in receivable from brokers, dealers and clearing organizations and payable to brokers, dealers and clearing organizations.

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 futures contracts the Company used include U.S. Treasury notes, Federal Funds and Eurodollar contracts. At June 30, 2014, the Company had 500 open short contracts for 10-year U.S. Treasury notes with a fair value of $188,000 used primarily as an economic hedge of interest rate risk associated with a portfolio of fixed income investments. At June 30, 2014, the Company had 839 open contracts for Federal Funds futures with a fair value of approximately $43,000 used primarily as an economic hedge of interest rate risk associated with government trading activities.

The notional amounts and fair values of the Company's derivatives at June 30, 2014 by product were as follows:

(in thousands of dollars)

	Fair Value of Derivative Instruments at June 30, 2014		
	Description	Notional	Fair Value
Assets			
Derivatives not designated as hedging instruments (1)			
Other contracts	TBAs	$ 44,515	$ 144
	TBA sale contracts	211,639	2,513
		$ 256,154	$ 2,657
Liabilities			
Derivatives not designated as hedging instruments (1)			
Commodity contracts (2)	U.S treasury futures	$ 80,000	$ 188
	Federal funds futures	4,195,000	43
	Euro dollars futures	285,000	88
Other contracts	ARS purchase commitments (3)	20,212	1,514
	TBAs	34,412	181
	TBA purchase contracts	211,639	168
		$ 4,826,263	$ 2,182

(1) See "Fair Value of Derivative Instruments" above for description of derivative financial instruments. Such derivative instruments are not subject to master netting agreements, thus the related amounts are not offset.
(2) Included in payable to brokers, dealers and clearing organizations on the consolidated statement of financial condition.
(3) Included in other liabilities on the consolidated statement of financial condition.

6. Collateralized Transactions

The Company enters into collateralized borrowing and lending transactions in order to meet customers' needs and earn residual 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 but not exceeding the broker call rate. At June 30, 2014, bank call loans were $147.2 million.

At June 30, 2014, the Company had collateralized loans, collateralized by firm and customer securities with market values of approximately $105.0 million and $258.5 million, respectively, with commercial banks. At June 30, 2014, the Company had approximately $1.4 billion of customer securities under customer margin loans that are available to be pledged, of which the Company has re-pledged approximately $169.5 million under securities loan agreements.

At June 30, 2014, the Company had deposited $349.2 million of customer securities directly with the Options Clearing Corporation to secure obligations and margin requirements under option contracts written by customers.

At June 30, 2014, 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 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 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.

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 June 30, 2014:

(in thousands of dollars)

				Gross Amounts Not Offset on the Balance Sheet		
	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Balance Sheet	Net Amounts of Assets Presented on the Balance Sheet	Financial Instruments	Cash Collateral Received	Net Amount
Reverse repurchase agreements	$ 314,796	$ (64,796)	$ 250,000	$ (250,000)	—	$ —
Securities borrowed [1]	245,206	—	245,206	(239,762)	—	5,444
Total	$ 560,002	$ (64,796)	$ 495,206	$ (489,762)	—	$ 5,444

(1) Included in receivable from brokers, dealers and clearing organizations on the consolidated statement of financial condition.

(in thousands of dollars)

				Gross Amounts Not Offset on the Balance Sheet		
	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Balance Sheet	Net Amounts of Liabilities Presented on the Balance Sheet	Financial Instruments	Cash Collateral Pledged	Net Amount
Repurchase agreements	$ 881,402	$ (64,796)	$ 816,606	$ (811,335)	—	$ 5,271
Securities loaned [2]	203,585	—	203,585	(196,335)	—	7,250
Total	$ 1,084,987	$ (64,796)	$ 1,020,191	$ (1,007,670)	—	$ 12,521

(2) Included in payable to brokers, dealers and clearing organizations on the consolidated statement of financial condition.

Certain of the Company's repurchase agreements and reverse repurchase agreements are carried at fair value as a result of the Company's fair value option election. The Company elected the fair value option for those repurchase agreements and 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 more accurately reflect market and economic events in its 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 June 30, 2014, the fair value of the reverse repurchase agreements and repurchase agreements was $250.0 million and $nil, respectively.

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 repledge the securities received (e.g., use the securities to enter into securities lending transactions, or deliver to counterparties to cover short positions). At June 30, 2014, the fair value of securities received as collateral under securities borrowed transactions and reverse repurchase agreements was $239.1 million and $314.8 million, respectively, of which the Company has sold and re-pledged approximately $27.2 million under securities loaned transactions and $314.8 million under repurchase agreements.

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 $664.7 million, as presented on the face of the consolidated statement of financial condition at June 30, 2014. The carrying value of securities owned by the Company that have been loaned or pledged to counterparties where those counterparties do not have the right to sell or re-pledge the collateral was $125.9 million at June 30, 2014.

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 and the right to offset a counterparty's rights and obligations. The Company also monitors 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 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 and clearing organizations as of June 30, 2014 are receivables from three major U.S. broker-dealers totaling approximately $157.8 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 settlement date, generally one to three business days after 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 ("NSCC"), the Fixed Income Clearing Corporation ("FICC"), R.J. O'Brien & Associates (commodities transactions) and others. With respect to its business in reverse repurchase and repurchase agreements, substantially all open contracts at June 30, 2014 are with the FICC. In addition, the Company began clearing its non-U.S. international equities business through BNP Securities Corp. The clearing corporations 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. At June 30, 2014, 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.

7. 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 reviews factors, including the rights of the equity holders and obligations of equity holders to absorb losses or receive expected residual returns, to determine if the investee is a VIE. In evaluating whether the Company is the primary beneficiary, the Company evaluates its economic interests in the entity held either directly or indirectly by the Company. The consolidation analysis is generally performed qualitatively. This analysis, which requires judgment, is performed at each reporting date. ASU No. 2010-10, "Amendments for Certain Investment Funds," defers the application of the revised consolidation rules for a reporting entity's interest in an entity if certain conditions are met. An entity that qualifies for the deferral will continue to be assessed for consolidation under the overall guidance on VIEs, before its amendment, and other applicable consolidation guidance. Generally, the Company would consolidate those entities when it absorbs a majority of the expected losses or a majority of the expected residual returns, or both, of the entities.

For entities that the Company has concluded are not VIEs, the Company then evaluates whether the fund is a partnership or similar entity. If the fund is a partnership or similar entity, the Company evaluates the fund under the partnership consolidation guidance. Pursuant to that guidance, the Company consolidates funds in which it is the general partner, unless presumption of control by the Company can be overcome. This presumption is overcome only when unrelated investors in the fund have the substantive ability to liquidate the fund or otherwise remove the Company as the general partner without cause, based on a simple majority vote of unaffiliated investors, or have other substantive participating rights. If the presumption of control can be overcome, the Company accounts for its interest in the fund pursuant to the equity method of accounting.

The Company serves as general partner of hedge funds and private equity funds that were established for the purpose of providing investment alternatives to both its institutional and qualified retail clients. The Company holds variable interests in these funds as a result of its rights to receive management and performance fees. The Company's investment in and additional capital commitments to these hedge funds and private equity funds are also considered variable interests. The Company's additional capital commitments are subject to call at a later date and are limited in amount.

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 the total general and limited partner interests held in these funds by all parties. 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 Company's general partnership interests, additional capital commitments, and management fees receivable represent its maximum exposure to loss. The Company's general partnership interests and management fees receivable are included in other assets on the consolidated statement of financial condition.

The following tables set forth the total VIE assets, carrying value of the Company's variable interests, and the Company's maximum exposure to loss in Company-sponsored non-consolidated VIEs in which the Company holds variable interests and other non-consolidated VIEs in which the Company holds variable interests at June 30, 2014:

(in thousands of dollars)

	Total VIE Assets	Carrying Value of the Company's Variable Interest		Capital Commitments	Maximum Exposure to Loss in Non-consolidated VIEs
		Assets	Liabilities		
Hedge funds	$ 60,000	$ 591	—	—	$ 591
Private equity funds	72,400	31	—	5	36
Total	$ 132,400	$ 622	—	$ 5	$ 627

8. Office Facilities

The components of office facilities at June 30, 2014 are as follows:

(in thousands of dollars)		
Furniture, fixtures and equipment	$	73,069
Leasehold improvements		28,879
		101,948
Accumulated depreciation and amortization		(92,038)
	$	9,910

9. Subordinated Borrowings

The subordinated loans are payable to the Company's indirect parent, E.A. Viner International Co. ("Viner"). Certain loans bear interest at 11-1/2% per annum. These loans are due: $1.6 million, June 25, 2015, 2014; $3.8 million, November 29, 2015; and $7.1 million, December 31, 2015 and are automatically renewed for an additional year unless terminated by either party within seven months of their expiration. The Company also issued a subordinated note to Viner in the amount of $100.0 million at a fixed rate of 8.75% due and payable on April 15, 2018. Interest is due semi-annually on April 15 and October 15.

The subordinated loans are available in computing net capital under the Securities and Exchange Commission's uniform net capital rule. These borrowings may be repaid only if, after giving effect to such repayment, the Company meets the Securities and Exchange Commission's net capital requirements.

10. Income Taxes

The Company is included in an affiliated group that files a consolidated Federal income tax return. The Company recognizes its related federal income tax provision on a separate company basis. The Company files state and local income tax returns on a separate company basis or as part of the affiliated group's combined or consolidated state filing, depending on the specific requirements of each state and local jurisdiction.

Deferred tax assets, net, which relate primarily to compensation and other expenses not currently deductible for tax purposes, amount to $42.6 million at June 30, 2014.

11. Commitments and Contingencies

The Company and its subsidiaries or other affiliates have operating leases for office space, equipment and furniture and fixtures expiring at various dates through 2028. Future minimum rental commitments under such office and equipment leases as of June 30, 2014 are as follows:

(in thousands of dollars)		
2014	$	21,000
2015		37,894
2016		33,814
2017		30,334
2018		28,581
2019 and thereafter		135,980
	$	287,603

The above table includes operating leases which have been signed by the Company's immediate parent, Viner Finance Inc., in which the Company is responsible for rent charges associated with its occupancy.

Certain of the leases contain provisions for rent increases based on changes in costs incurred by the lessor.

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. 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 adverse judgments, settlements, fines, penalties, injunctions or other relief. The investigations include, among other things, inquiries from the SEC, the Financial Industry Regulatory Authority ("FINRA") and various state regulators. The Company is named as a respondent in a number of arbitrations by its current or former clients as well as lawsuits related to its sale of ARS.

The Company accrues for estimated loss contingencies related to legal and regulatory matters when available information indicates that it is probable a liability had been incurred at the date of the statement of financial condition 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 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. Numerous issues may need to be reviewed, analyzed or resolved, 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 a loss or range of loss or additional loss can be reasonably estimated for any 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 statement of financial condition 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 $0 to approximately $30 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 an estimate can currently be made. The foregoing estimate is based on various factors, including the varying stages of the proceedings (including the fact that many 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.

In February 2010, Oppenheimer finalized settlements with the Regulators concluding investigations and administrative 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 subject to certain terms and conditions more fully described below. In addition to the settlements with the Regulators, Oppenheimer has also reached settlements of and received adverse awards in legal proceedings with various clients where the Company is obligated to purchase ARS. Pursuant to completed Purchase Offers (as defined) under the settlements with the Regulators and client related legal settlements and awards to purchase ARS, as of June 30, 2014, the Company purchased and holds (net of redemptions) approximately $99.4 million in ARS from its clients. In addition, the Company is committed to purchase another $20.2 million in ARS from clients through 2016 under legal settlements and awards.

The Company's purchases of ARS from its clients holding ARS eligible for repurchase will, subject to the terms and conditions of the settlements with the Regulators, continue on a periodic basis. Pursuant to these terms and conditions, the Company is required to conduct a financial review every six months, until the Company has extended Purchase Offers to all Eligible Investors (as defined), to determine whether it has funds available, after giving effect to the financial and regulatory capital constraints applicable to the Company, to extend additional Purchase Offers. The financial review is based on the Company's operating results, regulatory net capital, liquidity, and other ARS purchase commitments outstanding under legal settlements and awards (described below). There are no predetermined quantitative thresholds or formulas used for determining the final agreed upon amount for the Purchase Offers. Upon completion of the financial review, the Company first meets with its primary regulator, FINRA, and then with representatives of the NYAG and other regulators to present the results of the review and to finalize the amount of the next Purchase Offer. Various offer scenarios are discussed in terms of which Eligible Investors should receive a Purchase Offer. The primary criteria to date in terms of determining which Eligible Investors should receive a Purchase Offer has been the amount of household account equity each Eligible Investor had with the Company in February 2008. Once various Purchase Offer scenarios have been discussed, the regulators, not the Company, make the final determination of which Purchase Offer scenario to implement. The terms of settlements provide that the amount of ARS to be purchased during any period shall not risk placing the Company in violation of regulatory requirements.

As of June 30, 2014, the Company did not have any outstanding ARS purchase commitments related to the settlements with the Regulators. Eligible Investors for future buybacks continued to hold approximately $110.6 million of principal value of ARS as of June 30, 2014. It is reasonably possible that some ARS Purchase Offers will need to be extended to Eligible Investors holding ARS prior to redemptions (or tender offers) by issuers of the full amount that remains outstanding. The potential additional losses that may result from entering into ARS purchase commitments with Eligible Investors for future buybacks represents the estimated difference between the principal value and the fair value. It is possible that the Company could sustain a loss of all or substantially all of the principal value of ARS still held by Eligible Investors but such an outcome is highly unlikely. The amount of potential additional losses resulting from entering into these commitments cannot be reasonably estimated due to the uncertainties surrounding the amounts and timing of future buybacks that result from the six-month financial review and the amounts, scope, and timing of future issuer redemptions and tender offers of ARS held by Eligible Investors. The range of potential additional losses related to valuation adjustments is between $0 and the amount of the estimated differential between the principal value and the fair value of ARS held by Eligible Investors for future buybacks that were not yet purchased or committed to be purchased by the Company at any point in time. The range of potential additional losses described here is not included in the estimated range of aggregate loss in excess of amounts accrued for legal and regulatory proceedings described above.

Outside of the settlements with the Regulators, the Company has also reached various legal settlements with clients and received unfavorable legal awards requiring it to purchase ARS. The terms and conditions including the ARS amounts committed to be purchased under legal settlements and awards are based on the specific facts and circumstances of each legal proceeding. In most instances, the purchase commitments are in increments and extend over a period of time. At June 30, 2014, no ARS purchase commitments related to legal settlements extended past 2016. To the extent the Company receives an unfavorable award, the Company usually must purchase the ARS provided for by the award within 30 days of the rendering of the award.

The Company is also named as a respondent in a number of arbitrations by its current or former clients as well as lawsuits related to its sale of ARS. If the ARS market remains frozen, the Company may likely be further subject to claims by its clients. There can be no guarantee that the Company will be successful in defending any or all of the current actions against it or any subsequent actions filed in the future. Any such failure could have a material adverse effect on the results of operations and financial condition of the Company including its cash position.

The Company has sought, with limited success, financing from a number of sources to try to find a means for all its clients to find liquidity from their ARS holdings and will continue to do so. There can be no assurance that the Company will be successful in finding a liquidity solution for all its clients' ARS.

On June 23, 2011, Oppenheimer received notice of an investigation by the SEC pursuant to which the SEC requested information from the Company regarding the sale of a number of low-priced securities effected primarily through several former Oppenheimer financial advisers and purchases and sales of low-priced securities through one Oppenheimer customer account. The issues and facts surrounding this investigation are, in the Company's view, largely duplicative of a matter that was settled by Oppenheimer with FINRA in August of 2013. On July 16, 2013, Oppenheimer 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 the Securities Exchange Act of 1934 (the "Exchange Act") in relation to its sales of low-priced securities on behalf of former customers of the firm. The Company submitted a Wells response on August 19, 2013.

In October 2010, Oppenheimer received notice of an investigation by the SEC related to the trading of low-priced securities by one former financial advisor in one of Oppenheimer's branch offices and the supervision related thereto. Both branch and headquarters personnel, including members of senior management, have provided on-the-record testimony in connection with the investigation.

In February 2014, Oppenheimer received notice of an investigation by, and a request for information from, a division of the United States Department of the Treasury ("FinCEN") relating to potential violations of the Bank Secrecy Act and the regulations promulgated thereunder related primarily to, in the Company's view, the FINRA and SEC matters discussed immediately above. Oppenheimer provided information it believes is responsive to the FinCEN request for information in March of 2014.

The Company believes that the SEC and FinCEN may file one or more enforcement actions against Oppenheimer in connection with the two immediately preceding paragraphs.

As of June 30, 2014, the Company believes it is fully reserved against potential liability arising out of the SEC and FinCEN matters.

12. Regulatory Requirements

The Company and Freedom are subject to the uniform net capital requirements of the SEC under Rule 15c3-1 (the "Rule") promulgated under the Exchange Act. The Company computes its net capital requirements under the alternative method provided for in the Rule which requires that the Company maintains net capital equal to two percent of aggregate customer-related debit items, as defined in SEC Rule 15c3-3. At June 30, 2014, the net capital of the Company as calculated under the Rule was $157.4 million or 11.2% of the Company's aggregate debit items. This was $129.3 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 $250,000 or 6-2/3% of aggregate indebtedness, as defined. At June 30, 2014, Freedom had net capital of $4.6 million, which was $4.3 million in excess of the $250,000 required to be maintained at that date.

In accordance with the SEC's No-Action Letter dated November 3, 1998, the Company has computed a reserve requirement for the proprietary accounts of brokers as of June 30, 2014. The Company had no deposit requirements as of June 30, 2014. At June 30, 2014, Freedom had $18.3 million in cash and U.S. Treasury securities segregated under Federal and other regulations.

13. Related Party Transactions

The Company does not make loans to its officers and directors except under normal commercial terms pursuant to client margin account agreements. These loans are fully collateralized by such employee-owned securities.

14. Subsequent Events

The Company has performed an evaluation of events that have occurred through the date on which the statement of financial condition is available to be issued and determined that there are no events that have occurred that would require recognition or additional disclosure in the consolidated statement of financial condition.