OPPENHEIMER HOLDINGS INC
Form 424B3
April 02, 2009

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OPPENHEIMER HOLDINGS INC.

PROPOSED DOMESTICATION YOUR VOTE IS VERY IMPORTANT

Dear Shareholders:

We are furnishing this management proxy circular to shareholders of Oppenheimer Holdings Inc. in connection with the solicitation of proxies by our management for use at an Annual and Special Meeting of our shareholders. The meeting will be held on May 8, 2009 at 10:00 a.m. (Toronto time), at the Toronto Board of Trade, Rooms A/B/C/D, 100 King Street West, Toronto, Ontario.

The purpose of the meeting is to (i) obtain shareholder approval to change our jurisdiction of incorporation from the federal jurisdiction of Canada to the State of Delaware in the United States of America through the adoption of a certificate of corporate domestication and a new certificate of incorporation, (ii) elect nine directors, (iii) appoint PricewaterhouseCoopers LLP as our auditors and authorize the Board of Directors and Audit Committee to fix the auditors remuneration, and (iv) receive our 2008 Annual Report.

We believe that our domestication will firmly and unambiguously establish us as a U.S. corporation, which will level the playing field with our principal competitors and assist us in achieving our strategic goals. By domiciling in the United States, we may enhance shareholder value over the long term with greater acceptance in the capital markets and improved marketability of our Class A non-voting shares. In addition, the change of jurisdiction will provide us with tax efficiencies, among other benefits, and potentially make us eligible for U.S. government financial programs. We chose the State of Delaware to be our domicile because the more favorable corporate environment afforded by Delaware will help us compete effectively with other public companies (many of which are incorporated in Delaware) in raising capital and attracting and retaining skilled and experienced personnel.

If we complete the domestication, we will continue our legal existence in Delaware as if we had originally been incorporated under Delaware law. In addition, each outstanding Class A non-voting share and Class B voting share of Oppenheimer Holdings Inc. as a Canadian corporation will then represent one share of Class A Non-Voting Common Stock and Class B Voting Common Stock, as applicable, of Oppenheimer Holdings Inc. as a Delaware corporation. Our Class A non-voting shares are currently traded on the New York Stock Exchange under the symbol OPY. Following the completion of our domestication, our Class A non-voting shares will continue to be listed as shares of Class A Non-Voting Common Stock on the New York Stock Exchange under the symbol OPY.

The proposal for domestication is subject to approval by at least two-thirds of the votes cast by the holders of our Class A non-voting shares and Class B voting shares, voting together as a single class, whether in person or by proxy at a meeting if a quorum, or a majority of the total outstanding Class A non-voting shares and Class B voting shares, are present. Dissenting shareholders have the right to be paid the fair value of their shares under Section 190 of the Canada Business Corporations Act. Our Board of Directors has reserved the right to terminate or abandon our domestication at any time prior to its effectiveness, notwithstanding shareholder approval, if it determines for any reason that the consummation of our domestication would be inadvisable or not in our and your best interests. If approved by our shareholders, it is anticipated that the domestication will become effective on or about May 11, 2009 or as soon as practicable after the meeting of our shareholders.

Your existing certificates representing your Oppenheimer Holdings Inc. Class A non-voting shares and Class B voting shares will represent the same number of the same class of shares of our common stock after the domestication without any action on your part. You will not have to exchange any share certificates. We will issue new certificates to you representing shares of capital stock of Oppenheimer Holdings Inc. as a Delaware corporation upon a transfer of the shares by you or at your request.

The accompanying management proxy circular provides a detailed description of our proposed domestication and other information to assist you in considering the proposals on which you are asked to vote. We urge you to review this information carefully and, if you require assistance, to consult with your financial, tax or other professional advisers.

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Our Board of Directors unanimously recommends that you vote FOR each of the proposals described in this management proxy circular, including the approval of our domestication.

Your vote is very important. Whether or not you plan to attend the meeting, we ask that you indicate the manner in which you wish your shares to be voted and sign and return your proxy as promptly as possible in the enclosed envelope so that your vote may be recorded. If your shares are registered in your name, you may vote your shares in person if you attend the meeting, even if you send in your proxy.

We appreciate your continued interest in our company.

Very truly yours,

Chairman and Chief Executive Officer

These securities involve a high degree of risk. See *Risk Factors* beginning on page 12 of this management proxy circular for a discussion of specified matters that should be considered.

Neither the Securities and Exchange Commission nor any state securities commission, or similar authority in Canada, has approved or disapproved of these securities or determined if the management proxy circular/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This management proxy circular/prospectus is dated April 2, 2009 and is first being mailed to shareholders on or about April 3, 2009.

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OPPENHEIMER HOLDINGS INC.
P.O. Box 2015, Suite 1110
20 Eglinton Avenue West
Toronto, Ontario, Canada
M4R 1K8

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

To our Shareholders:

NOTICE IS HEREBY GIVEN that an Annual and Special Meeting of Shareholders of OPPENHEIMER HOLDINGS INC. (the Corporation) will be held at the Toronto Board of Trade, Rooms A/B/C/D, 100 King Street West, Toronto, Ontario on May 8, 2009, at the hour of 10:00 a.m. (Toronto time) for the following purposes:

1. To consider, and if deemed advisable, approve a special resolution authorizing the Corporation to make an application under Section 188 of the Canada Business Corporations Act to change its jurisdiction of incorporation from the federal jurisdiction of Canada to the State of Delaware, United States of America, by way of a domestication under Section 388 of the General Corporation Law of the State of Delaware, and to approve the certificate of incorporation authorized in the special resolution to be effective as of the date of the Corporation s domestication;

2. To elect nine directors;

3. To appoint PricewaterhouseCoopers LLP as auditors of the Corporation and authorize the Board of Directors and the Audit Committee to fix the auditors remuneration;

4. To receive the 2008 Annual Report, including the Corporation s Consolidated Financial Statements for the year ended December 31, 2008, together with the Auditors Report thereon; and

5. To transact such other business as is proper at such meeting or any adjournment thereof.

Holders of Class A non-voting shares of the Corporation are entitled to attend and speak at the Annual and Special Meeting of Shareholders. Holders of Class A non-voting shares are entitled to vote with respect to the proposed change of jurisdiction of the Corporation in Delaware (Proposal 1) but not with respect to the other matters referred to above.

Holders of Class A non-voting shares and Class B voting shares who are unable to attend the meeting in person are requested to date, sign and return the enclosed form of proxy for use by holders of Class A non-voting shares or Class B voting shares, as applicable. Reference is made to the accompanying management proxy circular for details of the matters to be acted upon at the meeting and with respect to the respective voting rights of the holders of the Class A non-voting shares and the Class B voting shares.

DATED at Toronto, Ontario this 2nd day of April, 2009.

Secretary

MANAGEMENT PROXY CIRCULAR

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OPPENHEIMER HOLDINGS INC.

MANAGEMENT PROXY CIRCULAR

(All dollar amounts expressed herein are U.S. dollars)

SUMMARY

This summary highlights selected information appearing elsewhere in this management proxy circular, or the Circular, and does not contain all the information that you should consider in making a decision with respect to the proposals described in this Circular. You should read this summary together with the more detailed information, including our financial statements and the related notes incorporated by reference into this Circular from our Annual Report on Form 10-K for the year ended December 31, 2008, and the exhibits attached hereto. You should carefully consider, among other things, the matters discussed in *Risk Factors* and *Management s Discussion and Analysis of Financial Condition and Results of Operations* which are included in this Circular or are incorporated by reference into this Circular from our Annual Report on Form 10-K for the year ended December 31, 2008. You should read this Circular and the documents incorporated by reference into this Circular in their entirety.

Unless otherwise provided in this Circular, references to the Corporation, we, us, and our refer to Oppenheimer Holdings Inc., a Canadian corporation, prior to the change of jurisdiction. References to Oppenheimer Holdings refer solely to Oppenheimer Holdings Inc., a Delaware corporation, as of the effective time of the change in jurisdiction.

Oppenheimer Holdings Inc.

The Corporation is a holding company which, through its subsidiaries, is a leading middle-market investment bank and full service investment dealer. Through our operating subsidiaries, we provide a broad range of financial services, including retail securities brokerage, institutional sales and trading, investment banking (both corporate and public finance), research, market-making, and investment advisory and asset management services. We own, directly or through subsidiaries, Oppenheimer & Co., a New York-based securities broker-dealer, Oppenheimer Asset Management, a New York-based investment advisor, Freedom Investments Inc., a discount securities broker-dealer based in New Jersey, Oppenheimer Trust Corporation, a New Jersey limited purpose bank, and Evanston Financial Inc., a Federal Housing Administration approved mortgage corporation based in Pennsylvania. The telephone number and address of our registered office is (416) 322-1515 and P.O. Box 2015, Suite 1110, 20 Eglinton Avenue West, Toronto, Ontario, Canada M4R 1K8.

Set forth below in a question and answer format is general information regarding the Annual and Special Meeting of Shareholders, or the Meeting, to which this Circular relates. This general information regarding the Meeting is followed by a more detailed summary of the process relating to, reasons for and effects of our proposed change in jurisdiction of incorporation (Proposal 1 in the Notice of Meeting), to which we refer in this Circular as the domestication.

Questions and Answers About the Proposals

Q. What is the purpose of the Meeting?

A. The purpose of the Meeting is to vote on the proposal to approve a special resolution authorizing us to make an application to change our jurisdiction of incorporation to Delaware and adopt a certificate of incorporation of

Oppenheimer Holdings to be effective as of the date of our domestication, to elect nine directors, to appoint our auditors and authorize the Board of Directors and the Audit Committee to fix the auditors remuneration, to receive our 2008 Annual Report, and to transact such other business as is proper at the Meeting.

Q. Where will the Meeting be held?

A. The Meeting will be held at the Toronto Board of Trade, Rooms A/B/C/D, 100 King Street West, Toronto, Ontario on May 8, 2009, at the hour of 10:00 a.m. (Toronto time).

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Q. Who is soliciting my vote?

A. Our management is soliciting your proxy to vote at the Meeting. This Circular and form of proxies were first mailed to our shareholders on or about April 3, 2009. Your vote is important. We encourage you to vote as soon as possible after carefully reviewing this Circular and all information incorporated by reference into this Circular.

Q. Who is entitled to vote?

A. The record date for the determination of shareholders entitled to receive notice of the Meeting is March 30, 2009. In accordance with the provisions of the Canada Business Corporations Act, or the CBCA, we will prepare a list of the holders of our Class A non-voting shares, or the Class A Shareholders, and the holders of our Class B voting shares, or the Class B Shareholders, as of the record date. Class B Shareholders named in the list will be entitled to vote the Class B voting shares, or the Class B Shares, on all matters to be voted on at the Meeting, and Class A Shareholders named in the list will be entitled to vote the Class A non-voting shares, or the Class A Shares, only to approve the special resolution authorizing the change of jurisdiction and approval of the certificate of incorporation of Oppenheimer Holdings to be effective as of the date of our domestication (Proposal 1 in the Notice of Meeting).

Q. What am I voting on?

A. The Class A Shareholders and the Class B Shareholders are entitled to vote on the following proposal:

(1) A special resolution authorizing us to make an application under Section 188 of the CBCA to change our jurisdiction of incorporation from the federal jurisdiction of Canada to the State of Delaware, United States of America, by way of a domestication under Section 388 of the General Corporation Law of the State of Delaware, or the DGCL, and to approve the certificate of incorporation of Oppenheimer Holdings authorized in the special resolution to be effective as of the date of our domestication.

The Class B Shareholders are also entitled to vote on the following proposals:

(1) The election of J.L. Bitove, R. Crystal, W. Ehrhardt, M.A.M. Keehner, A.G. Lowenthal, K.W. McArthur, A.W. Oughtred, E.K. Roberts and B. Winberg as directors;

(2) The appointment of PricewaterhouseCoopers LLP as our auditors for 2009 and the authorization of our Board of Directors and the Audit Committee to fix the auditors remuneration; and

(3) Any other business as may be proper to transact at the Meeting.

Q. What are the voting recommendations of the Board of Directors?

A. The Board of Directors recommends the following votes:

FOR the special resolution authorizing us to make an application under Section 188 of the CBCA to change our jurisdiction of incorporation from the federal jurisdiction of Canada to the State of Delaware, United States of America, by way of a domestication under Section 388 of the DGCL, and to approve the certificate of incorporation of Oppenheimer Holdings authorized in the special resolution to be effective as of the date of the our domestication;

FOR the election of the nominated directors; and

FOR the appointment of PricewaterhouseCoopers LLP as our auditors for 2009 and the authorization of our Board of Directors and Audit Committee to fix the auditors remuneration.

Q. Will any other matters be voted on?

A. The Board of Directors does not intend to present any other matters at the Meeting. The Board of Directors does not know of any other matters that will be brought before our shareholders for a vote at the Meeting. If any other matter is properly brought before the Meeting, your signed proxy card gives authority to A.G. Lowenthal and, failing him, Elaine K. Roberts, as proxies, with full power of substitution, to vote on such matters at their discretion.

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Q. How many votes do I have?

A. Class B Shareholders are entitled to one vote for each Class B Share held as of the close of business on the record date. Class A Shareholders, with respect to Proposal 1 only, are entitled to one vote for each Class A Share held as of the close of business on the record date.

Q. What is the difference between holding shares as a shareholder of record and as a beneficial owner?

A. Many shareholders hold their shares through a broker or bank rather than directly in their own names. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Shareholder of Record If your shares are registered directly in your name with our transfer agent, you are considered, with respect to those shares, the *shareholder of record,* and these Circular materials are being sent directly to you by us. You may vote the shares registered directly in your name by completing and mailing the proxy card or by written ballot at the Meeting.

Beneficial Owner If your shares are held in a stock brokerage account or by a bank, you are considered the beneficial owner of shares held in street name, and these Circular materials are being forwarded to you by your bank or broker, which is considered the shareholder of record of these shares. As the beneficial owner, you have the right to direct your bank or broker how to vote and are also invited to attend the Meeting. However, since you are not the shareholder of record, you may not vote these shares in person at the Meeting unless you bring with you a legal proxy from the shareholder of record. Your bank or broker has enclosed a voting instruction card providing directions for how to vote your shares.

Q. How do I vote?

A. If you are a shareholder of record, there are two ways to vote:

By completing and mailing your proxy card; or

By written ballot at the Meeting.

If you are a Class A Shareholder and you return your proxy card but you do not indicate your voting preferences, the proxies will vote your shares **FOR** Proposal 1.

If you are a Class B Shareholder and you return your proxy card but you do not indicate your voting preferences, the proxies will vote your shares **FOR** Proposals 1, 2, and 3 and on any other matters that are submitted for shareholder vote at the Meeting.

Class A Shareholders and Class B Shareholders who are not shareholders of record and who wish to file proxies should follow the instructions of their intermediary with respect to the procedure to be followed. Generally, Class A Shareholders and Class B Shareholders who are not shareholders of record will either: (i) be provided with a proxy executed by the intermediary, as the shareholder of record, but otherwise uncompleted and the beneficial owner may complete the proxy and return it directly to our transfer agent; or (ii) be provided with a request for voting instructions by the intermediary, as the shareholder of record, and then the intermediary must send to our transfer agent an executed proxy form completed in accordance with any voting instructions received by it from the beneficial owner and may not vote in the event that no instructions are received.

Q. Can I change my vote or revoke my proxy?

A. A shareholder who has given a proxy has the power to revoke it prior to the commencement of the Meeting by depositing an instrument in writing executed by the shareholder or by the shareholder s attorney authorized in writing either (i) at our registered office at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof or (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof or in any other manner permitted by law. A shareholder who has given a proxy has the power to revoke it after the commencement of the Meeting as to any matter on which a vote has not been cast under the proxy by delivering written notice of revocation to the Chairman of the Meeting. A shareholder who has given a proxy may also revoke it by signing a form of proxy bearing a later date and returning such proxy to our Secretary at our registered office prior to the commencement of the Meeting.

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Q. How are votes counted?

A. We will appoint a Scrutineer at the Meeting. The Scrutineer is typically a representative of our transfer agent. The Scrutineer will collect all proxies and ballots, and tabulate the results.

Q. Who pays for soliciting proxies?

A. We will bear the cost of soliciting proxies from the shareholders. It is planned that the solicitation will be initially by mail, but proxies may also be solicited by our employees. These persons will receive no additional compensation for such services but will be reimbursed for reasonable out-of-pocket expenses. Arrangements will also be made with brokerage houses and other custodians, nominees and fiduciaries for the forwarding of solicitation materials to the beneficial owners of shares held of record by these persons, and we will reimburse them for their reasonable out-of-pocket expenses. The cost of such solicitation, estimated to be approximately $25,000, will be borne by us.

Q. What is the quorum requirement of the Meeting?

A. A quorum for the consideration of Proposal 1 shall be shareholders present in person or by proxy representing not less than a majority of the total outstanding Class A Shares and Class B Shares. A quorum for the consideration of Proposals 2 and 3 shall be Class B Shareholders present in person or by proxy representing not less than a majority of the outstanding Class B Shares.

Q. What are broker non-votes?

A. Broker non-votes occur when holders of record, such as banks and brokers holding shares on behalf of beneficial owners, do not receive voting instructions from the beneficial holders at least ten days before the Meeting. Broker non-votes will not affect the outcome of the matters being voted on at the Meeting, assuming that a quorum is obtained.

Q. What vote is required to approve each proposal?

A. *Proposal No. 1, the domestication* Our change of jurisdiction from Canada to Delaware requires the affirmative vote, in person or by proxy, of two-thirds of the votes cast by Class A Shareholders and Class B Shareholders, voting together as a class at the Meeting if a quorum, or a majority of the total outstanding Class A Shares and Class B Shares, is present.

Proposal No. 2, election of directors The election of the directors nominated requires the affirmative vote, in person or by proxy, of a simple majority of the Class B Shares voted at the Meeting if a quorum, or a majority of the Class B Shares, is present.

Proposal No. 3, appointment of auditors The appointment of the auditors and the authorization of the Board of Directors and the Audit Committee to fix the auditors remuneration requires the affirmative vote, in person or by proxy, of a simple majority of the Class B Shares voted at the Meeting if a quorum, or a majority of the Class B Shares, is present.

Q. Who can attend the Meeting?

A.

All registered shareholders, their duly appointed representatives, our directors and our auditors are entitled to attend the Meeting.

Q. What does it mean if I get more than one proxy card?

A. It means that either you own shares in more than one account or you own Class A Shares and Class B Shares. You should vote the shares on each of your proxy cards.

Q. I own my shares indirectly through my broker, bank, or other nominee, and I receive multiple copies of the annual report, Circular, and other mailings because more than one person in my household is a beneficial owner. How can I change the number of copies of these mailings that are sent to my household?

A. If you and other members of your household are beneficial owners, you may eliminate this duplication of mailings by contacting your broker, bank, or other nominee. Duplicate mailings in most cases are wasteful for us and

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inconvenient for you, and we encourage you to eliminate them whenever you can. If you have eliminated duplicate mailings, but for any reason would like to resume them, you must contact your broker, bank, or other nominee.

Q. Multiple shareholders live in my household, and together we received only one copy of this Circular and annual report. How can I obtain my own separate copy of those documents for the Annual and Special Meeting?

A. You may pick up copies in person at the Meeting or download them from our Internet web site, www.opco.com (click on the link to the Investor Relations page). If you want copies mailed to you and are a beneficial owner, you must request them from your broker, bank, or other nominee. If you want copies mailed to you and are a shareholder of record, we will mail them promptly if you request them from our corporate office by phone at (416) 322-1515 or by mail to P.O. Box 2015, Suite 1110, 20 Eglinton Avenue West, Toronto, Ontario, Canada M4R 1K8, Attention: E.K. Roberts. We cannot guarantee you will receive mailed copies before the Meeting.

Q. Where can I find the voting results of the Meeting?

A. We are required to file the voting results on the System for Electronic Document Analysis and Retrieval (SEDAR) promptly following the Meeting, and thereafter they can be found on the SEDAR website at www.sedar.com.

Q. Who can help answer my questions?

A. If you have questions about the Meeting or if you need additional copies of the Circular or the enclosed proxy card you should contact:

E.K. Roberts
P.O. Box 2015, Suite 1110
20 Eglinton Avenue West
Toronto, Ontario, Canada M4R 1K8
(416) 322-1515

You may also obtain additional information about us from documents filed with the SEC by following the instructions in the section entitled *Where You Can Find More Information.*

The Domestication Proposal

The Board of Directors is proposing to change our jurisdiction of incorporation from the federal jurisdiction of Canada to the State of Delaware through a transaction called a continuance under Section 188 of the CBCA, also referred to as a domestication under Section 388 of the DGCL. Under the DGCL, a corporation becomes domesticated in Delaware by filing a certificate of corporate domestication and a certificate of incorporation with the Secretary of State of the State of Delaware. The domesticated corporation, which will be called Oppenheimer Holdings Inc., will become subject to the DGCL on the date of its domestication, but will be deemed for the purposes of the DGCL to have commenced its existence in Delaware on the date it originally commenced existence in Canada. The Board of Directors has unanimously approved the domestication, believes it to be in our best interests and in the best interests of our shareholders and unanimously recommends approval of Proposal 1.

Our Board of Directors believes that the domestication will firmly and unambiguously establish us as a U.S. corporation, which will level the playing field with our principal competitors, most of whom are U.S. corporations,

and enhance our ability to achieve our strategic goals. Our Board of Directors also believes that by domiciling in the United States we may enhance shareholder value over the long term with greater acceptance of us in the capital markets and improved marketability of our Class A Shares. In addition, the domestication will provide us with a more efficient structure for tax purposes and potentially allow us to become eligible for U.S. federal programs such as the Capital Purchase Program announced by the U.S. Treasury under its Troubled Asset Relief Program. Our Board of Directors chose the State of Delaware to be our domicile because it believes the more favorable corporate environment afforded by Delaware will help us compete more effectively with other public companies, many of which are incorporated in Delaware, in raising capital and in attracting and retaining skilled, experienced personnel.

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The domestication will change the governing law that applies to our shareholders from the federal jurisdiction of Canada to the State of Delaware. There are material differences between the CBCA and the DGCL. Our shareholders may have more or fewer rights under Delaware law depending on the specific set of circumstances.

We plan to complete the proposed domestication as soon as possible following approval by our shareholders. The domestication will be effective on the date set forth in the certificate of corporate domestication and certificate of incorporation, as filed with the Secretary of State of the State of Delaware. Thereafter, Oppenheimer Holdings will be subject to the certificate of incorporation filed in Delaware. We will be discontinued in Canada as of the date shown on the certificate of discontinuance issued by the Director appointed under the CBCA, which is expected to be the same date as the date of the filing of the certificate of corporate domestication and certificate of incorporation in Delaware. However, the Board of Directors may decide to delay the domestication or not to proceed with the domestication after receiving approval from our shareholders if it determines that the transaction is no longer advisable. The Board of Directors has not considered any alternative action if the domestication is not approved or if it decides to abandon the transaction.

The domestication will not interrupt our corporate existence, our operations or the trading market of our Class A Shares. Each outstanding Class A Share and Class B Share at the time of the domestication will remain issued and outstanding as a share of Class A Non-Voting Common Stock or Class B Voting Common Stock, as applicable, of Oppenheimer Holdings after our corporate existence is continued from Canada under the CBCA and domesticated in Delaware under the DGCL. Following the completion of the domestication, Oppenheimer Holdings Class A Non-Voting Common Stock will continue to be listed on the New York Stock Exchange, or NYSE, under the symbol OPY.

Regulatory and Other Approvals

The continuance is subject to the authorization of the Director appointed under the CBCA. The Director is empowered to authorize the continuance if, among other things, he is satisfied that the continuance will not adversely affect our creditors or shareholders.

Tax Consequences of the Domestication

U.S. Federal Income Tax Consequences.

We believe that the change in our jurisdiction of incorporation will constitute a tax-free reorganization within the meaning of Section 368(a) of the United States Internal Revenue Code and generally neither we nor Oppenheimer Holdings should recognize any gain or loss for U.S. federal income tax purposes as a result of the domestication, other than as described later herein in *United States Federal Income Tax Consequences*. If, for any reason, we determine that the domestication would not qualify as a tax-free reorganization, we will abandon the domestication. For U.S. shareholders, the domestication also would generally be tax-free, however, Internal Revenue Code Section 367 has the effect of potentially imposing income tax on such holders in connection with such transactions. Pursuant to the Treasury Regulations under Internal Revenue Code Section 367, any U.S. holder that owns, directly or through attribution, 10% or more of the combined voting power of all classes of our stock (which we refer to as a 10% shareholder) will have to recognize a deemed dividend on the domestication equal to the all earnings and profits amount, within the meaning of Treasury Regulation Section 1.367(b)-2, attributable to such holder s shares in the Corporation. Any U.S. shareholder that is not a 10% shareholder and whose shares have a fair market value of less than $50,000 on the date of the domestication, will recognize no gain or loss as a result of the domestication. A U.S. shareholder that is not a 10% shareholder but whose shares have a fair market value of at least $50,000 on the date of the domestication must generally recognize gain (but not loss) on the domestication equal to the difference between

the fair market value of the Oppenheimer Holdings stock received at the time of the domestication over the shareholder s tax basis in our shares. Such a shareholder, however, instead of recognizing gain, may elect to include in income as a deemed dividend the all earnings and profits amount attributable to his shares in the Corporation which we refer to as a Deemed Dividend Election. Based on all available information, we believe that no U.S. shareholder of the Corporation should have a positive all earnings and profits amount attributable to such shareholder s shares in the Corporation, and that we are not a passive foreign investment company as that term is defined in the Internal Revenue Code of 1986, as amended, or the Code, and accordingly no U.S. shareholder should be subject to tax on the domestication. Our belief with respect to the all earnings and profits amount results from detailed calculations performed by a nationally recognized accounting firm based on information provided to them by us. Our earnings and profits for this purpose were calculated in conformity

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with the relevant provisions of the Code and the Treasury Proposed and Final Regulations in force as of the date of this circular, the current administrative rulings and practices of the Internal Revenue Service, or the IRS and judicial decisions as they relate to those statutes and regulations. We do not have all historical financial information since our incorporation in 1933 although we have reviewed financial information dating back to 1945. It is possible, although we believe highly unlikely, that we recognized earnings and profits in taxable years for which we do not have complete information. The amount of any such earnings and profits would negatively impact our calculations. However, based on the substantial financial information we have since 1945, our limited activity at the holding company level and the size of our existing earnings and profits deficit, we do not believe that a U.S. shareholder should have a positive all earnings and profits amount attributable to such shareholder s shares in the Corporation. As a result, we believe that no U.S. shareholder should be required to include any such amount in income as a result of the domestication. However , no assurance can be given that the IRS will agree with us. If it does not, a U.S. shareholder may be subject to adverse U.S. federal income tax consequences. A U.S. shareholder s tax basis in the shares of Oppenheimer Holdings received in the exchange will be equal to such shareholder s tax basis in the shares of the Corporation, increased by the amount of gain (if any) recognized in connection with the domestication or the amount of the all earnings and profits amount included in income by such U.S. shareholder. A U.S. shareholder s holding period in the shares of Oppenheimer Holdings should include the period of time during which such shareholder held his shares in the Corporation, provided that the shares of the Corporation were held as capital assets.

Canadian Federal Income Tax Consequences.

Under the Income Tax Act (Canada), or the ITA, the change in our jurisdiction from Canada to the United States will cause our tax year to end immediately before the continuance. Furthermore, we will be deemed to have disposed of all of our property immediately before the continuance for proceeds of disposition equal to the fair market value of the property at that time. We will be subject to a separate corporate emigration tax imposed equal to the amount by which the fair market value of all of our property immediately before the continuance exceeds the aggregate of our liabilities at that time (other than dividends payable and taxes payable in connection with this emigration tax) and the amount of paid-up capital on all of our issued and outstanding shares. With the assistance of professional advisors, we have reviewed our assets, liabilities, paid-up capital and other tax balances and assuming that the market price of our Class A Shares does not exceed $13.50 per share and that the exchange rate of the Canadian dollar to the U.S. dollar is CDN $1.00 equals $0.80, it is anticipated that Canadian income taxation arising on the continuance would not exceed $4.0 million.

Our shareholders who remain holding the shares after the continuance, will not be considered to have disposed of their shares by reason only of the continuance. Accordingly, the continuance will not cause Canadian resident shareholders to realize a capital gain or loss on their shares and there will be no effect on the adjusted cost base of their shares.

The foregoing is a brief summary of the principal income tax considerations only and is qualified in its entirety by the more detailed description of income tax considerations in the *United States and Canadian Income Tax Considerations* of this Circular, which shareholders are urged to read. This summary does not discuss all aspects United States and Canadian tax consequences that may apply in connection with the domestication. Shareholders should consult their own tax advisors as to the tax consequences of the domestication applicable to them. In addition, please note that other tax consequences may arise under applicable law in other countries.

Accounting Treatment of the Domestication

Our domestication as a Delaware corporation represents a transaction between entities under common control. Assets and liabilities transferred between entities under common control are accounted for at carrying value. Accordingly, the assets and liabilities of Oppenheimer Holdings will be reflected at their carrying value to us. Any of our shares that we acquire from dissenting shareholders will be treated as an acquisition of treasury stock at the amount paid for the

shares.

Dissent Rights of Shareholders

If you wish to dissent and do so in compliance with Section 190 of the CBCA, and we proceed with the continuance, you will be entitled to be paid the fair value of the shares you hold. Fair value is determined as of the close of business on the day before the continuance is approved by our shareholders. If you wish to dissent, you must send written objection to

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the continuance to us at or before the Meeting. If you vote in favor of the continuance, you in effect lose your rights to dissent. If you withhold your vote or vote against the continuance, you preserve your dissent rights to the extent you comply with Section 190 of the CBCA. However, it is not sufficient to vote against the continuance or to withhold your vote. You must also provide a separate dissent notice at or before the Meeting. If you grant a proxy and intend to dissent, the proxy must instruct the proxy holder to vote against the continuance in order to prevent the proxy holder from voting such shares in favor of the continuance and thereby voiding your right to dissent. Under the CBCA, you have no right of partial dissent. Accordingly, you may only dissent as to all your shares. Section 190 of the CBCA is reprinted in its entirety as Exhibit E to this Circular.

Comparison of Shareholder Rights

Upon completion of the domestication, our shareholders will be holders of capital stock of Oppenheimer Holdings, a Delaware corporation, and their rights will be governed by the DGCL as well as Oppenheimer Holdings certificate of incorporation and by-laws. Shareholders should be aware that the rights they currently have under the CBCA may, with respect to certain matters, be different under the DGCL. For example, under the CBCA, a company has the authority to issue an unlimited number of shares whereas, under the DGCL, a Delaware corporation may only issue the number of shares that is authorized by its certificate of incorporation and shareholder approval must be obtained to amend the certificate of incorporation to authorize the issuance of additional shares. In addition, under the CBCA, one shareholder may constitute a quorum for purposes of a shareholders meeting whereas, under Delaware law, a quorum may consist of no less than one-third of the total voting power of the stockholders. On the other hand, under the CBCA, shareholders are entitled to appraisal rights for a number of extraordinary corporate actions, including an amalgamation with another unrelated corporation, some amendments to a corporation s articles of incorporation and the sale of all or substantially all of a corporation s assets, whereas under the DGCL, stockholders are only entitled to appraisal rights for certain mergers or consolidations and not for any other extraordinary corporate events. In addition, under the CBCA, shareholders owning at least 5% of our outstanding voting shares have the right to require the Board of Directors to call a special meeting of shareholders whereas, under the DGCL, stockholders have no right to require the board to call a special meeting. We refer you to the section entitled *The Domestication Comparison of Shareholder Rights* for a more detailed description of the material differences between the rights of Canadian shareholders and Delaware stockholders.

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SELECTED FINANCIAL DATA

The table below presents our selected historical consolidated financial data as of and for each of the five years ended December 31, 2008, 2007, 2006, 2005 and 2004. The selected historical consolidated financial data as of and for the five years ended December 31, 2008 is derived from our audited consolidated financial statements, which have been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm and are incorporated by reference into this Circular from our Annual Report on Form 10-K for the year ended December 31, 2008.

The selected historical consolidated financial data set forth below should be read in conjunction with *Management s Discussion and Analysis of Financial Condition and Results of Operations* and our consolidated financial statements and related notes incorporated by reference into this Circular from our Annual Report on Form 10-K for the year ended December 31, 2008. Our financial statements included in and incorporated by reference into this Circular have been prepared in accordance with U.S. GAAP. Amounts are expressed in thousands of dollars, except share and per share amounts.

	Year Ended December 31,				
	2008	**2007**	**2006**	**2005**	**2004**
Revenue	$ 920,070	$ 914,397	$ 800,823	$ 679,746	$ 655,140
Net profit (loss)	$ (20,770)	$ 75,367	$ 44,577	$ 22,916	$ 21,077
Net profit (loss) per share[(1)]					
basic	$ (1.57)	$ 5.70	$ 3.50	$ 1.76	$ 1.58
diluted	$ (1.57)	$ 5.57	$ 2.76	$ 1.36	$ 1.24
Total assets	$ 1,529,584	$ 2,138,241	$ 2,160,090	$ 2,184,467	$ 1,806,199
Total liabilities	$ 1,103,858	$ 1,694,261	$ 1,801,049	$ 1,876,344	$ 1,499,316
Cash dividends per Class A Share and Class B Share	$ 0.44	$ 0.42	$ 0.40	$ 0.36	$ 0.36
Shareholders equity	$ 425,726	$ 443,980	$ 359,041	$ 308,123	$ 306,883
Book value per share[(1)]	$ 32.75	$ 33.22	$ 27.76	$ 24.46	$ 22.91
Number of shares of capital stock outstanding	12,999,145	13,366,276	12,934,362	12,595,821	13,396,556

(1) The Class A Shares and Class B Shares are combined because they are of equal rank for purposes of dividends and in the event of a distribution of assets upon liquidation, dissolution or winding up.

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RISK FACTORS

You should carefully consider the risks and uncertainties described below, together with all of the other information and risks included in, or incorporated by reference into, this Circular, including our consolidated financial statements and the related notes thereto incorporated by reference into this Circular from our Annual Report on Form 10-K for the year ended December 31, 2008, before making a decision whether to vote for the proposals described in this Circular. The following risk factors and other information in this Circular contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. This summary does not discuss all aspects of U.S. or Canadian tax consequences that may apply in connection with the domestication. In addition, please note that other tax consequences may arise under applicable law in other countries. If any of the following events or developments described below actually occur, the business, financial condition or operating results of Oppenheimer Holdings could be materially harmed. This could cause the trading price of the Class A Non-Voting Common Stock of Oppenheimer Holdings to decline, and you may lose all or part of your investment.

Risks Relating to the Domestication

The amount of corporate tax payable by us will be affected by the value of our property on the date of the domestication.

For Canadian tax purposes, on the date of the domestication we will be deemed to have a year end and will also be deemed to have sold all of our property and received the fair market value for those properties. We do not expect that we will be subject to any Canadian taxation on this deemed disposition because of the availability of an election that can be made pursuant to subsection 93(1) of the ITA, as better described below under the heading *Proposal 1 The Domestication Canadian Tax Considerations* . We will be subject to an additional corporate emigration tax equal to 5% of the amount by which the fair market value of our property, net of liabilities, exceeds the paid-up capital of our issued and outstanding shares. We have completed certain calculations of our tax accounts with the assistance of professional advisors, and assuming the fair market value of our property reflects the market price of our stock, a stock price of $13.50 per Class A Share and that the exchange rate of the Canadian dollar to the U.S. dollar is CDN $1.00 equals $0.80, we have estimated that this corporate emigration tax would not exceed $4.0 million. The amount of such corporate emigration tax will be increased (or reduced) by any increase (or decrease) in the value of our stock price, and it is possible that the Canadian federal tax authorities may not accept our valuations or calculations of our tax accounts, which may result in additional taxes payable as a result of the domestication. As is customary, when a Canadian federal tax liability depends largely on factual matters, we have not applied to the Canadian federal tax authorities for a ruling on this matter and do not intend to do so.

We are of the view that, for the foreseeable future, our principal undertaking will be carrying on a financial services business rather than an investment business for purposes of the proposed foreign investment entity tax rules under the ITA. As such, we should not qualify as a foreign investment entity, and Canadian resident shareholders should not be adversely affected by the proposed tax rules applicable to a foreign investment entity. However, the determination of whether or not we are a foreign investment entity must be made on an annual basis at the end of each taxation year.

If the IRS does not agree with the our calculation of the all earnings and profits amount attributable to a shareholder s shares in the Corporation, Oppenheimer Holdings stockholders may owe income taxes as a result of the domestication.

We believe that the domestication will qualify as a tax-free reorganization for U.S. federal income tax purposes and that based upon a review of our earnings and profits, no U.S. shareholder should be subject to U.S. federal income tax as a result of the domestication. Based on a review of information available to us, we believe that Oppenheimer Holdings Inc. has a deficit in earnings and profits. As a result, no U.S. shareholder should have a positive all earnings and profits amount attributable to such shareholder s shares of the Corporation, and therefore no U.S. shareholder should be required to include any such amount in income as a result of the domestication. We did not have all historical financial information since our incorporation in 1933 available when calculating our earnings and profits, although we have reviewed financial information dating back to 1945. It is possible, although we believe highly unlikely, that we recognized earnings and profits in taxable years for which we do not have complete information. The amount of any such earnings and profits would negatively impact our calculations. However, based on the substantial amount of historical financial information we have since 1945, our limited activity at the holding company level and the size of our existing earnings and profits deficit, we do not believe that a U.S. shareholder should have a positive all earnings and profits amount attributable to such shareholder s shares in the Corporation. However, if the IRS does not agree with our calculation of the

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all earnings and profits amount , a shareholder may be subject to adverse U.S. federal income tax consequences on the domestication. Any U.S. shareholder who owns, directly or indirectly, 10% or more of the combined voting power of all classes of our common stock at the time of the domestication will have to recognize income, categorized as dividend income for U.S. federal income tax purposes, equal to the all earnings and profits amount, within the meaning of Treasury Regulation Section 1.367(b)-2, allocable to such U.S. shareholder s shares in the Corporation. Any U.S. shareholder who owns less than 10% of the combined voting power of all classes of our common shares and whose shares have a fair market value of $50,000 or more on the date of the domestication will, assuming the deemed dividend election is made by such U.S. shareholder, have income in an amount equal to the lesser of the gain, if any, on the domestication or all earnings and profits amount attributable to his shares in Oppenheimer Holdings Inc. U.S. shareholders who own less than 10% of the combined voting power of all classes of our common shares and whose shares have a fair market value below $50,000 are not subject to tax on the domestication. For additional information on the U.S. federal income tax consequences of the domestication, see *United States Federal Income Tax Consequences* .

The rights of our shareholders under Canadian law will differ from their rights under Delaware law, which will, in some cases, provide less protection to shareholders following the domestication.

Upon consummation of the domestication, our shareholders will become stockholders of a Delaware corporation. There are material differences between the CBCA and the DGCL and our current and proposed charter and by-laws. For example, under Canadian law, many significant corporate actions such as amending a corporation s articles of incorporation or consummating a merger require the approval of at least two-thirds of the votes cast by shareholders, whereas under Delaware law, all that is required is a simple majority of the total voting power of all of those entitled to vote on the matter. Furthermore, shareholders under Canadian law are entitled to appraisal rights under a number of extraordinary corporate actions, including an amalgamation with another unrelated corporation, certain amendments to a corporation s articles of incorporation or the sale of all or substantially all of a corporation s assets, whereas under Delaware law, stockholders are only entitled to appraisal rights for certain mergers or consolidations. As shown by the examples above, if the domestication is approved, our shareholders, in certain circumstances, may be afforded less protection under the DGCL than they had under the CBCA. See *Proposal 1 The Domestication Comparison of Shareholder Rights.*

The proposed domestication will result in additional direct and indirect costs whether or not completed.

The domestication will result in additional direct costs. We will incur attorneys fees, accountants fees, filing fees, mailing expen