OTC MARKETS GROUP INC.

A Delaware Corporation

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Federal EIN: 13-3941069
NAICS: 523210
SIC Code: 6289

2015 Annual Report

ISSUER'S EQUITY SECURITIES

COMMON STOCK

Class A Common Stock
$0.01 Par Value Per Share
14,000,000 Shares Authorized
11,281,280 Shares Outstanding as of February 29, 2016
OTCQX: OTCM

Class C Common Stock
$0.01 Par Value Per Share
130,838 Shares Authorized
130,838 Shares Outstanding as of February 29, 2016

OTC Markets Group Inc. is responsible for the content of this Annual Report. The securities described in this document are not registered with, and the information contained in this report has not been filed with, or approved by, the U.S. Securities and Exchange Commission.

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OTC MARKETS GROUP INC.

A Delaware Corporation

ANNUAL REPORT

Cautionary Note Regarding Forward-Looking Statements

Information set forth in this 2015 Annual Report (the "Annual Report") contains forward-looking statements, which involve a number of risks and uncertainties that could cause our actual results to differ materially from those reflected in the forward-looking statements. Forward-looking statements can be identified by use of the words "expect," "project," "may," "might," "potential," and similar terms. OTC Markets Group Inc. ("OTC Markets Group", "we" or the "Company") cautions readers that any forward-looking information is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking information. Forward-looking statements involve a number of risks, uncertainties or other factors beyond OTC Markets Group's control. These factors include, but are not limited to, our ability to implement our strategic initiatives, economic, political and market conditions and price fluctuations, government and industry regulation, U.S. and global competition, and other factors. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

Part A. General Company Information

The exact name of the issuer

The name of the issuer is OTC Markets Group Inc. On January 18, 2011, the Company changed its name from Pink OTC Markets to OTC Markets Group Inc.

Company description

OTC Markets Group Inc. (OTCQX: OTCM) operates Open, Transparent and Connected financial markets for 10,000 U.S. and global securities. Through our OTC Link® ATS, we directly link a diverse network of broker-dealers that provide liquidity and execution services for a wide spectrum of securities. We organize securities into markets to inform investors of opportunities and risks: the OTCQX® Best Market; the OTCQB® Venture Market; and the Pink® Open Market. Our data-driven platform enables investors to easily trade through the broker of their choice at the best possible price and empowers a broad range of companies to improve the quality and availability of information for their investors.

The address of the issuer is:	**304 Hudson Street, 3rd Floor** **New York, NY 10013**
The telephone and facsimile is:	**Telephone: (212) 896-4400** **Facsimile: (212) 868-3848**
The issuer's website:	**OTC Markets Group's corporate website, www.otcmarkets.com, contains general information about us and our products and services. We also maintain www.otciq.com, and www.otcdealer.com. The information contained on such websites shall not be deemed incorporated by reference herein.**
Investor relations contact:	**Bea Ordonez, Chief Financial Officer** **304 Hudson Street, 3rd Floor** **New York, NY 10013** **Telephone: (212) 220-2215** **ir@otcmarkets.com**
The name and address of the transfer agent is:	**Continental Stock Transfer & Trust Company** **17 Battery Place, 8th Floor** **New York, NY 10004** **(212) 509-4000**

Continental Stock Transfer & Trust Company is registered under the Securities Exchange Act of 1934 (the "Exchange Act") and regulated by the U.S. Securities and Exchange Commission (the "SEC" or "Commission").

The jurisdiction and date of the issuer's incorporation or organization

The Company traces its history back to 1904 and was known as the National Quotation Bureau. On April 14, 1997, a group led by our current CEO purchased the Company. In July 2000, the Company changed its name to Pink Sheets LLC, and on March 31, 2008, Pink Sheets LLC converted from a Delaware limited liability company to a Delaware corporation and changed its name to Pink OTC Markets Inc. On January 18, 2011, the Company changed its name to OTC Markets Group Inc.

Other corporate information

OTC Markets Group's North American Industry Classification System ("NAICS") code is 523210 – Securities and Commodity Exchanges and our primary SIC Code is 6289 - Services Allied With the Exchange of Securities or Commodities, Not Elsewhere Classified (Quotation Service, Stock and Financial Reporting).

There have been no changes in control of the Company since 1997. OTC Markets Group is currently conducting operations and it is not now, nor has it at any time been, a "shell company" as that term is defined in the OTCQX U.S. Disclosure Guidelines or Rule 405 under the Securities Act of 1933, as amended (the "Securities Act").

On April 15, 2010, the Company formed a wholly owned subsidiary, Pink Link ATS LLC, a Delaware limited liability company that subsequently changed its name to OTC Link LLC. On March 5, 2012, OTC Link LLC became a broker-dealer member of the Financial Industry

Regulatory Authority, Inc. ("FINRA®") and on June 1, 2012 began operating as an SEC registered Alternative Trading System ("ATS") known as OTC Link ATS.

The Company does not have any parents, subsidiaries or affiliated companies except for OTC Link LLC.

Our fiscal year ends on December 31.

Our securities are not, and have never been, listed on a national securities exchange, and have been quoted solely on OTC Link ATS since the commencement of their public trading.

Neither we nor any of our predecessors have been in bankruptcy, receivership, or any similar proceeding.

Part B. Share Structure

The exact title and class of securities outstanding

As of December 31, 2015, OTC Markets Group had two classes of securities outstanding: Class A Common Stock and Class C Common Stock (collectively, "Common Stock"). None of OTC Markets Group's Common Stock has been registered under the Securities Act or qualified under any state securities laws, and we have no current plans to register or qualify any of our securities. There were no preferred shares authorized or outstanding as of the reported period.

From commencement of our public trading on September 19, 2009 through January 18, 2011, the trading symbol for OTC Markets Group's Class A Common Stock assigned by FINRA was "PINK". On January 19, 2011, the Company changed its trading symbol to "OTCM". The Class C Common Stock does not have a trading symbol. As of December 31, 2015, all shares of our Class C Common Stock were held by R. Cromwell Coulson, our Chief Executive Officer, and did not have a public market.

The CUSIP numbers for OTC Markets Group's common stock prior to January 19, 2011 were: 723416103 for Class A Common Stock and 723416301 for Class C Common Stock. On January 19, 2011, the CUSIP numbers for our common stock were changed to 67106F108 for Class A Common Stock and 67106F207 for Class C Common Stock.

Our Class A Common Stock has been qualified for the OTCQX U.S. Premier® market since March 11, 2010.

Par or stated value and description of the security

A. Par or Stated Value

All classes of OTC Markets Group's common stock have a par value of $0.01 per share.

B. Common and Preferred Stock

Common Stock

Each holder of shares of Common Stock is entitled to one vote for each share of Common Stock held on all matters submitted to a vote of stockholders of OTC Markets Group. The holders of Common Stock vote together as a single class. Holders of Common Stock are not entitled to any preemptive rights.

Class A

Holders of Class A Common Stock are entitled to receive such dividends and other distributions as may be authorized and declared by the Board of Directors from time to time ("Dividend

Rights”). Upon the voluntary or involuntary liquidation, dissolution, or winding up of OTC Markets Group, holders of Class A Common Stock are entitled to *pro rata* shares of the net assets of OTC Markets Group available for distribution in proportion to the number of Class A Common Stock held by such stockholder (“Liquidation Rights”).

Class C

Holders of Class C Common Stock are not entitled to any Dividend Rights or Liquidation Rights. Each share of Class C Common Stock will automatically convert into Class A Common Stock at a ratio of one-to-one (1:1) if the price of Class A Common Stock is greater than $19.62 per share as determined by either (i) the average price in trade reports aggregating a total of 300,000 shares consecutively reported to FINRA, provided that the Class A Common Stock has been quoted on an interdealer quotation system by at least two market makers or (ii) an Acquisition (as defined in our Certificate of Incorporation) of OTC Markets Group.

Preferred Stock

OTC Markets Group has not authorized any class of preferred stock.

Provisions in the Issuer’s charter or by-laws that would delay, defer, or prevent a change in control of the Issuer

In our Certificate of Incorporation, we elect the application of Section 203 of the Delaware General Corporation Law, or DGCL. Section 203 of the DGCL prohibits persons deemed “interested stockholders” from engaging in a “business combination” with a Delaware corporation for three years following the date these persons become interested stockholders unless the business combination is, or the transaction in which the person became an interested stockholder was, approved by the Board of Directors or another prescribed exception applies. Generally, an “interested stockholder” is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation’s voting stock. Generally, a “business combination” includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by our Board of Directors.

Our Certificate of Incorporation also provides that the Board of Directors may not authorize any “business combination” with a “related person” unless it (i) meets the “Fair Price” provision, which seeks to ensure that stockholders receive the highest possible price in the event of a business combination, as that provision is described in Article 10 of our Certificate of Incorporation or (ii) is approved by a majority of the outstanding shares of stock entitled to vote.

The number of shares or total amount of the securities outstanding for each class of securities authorized

As of December 31, 2015, OTC Markets Group had 14,130,838 shares of Common Stock authorized, consisting of (i) 14,000,000 shares of Class A Common Stock and (ii) 130,838 shares of Class C Common Stock. There was no Class B Common Stock or preferred shares authorized or outstanding as of the reported periods.

The following tables show the amount of the securities outstanding for each class of securities authorized:

Class A Common Stock as of:

	December 31,	
	2015	2014
Number of shares authorized	14,000,000	14,000,000
Number of shares outstanding	11,192,885	11,122,541
Number of shares freely tradable (public float)[1][2]	6,790,664	6,609,291
Total number of holders of record	148	131

There are greater than 100 beneficial shareholders owning at least 100 shares of the Company's Class A Common Stock.

Notes:

(1) The number of shares freely tradable may include shares held by shareholders owning 10% or more of our Class A Common Stock. These shareholders may be considered "affiliates" within the meaning of Rule 144, and their shares may be "control shares" subject to the volume and manner of sale restrictions under Rule 144.

(2) Our officers and directors hold approximately 4.3 million shares of our Class A common stock, which may be "control shares" subject to the volume and manner of sale restrictions under Rule 144. These shares are excluded from the number of shares freely tradable.

Class C Common Stock as of:

	December 31,	
	2015	2014
Number of shares authorized	130,838	130,838
Number of shares outstanding	130,838	130,838
Number of shares freely tradable (public float)	0	0
Total number of holders of record	1	1

Issuer purchases of equity securities

On February 24, 2016, the Board of Directors refreshed the Company's stock repurchase program, giving the Company authorization to repurchase up to 300,000 shares of the Company's Class A Common Stock. The Company is authorized to purchase shares from time to time on the open market and through block trades, in accordance with the safe harbor provision of Rule 10b-18 under the Exchange Act.

The following table shows purchases made by the Company of the Company's Class A Common Stock during the years ended December 31, 2015 and 2014:

Date	Number of Shares Purchased	Average Price Paid Per Share	Number of Shares Purchased as Part of Announced Repurchase Plan	Number of Shares Remaining To Be Purchased Under Announced Plan
3/31/2014	7,998	$8.20	7,998	252,276
5/8/2014	1,988	$8.50	1,988	250,288
9/5/2014	9,942	$12.50	9,942	240,346
9/12/2014	50,000	$12.50	50,000	190,346
2/6/2015	11,836	$14.10	11,836	178,510
2/24/2015	N/A	N/A	N/A	300,000
7/9/2015	32,990	$14.00	32,990	267,010
10/6/2015	6,000	$14.01	6,000	261,010
11/16/2015	5,235	$13.29	5,235	255,775
12/8/2015	2,159	$16.00	2,159	253,616

Summary of stock option activity

The following table contains a summary of all stock option activity during 2015 and 2014:

(in thousands, except W/A exercise price)	Stock options		Weighted-average exercise price
Outstanding, January 1, 2014	884	$	5.68
Granted	212		11.74
Exercised	(282)		3.94
Forfeited	(57)		7.21
Outstanding, January 1, 2015	757	$	7.91
Granted	163		15.50
Exercised	(112)		6.13
Forfeited	(40)		9.89
Outstanding, December 31, 2015	768	$	9.67

Summary of restricted stock award activity

The Company grants to certain employees shares of its Class A Common Stock subject to the terms of Restricted Stock Agreements ("RS Agreements") between the Company and each employee. Stock granted subject to RS Agreements is included in our calculation of shares outstanding, and holders of such stock are included in our calculation of holders of record.

The following table contains a summary of all activity relating to stock granted subject to RS Agreements during 2015 and 2014:

(in thousands, except W/A fair value)	Restricted stock	Weighted-average fair value
Outstanding, January 1, 2014	324	$ 7.00
Granted	192	8.45
Vested	(109)	7.40
Forfeited	(52)	7.06
Outstanding, January 1, 2015	355	$ 7.65
Granted	117	14.12
Vested	(115)	8.31
Forfeited	(44)	7.99
Outstanding, December 31, 2015	313	$ 9.76

Public trading of Class A Common Stock

The following table sets forth for the periods indicated the high and low reported sales prices per share for our Class A Common Stock:

	High	Low
2014		
First Quarter	$ 8.50	$ 7.60
Second Quarter	11.25	8.50
Third Quarter	12.90	11.07
Fourth Quarter	14.89	12.90
2015		
First Quarter	$ 16.65	$ 13.70
Second Quarter	16.50	14.90
Third Quarter	15.85	14.00
Fourth Quarter	16.45	13.20

Dividends

During 2014 and 2015, our Board of Directors authorized and approved the following cash dividends:

Declaration Date	Dividend Per Common Share	Record Date	Total Amount (in thousands)	Payment Date
2014				
February 24, 2014	$ 0.06	March 13, 2014	$ 663	March 27, 2014
May 5, 2014	0.06	June 10, 2014	661	June 24, 2014
August 12, 2014	0.10	September 11, 2014	1,111	September 25, 2014
November 12, 2014	0.50	November 24, 2014	5,562	December 8, 2014
November 12, 2014	0.10	December 9, 2014	1,112	December 23, 2014
2015				
March 4, 2015	$ 0.10	March 17, 2015	$ 1,123	March 31, 2015
May 6, 2015	0.10	June 09, 2015	1,121	June 24, 2015
August 5, 2015	0.14	September 08, 2015	1,567	September 22, 2015
November 11, 2015	0.60	November 23, 2015	6,716	December 7, 2015
November 11, 2015	0.14	December 8, 2015	1,567	December 22, 2015

The declaration of dividends by OTC Markets Group is subject to the discretion of our Board of Directors. Our Board of Directors will take into account such matters as general business conditions, our financial results, capital requirements, contractual, legal and regulatory

restrictions on the payment of dividends and such other factors as our Board of Directors may deem relevant.

Part C. Business Information

Overview

Mission, Vision and Strategy

At OTC Markets Group our mission is to create better informed and more efficient financial markets.

Our vision is to expand the world of investment opportunities by creating the financial markets of choice. By connecting brokers, organizing markets and enabling investors to intelligently analyze, value and trade securities, we bring the benefits of public trading to a wide spectrum of securities and efficiently fulfill the capital formation needs of a broad range of U.S. and global companies.

Our strategy is to operate world-leading securities markets. We:

- *Share* information widely through open networks that foster greater transparency;
- *Connect* broker-dealers, organize markets and inform investors;
- *Deliver* elegant, reliable and cost effective subscription-based technology solutions.

For a future that is online, data-driven and social.

Through our OTC Link ATS, we directly link a diverse network of broker-dealers that provide liquidity and execution services for a wide spectrum of securities. We organize securities into markets to inform investors of opportunities and risks: the OTCQX Best Market; the OTCQB Venture Market; and the Pink Open Market. Our data-driven platform enables investors to easily trade through the broker of their choice at the best possible price and empowers a broad range of companies to improve the quality and availability of information for their investors.

Our mission, vision and strategy drive market transparency and connectivity so brokers and investors are empowered to make intelligent choices.

Our Values

We aspire to live by a set of core values for success:

- Be Open. When we're open to new ideas, we encourage participation, create opportunity, and foster innovation. It's no coincidence that our open platform produces exactly the same results.
- Be Transparent. Sharing information enables smarter decisions. Transparency within our community, workplace, and markets makes everything simpler. And all of us smarter.
- Be Connected. Direct connections create better understanding, stronger bonds and more valuable interactions. We grow and strengthen our connections by reliably delivering the service and support we would expect for ourselves. The better we connect with our community, the more we will be valued and the better we'll all be rewarded.
- Be an Overachiever. We attract the best and the brightest people by being the best and brightest company. Inspiring leadership, competitive compensation, equity participation and a stimulating work environment foster a culture that promotes initiative, rewards

merit and creates opportunity for those with the capacity to fulfill it.

- Be a Teammate. Our enterprise is fueled and driven by a team effort of empowered individuals. We treat our colleagues with respect that is earned through collaborative contribution to our collective success. We make each other stronger by sharing our knowledge and experience.
- Be Creative. An insatiable curiosity inspires the investigation, critical thinking and understanding our progress requires. We're not afraid of failure as the knowledge we gain only assures our future successes. We are constantly alert to the possibility of new ideas and fresh solutions to complex problems. Just as our enterprise is the result of bold thinking – bold thinking is the result of our enterprise.
- Be an Owner. We all share in the success of our company – and we all take ownership of our share of the work. We seize opportunity as it appears and solve problems before they arise. We're careful when investing our capital and spending our resources, as it's always with the best interests of our shareholders in mind.
- Be Trusted. Our reputation is our most valuable asset and we vigorously protect it with honesty and integrity. We are dedicated to complying with the letter and spirit of the laws, rules and ethical principles that govern us. We are meticulous in keeping accurate records with strong controls. We actively protect the confidential information with which we are entrusted and conduct ourselves privately as we would publicly.
- Be a Capitalist. We strive to be a successful enterprise that provides superior investment returns for our shareholders. Our growth and profitability are critical not only to building our shareholders' capital, but also to our investment in the strength of our operations, our colleagues, and our future.

Our Business

OTC Link ATS's fully attributable, network-based model offers our FINRA member broker-dealer subscribers greater choice of trading partners and control over their trade executions. As an SEC registered ATS and FINRA member broker-dealer, OTC Link ATS is subject to the direct regulatory oversight of the SEC and FINRA.

Due to the role OTC Link ATS plays in the broker-dealer trading process, we generate a significant amount of market data and information about companies. Our market data consists of real-time, delayed and end-of-day quotation and trading data, as well as security master data, company reference data and compliance data for OTCQX, OTCQB, and Pink securities.

Our market data and company information services are designed to provide the building blocks to a better informational experience for investors by promoting price transparency, facilitating public disclosure, and enabling companies to demonstrate compliance with federal and state securities laws.

The OTCQX Best Market provides transparent and trusted public trading without the complexity and cost of a national securities exchange listing. Companies that meet high financial standards and disclosure requirements can have their securities qualify to trade on the OTCQX Best Market. OTCQX offers an efficient public trading market for established companies to inform investors, provide consistent disclosure and demonstrate regulatory compliance within their relevant regulatory framework.

The OTCQB Venture Market provides public trading for developing companies and applies standards that promote price transparency and facilitate public disclosure. The OTCQB standards require companies to remain current in their reporting to the SEC or other applicable

regulator, and to provide additional information to investors. This additional information includes management certifications that specifically identify company officers, directors, and controlling shareholders, as well as legal, accounting and investor relations advisors; and confirmation of total shares outstanding and authorized. The OTCQB standards include a minimum bid price test. Securities that do not maintain at least a penny bid price are downgraded to the Pink market. Originally formed with SEC reporting companies and banks in mind, the OTCQB Venture Market is also open to international companies that trade in the U.S. in reliance on one of various available exemptions from SEC registration, provide the information required by Rule 12g3-2(b) under the Exchange Act, and meet the applicable OTCQB standards. OTCQB can efficiently serve the majority of companies listed on the TSX Venture, LSE AIM and other non-U.S. venture exchanges.

Securities traded on OTC Link ATS that do not to meet the standards of the OTCQX Best Market or the OTCQB Venture Market are traded on the lighter-regulated Pink Open Market. Companies on the Pink market are categorized as “Pink Current Information,” “Pink Limited Information” or “Pink No Information” based on the completeness and timeliness of the information they provide to investors. Companies can use our OTC Disclosure & News Service® to make current information available to their investors.

The 10,000 securities traded on our markets span all major sectors and industries, and range in market capitalization levels from micro-cap early stage companies to multi-billion market cap established global companies.

Products and services

OTC Markets Group has three business lines: OTC Link ATS, Market Data Licensing and Corporate Services. We provide a variety of products and services, including trading technologies for FINRA member broker-dealers; corporate services to issuers; and market data for broker-dealers, companies, investors, and distributors. Each business line offers a distinct fee structure that is designed with the constituents it serves in mind. OTC Link ATS operates a subscription model with usage based fees, Corporate Services charges application and annual fees, and Market Data Licensing generates distribution and licensing fees. Growth in a particular business line tends to promote growth in the others because the services are complementary in nature. A significant proportion of our revenues are derived pursuant to subscription arrangements, consequently a significant majority of our revenues are recurring in nature.

Each of our business lines is described in detail below.

OTC Link ATS

Our wholly-owned subsidiary, OTC Link LLC, a FINRA member broker-dealer and SEC registered ATS, operates OTC Link ATS. OTC Link ATS serves a diverse community of FINRA member broker-dealers that operate as market makers, agency brokers and ATSs, including Electronic Communication Networks (“ECNs”). We offer a suite of quotation and trade-messaging services that offers broker-dealers control of trades and choice of counterparties so they can efficiently provide best execution, attract order flow and comply with FINRA and SEC regulations. Our QAP® One Statement service allows brokers to efficiently charge and collect applicable access fees. Our fully attributable, network based platform allows broker-dealers to directly trade with their peers. Unlike traditional exchanges and matching engines, we are not an intermediary in competition with our broker-dealer subscribers for execution services, and our services help facilitate more trading on subscribers’ internal trading systems.

Broker-dealers pay monthly license, subscription, and connectivity fees to use OTC Link ATS, and may use our OTC Dealer® application as an interface into OTC Link ATS. Subscribers may also connect using "Fixie" a real-time Financial Information eXchange ("FIX") Protocol based computer-to-computer interface that allows for fully-electronic submission and receipt of quotes, orders and negotiations and can be fully integrated with the subscriber's order management system ("OMS"). OTC Link ATS delivers trade messages electronically, allowing subscribers to execute, negotiate, or decline trade messages. OTC Dealer, together with separately priced add-on applications, shows a full Real-Time Level 2 quote montage for OTCQX, OTCQB and Pink traded securities, providing full access to OTC Link ATS tickers and multiple watch lists. OTC Dealer also provides users access to analytics and information, including corporate action data and advanced search capabilities for broker-dealer activity, quotes, inside markets and trades, security changes, and trader open/close activity.

Our broker-dealer subscribers pay variable usage fees to (i) publish quotes in certain securities and (ii) communicate and negotiate with counterparties on OTC Link ATS. On July 1, 2015 OTC Link eliminated quote fees in respect of OTCQX and OTCQB securities. Eliminating quote fees is designed to encourage broker-dealers to expand their coverage of higher-quality companies that are providing enhanced transparency to their investors by meeting the higher OTCQX and OTCQB market standards. Broker-dealer subscribers are now charged only for publishing quotes in securities not on OTCQX or OTCQB. Monthly quote position fees are based on the number of daily priced and un-priced quote positions, with tiered pricing arrangements based on volume. Monthly OTC Link message fees are based on the daily number of securities on OTC Link ATS for which trade messages are sent or received, with tiered pricing arrangements based on volume. Our daily quoting and trade messaging fees allow subscribers to make unlimited quote updates in a single security and to send and receive an unlimited number of trade messages in a single security on a given day. Fees for use of the OTC Dealer application are based on the number of authorized users per subscriber and are discounted in graduated amounts based on total users per subscriber.

As of December 31, 2015, 116 broker-dealers subscribed to our OTC Link ATS, as compared to 126 as of December 31, 2014.

Our OTC Link ATS business line made up approximately 24% and 29% of our gross revenues for the years ended December 31, 2015 and 2014, respectively.

Market Data Licensing

OTC Markets Group provides our subscribers with access to the extensive market data, company data and security information we collect through our OTC Link ATS and Corporate Services business lines. Our market data includes real-time, end-of-day, historical quotation, company financial, security master, corporate reference and compliance data for securities traded on our markets. Investors, traders, institutions, accountants and regulators pay us monthly market data license fees to access this information. We offer a suite of market data licenses, priced per enterprise or per user, through direct connectivity and third-party market data redistributors and OMSs. Depending on the license type, subscribers may distribute the market data on an internal-only basis, redistribute to clients or redistribute to the public. We generate a majority of our market data revenues from sales through market data redistributors, including Bloomberg, Interactive Data Corporation, Thomson Reuters and Fidessa. As of December 31, 2015 and 2014, 57 and 55 market data distributors were disseminating our market data to subscribers, respectively.

We also charge for the display of advertisements on www.otcmarkets.com.

Our Market Data Licensing business line made up approximately 41% and 48% of our gross revenues for the years ended December 31, 2015 and 2014, respectively.

Corporate Services

We organize our markets to better inform our community by highlighting opportunities and making risks more readily apparent. We incentivize companies to provide high quality and timely information. We operate the OTCQX Best Market; the OTCQB Venture Market and the Pink Open Market; and offer a suite of disclosure and information services. Our Corporate Services business made up approximately 35% and 23% of our gross revenues for the years ended December 31, 2015 and 2014, respectively.

Our markets offer companies a choice of disclosure standards in respect of the financial and operating information made publicly available:

- SEC Reporting Standard: Companies may register a class of their securities with the SEC and comply with SEC reporting requirements.
- Regulation A Reporting Standard: A company can meet the OTCQX disclosure requirements by meeting its Regulation A Tier 2 disclosure requirements and providing certain additional quarterly disclosures, as well as having its annual audit performed by an independent public accountant registered with the Public Company Accounting Oversight Board ("PCAOB"). A company's Regulation A Tier 2 disclosure will fully satisfy the initial and ongoing OTCQB disclosure standards.
- Alternative Reporting Standard: When SEC registration is not required, companies generally must make certain information publicly available to facilitate compliance with securities regulations, including Rules 10b-5 and 15c2-11 under the Exchange Act and Rule 144(c)(2) under the Securities Act. The Alternative Reporting Standard may be satisfied through compliance with the OTCQX U.S. Disclosure Guidelines or the Pink Basic Disclosure Guidelines, as applicable.
- Bank Reporting Standard: Banks can utilize their existing financial reports and regulatory disclosure to provide easily accessible information to investors and facilitate compliance with securities regulations, including Rules 10b-5 and 15c2-11 under the Exchange Act and Rule 144(c)(2) under the Securities Act.
- International Information Standard: Rule 12g3-2(b) under the Exchange Act permits non-U.S. companies whose primary security is listed on a non-U.S. stock exchange to make publicly available to U.S. investors in English the same information that is made publicly available in their home countries as an alternative to SEC Reporting.

OTCQX Best Market

The OTCQX market provides established U.S. and global companies an informed and efficient U.S. public trading market for their shares and ADRs without the cost and complexity of a national securities exchange listing.

To join OTCQX, companies must be sponsored by a professional third-party advisor, meet minimum financial, disclosure and qualitative standards, pay annual fees, and continue to meet the requirements set out in our OTCQX Rules on an ongoing basis. Companies pay a one-time application fee and annual fees upon renewal. These fees are fixed and do not vary based on outstanding shares, market capitalization or market segment. Companies on the OTCQX market also receive the OTC Disclosure & News Service, Real-Time Level 2 Quote Display, and Blue Sky Monitoring Service.

The OTCQX market is divided into OTCQX U.S. and OTCQX International. OTCQX for Banks, an expansion of the OTCQX market for U.S. companies, is specifically aimed at meeting the needs of community and regional banks and added 48 new banks in 2015. As of December 31, 2015, there were 81 banks from 26 states traded on OTCQX. The OTCQX International market is targeted towards (i) large global companies that meet the listing standards of a qualified non-U.S. stock exchange in their primary market and do not see the value of meeting multiple regulatory, compliance, disclosure, and accounting standards, and (ii) global emerging growth companies that are listed on a qualified non-U.S. stock exchange and may be working towards a U.S. exchange listing, but are not yet ready to deploy the management resources necessary to handle the operational complexity and cost burdens of meeting two regulatory, compliance, disclosure, and accounting standards. As of December 31, 2015 approximately 66% of OTCQX companies were on OTCQX International.

Within the OTCQX market, there are elite segments separating the largest and most liquid companies (OTCQX U.S. Premier® and OTCQX International Premier®) from smaller, growth companies. Securities traded on the OTCQX market are identified by an icon designating that they are qualified for trading on the OTCQX market with an additional notation if they have qualified for a Premier segment.

The professional third-party advisor for an OTCQX U.S. company is known as an OTCQX Advisor. OTCQX Advisors are sophisticated securities attorneys or FINRA member investment banking firms. OTCQX International companies are advised by a Principal American Liaison ("PAL"), who may be an attorney, FINRA member investment banking firm or Depositary Bank. U.S. Banks are advised by qualified FINRA member market makers, known as Corporate Brokers.

By relying on a professional sponsor that is independent of OTC Markets Group, the OTCQX community-based qualification process has natural checks and balances. We believe that Corporate Advisors, PALs and Corporate Brokers have reputational and financial incentives to carry out their roles with integrity. By sponsoring their best clients, they play a critical role in building trust in the quality of the OTCQX market.

As of December 31, 2015, 424 companies were traded on the OTCQX Market, comprised of 145 OTCQX U.S. companies and 279 OTCQX International companies, as compared to 71 OTCQX U.S. companies and 306 OTCQX International companies as of December 31, 2014.

OTCQB Venture Market

The OTCQB Venture Market provides public trading for developing companies with standards that promote price transparency and facilitate public disclosure. The OTCQB standards require companies to remain current in their reporting to the SEC or other applicable regulator, and to provide additional information to investors. These additional information requirements include management certifications that specifically identify company officers, directors, controlling shareholders, and legal, accounting and investor relations advisors; and confirmation of total shares outstanding and total shares authorized. The OTCQB standards also include a minimum bid price test. Securities that do not maintain at least a $0.01 bid price are downgraded to the Pink market. In addition to its original base of SEC reporting companies and banks, the OTCQB Venture Market is open to international companies that trade in the U.S. in reliance on an available exemption from SEC registration, provide the information required by Rule 12g3-2(b) under the Exchange Act, and meet the applicable OTCQB standards. OTCQB can efficiently serve the majority of companies listed on the TSX Venture, LSE AIM and other non-U.S. venture exchanges that do not or choose not to meet the OTCQX market's high financial standards.

There were 942 verified companies on the OTCQB market as of December 31, 2015, as compared to 311 verified companies as of December 31, 2014.

Pink Open Market

Pink companies are organized into one of three easily identifiable categories based on the amount, quality and timeliness of information made public by a company to its investors: “Pink Current Information”, “Pink Limited Information”, and “Pink No Information.” Companies whose stock is the subject of a spam campaign or other public interest concern are flagged “Caveat Emptor,” or buyer beware. Pink companies provide public information to be categorized as Pink Current Information or Pink Limited Information either through a U.S. regulator, such as the SEC or a banking regulator, a qualified non-U.S. stock exchange, or directly to investors through the OTC Disclosure & News Service. For companies that provide disclosure under the Alternative Reporting Standard in accordance with our Pink Basic Disclosure Guidelines, we require that the financial reports are audited by a PCAOB registered audit firm, or that the company obtain a quarterly letter from a U.S. securities attorney stating that adequate current information is publicly available in accordance with Rule 144. The Pink Basic Disclosure Guidelines reduce the complexity of company disclosure by aligning with Exchange Act Rule 15c2-11 to give investors access to the same basic information a broker-dealer would need to initiate a quote in a security on the Pink market.

OTC Disclosure & News Service

The OTC Disclosure & News Service provides a simple and efficient way for public companies to communicate with the market and demonstrate their compliance with securities laws. Accessed through the www.otciq.com secure web-based portal, the OTC Disclosure & News Service allows companies to post financial reports, news releases, videos, investor presentations and other investor communications on www.otcmarkets.com, and to distribute that information to market participants. The OTC Disclosure & News Service also serves as a document retention system, as all documents submitted through the service are stored and readily available to investors, regulators, and market professionals. The OTC Disclosure & News Service allows companies to ensure that their information is distributed to and readily accessible by the broker-dealers trading their securities and market participants. We provide a data feed with company financial reports and news releases to market data distributors, financial databases and major financial portals. The OTC Disclosure & News Service allows companies to publish news through third-party newswire providers and have that news distributed to market participants and appear on the www.otcmarkets.com website.

Real-Time Level 2 Quote Display Service

Level 2 quotes are professional level market data, consisting of a full montage of real-time inside bid and ask quotes, a full depth-of-book quote montage, and trade data. Companies may provide their investors with access to free real-time level 2 quotes for their securities on www.otcmarkets.com. This service also permits companies to display quotes on the investor relations portion of their corporate websites, giving investors access to the highest level of trading transparency.

Blue Sky Monitoring Service

Compliance with state Blue Sky requirements allows brokers and investment advisers to discuss, recommend, solicit, or purchase securities for managed portfolios. The Blue Sky Monitoring Service provides analysis, review, and guidance to companies regarding compliance with each state’s Blue Sky laws. The service provides an overview of companies’ compliance with or exemption from State Blue Sky requirements; guidance regarding additional information, filings or registrations required in states for which they are not qualified or exempt; and

distribution of a company's Blue Sky information to broker-dealers and clearing firms around the country to assist with their Blue Sky compliance.

Key Metrics

The table below presents key metrics for our business lines for the years ended December 31, 2015, 2014 and 2013.

	December 31,		
	2015	2014	2013
OTC Link ATS			
Number of securities quoted [1]	9,858	9,920	10,026
Number of active market participants [1]	116	122	127
New Form 211 filings	627	797	760
Dollar volume traded (in thousands):			
OTCQX	$ 41,976,964	$ 36,118,475	$ 29,492,402
OTCQB	19,736,604	62,650,266	74,003,325
Pink	138,059,625	139,656,242	97,688,480
Total	$ 199,773,193	$ 238,424,983	$ 201,184,207
Dollar volume per security (in thousands):			
OTCQX	$ 85,842	$ 94,304	$ 79,709
OTCQB	19,445	27,820	23,545
Pink	$ 16,542	$ 19,194	$ 15,034
Corporate Services			
Graduates to a national securities exchange	60	83	63
Number of securities: [1]			
OTCQX	489	383	370
OTCQB	1,015	2,252	3,143
Pink	8,346	7,276	6,498
Total	9,850	9,911	10,011
Number of corporate clients: [1]			
OTCQX	424	377	368
OTCQB	942	311	-
Pink	740	741	732
Total	2,106	1,429	1,100
Market Data Licensing			
Market data professional users [1]	20,959	21,033	19,544
Market data non-professional users [1]	9,352	15,746	9,810

(1) Figures presented are at period end.

Recent Business Developments

Updated OTC Link ATS Pricing Structure

OTC Link ATS introduced a new pricing structure for quotes and messages effective July 1, 2015. Under the new structure, broker-dealer subscribers may quote securities traded on the OTCQX Best and OTCQB Venture markets at no cost. The fee for unpriced quotes in Pink securities was increased from $0.25 to $0.30 per security per day. Messaging fees are no longer differentiated by priced or unpriced security status, and the fee for messaging was increased from $1.00 for a priced security and $1.25 for an unpriced security to $1.50 for any security per day. We anticipate that the pricing changes will encourage quoting of the securities

on the OTCQX and OTCQB markets and enhance the depth of book of our most investor focused companies.

Enhanced OTCQX Rules

On December 14, 2015, OTC Markets Group introduced enhancements to the OTCQX eligibility rules for U.S. companies and banks and international companies. These changes were designed to elevate the quality of the OTCQX Best Market, improve regulatory recognition of the OTCQX market, and clearly differentiate OTCQX from the OTCQB Venture Market. The new rules strengthened OTCQX financial standards and existing OTCQX rules that prohibited Penny Stocks from qualifying for OTCQX. The enhanced rules included new corporate governance standards for OTCQX U.S. companies that are in keeping with established best practices. OTCQX U.S. Premier tier standards were aligned with the financial standards of markets recognized by many states for issuer exemptions from Blue Sky laws and OTCQX International Premier tier standards have been aligned with the margin eligibility standards set by the U.S. Federal Reserve and the SEC. In conjunction with the rule changes, OTC Markets Group raised the annual fee for OTCQX from $15 thousand to $20 thousand.

The new rules became effective on January 1, 2016. Companies on OTCQX as of December 31, 2015, will have until 2017 to meet the new ongoing eligibility criteria and fee structure.

Recent Regulatory Developments

Regulation SCI

On November 19, 2014, the SEC adopted Regulation Systems Compliance and Integrity ("SCI"), which applies to certain self-regulatory organizations, alternative trading systems, plan processors, and certain clearing agencies ("SCI Entities"). Companies that meet the definition of an SCI Entity, including OTC Link ATS, were required to comply with this regulation beginning on November 3, 2015.

As adopted, Regulation SCI requires SCI Entities to establish written policies and procedures reasonably designed to ensure that their systems have levels of capacity, integrity, resiliency, availability, and security adequate to maintain their operational capability, promote the maintenance of fair and orderly markets, and operate in the manner intended. Regulation SCI requires SCI Entities to provide notices and reports to the SEC on a new Form SCI regarding, among other things, systems disruptions, systems compliance issues, and systems intrusions ("SCI Events"), as well as material systems changes. Information regarding certain types of SCI Events must be disseminated to members or participants of SCI Entities. SCI Entities are required to conduct a review of their systems by objective personnel at least annually, and to maintain certain books and records.

OTC Link ATS is required to comply with the requirements imposed by Regulation ATS on an ATS that, during at least 4 out of 6 consecutive months, has more than 20% of the average daily volume of any equity security reported to FINRA. Many of these requirements are incorporated in Regulation SCI. However, Regulation SCI contains a number of additional requirements, such as extensive reporting, additional internal compliance requirements and mandated coordinated testing of core processes. We have invested in personnel and IT resources to meet our compliance obligations and enhanced our systems. We do not expect that our requirements under Regulation SCI will materially affect our ongoing financial results.

Regulation A+

On March 25, 2015 the SEC approved rule amendments to Regulation A under the Securities Act ("Regulation A+"), providing for an expanded Regulation A small offering exemption under

Title IV of the Jumpstart Our Business Startups ("JOBS") Act. The "Regulation A+" final rules provide for two tiers of unregistered public offerings: Tier 1, for offerings of up to $20 million in a 12-month period, with no more than $6 million in offers by selling security-holders that are affiliates of the issuer; and Tier 2, for offerings of up to $50 million in a 12-month period, with up to $15 million of securities offered by security-holders that are affiliates of the issuer. The rules limit sales by all selling security-holders to no more than 30% of an initial Regulation A offering and all subsequent Regulation A offerings in the next 12 months. Both tiers are subject to eligibility and disclosure requirements, including filings with the SEC prior to commencing the offering. Tier 2 offerings require audited financial statements and periodic reports, but are preempted from state Blue Sky regulation. Non-accredited investors in a Tier 2 offering are subject to purchase limitations based on their income or net worth. The new rules became effective on June 19, 2015.

The SEC has begun to qualify Regulation A+ offerings, and securities issued in reliance on Regulation A+ have begun to trade on our OTCQX Best Market. We anticipate that Regulation A+ will continue to create capital raising opportunities for innovative and entrepreneurial companies and will generate additional securities eligible to trade on the OTCQX, OTCQB and Pink markets. It is not yet possible to determine the extent to which Regulation A+ will affect our financial results.

FINRA's QCF Proposal

On November 13, 2009, FINRA filed with the SEC a proposed rule change to create a Quotation Consolidation Facility ("QCF") that would serve as a commercial data consolidator and disseminator for quote data in the OTC equity market (the "QCF Proposal"). Under the QCF Proposal, FINRA would provide a national best bid or offer ("NBBO") for OTC securities traded on interdealer quotation systems for inclusion in the Nasdaq UTP Level One feed. We believe that the QCF Proposal, if adopted in its current form, could negatively impact our revenues, including revenues from our Market Data Licensing and OTC Link ATS business lines. We currently generate a portion of our revenues by licensing the market data that we collect through our interdealer quotation system. We provide this market data, including the dissemination of an NBBO in OTC equity securities traded on OTC Link (the "OTC-BBO"), to market data redistributors, broker-dealers and other OTC market participants under subscription and enterprise license agreements.

Under the QCF Proposal, we would effectively be required to provide FINRA with our OTC-BBO and all broker-dealer quotations on our OTC Link ATS, so that FINRA could provide an NBBO for OTC securities for inclusion in the Nasdaq UTP Level One feed. Approximately 17% and 20% of our gross revenues were derived from the OTC-BBO during the years ended December 31, 2015 and 2014, respectively. If the SEC approves the QCF Proposal, we expect that we will lose substantially all of this revenue.

OTC Markets Group remains strongly opposed to FINRA's QCF Proposal and has over the years submitted multiple comment letters in opposition to the QCF Proposal and in opposition to a related proposal, Amendment 21 of the National Market System ("NMS") Plan for Nasdaq securities ("Amendment 21"). OTC Markets Group is considering a variety of options in the event that the QCF Proposal is not withdrawn and the SEC approves the QCF Proposal or Amendment 21, including bringing a legal action against the SEC and/or FINRA. A legal action relating to the QCF Proposal would be protracted and costly, which may adversely affect our operating results.

Other Business and Regulatory Information

Technology

Our IT infrastructure is the foundation of our internal and customer facing applications and ensures their reliability, high-availability and scalability.

Our IT team works in conjunction with our business lines to deliver products and services that meet the needs of our subscribers and customers in an elegant, reliable and cost effective manner. Performance, uptime, functional depth, and the usability of our products and services drive our product direction and technology decisions.

We consistently roll out new business functionality while simultaneously focusing on improving the scalability and stability of our systems. We achieved 100% uptime of our core systems during 2015. Capital expenditures during 2014 and 2015 were concentrated on the enhancement of our primary and secondary data centers and increased network resiliency. We will continue to invest in building out our systems, monitoring capabilities and support services to meet the functionality and reliability needs of our subscribers.

Websites

OTC Markets Group operates a number of websites, each targeting specific market participants, such as traders, companies and investors. Our websites provide a broad range of information about our markets and the issuers of OTCQX, OTCQB and Pink securities.

- **www.otcmarkets.com** – Designed for retail and institutional investors, as well as the general public, our corporate website is the premier source of financial and corporate information for OTCQX, OTCQB, and Pink securities. Our website provides free delayed and real-time quotes, trade data, company profile and corporate action information, financial news and reports for these securities.
- **www.otciq.com** – Our secure, web-based portal providing subscribing corporate clients with access to the OTC Disclosure & News Service, Real-Time Level 2 Quote Display Service, OTC Market Report, and Blue Sky Monitoring Service.
- **www.otcdealer.com** – Site providing technical support and training for OTC Dealer subscribers.

The Nature and Extent of the Issuer's Facilities

OTC Markets Group's corporate headquarters is located at 304 Hudson Street, New York, NY 10013, and is composed of approximately 12,500 square feet of leased general office space on the second floor and approximately 12,500 square feet of leased office, conference, meeting, and reception space (the OTCQX Market Center) on the third floor. In January 2016, an amendment to the original lease was signed extending the term of the lease through June 2018. The annual rental expense is approximately $954 thousand.

In 2011, the Company entered into a lease agreement for approximately 4,000 square feet of general office space, located at NW 100 M Street, Washington, D.C. 20003. The lease expires in June 2016 and annual rent expense is approximately $165 thousand.

We also contract with SunGard Availability Services, in Carlstadt, New Jersey and Philadelphia, Pennsylvania, for hosting and networking services in respect of our primary and secondary data centers, including production, back-up and disaster recovery sites, and internet and telecommunications services.

Legal Proceedings

There are no current, past, pending, or threatened legal proceedings or administrative actions either by or against us that could have a material effect on our business, financial condition, or operations. We are not a party to any past or pending trading suspensions by a securities regulator.

Contracts

Exhibits 3 and 4 to this Annual Report provide a list of contracts important to our business, divided into two categories: material contracts and customer contracts. Negotiated contracts include Mr. Coulson's employment agreement and real estate leases on real properties used in our business. We use standardized customer contracts in each of our three business lines.

Regulation

Our OTC Link ATS business line is operated by our wholly-owned subsidiary, OTC Link LLC, a FINRA member broker-dealer and an SEC registered ATS. OTC Link ATS is therefore subject to regulation and periodic examinations by the SEC and FINRA.

FINRA member broker-dealers publish quotes and transmit trade messages on OTC Link ATS. OTC Link is not a reporting party to any trade executions that may result from these trade messages. FINRA rules require broker-dealers publishing quotes on our systems to comply with the firm quote rule (FINRA Rule 5220), which requires that a broker-dealer's published quotes be firm and include minimum sizes, and prohibits backing away from such quotes.

OTC Link ATS is regulated by the SEC as an ATS, including through Regulation SCI, and by FINRA as a broker dealer. OTC Markets Group, and our markets generally, provide an alternative to national securities exchange listing for the U.S. quoting and trading of securities of companies that either choose not to be listed on a national securities exchange or do not meet the relevant listing requirements. Our non-exchange status enables us to offer certain financial information, technology and market services that are competitive with the services offered by national securities exchanges with less complexity and lower costs, but it also inhibits our ability to provide certain other services.

It is our policy to share information about ourselves proactively with regulators, and to provide records promptly in response to regulatory requests. OTC Markets Group requires each company displaying information on the OTC Disclosure & News Service to agree in writing that OTC Markets Group may provide the relevant authorities with information provided by the company and the identity of those authorized to submit information on the company's behalf.

Our services facilitate transparency and provide a repository of information regarding activities by broker-dealers and companies. We believe that the transparency and automation our products and services facilitate and the information we make available to regulators increases regulatory surveillance and oversight of market participants and improves the quality of our OTCQX, OTCQB and Pink markets.

OTC Markets Group does not have regulatory authority over companies whose securities trade on our markets and such companies are not required by U.S. securities laws to provide us with financial information or other disclosure for their securities to be traded by broker-dealers on OTC Link ATS. Companies that make financial information and disclosure widely available may see improved market efficiency and increased liquidity as a result of their transparency and engagement with investors and their wider stakeholder community of customers, employees and suppliers.

The Need for any Governmental Approval of the Company's Products and Services and the Status of such Approvals

OTC Link LLC is a broker-dealer member of FINRA and an SEC registered ATS, known as OTC Link ATS. FINRA membership and SEC registration subject our OTC Link ATS to FINRA and SEC rules. At the present time, we believe all of the products and services we offer through OTC Link ATS fully comply with applicable FINRA and SEC rules.

The SEC updated its Compliance and Disclosure Interpretations in 2013 stating that it considers the OTCQX and OTCQB markets to be "established public markets" for the purposes of establishing a public market price when registering securities for resale in equity line financings on SEC Forms S-1 or S-3. As a result, companies may use their OTCQX or OTCQB market trading to complete an equity line financing registration statement.

Competition

OTC Link ATS

The market for trading services in the U.S. is intensely competitive. Changes in the regulatory landscape over the past several years have contributed to a dramatic increase in the number of participants in the equities markets, including numerous national securities exchanges, regional exchanges, ATSs and ECNs. Continued increases in new entrants and products to the market or in price competition could result in a decline in our trading activity, thereby adversely affecting our operating results.

We compete with national securities exchanges such as Nasdaq and NYSE because a portion of the companies traded on OTC Link ATS may also qualify for a national securities exchange listing. The JOBS Act includes provisions aimed at making it easier for emerging companies to achieve a national securities exchange listing. We benefit from current SEC regulations that prevent a national securities exchange from listing the securities of non-SEC registered foreign companies. We would face increased competition for the quotation of OTC equity securities if national securities exchanges were permitted to list or quote non-SEC registered foreign securities.

We could also face competition from, among other things, an industry consortium that launches a competing interdealer quotation system. A consortium of industry participants may form seeking increases in efficiency that allow them to offer lower prices or better customer service than we do. At the present time, NYSE Arca and certain other registered ATSs provide execution services, rather than quotation services. Any one of these companies may change their business model to offer an interdealer quotation system that directly competes with the services offered by OTC Link ATS.

When we begin offering services for quoting and trade messaging in certain NMS securities, we could face intense competition from NYSE, Nasdaq and other registered national securities exchanges.

Market Data Licensing

We compete with FINRA's distribution of Nasdaq UTP Level 1 market data. A decline in trading in our OTC Link ATS, as well as other economic conditions adversely affecting our OTC Link ATS or market data subscribers, may result in a reduction in demand for our market data products. The market data business is highly dependent on rapidly changing technology and is characterized by intense price competition. Many of our competitors have greater financial and other resources than we do. These market data providers may offer more competitive pricing and deploy new products to our detriment.

Competition may also arise from, among other things, FINRA providing quote data for securities on our markets through the Nasdaq UTP Level 1 data feed, in the event that the QCF Proposal is approved.

Corporate Services

Our Corporate Services business line competes with national securities exchanges such as Nasdaq and NYSE and with global exchanges such as LSE's AIM and Canada's TSX's Venture Exchange. We face competition because certain domestic companies that join our OTCQX or OTCQB markets may also qualify for a national securities exchange listing. We also face competition for global companies that have the option of registering with the SEC and qualifying for a national securities exchange listing. We benefit from current statutes that prevent a national securities exchange from listing the securities of non-SEC registered foreign companies. We would face increased competition for the quotation of OTC equity securities if national securities exchanges were permitted to list or quote non-SEC registered foreign securities.

It is possible that the Nasdaq Private Market could alter its business model in an attempt to compete with our services, or that Nasdaq's non-listing, non-trading designation service, the Nasdaq International designation service, could compete directly with our OTCQX and OTCQB markets. It is also possible that a new public trading market for venture stage companies may develop as a result of the JOBS Act, new legislative action or otherwise. New entrants may, among other things, respond more quickly to competitive pressures, develop and deploy products and services more efficiently or adapt more successfully to changes in technologies and customer requirements. If we are unable to compete successfully in terms of our product offerings or pricing, our business, financial condition and results of operations could be materially adversely affected.

Dependence on One or a Few Major Customers

OTC Markets Group's three business lines produce a diverse offering of products and services. The varied nature of our revenue streams generally prevents us from having material reliance on a small number of major customers. However, our Market Data Licensing business utilizes third party data redistributors to bring our data to end users, and these end users are somewhat concentrated with certain major redistribution partners. During 2015 and 2014, redistribution of our market data licenses through Bloomberg LP accounted for 12% and 15% of our gross revenues, respectively.

A majority of our OTC Link ATS and Market Data Licensing customers are financial institutions. We are subject to reliance on a decreasing number of major customers as financial institutions are acquired, merge, restructure and dissolve. If relationships with our largest distribution partners or a substantial number of our financial institution customers, including our OTC Link ATS broker-dealer subscribers, are terminated, not renewed, or renegotiated on terms less favorable to us, our business could be adversely affected.

Employees

At December 31, 2015 and 2014, OTC Markets Group had a total of 89 and 85 employees, respectively, all of whom are full-time employees. Employees support one of our three business lines: OTC Link ATS, Market Data Licensing and Corporate Services, or one of our two support units: Information Technology and Finance and Corporate Administration.

Trademarks, Licenses, Franchises, Concessions, Royalty Agreements, or Labor Contracts

To protect our intellectual property rights, we rely on a combination of trademark and copyright laws, trade secret protections, confidentiality agreements, and other contractual arrangements with our clients, strategic partners, and others.

We own or have licensed rights to trade names, trademarks, domain names, and service marks that we use in conjunction with our operations and services. We have registered many of our most important trademarks. Our primary trademarks and trade names include "OTCQX," "OTCQB," "OTC Link," "Pink," "Pink Sheets" and "QAP". We currently have 1 pending United States trademark application, 37 registered trademarks, and 1 pending patent. We maintain copyright protection in our branded materials.

Risk Factors

OTC Markets Group evaluates the key enterprise risks it faces on an ongoing basis. The list of key enterprise risks and uncertainties that follows is not exhaustive. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may adversely affect our business now or in the future.

Risks Relating to our Business

Regulatory changes could have a material adverse effect on our business.

The securities markets have faced increasing governmental and public scrutiny and significant regulatory changes over the past several years. We believe that there will continue to be increased demand for more regulation and stricter oversight of the financial markets. It is difficult to predict the exact nature of potential changes in the regulatory environment or to predict the resulting impact on our business. Our ability to comply with applicable rules and regulations depends on, among other things, our ability to establish and maintain appropriate systems and procedures, as well as our ability to attract and retain qualified personnel. As discussed in "*Recent Regulatory Developments—FINRA's QCF Proposal,*" the QCF Proposal, if adopted by the SEC, could have an adverse effect on our operating results, including a significant negative impact on revenues from our Market Data Licensing and OTC Link ATS lines of business. If this proposal is adopted, we may decide to bring legal action against the SEC and/or FINRA. A legal action relating to the QCF Proposal could be protracted and costly and could adversely affect our operating results, whether or not we prevail in any such legal action.

While we are not a national securities exchange, we offer certain services that are competitive with the services offered by national securities exchanges but are more cost effective and usually involve a lesser degree of operational complexity. We benefit from SEC regulations that prevent U.S. national securities exchanges from listing or quoting the securities of companies that are not registered with the SEC or are not current in their reporting. We would be negatively impacted by any regulatory change that would enable registered national securities exchanges to compete with us for the trading of OTCQX, OTCQB and Pink securities that are not eligible to be listed on a national securities exchange within the current regulatory framework.

Companies for which our Corporate Services products are suitable include companies that choose to deregister with the SEC. In recent years, the JOBS Act and other SEC initiatives have led to certain issuers of registered securities choosing to terminate their SEC registration. Similarly, the SEC's Regulation A+, adopted in March 2015, sought to simplify the process by which early stage companies can raise capital under the previously existing Regulation A

framework. Any regulatory change that would encourage or require more companies to undertake SEC registration, reversing the recent trend towards de-registration, may reduce the demand for our OTCQX and OTCQB markets. If national securities exchanges are permitted to become specialized venture exchanges or other exchange-based smaller company markets, companies could seek to trade on those markets and broker-dealers could seek to quote companies on those markets, rather than on our OTCQB market.

OTC Link ATS is subject to FINRA and SEC oversight and the regulatory framework under which it operates and new regulatory requirements or new interpretations of existing requirements could require substantial time and resources for compliance, which could make it difficult and costly for us to operate our business.

Our wholly-owned subsidiary, OTC Link LLC, is a FINRA member broker-dealer and an SEC registered ATS. OTC Link LLC operates the OTC Link ATS trading system. Regulation of OTC Link as an ATS, and its designation as an SCI entity, increases our costs. Regulatory compliance requires substantial time and resources, which make it more costly to operate our OTC Link ATS business. The operation of OTC Link ATS is also subject to time-consuming periodic examinations by the SEC and FINRA, which may result in monetary or other penalties. Regulatory requirements on OTC Link ATS may make the development and introduction of new products and services more costly and time-consuming, or possibly prohibit such initiatives altogether.

The SEC's Regulation SCI, effective November 2015, requires certain critical market participants, including OTC Link ATS, to maintain comprehensive policies and procedures in relation to their technology. The burdens associated with Regulation SCI compliance could negatively impact our business by increasing our operational expenses.

We rely on certain trade reporting exemptions under the FINRA Rules, changes to which may have a negative impact on our business.

OTC Link LLC is subject to regulatory requirements intended to ensure its general financial soundness and liquidity, which require it to comply with certain minimum capital requirements. The SEC and FINRA impose rules that require notification when a broker-dealer's net capital falls below certain predefined criteria, dictate the ratio of debt to equity in the regulatory capital composition of a broker-dealer and may constrain the ability of a broker-dealer to expand its business under certain circumstances. The Uniform Net Capital Rule and FINRA rules also impose certain requirements that may have the effect of limiting the ability of OTC Link LLC to distribute or withdraw capital and that require prior notice to the SEC and FINRA for certain withdrawals of capital. Any failure to comply with these broker-dealer regulations could have a material adverse effect on the operation of our business, financial condition and operating results.

OTC Link ATS subscribers are highly regulated and the regulatory framework under which they operate and new regulatory requirements or new interpretations of existing requirements could require substantial time and resources for compliance, which could make it difficult and costly for them to operate.

Our subscribers also operate in a highly regulated industry. The SEC, FINRA or other regulatory authorities could extend the scope of Regulation SCI to include our broker-dealer subscribers, or could impose other regulatory changes that could adversely affect the ability of our subscribers to use our services or result in reduced demand for our services. In addition, the SEC has the ability to suspend trading in securities trading on our markets. The SEC has traditionally exercised this power with respect to fraudulent activity, inactive securities or

securities of companies that cease to provide any information to the market for long periods of time. SEC trading suspensions may adversely affect our business.

System limitations and failures could harm our business.

Our business depends on the continuing operation of our information technology and communications systems. If these systems cannot accommodate user demand or otherwise fail to perform, we could experience disruptions in service, slower response times, and delays in the introduction of new or updated products and services. Interruptions in service and delays could reduce revenues and profits, lead to regulatory action including fines, and result in damage to our reputation. We have experienced systems failures in the past, and systems failures may occur in the future. Failures could be caused by, among other things, failures at third-party vendors on which we rely, hardware or software malfunctions or defects, unusually heavy use of our systems, insufficient capacity or network bandwidth, power or telecommunications failures, natural disasters and computer viruses. We also rely on the technical and other services of third parties. Any interruption in these third-party services could be disruptive to our business.

We currently maintain and expect to continue to maintain multiple computer facilities and systems that are designed to provide redundancy and backup. However, such systems and facilities may prove inadequate. The steps we have taken to increase the reliability and redundancy of our systems are expensive, reduce our operating margin and may not be successful in reducing the frequency or duration of unscheduled downtime.

We have programs in place to identify and minimize our exposure to vulnerabilities that could contribute to system failures, however we cannot guarantee that such failures will not occur in the future.

Cyber-attacks or other security incidents could harm our business.

The fast and secure transmission of information over public and other networks is a critical element of our operations. Our computer systems, networks and those of our third-party service providers may be vulnerable to security breaches, hacking, human error, denial-of-service attacks, sabotage, terrorism, computer viruses and other security problems. Individuals could wrongfully access and use our information or our subscribers' or users' information, or cause interruptions or malfunctions in our operations. Although we have implemented security measures, our security and the security of our third party providers may prove to be inadequate. If our systems fail to perform or if there are security breaches, any such failures or breaches could, among other things, damage our reputation and/or cause a loss of business, trading, revenues, and lead to regulatory actions including fines, any of which could adversely affect our business, financial condition and operating results.

Systems failures elsewhere in the securities trading industry could negatively impact us.

In recent years, technology-related failures impacted several prominent securities industry participants. If broker-dealer subscribers to OTC Link ATS undergo significant systems failures they may cease to use our services. Further, those failures may erode investor confidence in the securities trading industry, which could adversely affect our business, financial condition and operating results.

The success of our business depends on our ability to keep up with the significant and rapid technological and other changes that affect our industry.

Our future success will depend on our ability to adapt to changing technologies, to conform our products and services to evolving industry and regulatory standards and to improve the performance and reliability of our services.

The markets in which we operate are characterized by rapid technological development, frequent enhancements to existing products and services, the introduction of new services and products, and rapidly changing customer demands. To remain competitive in business and compliant with our regulatory obligations, we must continue to improve the functionality, scalability, capacity, accessibility, and features of the technology for each of our business lines. We have made significant investment in the development of our software applications and technology infrastructure. Although investments in technology are carefully scrutinized for value to the enterprise, there can be no assurance that we will generate an acceptable or any return on such investments. Our business would be negatively affected by the failure of new products or upgrades to function as expected or by the failure of new products or upgrades with significant associated cost to generate an appropriate risk adjusted return.

Keeping pace with increasing technological requirements involves significant use of resources, and we cannot be sure that we will succeed in making these improvements in a timely manner or at all. Many of our potential competitors have much greater resources that, if applied to the development of technology to compete with our markets, could make it difficult for us to provide competitive products and services. If we are unable to anticipate and respond to the demand for new services, products, and technologies on a timely and cost-effective basis and to adapt to technological advancements, we may be unable to compete effectively, which could adversely affect our business, financial condition, and operating results.

Our industry is highly competitive.

The industry in which we operate is highly competitive. We face formidable competition in every aspect of our business. We compete with other market participants, including national securities exchanges and other SEC registered ATSs, in a variety of ways, including the cost of products and services, functionality, ease of use and performance of trading systems, the range of products and services offered to subscribers, technological innovation, and reputation. There is the possibility that new national securities exchanges, ATSs or other trading platforms could emerge that would further increase competition in our industry.

The leading global stock exchanges have highly developed and successful listing products and premium fee structures that can fund substantial advertising, marketing and sales efforts. The availability of global stock exchanges may limit the number of companies that are willing to consider using our premium corporate services. The fees charged for companies to join the OTCQX and OTCQB markets cannot support the same level of sales, marketing and advertising efforts as NYSE, Nasdaq, London Stock Exchange or others. There is also the possibility that national securities exchanges could create listing venues that compete directly with our OTCQX and OTCQB markets. (See the discussion on the risks related to "*Regulatory Changes*," above.) The Nasdaq Private Market is also a potential competitor, as is Nasdaq's non-listing, non-trading designation service for international companies, the Nasdaq International designation. If we fail to compete successfully with existing or new market participants, our business, financial condition, and operating results may be adversely affected. For additional information on the competitive environment in which we operate, see the section on *"Competition"* above.

We increased the standards for participation in the OTCQB market in 2014, and began charging a fee to companies wishing to have the OTCQB market designation. The significant growth of OTCQB companies during 2015 may give rise to competitors offering similar venture market services to early stage companies.

Our failure to attract and retain key personnel may adversely affect our ability to conduct our business.

Our success depends, in large part, upon our ability to attract and retain highly qualified personnel. Competition for highly qualified individuals is intense. Our ability to attract and retain highly qualified personnel will be dependent on a number of factors, including market conditions and compensation offered by our competitors. Moreover, there can be no assurance that we will be able to retain our current employees. We may have to incur costs to replace senior executive officers or other key employees who leave, and our ability to execute our business strategy could be impaired if we are unable to replace such persons in a timely manner.

We are highly dependent on the continued services of R. Cromwell Coulson, our Chief Executive Officer, and other executive officers and key employees who possess extensive knowledge and technology skills. Other than Mr. Coulson, we do not have any employment agreements. We maintain a "key person" life insurance policy on Mr. Coulson in the amount of $5 million, but the loss of the services of Mr. Coulson or other key employees for any reason could have a material adverse effect on our business, financial condition, and operating results.

Challenging economic conditions may impact our business, financial condition and operating results.

Our business performance is impacted by a number of factors including general economic conditions, financial market activity and other factors that are generally out of our control. A weakening of global or national economic conditions would likely negatively impact the ability of our customers, lenders, and other counterparties to meet their obligations to us. Poor economic conditions could result in, among other things, declines in trading activity, deterioration of the economic condition of our customers, or a reduction in demand for our market data.

Reduced levels of trading activity in our markets may affect customer demand for our corporate services and market data. Levels of trading activity are influenced by economic, political and market conditions and factors such as business and capital market trends, terrorism and war, concerns over inflation and the level of institutional or retail confidence, and changes in government policies. It is likely that a general decline in trading volumes would adversely affect our broker-dealer subscribers, which may adversely affect our business, financial condition and operating results. Further, excessive market volatility and other factors could drive investors away from securities trading on OTC Link ATS and have a corresponding detrimental impact on our business, financial condition and operating results

Reductions in trading activity could also lower the value of our market data and therefore impact our Market Data Licensing business. In addition, demand for our market data may decline due to further declines in headcount within the financial services industry.

Many OTCQX and OTCQB companies operate in Canada, are concentrated in specific industries and may be subject to economic factors in Canada that may cause them to no longer meet the OTCQX rules and the OTCQB standards, or to choose to withdraw from OTCQX or OTCQB.

A significant number of our OTCQX and OTCQB companies are based in Canada and many of those companies are engaged in the resource sector. A prolonged downturn in the resource sector or in the general Canadian economy may continue to adversely affect the operating results of those companies, causing them to no longer meet the OTCQX rules and OTCQB standards or to choose to withdraw in order to reduce costs. The voluntary or involuntary withdrawal from OTCQX or OTCQB by these companies could adversely affect our OTCQX and OTCQB brands as well as our financial position and results of operations.

OTCQB companies vary in financial strength, and may not be willing or able to pay the OTCQB annual fee or meet the OTCQB standards over time.

The OTCQB standards include a $0.01 minimum bid price standard, but do not impose additional financial standards. The economic condition of OTCQB companies may be volatile and a number of current OTCQB companies may not be willing or able to pay the OTCQB annual fee upon renewal. OTCQB is a venture market intended for developing companies that may, by their nature, choose not to join a premium market. If developing companies choose not to renew their OTCQB status or not to apply for OTCQB, the growth of the OTCQB market could slow, which would adversely affect our financial position and operating results.

The OTCQX, OTCQB and Pink markets are not national securities exchanges and this may limit the pool of available investors for these securities.

Some investors may only invest in securities listed on a national securities exchange. Our OTCQX market offers many services comparable to a national securities exchange, however under current regulations national securities exchanges have the ability to offer certain advantages to listed securities. For example, securities listed on a national securities exchange are exempt from state Blue Sky laws covering the offer or sale of securities within the state. National securities exchange listing status also confers margin eligibility to certain securities and potentially allows for their inclusion in certain exchange-traded funds and indices. These differences between our markets and the national securities exchanges may act as a barrier to certain companies having their securities traded on the OTCQX, OTCQB or Pink markets.

Our OTCQX market relies on a community of third-party advisors, and the behavior of these advisors is outside of our control.

OTCQX companies are required to work with an investment bank or securities attorney as a Corporate Advisor, PAL, or Corporate Broker (collectively, "Advisors") (See the discussion of the OTCQX market in "*Products and Services*," above). We rely on the Advisor community to advise OTCQX companies and to work with us to ensure company compliance with the OTCQX Rules. Fraud or misconduct by Advisors could erode investor confidence in OTCQX or affected OTCQX companies.

Certain Advisors work with a large number of OTCQX companies. These or other Advisors may decide not to provide this service or may cease to do business altogether, leaving one or more OTCQX companies without a required Advisor. We would help affected OTCQX companies obtain services from another qualified Advisor, but it is possible some companies will not be successful, or may choose not to work with another Advisor, and may withdraw from OTCQX.

We are subject to reliance on a decreasing number of major customers as financial institutions are acquired, merge, restructure, and dissolve.

A majority of our OTC Link ATS and Market Data Licensing subscribers are financial institutions. Over the past decade the number of financial institutions operating businesses that may consume our services has decreased. If this trend continues, it could cause our subscriber base to shrink. Our relationships with our largest distribution partners or a substantial number of our financial institution customers may terminate, not renew, or be renegotiated on terms less favorable to us, resulting in adverse effects on our business.

Trading automation presents challenges to our business model.

The automation of trading has resulted in a reduction in the number of broker-dealers and users for our OTC Dealer application and other services provided by OTC Link ATS. Trading automation is expected to continue, and revenue growth in our OTC Link ATS business line may depend on our ability to introduce new services, which may not be successful.

If we are unable to maintain effective risk management, our business, reputation and operating results may be adversely affected.

We have a variety of ways to identify, monitor and manage our risks. However, some of our risk management methods rely on information that may not always be complete, up-to-date or properly evaluated. These methods may not always be effective and our business, reputation, financial condition and operating results could be adversely affected.

We are exposed to credit risk from third parties.

We are exposed to credit risk from third parties. For example, we are exposed to credit risk for usage based fees and our QAP One Statement service, which we bill to OTC Link ATS subscribers in arrears. These parties may default on their obligations to us due to bankruptcy, lack of liquidity, or other reasons. Our subscribers are generally financial institutions whose ability to satisfy their contractual obligations may be negatively impacted by, among other things, slow or stagnant financial growth. Credit losses could adversely affect our financial position and results of operations.

If we are not able to maintain and further enhance OTC Markets Group's reputation and brand, our ability to expand our business will be impaired and our business and operating results will be harmed.

Among our competitive advantages are our reputation and brand name. We believe that our brand identity has significantly contributed to the success of our business. We also believe that maintaining and enhancing the "OTC Markets Group" brand as an innovative provider of financial information and technology services is critical to expanding our business. Maintaining and enhancing our brands may require us to make substantial investments and these investments may not be successful. If we fail to promote and maintain our brands, or if we incur excessive expenses in this effort, our business, operating results, and financial condition will be materially and adversely affected.

Our OTCQX Best Market should be a trusted designation associated with established, high quality companies. Our OTCQB Venture Market should be a trusted designation for innovative and entrepreneurial companies. Our Pink Open Market should be seen as providing a venue for the transparent and seamless electronic trading of these securities while providing the information necessary to investors to properly assess the potential risks of investing in these securities.

Our reputation could be harmed by, among other things, issues related to:

- technology-related failures, including security breaches and cyber-attacks;
- misconduct or fraudulent activity by current or past employees;
- any inaccuracy of our financial statements or other public disclosure;
- any failure to comply with regulatory requirements or negative public statements by regulators;
- the inability to execute our business plan, key initiatives or new business ventures;
- the inability to continue paying dividends on our common stock;
- the inability to keep up with changing customer demand;
- the inability to compete with new entrants into the markets for our services;
- any diminishment in the quality of our products and services;

- negative publicity relating to, or misconduct or fraudulent activity by, OTC Link ATS subscribers;
- negative publicity surrounding us or OTCQX, OTCQB or Pink companies;
- unsuccessful implementation or acceptance of new product and service offerings; and
- extreme volatility in our markets.

Damage to our reputation could harm our business in many ways, including causing broker-dealers to discontinue their use of our OTC Link ATS, causing companies not to choose to trade their securities on, or to remove their securities from, OTCQX or OTCQB, causing current or potential customers to refrain from purchasing market data and causing regulators to scrutinize or impose additional regulations on our operations. Any of these events could adversely affect our business, financial condition and operating results.

The occurrence or perception of unauthorized disclosure of confidential information could harm our business.

In the course of our business, we receive, process, transmit and store certain confidential information. Our treatment of such information is subject to contractual and legal restrictions. While we take measures to protect against unauthorized access to confidential information, these measures may be inadequate. Our failure to adequately protect confidential information may subject us to contractual liability and damages, regulatory actions including fines, loss of business and harm to our reputation. The occurrence of these events, or the mere perception of the breach of confidence on our part, could have an adverse effect on our business.

Our intellectual property rights are valuable and any failure to protect our intellectual property rights, or allegations that we have infringed the intellectual property rights of others, could adversely affect our business, financial condition, and operating results.

Our trademarks, trade secrets, copyrights, pending patents and all of our other intellectual property rights are important assets. Our intellectual property rights are subject to a combination of trademark laws, copyright laws, patent laws, trade secret protection, confidentiality agreements, and other contractual arrangements with our affiliates, subscribers, and others. We may be unable to detect the unauthorized use of, or take appropriate steps to enforce, our intellectual property rights, including with respect to our market data. Failure to protect our intellectual property adequately could harm our reputation and affect our ability to compete effectively. Further, defending our intellectual property rights may require significant financial and other resources.

Third parties may assert intellectual property rights claims against us, which may be costly to defend, could require the payment of damages, and could limit our ability to use certain of our intellectual property or other current functionality. Any such claims, with or without merit, could be expensive to litigate or settle, and could divert management resources and attention. Successful challenges against us could require us to modify or discontinue our use of technology or business processes or require us to purchase licenses from third parties, any of which could adversely affect our business, financial condition and operating results.

There has been considerable controversy in recent years over ownership of market data. We vigorously defend our rights to own and license the use of market data. However, U.S. intellectual property laws continue to be the subject of significant dispute. Any change in existing law that would place in question our intellectual property rights in our market data would have a material adverse effect on this aspect of our business.

Our operating results may fluctuate, which makes our results difficult to predict and could cause our results to fall short of expectations.

Our operating results may fluctuate as a result of a number of factors, many of which are outside of our control, including economic and political market conditions, natural disasters, terrorism, war or other catastrophes, broad trends in industry and finance, price levels and volatility in the stock market, the level and volatility of interest rates, changes in government monetary or tax policy or other legislative and regulatory changes, the perceived attractiveness of the U.S. markets, and inflation. For these reasons, comparing our operating results on a period-to-period basis may not be meaningful, and you should not rely on our past results as an indication of future performance.

We may need additional funds to maintain and grow our business, which may not be readily available.

We depend on the availability of adequate capital to maintain and develop our business. Although we believe that we can meet our current capital requirements from internally generated funds, cash on hand and available borrowings, there are no assurances that additional capital will not be required in the future. If we do not achieve our expected operating results, we may need to reallocate our cash resources. Our failure to fund our capital or credit requirements could have an adverse effect on our business, financial condition, and operating results.

We have no outstanding borrowings under our $1.5 million line of credit with JPMorgan Chase Bank, N.A. ("JPMorgan Chase"). See "*Liquidity and Capital Resources—Line of Credit*." In the event that we draw funds on our line of credit, we would be subject to restrictive covenants that could, among other things, restrict our ability to grant liens, incur additional indebtedness, pay dividends, sell assets, and make certain payments. Our failure to meet any of the covenants could result in an event of default. If an event of default were to occur, and we are unable to receive a waiver of default, our lenders could increase our borrowing costs, restrict our ability to obtain additional borrowings, accelerate all amounts outstanding, or enforce their interest against all collateral pledged. On the other hand, if we were to raise funds through issuing additional equity, our equity holders will suffer dilution.

If the capital and credit markets experience volatility, access to additional capital or credit may not be available on terms acceptable to us or at all.

We are not subject to SEC reporting requirements, which may negatively impact our ability to raise capital.

None of our common stock has been registered with the SEC under the Securities Act or the Exchange Act or qualified under any state securities laws. We do not file annual, quarterly, or current reports or proxy statements with the SEC. This limits our ability to raise capital under certain circumstances. For example, certain investors will not invest in unregistered securities, including in private offerings of securities issued by public companies that do not provide investors with registration rights.

Moreover, our securities are not listed on a national securities exchange. Many states require securities not listed on a national securities exchange comply with state Blue Sky laws before such securities may be traded within the state. We avail ourselves of the Blue Sky "manual exemption" through our inclusion in S&P's Corporation Records and Mergent's OTC Industrial and OTC Unlisted Manuals, and other applicable exemptions and filings; however not all states recognize the manual exemption and there are states in which we have not qualified for an exemption or filing.

If we decide to issue securities in a registered public offering, we will also be required to register our securities under the Exchange Act and, among other things, comply with SEC reporting requirements, which would increase our ongoing costs of operations.

Risks Relating to an Investment in OTC Markets Group's Common Stock

If a more active, liquid trading market for our common stock does not develop, stockholders may be unable to sell their shares quickly or at all.

Historically, our shares have been thinly traded. Prices of thinly traded securities, such as OTC Markets Group's common stock, tend to be more volatile than those traded more actively because just a few trades may affect the market price substantially. Stockholders may not be able to sell their shares quickly or at all, or obtain an expected price, and it may be especially difficult to sell shares during a slow period in the financial markets.

The market price and trading volume of OTC Markets Group's common stock may be volatile and stockholders could lose some or all of their investment.

A variety of market and industry factors may affect the market price of our common stock, regardless of our actual operating performance. This market volatility, as well as the factors listed below, could affect the market price of our common stock, and stockholders may lose some or all of their investment:

- quarterly variations in our results of operations or the results of operations of our competitors;
- operating results may fail to meet investor or analyst expectations;
- additions or departures of key personnel;
- changes in earnings estimates, investors' perceptions, recommendations by securities analysts or failure to achieve analysts' earnings estimates;
- the inability to continue to pay quarterly dividends;
- the announcement of new products or service enhancements by us or our competitors;
- developments in the financial services industry;
- regulatory changes;
- technology failures or outages;
- harm to our brand or reputation; and
- general economic, market and political conditions and other factors.

Our Chief Executive Officer holds over 30% of our issued and outstanding capital stock.

As of December 31, 2015, our Chief Executive Officer, R. Cromwell Coulson, owns 31% of the voting power of our outstanding capital stock. Since he owns a large percentage of our capital stock, he has significant influence over all matters requiring stockholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of the Company or our assets, and he will have such influence for the foreseeable future. This concentrated control may limit the ability of other stockholders to influence corporate matters, and as a result we may take actions that our other stockholders do not view as beneficial. Consequently, the market price of our common stock could be adversely affected.

Provisions of our certificate of incorporation, by-laws, and Delaware law could delay or prevent a change in control of the Company and entrench current management.

Our organizational documents contain provisions that may be deemed to have an anti-takeover effect and may delay, deter, or prevent a change of control, such as a takeover proposal that might result in a premium over the market price for our common stock. Additionally, certain of these provisions make it more difficult to bring about a change in the composition of our board of directors, which could result in entrenchment of current management.

Our certificate of incorporation and by-laws:

- authorize our board of directors to elect directors to fill a vacancy created by the expansion of the board or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors;
- require supermajority stockholder approval to remove directors;
- do not permit stockholders to act by written consent or to call special meetings; and,
- authorize the board, in the event of a tender or other offer for our shares, to advise stockholders not to accept the offer, to create a preferred stock rights agreement and to obtain a more favorable offer from another individual or entity.

Our certificate of incorporation elects the application of Section 203 of the Delaware General Corporation Law, or DGCL. Under Section 203 of the DGCL, a corporation may not engage in a business combination with any holder of 15% or more of its capital stock unless the holder has held the stock for three years or, among other things, the board of directors has approved the transaction. Our board of directors could rely on Delaware law to prevent or delay an acquisition of the Company. See "*Provisions in the Issuer's charter or by-laws that would delay, defer or prevent a change in control of the Issuer.*"

2016 Outlook

This section is comprised primarily of forward-looking statements. See "Cautionary Note Regarding Forward-Looking Statements."

The Company expects to focus its 2016 strategic initiatives on four primary objectives: 1) a continued focus on the reliability of our core systems, processes and data; 2) enhancing the broker-dealer trading experience on OTC Link ATS and the corporate client experience on the OTCQX and OTCQB premium markets; 3) increasing the number of securities traded on our ATS, including the addition of certain Regulation NMS securities, and the breadth and reach of our market data; and 4) preparing for and facilitating secondary trading in Regulation A and other crowdfunded securities.

OTC Link ATS is subject to the requirements of Regulation SCI. During 2015, one of our principal goals was preparation for Regulation SCI, which required a large scale and coordinated effort between the OTC Link ATS team and our infrastructure and development teams. The requirements of Regulation SCI are in line with our priority to develop and maintain reliable core systems, processes and data for our subscribers. Our ongoing Regulation SCI compliance initiatives will continue to strengthen the stability and capacity of our systems.

During 2016, we will continue to invest in our platform, infrastructure and people in order to ensure we have reliable and compliant systems, policies and procedures, and to allow us to further expand our network. We expect that operating expense growth will be primarily concentrated in compensation and benefits and continuous upgrades to our IT and compliance infrastructure. Based on business and strategic requirements, we expect to continue to offer

competitive compensation packages to attract additional employees and retain existing employees.

Our goal is to make existing corporate clients more successful by providing a platform and solutions that allow them to provide timely, high quality, digital disclosure to their investors and stakeholders. Our ability to assist companies in using our services to engage with their investors and demonstrate compliance with securities regulations is important to their long-term success on our markets. In addition, we will enhance our systems and processes to allow us to accommodate the increased number of securities that will be subject to compliance and monitoring.

We plan to expand the breadth and types of securities traded on OTC Link ATS, including the addition of certain Regulation NMS securities that trade with similar volume and frequency to securities already traded on our ATS. We also intend to continue expanding the content and distribution of our market data. We believe that the increase in consumption of our market data will stem from these new types of securities being traded on OTC Link ATS the expansion of our market data distribution network.

We believe the future of public markets, from capital raising through secondary trading, will be online, data-driven and social. Under the JOBS Act and related SEC rules, companies can raise capital through general solicitation of private offerings in unlimited accounts, Regulation, A+ offerings of up to $50 million, and Regulation Crowdfunding offerings of up to $1 million. Regulation. A+ securities will be freely tradable by non-affiliates immediately after the initial offering, while securities sold under general solicitation of private offerings and Regulation Crowdfunding will need to season for at least 1 year before a public trading market can develop. These new online offering types will result in the need for secondary trading markets, and we believe our OTCQX, OTCQB and Pink markets are well positioned to be the markets of choice for this new generation of securities.

PART D. Management Structure and Financial Information

The name of the Chief Executive Officer, members of the Board of Directors, as well as control persons

A. Officers and Directors

R. Cromwell Coulson, President and Chief Executive Officer; Director

R. Cromwell Coulson is President, CEO and a Director of OTC Markets Group. In 1997, Cromwell led a group of investors in acquiring OTC Markets Group's predecessor business, the National Quotation Bureau (NQB). Mr. Coulson led the transformation of what was an opaque and inefficient market into a technology-driven, Open, Transparent and Connected financial market platform. Today, OTC Markets Group operates the OTCQX, OTCQB and Pink markets for over 10,000 securities. Mr. Coulson is a member of the FINRA Market Regulation Committee that advises FINRA on market regulation and trading issues. Prior to the acquisition of NQB, Mr. Coulson was a trader and portfolio manager specializing in distressed and value-oriented investments at Carr Securities Corporation, an institutional market maker. Mr. Coulson received a BBA from Southern Methodist University in Dallas, TX and graduated from the Owner/President Management Program at Harvard Business School. Mr. Coulson is 49 years of age.

Matthew Fuchs, Executive Vice President, Market Data

Matthew Fuchs joined OTC Markets Group in 2007 to help build out the growing product development team. He has over 14 years of experience in the financial technology industry.

Prior to OTC Markets Group, he served as the Director of Product Development for The National Research Exchange (NRE), an equity research start-up. Before NRE he was a Manager/Technology Consultant for Bearing Point and Arthur Andersen. Mr. Fuchs received a BA from Columbia University. Mr. Fuchs is 40 years of age.

Lisabeth Heese, Executive Vice President, Issuer and Information Services

Lisabeth (Liz) Heese joined OTC Markets Group in 2004 as the Director of Issuer and Information Services. Since then, she has built a team responsible for collecting and maintaining corporate and securities data for over 10,000 companies; development, sales and support of company-related products and services; and monitoring company compliance with OTC Markets Group's policies and procedures. Prior to joining OTC Markets Group, Ms. Heese spent 11 years at Nasdaq, serving as a Product Manager in the Trading and Market Services Division for what is currently the FINRA OTC Bulletin Board. Ms. Heese received a BA degree from American University. Ms. Heese is 46 years of age.

Michael Modeski, President, OTC Link LLC

Mike Modeski joined OTC Markets Group in 2011. Mr. Modeski has over 19 years of experience in the financial markets, with a focus on the OTC markets. Previously, Mr. Modeski served as the Director of Broker-Dealer Execution Services and Sales at Citigroup and the Director of Execution Services at Lava Technology, a division of Citigroup. Before working at Citigroup, he was the Director of OTC Equities at FINRA, and held several management positions at Pershing. Mr. Modeski graduated from Lehigh University with a Bachelor of Science in Finance. Mr. Modeski is a member of the Board of Directors of the Security Traders Association of New York (STANY). Mr. Modeski is 44 years of age.

Beatrice Ordonez, Chief Financial Officer

Beatrice (Bea) Ordonez joined OTC Markets Group in 2015 as Chief Financial Officer. Bea has more than 20 years of experience in the financial services industry. Prior to joining OTC Markets Group, Bea served for 13 years as Chief Operations Officer and Managing Director at Convergex Group, a global brokerage and trading-related services provider. Prior to this Bea served as Chief Financial Officer at G-Trade Services, a broker-dealer then owned by Credit Lyonnais Securities Asia, providing global execution and clearing services. Earlier in her career, Bea worked at Marsh & McLennan and held tax consultant roles at both Price Waterhouse (now PWC) and Arthur Andersen. Bea is a member of the Institute of Chartered Accountants in England and Wales and earned her bachelor's degree in Law from the University of Nottingham in England. She holds a FINRA Series 27 license. Ms. Ordonez is 43 years old.

Jason Paltrowitz, Executive Vice President, Corporate Services

Jason Paltrowitz joined OTC Markets Group in October 2013 and is responsible for all international and domestic Corporate Services new business and relationship management. Prior to this, Mr. Paltrowitz was Managing Director and Segment Head at JP Morgan Chase & Co. where he managed the custody, clearing and collateral management business in the Corporate and Investment Bank division. He began his career at Bank of New York Mellon Corp. serving in multiple senior management positions, most notably as Head of Mergers and Acquisitions for the Financial Markets and Treasury Services Sector and Head of the Global Capital Markets Group in the Depositary Receipt Division where he served 11 years. Mr. Paltrowitz was a member of the Board of Directors of OTC Markets Group from 2008 to 2011. Mr. Paltrowitz holds a bachelor's degree in International Relations from Boston University and received his MBA from New York University's Stern School of Business. Mr. Paltrowitz is 43 years of age.

Daniel Zinn, General Counsel

Daniel (Dan) Zinn joined OTC Markets Group as General Counsel and Corporate Secretary in November of 2010. Prior to joining OTC Markets Group, he was a partner at The Nelson Law Firm, LLC, outside counsel to the Company. Mr. Zinn also previously worked in the corporate office of the American International Group (AIG). He received a BS degree from the Pennsylvania State University and earned his JD at the Benjamin N. Cardozo School of Law in New York City, where he served as Associate Editor of the Cardozo Law Review. Mr. Zinn is a member of the American Bar Association. Mr. Zinn is 38 years of age.

Gary Baddeley, Director

Gary Baddeley has served as CEO of TDC Entertainment, an independent entertainment company, since 1997. Previously, Mr. Baddeley served for two years as Vice President and General Manager of Robbins Entertainment. From 1990 to 1996 Mr. Baddeley was an attorney at Phillips Nizer LLP in New York City, specializing in representation of clients in the music and television industries. Mr. Baddeley holds a JD from New York University School of Law and a B.Sc. from Kingston University. Mr. Baddeley is 50 years of age.

Louisa Serene Schneider, Director

Louisa Serene Schneider serves as the Chief Administrative Officer and Head of Investor Relations at Alder Hill Management LP since July 2015. Prior to Alder Hill, Ms. Serene Schneider was the Senior Director for the Heilbrunn Center for Graham & Dodd Investing at Columbia Business School, responsible for all operational aspects of the school's value investing activities including maintaining and developing new programs and initiatives surrounding the Graham & Dodd tradition at Columbia. Ms. Serene Schneider remains an Industry Advisor to the Heilbrunn Center and has taught in Columbia's Executive Education course on Value Investing since 2010. Prior to her work at Columbia, from 2000 to 2008 Ms. Serene Schneider was employed by Morgan Stanley and JPMorgan in several departments, including Mergers & Acquisitions, Fixed Income Research, and Trading. Ms. Serene Schneider received a B.S. from Dartmouth College in Political Science and French and an M.B.A. from Columbia Business School. Ms. Serene Schneider is 39 years of age.

Andrew Wimpfheimer, Director

Andrew Wimpfheimer has been a private investor since 2005. Mr. Wimpfheimer served as Director of AM Capital LLC from 2002 to 2005. From 1995 to 2001, Mr. Wimpfheimer was Managing Director responsible for OTC-Non-Nasdaq Trading at Knight Securities, L.P. From 1988 to 1995 he was an equity trader for Troster Singer Inc., a division of Spear, Leeds & Kellogg, Inc. From 1985 to 1988, Mr. Wimpfheimer was employed by Spear, Leeds & Kellogg Inc., where his duties included work on the NYSE, AMEX, Futures Market and Arbitrage Department, as well as general back office work. From 1980 to 1985, Mr. Wimpfheimer was a New York Stock Exchange floor clerk, trading desk employee and back office trainee for Herzfeld & Stern LLP. Mr. Wimpfheimer received his BA from Macalester College in St. Paul, Minnesota. He attended the Taft School in Watertown, Connecticut as well as the Collegiate School in New York City. Mr. Wimpfheimer is 59 years of age.

Neal Wolkoff, Chairman of the Board of Directors

Neal Wolkoff is the Chairman of OTC Markets Group's Board of Directors. Mr. Wolkoff is a former executive of three exchanges, and is currently a consultant and attorney focusing on futures and securities markets, exchanges, market regulation, operations and clearinghouses. From 2008 to February 2012, Mr. Wolkoff was the Chief Executive Officer of ELX Futures, L.P. From 2005 to 2008, he served as Chairman and Chief Executive Officer of the American Stock

Exchange (AMEX). Prior to the AMEX, Mr. Wolkoff was an executive officer at the New York Mercantile Exchange (NYMEX) from 1981 to 2003, over time serving as Acting President, Chief Operating Officer, and Senior Vice President for Regulation and Clearing. From 1980 to 1981, Mr. Wolkoff was employed as an Honors Program Trial Attorney in the Division of Enforcement of the Commodity Futures Trading Commission. In addition to his role as a non-executive director of OTC Markets Group, Mr. Wolkoff is a non-executive director of World Gold Trust Services, the sponsor of the Exchange Traded Fund "GLD." Mr. Wolkoff received a B.A. from Columbia University and a J.D. from Boston University School of Law, and is a member of the Bar of the State of New York. Mr. Wolkoff is 60 years of age.

Board Memberships and Other Affiliations

Mr. Baddeley is the president and a director of a New York cooperative corporation and a director of Downtown United Soccer Club, Inc., a New York not-for-profit corporation.

Mr. Coulson is an officer of a small New York cooperative corporation.

Mr. Wolkoff is a non-executive director of World Gold Trust Services.

Compensation of Officers and Directors

Beneficial share ownership of Officers and Directors as of March 1, 2016:

Name and Business Address*	Position	Shares Beneficially Owned**	Options Outstanding	Vested Options Outstanding	Note
R. Cromwell Coulson	President, Chief Executive Officer, and Director	3,445,478 Class A 130,838 Class C	-	-	(1)
Beatrice Ordonez	Chief Financial Officer	-	30,000	-	(2)
Matthew Fuchs	Executive Vice President, Market Data	92,324 Class A	21,000	21,000	(3)
Lisabeth Heese	Executive Vice President, Issuer and Information Services	83,277 Class A	5,000	5,000	(4)
Michael Modeski	President, OTC Link LLC	145,723 Class A	50,000	40,000	(5)
Jason Paltrowitz	Executive Vice President, Corporate Services	23,708 Class A	24,000	-	(6)
Dan Zinn	General Counsel	65,714 Class A	20,000	20,000	(7)
Gary Baddeley	Director and Audit Committee Member	135,957 Class A	-	-	
Louisa Serene Schneider	Director and Audit Committee Member	23,247 Class A	-	-	
Andrew Wimpfheimer	Director and Audit Committee Chairman	402,932 Class A	-	-	(8)
Neal Wolkoff	Director and Chairman of the Board	23,247 Class A	-	-	
Officers and Directors as a Group		4,441,607 Class A 130,838 Class C	150,000	86,000	

* All officers and directors may be contacted at OTC Markets Group's address.

** Beneficial share ownership includes vested options, options scheduled to vest within 60 days of March 1, 2016 and stock owned subject to a restricted stock agreement.

(1) Includes 370,000 Class A shares held by Mr. Coulson's wife and 24,800 total Class A shares held equally by two trusts for the benefit of Mr. Coulson's children. Mr. Coulson disclaims beneficial ownership of these securities and this report shall not be deemed an admission that Mr. Coulson is the beneficial owner of these securities for any purpose. Mr. Coulson's wife and children are beneficiaries of the Cromwell Coulson Family 2012 DE Trust, which owns 687,000 Class A shares of the Company. These shares are not included in the number of shares Mr. Coulson beneficially owns, and Mr. Coulson disclaims beneficial ownership of these securities. This report shall not be deemed an admission that Mr. Coulson is the beneficial owner of these securities for any purpose.

(2) Ms. Ordonez's outstanding options consist of 30,000 awarded in January 2016, at an exercise price of $15.15, none of which are vested.

(3) Mr. Fuchs' outstanding options consist of (i) 9,000 awarded in November 2007, at an exercise price of $2.76, all of which are vested, (ii) 7,000 awarded in May 2009, at an exercise price of $2.44, all of which are vested, and (iii) 5,000 awarded in January 2010, at an exercise price of $5.50, all of which are vested.

(4) Ms. Heese's outstanding options consist of 5,000 awarded in January 2010, at an exercise price of $5.50, all of which are vested.

(5) Mr. Modeski's outstanding options consist of 50,000 awarded in April 2011, at an exercise price of $6.28, 40,000 of which are vested and an additional 10,000 of which are scheduled to vest within 60 days of March 1, 2016.

(6) Mr. Paltrowitz's outstanding options consist of 24,000 awarded in May 2014, at an exercise price of $8.65, none of which are vested and 6,000 of which are scheduled to vest within 60 days of March 1, 2015.

(7) Mr. Zinn's outstanding options consist of 20,000 awarded in November 2010, at an exercise price of $6.88, all of which are vested.

(8) Includes 377,810 Class A shares held by the Melinda Wimpfheimer 2012 Irrevocable Trust, of which Mr. Wimpfheimer is a beneficiary.

The following tables set forth the aggregate compensation paid by OTC Markets Group for services rendered by its Executive Officers, during the periods indicated:

OFFICERS

Name and Position	Year Ended	Salary	Bonus	Restricted Stock Awards[1][2]	Option Awards[3]	Restricted Stock Dollar Value	Option Dollar Value
R. Cromwell Coulson President, Chief Executive Officer, and Director	2015	$ 548,485	$ 185,011	11,490	-	$ 185,000	$ -
	2014	$ 532,510	$ 126,000	10,000	-	$ 141,000	$ -
Beatrice Ordonez Chief Financial Officer	2015	$ 260,000 [4]	-	N/A	30,000	N/A	$ 99,553
	2014	N/A	N/A	N/A	N/A	N/A	N/A
Matthew Fuchs Executive Vice President, Market Data	2015	$ 240,000	$ 120,007	7,453	-	119,993	$ -
	2014	$ 215,000	$ 97,006	6,879	-	$ 96,994	$ -
Lisabeth Heese Executive Vice President, Issuer and Information Services	2015	$ 237,000	$ 102,012	6,521	-	$ 104,988	$ -
	2014	$ 215,000	$ 86,004	6,099	-	$ 85,996	$ -
Michael Modeski President, OTC Link LLC	2015	$ 385,000	$ 200,006	12,422	-	$ 199,994	$ -
	2014	$ 350,000	$ 165,002	11,702	-	$ 164,998	$ -
Jason Paltrowitz Executive Vice President, Corporate Services	2015	$ 250,000	$ 145,003	9,006	-	$ 144,997	$ -
	2014	$ 225,000 [5]	$ 112,510	7,978	30,000	$ 112,490	$ 88,726
Dan Zinn General Counsel	2015	$ 243,000	$ 122,010	7,577	-	$ 121,990	$ -
	2014	$ 220,500	$ 95,008	6,737	-	$ 94,992	$ -

Notes:

(1) All restricted stock awards are Class A Common Stock. The 2015 and 2014 restricted stock awards consisted of shares of unvested stock, which vest equally over five years.

(2) The fair market value of the Class A Common Stock was $16.10 at the award date for shares related to the year 2015, and $14.10 at the award date for shares awarded related to the year 2014.

(3) The option awards are convertible into Class A Common stock and vest in equal annual installments over five years. The fair market value was determined by using the Black-Scholes valuation method at the time of issuance.

(4) The salary for Ms. Ordonez is presented on an annualized basis as she commenced employment during 2015.

(5) The salary for Mr. Paltrowitz is presented on an annualized basis as he commenced employment during 2014. Prior to becoming an employee, Mr. Paltrowitz served as an independent consultant to OTC Markets Group during 2014 and was paid $57,068.

DIRECTORS

Name	Year Ended	Director's Fees[(1)]	Share Awards[(2)]	Share Value[(3)]
Gary Baddeley	2015	$ 45,005	2,622	$ 37,495
	2014	$ 22,500	7,500	$ 80,644
Louisa Serene Schneider	2015	$ 45,005	2,622	$ 37,495
	2014	$ 22,500	7,500	$ 80,644
Andrew Wimpfheimer	2015	$ 52,505	2,622	$ 37,495
	2014	$ 25,000	7,500	$ 80,644
Neal Wolkoff	2015	$ 77,505	2,622	$ 37,495
	2014	$ 33,750	7,500	$ 80,644

Notes:

(1) Represents fees of $9,375 for each of the two regularly scheduled meetings of the Board of Directors during the third and fourth quarter of 2015, and $3,750 for each of two regularly scheduled meetings during the first and second quarter of 2015 and the four regularly scheduled meetings during 2014. In each of 2015 and 2014, an additional $7,500 was paid to Mr. Baddeley and Ms. Serene Schneider as members of the audit committee. An additional $12,500 and $10,000 was paid to Mr. Wimpfheimer as chairman of the audit committee in 2015 and 2014, respectively. An additional $32,500 and $18,750 was paid to Mr. Wolkoff as chairman of the Board of Directors in 2015 and 2014, respectively.

(2) All share awards are of Class A Common Stock that vests in equal quarterly installments over the 12 months immediately subsequent to the date of grant.

(3) The fair market value of the Class A Common Stock was $14.30 per share for the 2015 share award and $12.25 per share for the 2014 share award.

B. Legal/Disciplinary History

None of the officers, directors, promoters, or control persons of OTC Markets Group has, in the past five years, been the subject of any of the following:

- A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
- Any bankruptcy petition filed by or against any business of which such person was a general partner, or executive officer either at the time of the bankruptcy or within two years prior to that time;
- The entry of an order, judgment or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended, or otherwise limited such person’s involvement in any type of business, securities, commodities, or banking activities;
- A finding or judgment by a court of competent jurisdiction (in a civil action), the Commission or the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or
- The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person’s involvement in any type of business or securities activities.

C. Disclosure of Family Relationship

None.

D. Disclosure of Related Party Transactions

None

E. Disclosure of Conflicts of Interest

None.

Beneficial Owners

As of December 31, 2015, the following shareholders beneficially own 5% or more of OTC Markets Group's Common Stock:

Name and Address of Shareholder	Membership Class	Shares Beneficially Owned	Ownership Percentage of Class Outstanding	Note
R. Cromwell Coulson 304 Hudson Street, 3rd Floor New York, NY 10013	Class A Class C	3,445,478 130,838	30.8% 100.0%	(1)
Cromwell Coulson Family 2012 DE Trust	Class A	687,000	6.1%	
Claudia Carucci	Class A	562,582	5.0%	

(1) Includes 370,000 Class A shares held by Mr. Coulson's wife and 24,800 total Class A shares held equally by two trusts for the benefit of Mr. Coulson's children. Mr. Coulson disclaims beneficial ownership of these securities and this report shall not be deemed an admission that Mr. Coulson is the beneficial owner of these securities for any purpose. Mr. Coulson's wife and children are beneficiaries of the Cromwell Coulson Family 2012 DE Trust, which owns 687,000 Class A shares of the Company. These shares are not included in the number of shares Mr. Coulson beneficially owns, and Mr. Coulson disclaims beneficial ownership of these securities. This report shall not be deemed an admission that Mr. Coulson is the beneficial owner of these securities for any purpose.

OTC Markets Group is not aware of any additional beneficial shareholders owning 5% or more of our Common Stock. It is possible that there are one or more additional beneficial holders of a significant percentage of our Common Stock, however the federal securities laws do not require a beneficial shareholder of 5% or more of our Common Stock to disclose that information publicly or to the Company. The table above is based on the best information available to the Company.

The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure

1. Investment Banker: None
2. Promoters: None
3. Disclosure Counsel: The Nelson Law Firm, LLC
   445 Hamilton Avenue, Suite 1102
   White Plains, NY 10601
   Tel: (914) 220-1900
   Fax: (914) 610-7456
   www.thenelsonlawfirm.com
   Email: sjnelson@nelsonlf.com

4.	Auditor:	Deloitte & Touche LLP 30 Rockefeller Plaza New York, NY 10112 Tel: (212) 492-4000 Fax: (212) 489-1687 www.deloitte.com

Preparation of OTC Markets Group's consolidated financial statements is the responsibility of OTC Markets Group management. Deloitte & Touche LLP is responsible for expressing an opinion on the consolidated financial statements for the year ended December 31, 2015, based on their audit. During 2015 and 2014, we incurred audit fees from Deloitte & Touche LLP of $271 thousand and $260 thousand, respectively, related to the audits of the financial statements of OTC Markets Group Inc. and OTC Link LLC. During 2015 and 2014 we did not incur any other audit-related or other fees from Deloitte & Touche LLP.

Deloitte & Touche LLP has confirmed to us that the firm is licensed to practice public accounting in the states in which we conduct our business. Deloitte & Touche LLP is registered with the PCAOB.

5.	Public Relations Consultant:	None
6.	Investor Relations Consultant:	None
7.	Corporate Secretary:	Daniel Zinn, General Counsel
8.	Any Other Advisor:	None

Selected Financial Data

The selected financial data set forth below should be read in conjunction with our consolidated financial statements, the notes to financial statements, and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," included in this Annual Report.

The statement of income data for the years ended December 31, 2015, 2014, 2013, 2012 and 2011 as well as the balance sheet data at December 31, 2015, 2014, 2013, 2012 and 2011 are derived from our audited consolidated financial statements.

	Year Ended December 31,				
(in thousands, except per share data)	2015	2014	2013	2012	2011
OTC Link ATS	$ 11,796	$ 12,019	$ 11,437	$ 11,640	$ 11,773
Market data licensing	20,609	20,334	14,741	14,081	13,680
Corporate services	17,504	9,862	9,331	9,305	7,498
Gross revenues	49,909	42,215	35,509	35,026	32,951
Net revenues	47,530	39,827	33,640	33,184	30,763
Total operating expenses	30,664	26,925	25,342	24,228	23,657
Income from operations	16,866	12,902	8,298	8,956	7,106
Net income	$ 10,258	$ 7,890	$ 5,631	$ 5,477	$ 4,852
Net income per share					
Basic	$ 0.91	$ 0.71	$ 0.51	$ 0.51	$ 0.46
Diluted	$ 0.88	$ 0.69	$ 0.51	$ 0.51	$ 0.45
Weighted-average shares outstanding					
Basic	11,008,095	10,833,874	10,677,340	10,539,142	10,473,811
Diluted	11,289,185	11,137,625	10,763,773	10,608,516	10,540,818

	December 31,				
(in thousands)	2015	2014	2013	2012	2011
Cash and cash equivalents	$ 23,925	$ 20,272	$ 18,936	$ 13,611	$ 10,170
Working capital	13,936	14,070	14,679	10,125	8,827
Total long-term liabilities	867	954	974	1,176	1,598
Total stockholders' equity	$ 17,547	$ 18,251	$ 18,704	$ 14,515	$ 12,872

Note: For purposes of comparative presentation, website advertising revenues for the years ended December 31, 2012 and 2011 have been reclassified to the Market Data Licensing business line from the Corporate Services business line.

Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of financial condition and results of operations of OTC Markets Group Inc. ("OTC Markets Group") in conjunction with Parts A, B and C of this Annual Report and our consolidated financial statements and notes thereto that are attached as Exhibit 1.1 to this Annual Report. In addition to historical information, this discussion contains forward-looking statements which involve a number of risks and uncertainties that could cause our actual results to differ materially from those reflected in the forward-looking statements. Forward-looking statements can be identified by use of the words "expect," "project," "may," "might," "potential," and similar terms. OTC Markets Group cautions readers that any forward-looking information is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking information. Forward-looking statements involve a number of risks, uncertainties or other factors beyond OTC Markets Group's control. These factors include, but are not limited to, our ability to implement our strategic initiatives, economic, political and market conditions and price fluctuations, government and industry regulation, U.S. and global competition, and other factors. Factors that could cause or contribute to such differences include, but are not limited to, those discussed under the heading "Risk Factors" in this Annual Report. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Trends in Our Business

Corporate Services

There continues to be an upswing in recognition and acknowledgement of our OTCQX, OTCQB and Pink markets and the companies traded on each market, which we expect in the long-term will add to the value of our markets and market data and result in increased revenues in our Corporate Services and Market Data Licensing business lines. The SEC completed rulemaking on Regulation A+ and Crowdfunding during 2015, which we expect will lead to the creation of more companies that will ultimately trade on our markets.

The OTCQX Best Market for established, global and growth companies, has continued to increase the visibility of qualified companies' securities and provides those companies and their investors with many of the benefits of a national securities exchange listing without the associated costs and complexities.

On December 14, 2015, OTC Markets Group introduced enhancements to the OTCQX Rules. These changes were designed to elevate the quality of the OTCQX Best Market and improve regulatory recognition of the OTCQX market. The new rules, including a fee increase, became effective on January 1, 2016 for companies joining OTCQX after that date. Companies on OTCQX as of December 31, 2015 will fall under the new rules and fee structure beginning on January 1, 2017.

The total dollar volume of trading on the OTCQX market for the year ended December 31, 2015 increased 16% to $42.0 billion. The volume traded on OTCQX represented 21% of the total dollar volume of trading on OTCQX, OTCQB and Pink. This continues the trend of increasing volume in OTCQX securities, following a 22% increase in 2014, due in part to the inclusion of home country securities with the already trading ADRs of many OTCQX International companies.

The OTCQX market is divided into OTCQX U.S., OTCQX for Banks and OTCQX International. OTCQX for Banks, a subset of the OTCQX market for U.S. companies that is specifically aimed

at meeting the needs of community and regional banks, continued to grow in 2015 with the addition of 48 new banks. As of December 31, 2015, there were 81 banks from 26 states traded on OTCQX, 9% of which went public on OTCQX.

As of December 31, 2015, 424 companies were traded on the OTCQX Market, including 145 OTCQX U.S. companies and 279 OTCQX International companies, as compared to 71 OTCQX U.S. companies and 306 OTCQX International companies as of December 31, 2014. The 424 companies represented the highest year-end total since the inception of the OTCQX market in 2007.

The OTCQB Venture Market provides public trading for developing companies with standards that promote price transparency and facilitate public disclosure. The OTCQB standards require companies to remain current in their reporting to the SEC or other applicable regulator, and to provide additional information to investors. Prior to May 2014, OTCQB was not a premium market, and included all companies that were SEC registered and current in their reporting, and banks current in reporting with their applicable regulator. During 2015, we completed the transition of OTCQB into a premium market, and introduced our OTCQB standards and eligibility requirements on the remaining OTCQB companies. As a result of the introduction of these higher standards throughout 2014 and 2015, more than 1,200 companies were downgraded from the OTCQB Venture Market to the Pink Open Market. As of December 31, 2015, there were 942 verified companies on the OTCQB Venture Market, compared to 2,252 total OTCQB companies at the end of 2014. As a result of the reduction in total companies on OTCQB combined with declines in trading for certain high volume OTCQB securities, overall dollar volume of trading on the OTCQB market declined 68% during 2015.

During the year ended December 31, 2015, 60 companies graduated from the OTCQX, OTCQB and Pink markets to a national securities exchange listing, compared to 9 graduates from the TSX Venture market in Canada and 4 graduates from the UK's AIM market.

OTC Link ATS had 119 broker-dealer subscribers quoting approximately 10,000 securities during 2015. The total dollar volume of trades in OTCQX, OTCQB and Pink securities, including transactions executed away from OTC Link ATS, decreased 16% to $199.7 billion during the year ended 2015, which is reflective of lower trading volumes across the industry.

OTC Link ATS introduced a new pricing structure for quotes and messages effective July 1, 2015. Under the new structure, broker-dealer subscribers may quote securities traded on the OTCQX Best and OTCQB Venture markets at no cost. The pricing changes are designed to encourage quoting in OTCQX and OTCQB securities, and we believe will result in greater depth of book.

We evaluate both the current and future period impact of increased costs related to our headcount and IT infrastructure and recognize the importance of attracting and retaining the talent required to develop our service offerings and manage our infrastructure. During 2015, we continued to make significant investments both in our personnel and in our systems and infra-structure. We believe such investment is necessary if we are to remain competitive in business and compliant with our regulatory obligations.

How OTC Markets Group Generates Revenues

OTC Markets Group generates a majority of its revenues through a subscription model. As a result, the majority of our revenues are contract based and recurring in nature. For example, once a broker-dealer decides to trade using OTC Link ATS, that broker-dealer typically continues to subscribe to our services, with variable monthly user and usage levels, until it ceases to be active in trading securities on the OTCQX, OTCQB and Pink markets. The market data redistributors that offer our market data to their subscribers have historically remained

long-term clients. We pay redistribution fees, the majority of which are paid to redistributors of our Market Data Licensing subscription licenses.

OTC Link ATS

Our OTC Link ATS business is operated by our wholly-owned subsidiary, OTC Link LLC, an SEC registered ATS that empowers broker-dealer subscribers to provide investors with a superior trading experience. OTC Link ATS directly links a diverse network of leading U.S. broker-dealers providing liquidity and execution services in a wide spectrum of U.S. and global securities. OTC Link ATS's real-time price transparency and connectivity offers broker-dealers control of trades and choice of counterparties so they can efficiently provide best execution, attract order flow and comply with FINRA and SEC regulations.

For automated trading and integration with third party OMS and direct access trading systems, we offer "Fixie," a real-time FIX Protocol that allows fully-electronic submission and receipt of quotes, trade messages, and drop copy confirmations.

OTC Link ATS generates revenues by offering a suite of quotation and trade-messaging services, as well as the QAP One Statement service, to a diverse network of broker-dealers operating as market makers, agency brokers and ATSs, including ECNs. Gross revenues from our OTC Link ATS business line accounted for approximately 24% and 29% of the Company's gross revenue during 2015 and 2014, respectively.

Broker-dealers pay monthly license, subscription, and connectivity fees to use OTC Link ATS. Our OTC Dealer® application provides broker-dealers a user interface into OTC Link ATS. OTC Dealer, together with separately priced add-on applications, shows a full real-time level 2 quote montage, tickers, and multiple watch lists for securities traded on OTC Link ATS. OTC Dealer also provides users access to analytics and information, including corporate action data and advanced search capabilities for broker-dealer activity, quotes, inside markets and trades, security changes, and trader open/close activity. Fees for use of the OTC Dealer application are based on the number of authorized users per subscriber and are discounted in graduated amounts in relation to total users per subscriber.

OTC Link ATS's FINRA member broker-dealer subscribers pay per security usage fees to (i) publish quotes and (ii) communicate and negotiate with counterparties on OTC Link ATS. Monthly OTC Link ATS position fees are based on the number of daily quote positions in Pink securities, with tiered pricing arrangements based on volume. Monthly OTC Link ATS message fees are based on the daily number of securities on OTC Link ATS for which trade messages are sent or received, with tiered pricing arrangements based on volume. The daily quoting and messaging fees allows subscribers to make unlimited quote updates in a single security and to send and receive an unlimited number of trade messages in a security on a given day.

Market Data Licensing

We generate Market Data Licensing revenues by providing our subscribers with access to the extensive market data, company data and security information collected through our OTC Link ATS and Corporate Services business lines. Our market data includes real-time, end-of-day, historical quotation, company financial, security master, company reference and compliance data for securities traded on our markets. Gross revenues from our Market Data Licensing business line accounted for approximately 41% and 48% of the Company's gross revenue during 2015 and 2014, respectively.

Investors, traders, institutions, accountants, and regulators pay us monthly license fees to access this information. We offer a suite of market data licenses, priced at per enterprise or per subscriber rates, through direct connectivity, extranet connectivity, and third party market data

redistributors/OMS. Depending on the license type, subscribers may distribute the market data on an internal-only basis, to clients, or to the public. We generate a majority of our market data revenues from sales through market data redistributors. Certain of our market data license agreements include redistribution fees and rebates, which represented 12% of Market Data Licensing gross revenue for each of 2015 and 2014.

Pricing information for each of our market data licenses is publicly available on our website.

During early 2015, we also offered OTCQuote®; a web-based, real-time, view-only quote service designed for agency traders, institutional investors, compliance officers and regulators that needed to stay abreast of market activity in OTCQX, OTCQB and Pink securities. OTCQuote was retired in April 2015 and users were migrated to a view-only version of the OTC Dealer product.

We also charge for the right to display advertisements on www.otcmarkets.com.

Corporate Services

We generate Corporate Services revenues by offering services that are designed to create better informed and more efficient trading by fostering greater availability of company disclosure, promoting price transparency, facilitating communication, demonstrating compliance and mitigating risk for our corporate clients. We operate the OTCQX Best Market; the OTCQB Venture Market; and offer a suite of services to companies trading on all of our markets. These premium services include the OTC Disclosure & News Service for posting financial reports, disclosure documents and news releases, either stand-alone or through integrated third-party newswire providers; Real-Time Level 2 Quote Display, a service that companies sponsor to provide their investors with access to free real-time level 2 quotes on www.otcmarkets.com and the company's website; and the Blue Sky Monitoring Service for analysis, review, and guidance about a company's compliance with each U.S. state's securities laws. Gross revenues from our Corporate Services business line accounted for approximately 35% and 23% of the Company's gross revenue during 2015 and 2014, respectively.

Companies that choose to have their securities designated as OTCQX securities do so annually, on a calendar-year basis. All companies traded on the OTCQX market pay a one-time application fee and annual fees each year. These fees are fixed and do not vary based on outstanding shares, market capitalization, market segment or otherwise. Companies on OTCQX also receive the OTC Disclosure & News Service, Real-Time Level 2 Quote Display, and Blue Sky Monitoring Service.

The OTCQB Venture Market provides public trading for innovative and entrepreneurial companies that meet the OTCQB standards. These companies receive a package of services that are designed to promote price transparency and facilitate public disclosure, and pay a one-time application fee and annual fees upon renewal. These fees are fixed and do not vary based on outstanding shares, market capitalization, market segment or otherwise.

Pink companies may subscribe separately to the OTC Disclosure & News Service, Real-Time Level 2 Quote Display, and Blue Sky Monitoring Service. Companies can choose to subscribe to these services through subscription fees primarily paid on an annual basis.

Each of these services is available to companies that sign up to receive free access to our www.otciq.com secure web portal.

Financial Highlights

For the year ended December 31, 2015, OTC Markets Group reported gross revenues and income from operations of $49.9 million and $16.9 million, respectively. This compares to gross

revenues and income from operations of $42.2 million and $12.9 million, respectively, for the year ended December 31, 2014.

Gross revenues increased $7.7 million, or 18%, primarily driven by a 77% growth in the Corporate Services business line primarily due to the growth in OTCQB verified companies. In addition, the Market Data Licensing business line generated 1% higher revenues and OTC Link ATS revenues decreased 2% during 2015.

Income from operations increased $4.0 million, or 31%, and operating profit margin expanded to 35% in 2015 from 32% in 2014. The increase in income from operations and expansion in operating profit margin was primarily driven by higher Corporate Services revenues and controlled increases in operating expenses.

Financial Results

Our three business lines – OTC Link ATS, Market Data Licensing and Corporate Services – provide a wide variety of services to broker-dealers, corporate clients, investors, market data distributors and regulators. We believe our elegant, reliable and cost-effective subscription-based services allow us to maintain our leading market position as a financial and technology services provider. Each business line has distinct services and fees, including OTC Link ATS subscription service and usage based fees, Market Data distribution and licensing fees and Corporate Services application and annual fees. Growth from each business line promotes growth in the others because our services are complementary in nature.

Consolidated Results From Operations

Year Ended December 31, 2015 Versus Year Ended December 31, 2014

The table below presents comparative information from the Company's consolidated income statements for the years ended December 31, 2015 and 2014.

	Year Ended December 31,		
(in thousands, except shares and per share data)	2015	2014	% change
Gross revenues	$ 49,909	$ 42,215	18%
Net revenues	47,530	39,827	19%
Operating expenses	30,664	26,925	14%
Income from operations	16,866	12,902	31%
Operating profit margin	*35%*	*32%*	
Income before provision for income taxes	16,893	12,911	31%
Net income	$ 10,258	$ 7,890	30%
Diluted earnings per share	$ 0.88	$ 0.69	28%
Weighted-average shares outstanding, diluted	11,289,185	11,137,625	1%

Revenues

The following table presents OTC Markets Group's gross revenue by business line and consolidated net revenue for the years ended December 31, 2015 and 2014.

	Year Ended December 31,		
(in thousands)	2015	2014	% change
OTC Link ATS	$ 11,796	$ 12,019	(2%)
Market data licensing	20,609	20,334	1%
Corporate services	17,504	9,862	77%
Gross revenues	49,909	42,215	18%
Redistribution fees and rebates	(2,379)	(2,388)	-
Net revenues	$ 47,530	$ 39,827	19%

Gross revenues increased $7.7 million, or 18%, to $49.9 million during 2015. The increase was primarily related to growth in Corporate Services revenues.

The changes in gross revenues during 2015, as compared to the same prior year period, are further described below:

- OTC Link ATS revenues decreased $223 thousand, or 2%, to $11.8 million during 2015. An updated FIX connection pricing schedule, new OTC Dealer internet connection charge, increased OTC Dealer license fee introduced in the second half of 2014 and addition of the OTC Dealer View Only service in April 2015 resulted in an increase in revenue of $636 thousand, or 14%. This increase was partially offset by a decrease in quote position revenue of $520 thousand, or 14%, due to the elimination of fees for securities quoted on the OTCQX Best and OTCQB Venture markets. QAP One Statement service fees decreased $260 thousand, or 40%, primarily due to lower trading activity on OTC Link ATS, and the retirement of the OTCQuote.com service resulted in a decrease of $225 thousand, or 61%. Former OTCQuote.com subscribers were transitioned to the new OTC Dealer View Only service in May 2015.
- Market Data Licensing revenues increased $275 thousand, or 1%, to $20.6 million during 2015. Revenue from user license subscriptions, which includes professional and non-professional user licenses, increased $147 thousand, or 1%, primarily due to the growth in the number of professional user licenses. Revenue from enterprise license subscriptions, which includes broker-dealer enterprise licenses, internal system licenses, derived data licenses and real-time delayed licenses, increased $182 thousand, or 6%, primarily due to an increase in internal system licenses. Revenue from data license subscriptions, which includes security data file, company data file, compliance data file and history data file, increased $106 thousand, or 47%, due to an increase in compliance data file and security data file license subscriptions.
- Corporate Services revenues increased $7.6 million, or 77%, to $17.5 million during 2015. OTCQB revenues were $7.6 million during 2015, as compared to $576 thousand during 2014. The increase was driven by the growth in the number of OTCQB subscribers to 942 from 311 as of December 31, 2015 and 2014, respectively. Certain of these additions had a limited revenue impact due to the timing of approvals, but will be recognized over each company's annual subscription period. OTCQX subscription revenue grew $667 thousand, or 12%, to $6.3 million due to a 12% increase in the number of OTCQX companies, concentrated in OTCQX Banks, from the same prior year period. These increases were partially offset by an $88 thousand, or 2%, decline in

revenue from service subscriptions due to higher turnover of existing subscribers and subscribers transitioning to the OTCQB market.

Operating Expenses

The following table presents OTC Markets Group's consolidated operating expenses for 2015 and 2014.

	Year Ended December 31,		
(in thousands)	2015	2014	% change
Compensation and benefits	$ 18,716	$ 15,632	20%
IT Infrastructure and information services	4,860	4,319	13%
Professional and consulting fees	1,811	1,825	(1%)
Marketing and advertising	1,291	1,330	(3%)
Occupancy costs	1,484	1,465	1%
Depreciation and amortization	1,692	1,543	10%
General, administrative and other	810	811	-
Total operating expenses	$ 30,664	$ 26,925	14%

Operating expenses increased $3.7 million, or 14%, to $30.7 million in 2015.

The changes in operating expenses during 2015, as compared to the same prior year period, are further described below:

- Compensation and benefits costs increased $3.1 million, or 20%, to $18.7 million during 2015, primarily related to annual compensation increases, higher salaries of new employees and a higher bonus accrual based on anticipated revenue growth, which had a combined effect of increasing salary, bonus and payroll tax expenses by $2.2 million, or 17%. Increased Corporate Services sales resulted in a $281 thousand, or 89%, increase in commission expense. The increase in restricted stock awards and options outstanding and growth in our stock price contributed to the $314 thousand, or 33%, increase in employee stock based compensation expense. As a percentage of gross revenues, compensation and benefits costs increased to 38% during 2015, as compared to 37% during 2014.
- IT Infrastructure and information services costs increased $541 thousand, or 13%, to $4.9 million during 2015, primarily due to increased spending on third party information services and software to improve monitoring and support of our applications and systems.
- Professional and consulting fees decreased $14 thousand, or 1%, to $1.8 million during 2015. The decrease was primarily related to a $133 thousand, or 13%, reduction in consultant fees, which was partially offset by a $114 thousand, or 57%, increase in legal fees, mainly related to regulatory compliance.
- Depreciation and amortization expense increased $149 thousand, or 10%, to $1.7 million during 2015, primarily due to depreciation on new capital expenditures for our data centers.

Income from operations

Income from operations increased $4.0 million, or 31%, to $16.9 million during 2015 from $12.9 million during 2014, and operating profit margin expanded to 35% in 2015 from 32% in 2014. The growth in Corporate Services revenue was the largest contributor to the increase in

operating income and expansion in margin, although this growth was partially offset by increases in compensation and benefits and IT infrastructure and information services costs.

Net Income

Net income increased $2.4 million, or 30%, to $10.3 million during 2015, primarily due to a $4.0 million increase in income from operations that was partially offset by a $1.6 million increase in the provision for income taxes. The Company's effective tax rate remained flat at 39% primarily due to an increase in the federal statutory rate being offset by a reduction in the state and local rate resulting from changes in estimates related to state and local apportionment rates.

Liquidity and Capital Resources

Our liquidity is primarily derived from our working capital and cash flows from operations. We require cash to support our current operating levels, fund strategic growth initiatives, develop new services and enhance existing services, make capital expenditures, fund dividends, and pay federal, state and local corporate taxes. We expect that our operations will provide sufficient cash to fund our strategic initiatives. We have no outstanding debt and $1.5 million available under our line of credit.

The following table summarizes our cash available for operations, which consists of cash, as of December 31, 2015 and 2014, and sources and uses of cash flows during 2015 and 2014.

	December 31,		
(in thousands)	2015	2014	% change
Cash available for operations	$ 23,925	$ 20,272	18%

	Year Ended December 31,		
	2015	2014	% change
Cash provided by operating activities	$ 17,107	$ 12,502	37%
Cash used in investing activities	(940)	(1,582)	(41%)
Cash used in financing activities	(12,514)	(9,584)	31%

Cash available for operations

Cash available for operations increased by $3.7 million to $23.9 million as of December 31, 2015. The Company generated $17.1 million of cash from operations during the year ended December 31, 2015, which was used in part to fund our dividend payments of $12.1 million, our investments in infrastructure of $940 thousand and our stock buybacks of $817 thousand.

Cash provided by operating activities

Cash provided by operating activities during 2015 was $17.1 million, as compared to $12.5 million during 2014. Cash flows from operations were higher during 2015 as compared to 2014, primarily due to the $2.4 million increase in net income and increased prepayments due to the timing and amounts of tax and other payments.

Cash used in investing activities

Cash used in investing activities during 2015 was $940 thousand, as compared to $1.6 million during 2014. The cash used during both fiscal years was primarily related to purchases of IT equipment for our upgraded data centers.

Cash used in financing activities

Cash used in financing activities during 2015 was $12.5 million, as compared to $9.6 million during 2014. The cash used in both fiscal years was primarily for dividends paid to holders of

our Class A common stock, which increased $3.0 million to $12.1 million during 2015, primarily related to an increase in the special dividend during the fourth quarter from $0.50 in 2014 to $0.60 in 2015. In addition, there was a $0.04 increase to the quarterly dividend during the third and fourth quarters of 2015, as compared to the first and second quarters of 2015 and each of the four quarterly dividends that were paid during fiscal year 2014.

Capital resources and working capital

OTC Markets Group's working capital at December 31, 2015 was $13.9 million, which decreased $134 thousand, or 1%, from $14.1 million at December 31, 2014. Working capital includes certain non-operating assets and liabilities, such as prepaid income taxes, deferred tax assets and liabilities and income taxes payable. The decline in working capital during the year ended December 31, 2015 was primarily attributable to the increase in deferred revenue generated from an increase in corporate clients and the $501 thousand decrease in prepaid income taxes due to the timing of tax payments. These movements were partially offset by the $3.7 million increase in cash and $408 thousand increase in accounts receivable related to higher sales in 2015.

Line of Credit

On July 7, 2012, the Company entered into a line of credit with JPMorgan Chase (the "Line of Credit") that made up to $1.5 million available. The Line of Credit has been extended through June 30, 2016. We have not drawn funds on the Line of Credit. Under the terms of the Line of Credit, we agreed to fulfill certain affirmative and negative covenants and other specified terms. At December 31, 2015, the Company was in compliance with all of the covenants and other terms of the Line of Credit.

Operating Leases

We have entered into operating lease agreements for our offices and recognize rent expense on a straight-line basis over the term of the lease. See "*Nature and extent of the issuer's facilities*."

Off-Balance Sheet Arrangements

None.

Part E. Issuance History and Financial Information

List of the securities offerings and shares issued for services in the past two years

CLASS A COMMON STOCK AND OPTIONS ISSUED

The following table sets forth information concerning the equity securities issued during the fiscal years 2014 and 2015:

Month of Grant	Award Type	Awards Issued	Weighted Average Exercise or Grant Price	Grant Class
2014				
January	Restricted Stock	161,885	$7.75	Employee
January	Option Grant	5,000	$7.61	Employee
March	Option Grant	6,000	$8.45	Employee
May	Option Grant	61,500	$8.80	Employee
June	Option Grant	14,500	$11.25	Employee
July	Option Grant	12,000	$12.00	Employee
August	Restricted Stock	30,000	$12.25	Director
August	Option Grant	3,950	$12.65	Employee
September	Option Grant	50,500	$12.90	Employee
October	Option Grant	13,000	$14.34	Employee
November	Option Grant	28,500	$14.44	Employee
December	Option Grant	16,750	$14.41	Employee
2015				
January	Restricted Stock	105,785	$14.10	Employee
February	Option Grant	33,000	$15.35	Employee
March	Option Grant	9,000	$16.40	Employee
April	Option Grant	24,000	$15.80	Employee
May	Option Grant	52,000	$16.25	Employee
June	Option Grant	14,900	$15.00	Employee
August	Restricted Stock	10,488	$14.30	Director
August	Option Grant	12,000	$14.22	Employee
September	Option Grant	18,000	$14.03	Employee

Notes:

a. All awards are of Class A Common Stock.

b. All option grants are issued pursuant to the Company's 2009 Equity Incentive Plan and vest 20% each year the employee remains employed with OTC Markets Group.

c. Shares issued pursuant to a restricted stock award contain a legend stating that the shares have not been registered under the Securities Act or any state securities laws and setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

d. Shares issued to Directors were part of each Director's annual compensation.

Financial information for the issuer's most recent fiscal period and for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence

Copies of the audited Consolidated Financial Statements of OTC Markets Group as of December 31, 2015 and 2014 and for the years ended December 31, 2015, 2014 and 2013, including the Consolidated Balance Sheets, Consolidated Statements of Income, Consolidated Statements of Stockholders' Equity, Consolidated Statements of Cash Flows, and Notes to the Consolidated Financial Statements, are attached hereto as Exhibit 1.1. The attached Consolidated Financial Statements and the notes thereto are hereby incorporated by reference into this Annual Report.

Part F. Exhibits

1 Consolidated Financial Statements

1.1 Financial information for the years ended December 31, 2015, December 31, 2014 and December 31, 2013

2 Issuer's Certifications

2.1 Certification of principal executive officer

2.2 Certification of principal financial officer

3 Material Contracts

3.2 Lease Agreement by and between Pink Sheets LLC and The Rector, Church-Wardens and Vestrymen of Trinity Church in the City of New York for space at 304 Hudson Street, New York, NY (incorporated herein by reference to Exhibit 3.2 to the Initial Disclosure Statement filed on September 15, 2009)

3.3 Lease Agreement by and between OTC Markets Group Inc. and NW 100 M Street LLC for space at NW 100 M Street, Washington, D.C. (incorporated by reference to Exhibit 3.5 to the 2010 Annual Report filed on March 31, 2011)

3.4 Employment Agreement dated as of May 1, 2011, and amended as of May 5, 2014 and May 5, 2015, by and between OTC Markets Group Inc. and R. Cromwell Coulson (Chief Executive Officer)

3.5 "Key Man" Life Insurance Policy for R. Cromwell Coulson (incorporated herein by reference to Exhibit 3.5 to the Initial Disclosure Statement filed on September 15, 2009)

3.6 Comprehensive Services Agreement dated as of October 24, 2012 between ADP, Inc. and OTC Markets Group Inc. (incorporated herein by reference to Exhibit 3.8 to the 2012 Annual Report filed on March 12, 2013)

4 Customer Contracts

The following documents may be found on our website at www.otcmarkets.com

4.1 OTC Link Broker-Dealer Subscriber Agreement

4.2 Market Data Distribution Agreement

4.3 Market Data Subscription Agreement

4.4 OTCQX Application for U.S. Companies

4.5 OTCQX Agreement for U.S. Companies

4.6 OTCQX Application for U.S. Banks

4.7 OTCQX Agreement for U.S. Banks

4.8 OTCQX Application for International Companies

4.9 OTCQX Agreement for International Companies

4.10 OTCQB Application and Agreement

4.11 OTCIQ Basic – Order Form

4.12 OTCQX Advisor Application

4.13 OTCQX Advisor Agreement

4.14 OTCQX Advisor/PAL Application

4.15 OTCQX Advisor/PAL Agreement

4.16 Application to Serve as a Corporate Broker

4.17 Agreement to Serve as a Corporate Broker

4.18 Issuer Appointment of an OTCQX Advisor; Issuer Appointment of a Corporate Broker; Issuer Appointment of an Attorney or Investment Bank Principal American Liaison; Issuer Appointment of an ADR Depositary Principal American Liaison

4.19 Advertising Agreement

5 Certificate of Incorporation and By-laws

5.1 Certificate of Incorporation (incorporated herein by reference to Exhibit 5.1 to the Initial Disclosure Statement filed on September 15, 2009)

5.2 By-laws (incorporated herein by reference to Exhibit 5.1 to the Initial Disclosure Statement filed on September 15, 2009)

6 Equity Incentive Plans

6.1 2009 Equity Incentive Plan (incorporated herein by reference to Exhibit 6.1 to the 2009 Annual Report filed on March 31, 2010)

Deloitte.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
OTC Markets Group Inc.:

We have audited the accompanying consolidated financial statements of OTC Markets Group Inc. and subsidiary (the "Company"), which comprise the consolidated balance sheets as of December 31, 2015 and 2014, and the related consolidated statements of income and other comprehensive income, cash flows and changes in stockholders' equity for the three years in the period then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2015 and 2014, and the results of their operations and their cash flows for the three years in the period then ended in accordance with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

March 2, 2016

EXHIBIT 1.1

OTC MARKETS GROUP INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except number of shares)

	December 31, 2015	December 31, 2014
Assets		
Current assets		
Cash	$ 23,925	$ 20,272
Accounts receivable, net of allowance for doubtful accounts of $147 and $130	6,082	5,674
Prepaid income taxes	22	523
Prepaid expenses and other current assets	1,520	1,395
Deferred tax assets	187	177
Total current assets	31,736	28,041
Property and equipment, net	3,507	4,357
Non-current deferred tax assets, net	470	277
Goodwill	251	251
Intangible assets, net	40	40
Security deposits	210	210
Total Assets	$ 36,214	$ 33,176
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	$ 616	$ 562
Income taxes payable	92	-
Accrued expenses and other current liabilities	4,355	3,888
Deferred revenue	12,737	9,521
Total current liabilities	17,800	13,971
Deferred rent	139	391
Income tax reserve	728	563
Total Liabilities	18,667	14,925
Commitments and contingencies		
Stockholders' equity		
Common stock - par value $0.01 per share		
Class A - 14,000,000 authorized, 11,438,928 issued, 11,192,885 outstanding at December 31, 2015; 11,310,364 issued, 11,122,541 outstanding at December 31, 2014	114	113
Class C - 130,838 shares authorized, issued and outstanding at December 31, 2015 and December 31, 2014	1	1
Additional paid-in capital	10,786	8,838
Retained earnings	8,916	10,752
Treasury stock - 246,043 shares at December 31, 2015 and 187,823 shares at December 31, 2014	(2,270)	(1,453)
Total Stockholders' Equity	17,547	18,251
Total Liabilities and Stockholders' Equity	$ 36,214	$ 33,176

See accompanying notes to consolidated financial statements

OTC MARKETS GROUP INC.
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except earnings per share)

	Year Ended December 31,		
	2015	**2014**	**2013**
Gross revenues	$ 49,909	$ 42,215	$ 35,509
Redistribution fees and rebates	(2,379)	(2,388)	(1,869)
Net revenues	47,530	39,827	33,640
Operating expenses			
Compensation and benefits	18,716	15,632	14,339
IT Infrastructure and information services	4,860	4,319	3,757
Professional and consulting fees	1,811	1,825	1,937
Marketing and advertising	1,291	1,330	1,633
Occupancy costs	1,484	1,465	1,429
Depreciation and amortization	1,692	1,543	1,642
General, administrative and other	810	811	605
Total operating expenses	30,664	26,925	25,342
Income from operations	16,866	12,902	8,298
Other income (expense)			
Interest income	-	-	2
Other income (expense)	27	9	(4)
Income before provision for income taxes	16,893	12,911	8,296
Provision for income taxes	6,635	5,021	2,665
Net Income	$ 10,258	$ 7,890	$ 5,631
Net income per share			
Basic	$ 0.91	$ 0.71	$ 0.51
Diluted	$ 0.88	$ 0.69	$ 0.51

See accompanying notes to consolidated financial statements

OTC MARKETS GROUP INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in thousands)

	Total	Par Value - $0.01		Paid in Capital	Retained Earnings	Treasury Stock
		Class A	Class C			
Balance, January 1, 2013	$ 14,515	$ 108	$ 1	$ 6,050	$ 8,951	$ (595)
Comprehensive income:						
Net income	5,631	-	-	-	5,631	-
Total comprehensive income	5,631					
Stock-based compensation	1,089	-	-	1,089	-	-
Issuance of restricted and common shares, net	28	2	-	26	-	-
Tax benefit on stock-based compensation expense	78	-	-	78	-	-
Dividends	(2,611)	-	-	-	(2,611)	-
Repurchase of common stock for treasury stock	(26)	-	-	-	-	(26)
Balance, December 31, 2013	18,704	110	1	7,243	11,971	(621)
Comprehensive income:						
Net income	7,890	-	-	-	7,890	-
Total comprehensive income	7,890					
Stock-based compensation	1,241	-	-	1,241	-	-
Issuance of restricted and common shares, net	(319)	3	-	(322)	-	-
Tax benefit on stock-based compensation expense	676	-	-	676	-	-
Dividends	(9,109)	-	-	-	(9,109)	-
Repurchase of common stock for treasury stock	(832)	-	-	-	-	(832)
Balance, December 31, 2014	18,251	113	1	8,838	10,752	(1,453)
Comprehensive income:						
Net income	10,258	-	-	-	10,258	-
Total comprehensive income	10,258					
Stock-based compensation	1,552	-	-	1,552	-	-
Issuance of restricted and common shares, net	(160)	1	-	(161)	-	-
Tax benefit on stock-based compensation expense	557	-	-	557	-	-
Dividends	(12,094)	-	-	-	(12,094)	-
Repurchase of common stock for treasury stock	(817)	-	-	-	-	(817)
Balance, December 31, 2015	$ 17,547	$ 114	$ 1	$ 10,786	$ 8,916	$ (2,270)

See accompanying notes to consolidated financial statements

OTC MARKETS GROUP INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2015	**2014**	**2013**
Cash flows from operating activities			
Net income	$ 10,258	$ 7,890	$ 5,631
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	1,692	1,543	1,642
Provision for bad debts	99	190	88
Stock-based compensation	1,552	1,241	1,089
Excess tax benefits related to stock-based compensation	(557)	(676)	(78)
Deferred rent	(217)	(178)	(141)
Deferred income taxes	(203)	33	(397)
Loss on disposal of fixed assets	1	4	7
Changes in working capital:			
Accounts receivable	(507)	(884)	1,413
Prepaid expenses and other current assets	(125)	(684)	33
Prepaid income taxes	501	(344)	166
Accounts payable	13	53	(212)
Accrued expenses and other current liabilities	570	311	199
Income tax payable	649	676	78
Income tax reserve	165	197	89
Deferred revenue	3,216	3,130	(1,279)
Cash provided by operating activities	17,107	12,502	8,328
Cash flows from investing activities			
Purchases of property and equipment	(940)	(1,582)	(477)
Proceeds from sale of equipment	-	-	6
Security deposits	-	-	(1)
Cash used in investing activities	(940)	(1,582)	(472)
Cash flows from financing activities			
Dividends paid	(12,094)	(9,109)	(2,611)
Proceeds from the exercise of stock options	81	66	59
Issuance of restricted stock	-	1	-
Withholding taxes paid related to cashless exercise of stock options	(241)	(386)	(31)
Excess tax benefits related to stock-based compensation	557	676	78
Purchase of treasury stock	(817)	(832)	(26)
Cash used in financing activities	(12,514)	(9,584)	(2,531)
Net increase in cash	3,653	1,336	5,325
Cash at beginning of period	20,272	18,936	13,611
Cash at end of period	$ 23,925	$ 20,272	$ 18,936
Cash paid during period for:			
Income taxes	$ 5,524	$ 4,459	$ 2,730
Non-cash investing and financing activities:			
Property and equipment included in accounts payable and accrued expenses	$ 41	$ 138	$ 296

See accompanying notes to consolidated financial statements

Note 1. Description of Business

Overview

OTC Markets Group Inc. ("OTC Markets Group" or the "Company") (OTCQX: OTCM) operates Open, Transparent and Connected financial markets for 10,000 U.S. and global securities. OTC Link® ATS directly links a diverse network of broker-dealers that provide liquidity and execution services for a wide spectrum of securities. These securities are organized into markets to inform investors of opportunities and risks: the OTCQX® Best Market; the OTCQB® Venture Market; and the Pink® Open Market. OTC Link ATS is operated by the Company's wholly-owned subsidiary OTC Link LLC, a Financial Industry Regulatory Authority, Inc. ("FINRA®") registered broker-dealer regulated by the Securities and Exchange Commission ("SEC") as an Alternative Trading System ("ATS"). The Company's data-driven platform enables investors to easily trade through the broker of their choice at the best possible price and empowers a broad range of companies to improve the quality and availability of information for their investors.

The Company has three business lines: OTC Link ATS, Market Data Licensing and Corporate Services.

- OTC Link ATS – OTC Link ATS provides electronic communication and connectivity technology to its FINRA member broker-dealer subscribers.
- Market Data Licensing – OTC Markets Group is a central source of real-time data, delayed and historical market data, company financial data, security master data, corporate reference data and compliance data for securities traded on the OTCQX, OTCQB and Pink markets. The Market Data Licensing business line provides investors, traders, institutions, and regulators with a suite of enterprise and user market data licenses, offered via direct or extranet connectivity, through third party market data redistributors or order management systems ("OMSs").
- Corporate Services – OTC Markets Group offers companies the OTCQX Best Market, OTCQB Venture Market and a suite of services that are designed to create a better informational experience for investors by facilitating public disclosure and communication with investors, promoting greater transparency and allowing companies to demonstrate regulatory compliance and mitigate market risk. These services include the OTC Disclosure & News Service, Real-Time Level 2 Quote Display and Blue Sky Monitoring Service.

Corporate Form

OTC Markets Group Inc. is a Delaware corporation. Prior to January 18, 2011, the company was known as Pink OTC Markets Inc. The Company is a "C" Corporation for federal, state, and local income tax purposes.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP") and include the accounts of the Company and its wholly-owned subsidiary, OTC Link LLC. All intercompany transactions have been eliminated in consolidation. Management assessed the segment reporting standards, analyzed how the chief operating decision maker (the Chief Executive Officer) manages the businesses and the availability of discrete financial information, and concluded that the Company's three business lines aggregate to one reportable segment.

Use of Estimates

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting periods. Estimates included in the consolidated financial statements include allowance for doubtful accounts, certain accrued expenses, stock-based compensation expense, income tax reserve and provision for income taxes. Actual results could differ from those estimates.

Revenue Recognition

The Company generates a majority of its revenues through contracts based on a subscription model. Subscribers typically purchase a variety of services when commencing a contract. Therefore, the majority of the Company's contracts constitute an arrangement with multiple deliverables. Management has determined that most services can be accounted for separately because these services have value to subscribers on a standalone basis and there is vendor specific objective and reliable evidence of selling price for each deliverable. The sale prices for all services are based on contracted price list, which is the Company's determination of the best estimate that the item would be sold for in a stand-alone transaction with a subscriber. Services that are bundled are recognized ratably over the subscription period. Revenue is recognized net of any taxes collected from customers and subsequently remitted to governmental authorities.

The OTC Link ATS business line collects monthly license, subscription and connectivity fees to use OTC Link ATS. License fees for use of the proprietary OTC Dealer application are based on the number of authorized users per subscriber and are calculated based on a tiered pricing arrangement. The unrealized portion of monthly invoiced subscription fees are recorded as deferred revenue on the consolidated balance sheets. Broker-dealers pay usage fees, based on a tiered pricing arrangement, to publish quotes and deliver trade messages electronically to counterparties on OTC Link ATS. Broker-dealers can also charge quote access fees through our QAP One Statement service, and the Company collects a small fee for this service. These fees are recognized over the service period and as transactions occur. OTC Link ATS pays rebates to certain OMS resellers of OTC Link ATS services, which are recorded as a reduction of gross revenues.

Market Data Licensing revenue is generated from charging subscribers to access the extensive market data, company data and security information collected through OTC Link ATS. Investors, traders, institutions, and others pay monthly license fees to access the Company's market data. The majority of Market Data Licensing revenues result from sales through major market data redistributors, some of whom earn redistribution fees for the resale of the Company's proprietary information. These fees are recognized as services are provided and

are recorded as a reduction of gross revenues. OTC Markets Group records revenues from certain market data license subscription agreements on a pro rata basis over the term of the subscription agreement; the unrealized portion is recorded as deferred revenue on the consolidated balance sheets.

The Corporate Services business line generates revenue from the OTCQX Best and OTCQB Venture markets and a suite of services. Fees paid by companies to trade on the OTCQX or OTCQB market and for services are recognized on a straight-line basis over the service period. The unrealized portion of invoiced subscription and application fees are recorded as deferred revenue on the consolidated balance sheets.

OTC Markets Group charges for the right to display advertisements on www.otcmarkets.com. Advertising fees are recognized based on the reported number of impressions or clicks based on accepted measurements noted in the contract. Fees are recognized as services are rendered.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents, the carrying amount of which approximates fair value. The Company maintains cash in bank deposit accounts which, at times, may exceed federally insured limits.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is maintained at a level that management believes to be sufficient to absorb probable losses among all subscribers across all business lines. The allowance is based on several factors, including a continuous assessment of the collectability of subscriber accounts. When it is known that a specific customer will not meet its financial obligations, management will reduce the receivable balance to the amount that is expected to be collected.

Property and Equipment

Property and equipment are stated at cost and depreciated over the estimated useful lives of the assets (generally ranging from two to five years) utilizing the straight-line method. Leasehold improvements are amortized using the straight-line method over the term of the lease or the estimated useful lives of the assets, whichever is shorter.

Expenditures for maintenance, repairs, and renewals are expensed as incurred, unless they materially add to the value of the property or appreciably extend its useful life. Gains or losses are recorded from a sale or retirement of property and equipment at the time of disposal.

Long-lived Asset Impairments

OTC Markets Group reviews long-lived assets, including property, plant and equipment and amortizable intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the asset may not be fully recoverable. An impairment loss is recognized when the estimated discounted future cash flows expected to be generated from the use of the asset, including disposition, is less than the carrying amount of the assets.

Goodwill and Indefinite-Lived Intangible Asset Impairment

OTC Markets Group reviews the carrying amounts of both goodwill and indefinite-lived intangible assets for impairment annually and more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. When testing for impairment, the Company first assesses qualitative factors, such as operating results, business plans,

anticipated future cash flows, industry data, and other potential risks to the projected financial results, to determine whether it is more likely than not that the fair value of the asset is less than the carrying amount. The more-likely-than-not threshold is defined as having a likelihood of more than 50 percent. Quantitative testing, consisting of a determination of implied fair value of the goodwill, is only performed if the qualitative assessment concludes it is more likely than not that the fair value of the asset is less than its carrying amount. If the implied fair value of the goodwill is less than the carrying amount, an impairment is recorded in the amount of the difference.

For indefinite-lived intangible assets an impairment is recorded for any excess of carrying amount over the estimated fair value.

There are inherent uncertainties related to these impairment tests which require management judgment in applying them including the evaluation of qualitative factors and estimates of future business results.

Stock-based Compensation

The Company measures share-based awards given to employees at the grant-day fair value of the equity award and records stock-based compensation expense over the related service period. OTC Markets Group estimates an expected forfeiture rate while recognizing the expense associated with these awards (Refer to Note 7, *Stock-based Compensation*).

Fair Value Measurement

The Company accounts for certain financial instruments at fair value, in accordance with the provisions of the standard for fair value measurement, which utilizes a three-tier hierarchy to determine the fair value of financial assets and liabilities based on the quality of observable inputs and enhances disclosure requirements for fair value measurement. The three tiers are:

- Level 1 – Observable inputs that reflect quoted prices (unadjusted) for identical assets and liabilities in an active market;
- Level 2 – Other inputs that are directly or indirectly observable in the market; and
- Level 3 – Unobservable inputs that are supported by little or no market activity.

The fair value of a financial instrument is the amount that would be received to sell the asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

Assets and liabilities on the consolidated balance sheets that are measured at carrying value, which approximates fair value due to the short term nature of these balances, include prepaid expenses, accrued expenses and other current liabilities and deferred revenue.

Income Taxes

The Company accounts for income taxes under the provisions of Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*, which generally requires the recognition of deferred tax assets and liabilities for the expected future tax benefits or consequences of events that have been included in the consolidated financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on differences between the financial reporting carrying values and the tax basis of assets and liabilities and are measured by applying enacted tax rates and laws for the taxable years in which those differences are expected to reverse.

The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position upon examination,

including resolution of any related appeals or litigation processes, based on the technical merits of the position. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the Consolidated Financial Statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon settlement with the relevant tax authority.

Recently Issued Accounting Standards

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers*, which amended revenue recognition guidance. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers*, which deferred the effective date of ASU No. 2014-09 by a period of one year for all entities. The amendment's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This amendment will be effective for interim and annual periods beginning after December 15, 2017 and early adoption is permitted on a limited basis. The Company is in the process of evaluating the impact of adoption of this amendment but does not expect the adoption to have a material effect on the consolidated financial statements.

In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements – Going Concern*, which provided guidance on disclosing going-concern uncertainties. This ASU requires management to perform interim and annual assessments of a company's ability to continue as a going concern within one year of the date of issuance of the company's financial statements and provide disclosures if there is substantial doubt about the company's ability to continue as a going concern. This ASU will be effective for interim and annual periods ending after December 15, 2016 and early adoption is permitted. The Company is in the process of evaluating the impact of adoption of this ASU but does not expect the adoption to have a material effect on the consolidated financial statements.

In November 2015, the FASB issued ASU No. 2015-17, *Balance Sheet Classification of Deferred Taxes*, which amended income tax guidance. This ASU simplifies the disclosure rules related to deferred taxes and requires that all deferred taxes be classified as non-current on the balance sheet. The amendments in this ASU are effective for interim and annual periods beginning after December 15, 2016, with early adoption permitted as of the beginning of an interim or annual reporting period. The Company is in the process of evaluating the impact of adoption of this ASU but does not expect the adoption to have a material effect on the consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-2, *Leases*, which amended guidance for both lessees and lessors. This ASU results in lease assets and lease liabilities being recognized on the balance sheet for both capital and operating leases in order to increase the transparency and comparability of financial statements. The amendments in this ASU are effective for public companies in interim and annual periods beginning after December 15, 2018, with early adoption permitted. The Company is in the process of evaluating the impact of adoption of this ASU.

Note 3. Concentrations and Uncertainties

During the years ended December 31, 2015, 2014 and 2013, market data revenues earned through one market data distributor amounted to approximately 12%, 15% and 13% of the Company's gross revenues, respectively. Additionally, at December 31, 2015 and 2014, accounts receivable from that same subscriber amounted to 20% and 23%, respectively, of the Company's accounts receivable.

During both 2015 and 2014, amounts earned in any individual foreign country were less than 10% of the Company's gross revenues. During 2013, revenues earned from Canadian companies amounted to approximately 11% of the Company's gross revenues.

In November 2009, FINRA filed with the SEC a proposed rule change to create a Quotation Consolidation Facility ("QCF") that would serve as a commercial data consolidator and disseminator for quote data in the OTC equity market (the "QCF Proposal"), which, if approved, would reduce the Company's ability to generate revenues from market data licensing. If the QCF Proposal was adopted it would have negatively impacted gross revenues by approximately 17%, 20% and 18% for the years ended December 31, 2015, 2014 and 2013, respectively.

Note 4. Property and Equipment

Property and equipment consisted of the following:

	December 31,		Estimated useful life
(in thousands)	2015	2014	(years)
Computer software	$ 889	$ 838	2 - 3
Computer equipment	5,483	4,799	3 - 5
Furniture and fixtures	1,238	1,170	5 - 7
Leasehold improvements	4,352	4,352	Term of lease
Total property and equipment	11,962	11,159	
Accumulated depreciation and amortization	(8,455)	(6,802)	
Total property and equipment, net	**$ 3,507**	**$ 4,357**	

Depreciation and amortization on property and equipment, included in the consolidated statements of income, amounted to $1.7 million, $1.5 million and $1.6 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Note 5. Goodwill and Intangible Assets

Intangible assets consisted of the following:

	December 31,		Estimated useful life
(in thousands)	2015	2014	(years)
Goodwill	$ 251	$ 251	Indefinite
Intangible assets:			
Subscription services	150	150	8-15
Distributor relations	27	27	15
Intellectual property	40	40	Indefinite
Total intangible assets	217	217	
Accumulated amortization	(177)	(177)	
Intangible assets, net	**$ 40**	**$ 40**	

No amortization of finite-lived intangible assets was recognized for the years ended December 31, 2015, 2014 and 2013 as the assets were fully amortized. No impairment charges were recorded to goodwill or intangible assets for the years ended December 31, 2015, 2014 and 2013.

Note 6. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

(in thousands)	December 31, 2015	2014
Payroll and employee withholdings	$ 3,530	$ 2,839
Deferred compensation	68	89
Accrued operating expenses	505	743
Deferred rent	252	217
Total accrued expenses and other	**$ 4,355**	**$ 3,888**

Payroll and employee withholdings primarily consisted of accrued discretionary bonus, discretionary employer 401(k) contribution, vacation and sales commission.

Note 7. Stock-Based Compensation

OTC Markets Group grants stock options and restricted stock awards ("RSAs") to employees. The grant date fair value of each stock option is estimated using the Black-Scholes option pricing model and is then amortized into compensation expense on a straight-line basis over the requisite service period, which is generally the vesting period. The grant date fair value of each RSA is based on the closing stock price on the day prior to the grant date. For share-based awards granted prior to the establishment of a public market in the Company's Common Stock on September 16, 2009, determining the fair value of share-based awards at the grant date required more significant judgments to determine the expected volatility rate.

A summary of the Company's option activity for the year ended December 31, 2015 is as follows:

(in thousands, except W/A exercise price)	Stock options	Weighted-average exercise price	Aggregate intrinsic value	Remaining contractual term (years)
Outstanding, January 1, 2015	757	$ 7.91	$ 4,890	7.48
Granted	163	15.50	7	
Exercised	(112)	6.13	996	
Forfeited	(40)	9.89	214	
Outstanding, December 31, 2015	768	$ 9.67	$ 5,094	7.19
Exercisable, December 31, 2015	314	$ 6.72	$ 3,005	5.54

The Company recognized compensation expense related to stock options, net of estimated forfeitures, of $484, $355 and $333 for the years ended December 31, 2015, 2014 and 2013, respectively. During 2015, management estimated forfeiture rates of 5% for stock options granted to management and 30% for stock options granted to other employees. Such charges are included in compensation and benefits expense on the consolidated statements of income.

At December 31, 2015, unrecognized compensation cost related to non-vested awards totaled $1,107, which will be recognized over approximately 3.6 years.

The weighted-average assumptions used in the Black-Scholes option pricing model for 2015, 2014 and 2013 are as follows:

	Year ended December 31,		
	2015	**2014**	**2013**
Risk free interest rate	1.74%	2.01%	1.59%
Expected life in years	6.50	6.50	6.50
Expected volatility	39%	46%	59%
Expected annual dividend per share	2.71%	2.76%	2.67%
Weighted average fair value of options granted	$ 4.69	$ 4.19	$ 3.61

A summary of the Company's non-vested stock option activity for the year ended December 31, 2015 is as follows:

(in thousands, except W/A fair value)	**Number of options**	**Weighted-average fair value**
Non-vested balance at January 1, 2015	469	$ 3.51
Granted	163	4.69
Vested	(137)	3.22
Forfeited	(40)	3.91
Non-vested options at December 31, 2015	455	$ 3.98

A summary of the Company's restricted stock award activity for the year ended December 31, 2015 is as follows:

(in thousands, except W/A fair value)	**Restricted stock**	**Weighted-average fair value**	**Aggregate intrinsic value**
Outstanding, January 1, 2015	355	$ 7.65	$ 5,105
Granted	117	14.12	1,630
Vested	(115)	8.31	1,640
Forfeited	(44)	7.99	661
Outstanding, December 31, 2015	313	$ 9.76	$ 5,108

The Company recognized compensation expense, net of estimated forfeitures, of $781, $596 and $512 for the years ended December 31, 2015, 2014 and 2013, respectively. During 2015, management estimated forfeiture rates of 9% for RSAs granted to management and 17% for RSA's granted to other employees. In addition, the Company also recognized professional fees of $287, $290 and $244 for the years ended December 31, 2015, 2014 and 2013, respectively, related to the issuance of restricted stock awards to the Board of Directors.

A summary of the Company's non-vested RSA activity for the year ended December 31, 2015 is as follows:

(in thousands, except W/A fair value)	Number of RSAs	Weighted-average fair value
Non-vested balance at January 1, 2015	355	$ 7.65
Granted	117	14.12
Vested	(115)	8.31
Forfeited	(44)	7.99
Non-vested RSAs at December 31, 2015	313	$ 9.76

At December 31, 2015, unrecognized compensation cost related to non-vested awards totaled $2.0 million, which will be recognized over approximately 3.1 years.

Note 8. Debt

OTC Markets Group maintains a commercial banking relationship with JPMorgan Chase. On July 7, 2012, the Company entered into a line of credit agreement with JPMorgan Chase (the "Line of Credit") that made up to $1.5 million available for business operations through June 30, 2016. Since inception, we have not drawn funds on the Line of Credit. Under the terms of the Line of Credit, we agreed to fulfill certain affirmative and negative covenants and other specified terms. At December 31, 2015, the Company was in compliance with all of the financial covenants and other terms of the Line of Credit.

Note 9. Commitments and Contingencies

Operating Leases

The Company has two non-cancelable operating leases. One is for the office space at 304 Hudson Street, New York, NY that was amended in August 2008 and expires on June 30, 2017 and the other is for office space at 100 M Street SE, Washington D.C. that commenced in July 2011 and expires on June 30, 2016. In January 2016, the lease for 304 Hudson Street was amended to extend the lease term to June 30, 2018. The New York lease provides for contingent rental payments consisting of a proportionate share of any increases in real estate taxes. Both leases contain rent escalation provisions. Rental expense is recognized on a straight-line basis over the term of the lease, and the difference between the actual rent paid and the expense charged is reflected as an increase or decrease to deferred rent.

As of December 31, 2015, future minimum lease payments under the leases are as follows:

Fiscal year	Payments due
2016	1,289
2017	616
Total	**$ 1,905**

Occupancy expense included in the consolidated statements of income was $1.5 million, $1.5 million and $1.4 million for the years ended December 31, 2015, 2014 and 2013, respectively.

At December 31, 2015, the Company had an open letter of credit of approximately $180, which secures its obligation under the New York City office lease. The letter of credit is collateralized by a money market balance and all other assets, as defined in the security agreement. Total security deposits on the Company's office leases were $210 as of both December 31, 2015 and 2014.

Legal Matters

There are no current, past, pending or threatened legal proceedings or administrative actions either by or against OTC Markets Group that could have a material effect on its business, financial condition or operations. OTC Markets Group is not a party to any past or pending trading suspensions by a securities regulator.

Note 10. Employee Benefit Plan

The Company has a 401(k) Plan for all eligible employees. Subject to federal contribution limits, the Plan permits each participant to contribute up to 15% of the participant's annual compensation and allows the Company to make discretionary contributions. In 2008, the Company established an "Employer Non-Elective Discretionary Contribution" feature for its 401(k) Plan. The Company elected to contribute $306, $256 and $253 for the annual periods ended December 31, 2015, 2014 and 2013, respectively.

Note 11. Stockholders' Equity

Common Stock

The Company has two classes of common stock: Class A and Class C (collectively, "Common Stock") outstanding. Holders of Class A Common Stock, which include holders of unvested RSA's, are entitled to receive such dividends and other distributions in cash, stock of any corporation or property of the Company as may be authorized and declared by the Board of Directors from time to time out of the assets or funds of the Company legally available for the payment of dividends ("Dividend Rights"). Upon the voluntary or involuntary liquidation, dissolution or winding up of the Company, holders of Class A Common Stock are entitled to a pro rata share of the net assets of the Company available for distribution in proportion to the number of shares of Class A Common Stock held by each ("Liquidation Rights").

Holders of Class C Common Stock are not entitled to any Dividend Rights or Liquidation Rights. Each share of Class C Common Stock will automatically convert into Class A Common Stock at a ratio of one-to-one if the price of Class A Common Stock is greater than $19.62 per share as determined by either (i) the average price in trade reports aggregating a total of 300,000 shares reported to FINRA under Rule 6600, provided that the Class A Common Stock has been quoted upon an interdealer quotation system by at least two market makers, or (ii) an Acquisition of the Company.

The Company is authorized to issue an aggregate of 14,130,838 shares of Common Stock at $0.01 par value, comprised of: 14,000,000 Class A shares and 130,838 Class C shares. As of December 31, 2015 there were a total of 11,569,766 shares issued and 11,323,723 shares outstanding; the latter was comprised of 11,192,885 Class A shares and 130,838 Class C shares. As of December 31, 2014 there were a total of 11,441,202 shares issued and 11,253,379 shares outstanding; the latter was comprised of 11,122,541 Class A shares and 130,838 Class C shares.

Treasury stock

In August 2011, the Board of Directors authorized the Company to repurchase up to 300,000 shares of Class A Common Stock in compliance with Rule 10b-18 under the Securities Exchange Act of 1934 (the "Exchange Act"). In February 2015, the Board of Directors refreshed the Company's stock repurchase program, authorizing the repurchase of up to 300,000 shares of Class A Common Stock.

The Company repurchased 58,220 shares of Class A Common Stock during the year ended December 31, 2015, including 11,836 shares at $14.10 per share in February, 32,990 shares at $14.00 per share in July, 6,000 shares at $14.01 per share in October, 5,235 shares at $13.29 per share in November, and 2,159 shares at $16.00 per share in December. The Company repurchased 69,928 shares of Class A Common Stock during the year ended December 31, 2014, including 7,998 shares at $8.20 per share in April, 1,988 at $8.50 per share in May, and 59,942 shares at $12.50 per share in September. All repurchased shares are held in treasury.

Dividends

The Company paid quarterly cash dividends on its Class A Common Stock of $0.14 per share during the third and fourth quarter of 2015, $0.10 per share during the first and second quarter of 2015 and the third and fourth quarter of 2014, and $0.06 per share during the first and second quarter of 2014. The Company also paid special dividends of $0.60 per share of Class A Common Stock during the fourth quarter of 2015 and $0.50 per share during the fourth quarter of 2014.

Equity Incentive Plan

The Company's Equity Incentive Plan (the "Plan"), as approved by the Board of Directors on June 2, 2009, provides for the grant of incentive stock options, non-statutory stock options, restricted stock, restricted stock units, stock appreciation rights, performance units and performance shares, and bonus shares, and governs options awarded (Refer to Note 7, *Stock-Based Compensation*). In each of November 2015 and 2014, the Board of Directors authorized the increase in the number of shares available for issuance under the Plan by 200,000 shares.

Note 12. Income Taxes

The components of the provision for income taxes consist of the following:

	Year Ended December 31,		
(in thousands)	2015	2014	2013
Current:			
Federal	$ 5,424	$ 3,453	$ 2,339
State and local	1,414	1,564	723
Total current	$ 6,838	$ 5,017	$ 3,062
Deferred:			
Federal	(227)	(22)	(366)
State and local	24	26	(31)
Total deferred	$ (203)	$ 4	$ (397)
Provision for income taxes	$ 6,635	$ 5,021	$ 2,665

The following table presents the key reconciling items from the federal statutory rate of 35% in 2015 and 34% in both 2014 and 2013 to the Company's effective income tax rate of 39%, 39% and 32% for fiscal years 2015, 2014 and 2013, respectively.

	Year Ended December 31,		
(in thousands)	2015	2014	2013
State and local income taxes	5%	7%	5%
R&D tax credits	(1%)	(2%)	(7%)
All other, net	-	-	-
	4%	5%	(2%)

The significant components of the Company's deferred tax assets and liabilities are as follows:

(in thousands)	Year Ended December 31, 2015	2014
Current deferred tax assets:		
Allowance for doubtful accounts	$ 59	$ 56
Deferred rent	101	87
Deferred compensation	27	34
Other reserves	-	-
Current deferred tax assets:	187	177
Non-current deferred tax assets:		
Share-based compensation	709	597
Deferred rent	55	157
Deferred tax asset on income tax reserve	235	178
Other reserves	3	5
Non-current deferred tax assets	1,002	937
Non-current deferred tax liabilities:		
Property and equipment	(532)	(660)
Non-current deferred tax liabilities	(532)	(660)
Net, non-current deferred tax assets	$ 470	$ 277

The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon settlement with the relevant tax authority. In connection with the assessment of certain tax positions, a reconciliation of the gross unrecognized tax liabilities for the years ended December 31, 2015 and 2014 is as follows:

(in thousands)	Year Ended December 31, 2015	2014
Beginning balance	$ 471	$ 294
Increase for tax positions taken during the current period	145	139
Increase (decrease) for tax positions taken during a prior period	(18)	38
Ending balance	$ 598	$ 471

It is not reasonably possible that any unrecognized tax benefits related to state nexus will reverse within the next twelve months due to expected settlements with taxing authorities. The total amount of uncertain tax positions, that if recognized would impact the Company's effective tax rate as of December 31, 2015 and 2014, is $493 and $386, respectively.

The Company recognizes interest and penalties related to unrecognized tax benefits as a component of tax expense. The Company increased the amount of interest and penalties due on income tax reserves by $38, $20 and $22 during the years ended December 31, 2015, 2014 and 2013, respectively. As of December 31, 2015 and 2014, the Company had $130 and $92 of interest and penalties accrued, respectively.

The Company is subject to income taxes in the U.S. federal jurisdiction and various state jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. The 2012, 2013 and 2014 tax years remain subject to examination by the Internal Revenue Service (IRS) and the 2011, 2012, 2013 and 2014 tax years remain subject to examination by various state taxing

authorities. The Company does not believe that the outcome of any examination will have a material impact on its consolidated financial statements.

Note 13. Earnings Per Share

The Company calculates earnings per share pursuant to the two-class method, which is an earnings allocation formula that determines earnings per share for common stock and participating securities according to dividends declared and participation rights in undistributed earnings. Under this method, all earnings (distributed and undistributed) are allocated to common shares and participating securities based on their respective rights to receive dividends. RSAs granted to employees (Refer to Note 7, *Stock-Based Compensation*) participate in dividends on the same basis as common shares and such dividends are nonforfeitable by the holder. As a result, these RSAs meet the definition of a participating security.

The tables below present the calculations of earnings per share under the two class method:

Basic Earnings per common share

	Year Ended December 31,		
(in thousands, except shares and per share data)	2015	2014	2013
Net income available to common shareholders	$ 10,258	$ 7,890	$ 5,631
Less: Undistributed earnings allocated to unvested RSAs	51	39	(87)
Less: Dividend equivalents on unvested RSAs	(338)	(291)	(78)
Net Income allocated to common shareholders	$ 9,971	$ 7,638	$ 5,466
Shares of common stock and common stock equivalents			
Weighted-average common shares outstanding	11,008,095	10,833,874	10,677,340
Basic earnings per share	$ 0.91	$ 0.71	$ 0.51

Diluted Earnings per common share

	Year Ended December 31,		
(in thousands, except shares and per share data)	2015	2014	2013
Net income available to common shareholders	$ 10,258	$ 7,890	$ 5,631
Less: Undistributed earnings allocated to unvested RSAs	50	38	(86)
Less: Dividend equivalents on unvested RSAs	(338)	(291)	(78)
Net Income allocated to common shareholders	$ 9,970	$ 7,637	$ 5,467
Shares of common stock and common stock equivalents			
Weighted-average common shares outstanding	11,008,095	10,833,874	10,677,340
Dilutive effect of employee stock options and restricted stock units	281,090	303,751	86,433
Weighted-average shares used in diluted computation	11,289,185	11,137,625	10,763,773
Diluted earnings per share	$ 0.88	$ 0.69	$ 0.51

As of December 31, 2015, 2014 and 2013, 313, 355 and 324 restricted stock awards, respectively, and stock options to purchase 768, 757 and 884 shares of common stock, respectively, were outstanding. For the years ended December 31, 2015, 2014 and 2013, 22, 27 and 171 awards, respectively, were excluded from the diluted earnings per share computation because their effect would have been anti-dilutive.

Note 14. Quarterly Financial Data (unaudited)

The following represents OTC Markets Group's unaudited quarterly results for the years ended December 31, 2015 and 2014. These quarterly results were prepared in accordance with GAAP and reflect all adjustments that are, in the opinion of management, necessary for a fair statement of the results. These adjustments are of a normal recurring nature.

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2015				
Net revenues	$ 10,924	$ 11,830	$ 12,298	$ 12,478
Operating Income	3,155	4,089	4,591	5,031
Net Income	1,856	2,392	3,085	2,926
Basic earnings per share	$ 0.16	$ 0.21	$ 0.27	$ 0.26
Diluted earnings per share	$ 0.16	$ 0.20	$ 0.26	$ 0.25
2014				
Net revenues	$ 9,367	$ 9,658	$ 10,206	$ 10,596
Operating Income	2,790	2,676	3,447	3,989
Net Income	1,664	1,619	1,937	2,669
Basic earnings per share	$ 0.15	$ 0.15	$ 0.17	$ 0.24
Diluted earnings per share	$ 0.15	$ 0.14	$ 0.17	$ 0.23

Note 15. Subsequent Events

For purposes of disclosure in the consolidated financial statements, the Company has evaluated subsequent events through March 2, 2016, the date the financial statements were available to be issued.

In January 2016, the Company granted approximately 113 RSAs to certain employees subject to the terms of Restricted Stock Agreements between the Company and each employee.

In January 2016, the Company entered into an amendment to the lease at 304 Hudson Street extending the end of the lease term from June 30, 2017 to June 30, 2018.

On February 24, 2016, the Board of Directors authorized and approved a quarterly cash dividend of $0.14 per share of Class A common stock. The quarterly cash dividend is payable on March 29, 2016 to stockholders of record on March 15, 2016. The ex-dividend date is March 11, 2016.

On February 24, 2016, the Board of Directors refreshed the Company's stock repurchase program, giving the Company authorization to repurchase up to 300,000 shares of the Company's Class A Common Stock.

Note 16. Regulatory Authorities

OTC Link LLC is a U.S. registered broker-dealer and is subject to the net capital requirements of Rule 15c3-1 under the Exchange Act. Rule 15c3-1 requires the maintenance of net capital, as defined, which shall be the greater of $5 or 6⅔% of aggregate indebtedness, as defined. OTC Link LLC's regulatory net capital as of December 31, 2015 and 2014 was $4,026 and $4,805, respectively, which exceeded the minimum net capital requirement by $3,872 and $4,675, respectively.

EXHIBIT 2.1

CERTIFICATION OF PRINCIPAL EXECUTIVE

I, R. Cromwell Coulson, Chief Executive of OTC Markets Group Inc., certify that:

1. I have reviewed this Annual Report of OTC Markets Group Inc.;

2. Based on my knowledge, this Annual 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 Annual Report; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this Annual Report.

/s/ R. Cromwell Coulson
R. Cromwell Coulson
Chief Executive Officer

March 2, 2016
Date

EXHIBIT 2.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Beatrice Ordonez, Chief Financial Officer of OTC Markets Group Inc., certify that:

1. I have reviewed this Annual Report of OTC Markets Group Inc.;

2. Based on my knowledge, this Annual 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 Annual Report; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this Annual Report.

/s/ Beatrice Ordonez
Beatrice Ordonez
Chief Financial Officer

March 2, 2016
Date