OPPENHEIMER HOLDINGS INC
Form S-4/A
April 01, 2009

Table of Contents

Registration No. 333-157937

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

Amendment No. 1 to

Form S-4

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

OPPENHEIMER HOLDINGS INC.
(Exact Name of Registrant as Specified in Its Charter)

Canada*	**6211**	**98-0080034**
(State or Other Jurisdiction of Incorporation)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

P.O. Box 2015, Suite 1110
20 Eglinton Avenue West
Toronto, Ontario, Canada M4R 1K8
(416) 322-1515
(Address, including zip code, and telephone number, including area code, of Registrant s principal executive offices)

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

with a copy to:

Floyd I. Wittlin, Esq.
Bingham McCutchen LLP
399 Park Avenue
New York, New York 10022

(212) 705-7466

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective and the consummation of the domestication transaction covered hereby.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earliest effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

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

Large accelerated filer o	Accelerated filer þ	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-border Issuer Tender Offer) o

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) o

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant files a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

* The Registrant intends, subject to shareholder approval, to effect a domestication under Section 388 of the General Corporation Law of the State of Delaware, pursuant to which the Registrant s state of incorporation will be Delaware.

Table of Contents

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This document shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY SUBJECT TO COMPLETION DATED MARCH 31, 2009

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.

Table of Contents

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.

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,

(signed) A.G. Lowenthal

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 , 2009 and is first being mailed to shareholders on or about April , 2009.

Table of Contents

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 day of April, 2009.

(signed) Dennis McNamara

Secretary

MANAGEMENT PROXY CIRCULAR

TABLE OF CONTENTS

EX-23.1

2

Table of Contents

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).

Table of Contents

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 , 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.

Table of Contents

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.

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 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.

Table of Contents

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 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

Table of Contents

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.

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.

Table of Contents

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 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 expenses and financial printing expenses in connection with the domestication. The domestication may also result in certain indirect costs by diverting the attention of our management and employees from the day-to-day management of the business, which may result in increased administrative costs and expenses.

Table of Contents

FORWARD-LOOKING STATEMENTS

From time to time, we may publish forward looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. We generally identify forward-looking statements with the words plan, expect, anticipate, estimate, may, will, should and similar expressions. We base these forward-looking statem our current expectations and projections about future events.

We caution readers that a variety of factors could cause our actual results to differ materially from those discussed in, or implied by, these forward-looking statements. These risks and uncertainties, many of which are beyond our control, include, but are not limited to: (i) transaction volume in the securities markets, (ii) the volatility of the securities markets, (iii) fluctuations in interest rates, (iv) changes in regulatory requirements which could affect the cost and method of doing business, (v) fluctuations in currency rates, (vi) general economic conditions, both domestic and international, (vii) changes in the rate of inflation and the related impact on the securities markets, (viii) competition from existing financial institutions and other participants in the securities markets, (ix) legal developments affecting the litigation experience of the securities industry and us, including developments arising from the failure of the Auction Rate Securities markets, (x) changes in federal and state tax laws which could affect the popularity of products we sell, (xi) the effectiveness of efforts to reduce costs and eliminate overlap, (xii) war and nuclear confrontation, (xiii) our ability to achieve our business plan, (xiv) corporate governance issues, (xv) the impact of the credit crisis on business operations, (xvi) the effect of bailout and related legislation, (xvii) the consolidation of the banking and financial services industry, (xviii) the effects of the economy on our ability to find and maintain financing options and liquidity, (xix) credit, operations, legal and regulatory risks, and (xx) risks related to foreign operations. Many factors could cause our actual results, performance or achievements to be materially different from any results, performance or achievements that may be expressed or implied by such forward-looking statements including those which are discussed under the heading *Risk Factors* included elsewhere herein and incorporated by reference into this Circular from Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2008. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described in or incorporated by reference into this Circular as intended, planned, anticipated, believed, estimated or expected. We do not intend, and do not assume, any obligation to update these forward-looking statements.

THE MEETING

Solicitation of Proxies

This Circular is forwarded to our Class A Shareholders and Class B Shareholders in connection with the solicitation of proxies by our management from the Class A Shareholders and Class B Shareholders for use at our Annual and Special Meeting of Shareholders to be held on May 8, 2009, at the hour of 10:00 a.m. (Toronto time) at the Toronto Board of Trade, Rooms A/B/C/D, 100 King Street West, Toronto, Ontario and at any adjournments thereof for the purposes set forth in the Notice of Meeting, which accompanies this Circular. This Circular is dated April , 2009 and is first being mailed to shareholders on or about April , 2009.

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 CBCA, we will prepare a list of the Class A Shareholders and Class B Shareholders as of the record date. Class B Shareholders named in the list will be entitled to vote the Class B Shares on all matters to be voted on at the Meeting, and the Class A Shareholders named in the list will only be entitled to vote the Class A Shares to approve the special resolution for the domestication and the certificate of incorporation of Oppenheimer Holdings (Proposal 1 in the Notice of Meeting).

It is planned that the solicitation will be initially by mail, but proxies may also be solicited by our employees. The cost of such solicitation, estimated to be approximately $25,000, will be borne by us.

No person is authorized to give any information or to make any representations other than those contained in this Circular and, if given or made, such information or representations should not be relied upon as having been authorized by us. The delivery of this Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth or incorporated by reference herein since the date of this Circular. Except as otherwise stated, the information contained in this Circular is given as of April , 2009.

We have distributed copies of our Annual Report for the year ended December 31, 2008, the Notice of Meeting, this Circular, and forms of proxy for use by the Class A Shareholders and Class B Shareholders to intermediaries such as clearing agencies, securities dealers, banks and trust companies or their nominees for distribution to our non-registered shareholders whose shares are held by or in the custody of such intermediaries. Intermediaries are required to forward these documents to non-registered Class A Shareholders and Class B Shareholders. The solicitation of proxies from non-registered Class A Shareholders and Class B Shareholders will be carried out by the intermediaries, or by us if the names and addresses of Class A Shareholders and Class B Shareholders are provided by the intermediaries. Non-registered Class A Shareholders and Class B Shareholders who wish to file proxies should follow the instructions of their intermediary with respect to the procedure to be followed. Generally, non-registered Class A Shareholders and Class B Shareholders will either: (i) be provided with a proxy executed by the intermediary, as the registered shareholder, but otherwise uncompleted and the non-registered holder 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 registered shareholder, 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 non-registered holder and may not vote in the event that no instructions are received.

Class A Shares and Class B Shares

We have authorized and issued Class A Shares and Class B Shares which are equal in all respects except that the holders of Class A Shares, as such, are not entitled to vote at meetings of our shareholders except as entitled to vote by law, pursuant to our Articles of Continuance or as may be required by regulatory authorities. Class A Shareholders are not entitled to vote the Class A Shares owned or controlled by them on the matters identified in the Notice of Meeting to be voted on, except for the proposal to approve the special resolution for our change of jurisdiction and approval of the certificate of incorporation for Oppenheimer Holdings (Proposal 1 in the Notice of Meeting).

Generally, Class A Shareholders are afforded the opportunity to receive notices of all meetings of shareholders and to attend and speak at such meetings. Class A Shareholders are also afforded the opportunity to receive all informational documentation sent to the Class B Shareholders.

Class B Shareholders are entitled to one vote at all meetings of shareholders for each Class B Share held as of the record date for the meeting, except meetings at which only the holders of a specified class of shares other than the Class B Shares are entitled to vote.

Under the CBCA, in order to approve the change of jurisdiction, we require affirmative votes, whether in person or by proxy, from at least two-thirds of the votes cast by the holders of Class A Shares and Class B Shares, voting together as a single class at the Meeting if a quorum, or a majority of the total outstanding Class A Shares and Class B Shares, is present.

In the event of either a take-over bid or an issuer bid (as those terms are defined in the Securities Act of Ontario) being made for the Class B Shares and no corresponding offer being made to purchase Class A Shares, the Class A Shareholders would have no right under our articles or under any applicable statute to require that a similar offer be made to them to purchase their Class A Shares.

Appointment and Revocation of Proxies

Albert G. Lowenthal and, failing him, Elaine K. Roberts, or the Management Nominees, has been appointed by the Board of Directors to serve as the proxy for the shareholders at the Meeting.

Shareholders have the right to appoint persons, other than the Management Nominees, who need not be shareholders, to represent them at the Meeting. To exercise this right, the shareholder may insert the name of the desired person in the blank space provided in the form of proxy accompanying this Circular or may submit another form of proxy.

Proxies must be deposited with our transfer agent, CIBC Mellon Trust Company, at its address P.O. Box 7010, Adelaide Street Postal Station, Toronto, Ontario, Canada M5C 2W9, no later than 48 hours prior to the commencement of the Meeting in order for the proxies to be used at the Meeting. If you do not deposit your proxy with the transfer agent at least 48 hours prior to the commencement of the Meeting, your proxy will not be used.

Class A Shares represented by properly executed proxies will be voted by the Management Nominees on any ballot that may be called for, unless the shareholder has directed otherwise, for the proposal to approve the special resolution authorizing the change of jurisdiction and approval of the certificate of incorporation of Oppenheimer Holdings (Proposal 1 in the Notice of Meeting).

Class B Shares represented by properly executed proxies will be voted by the Management Nominees on any ballot that may be called for, unless the shareholder has directed otherwise, (i) for the proposal to approve the special resolution authorizing the change of jurisdiction and the approval of the certificate of incorporation of Oppenheimer Holdings (Proposal 1 in the Notice of Meeting), (ii) for the election of the nominated Directors (Proposal 2 in the Notice of Meeting), and (iii) for the appointment of auditors and authorizing the Board of Directors and the Audit Committee to fix the remuneration of the auditors (Proposal 3 in the Notice of Meeting).

Each form of proxy confers discretionary authority with respect to amendments or variations to matters identified in the Notice of Meeting to which the proxy relates and other matters which may properly come before the Meeting. Management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if matters which are not known to management should properly come before the Meeting, the proxies will be voted on such matters in accordance with the best judgment of the person or persons voting the proxies.

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 either 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 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.

Abstentions and broker non-votes will have no effect with respect to the matters to be acted upon at the Meeting.

Table of Contents

PROPOSALS TO BE ACTED UPON

1. THE DOMESTICATION

The Board of Directors recommends that the shareholders approve a special resolution authorizing us to make an application for a continuance 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 authorized in the special resolution to be effective as of the date of our domestication. Under the CBCA, in order to approve the continuance, the special resolution requires affirmative votes, in person or by proxy, from at least two-thirds of all the votes cast by the Class A Shareholders and the Class B Shareholders voting together as a single class at the Meeting if a quorum, or a majority of the total outstanding Class A Shares and Class B Shares is present.

The Board of Directors recommends that the shareholders vote FOR the approval of the special resolution authorizing us to change our jurisdiction of incorporation to Delaware and to approve the certificate of incorporation of Oppenheimer Holdings.

2. ELECTION OF DIRECTORS

Our Articles of Continuance provide that our Board of Directors consists of no less than five and no more than fifteen directors to be elected annually. The term of office for each director is from the date of the meeting at which the director is elected until the close of the next annual meeting of shareholders or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with our by-laws.

The Nominating and Corporate Governance Committee has recommended, and the directors have determined, that nine directors are to be elected at the Meeting. Management does not contemplate that any of the nominees named below will be unable to serve as a director, but, if such an event should occur for any reason prior to the Meeting, the Management Nominees reserve the right to vote for another nominee or nominees in their discretion. The Board of Directors, upon the recommendation of the Nominating and Corporate Governance Committee, recommends the following nominees for election as directors, in accordance with the Nominating and Corporate Governance Committee Charter (available at www.opco.com): 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. The Nominating and Corporate Governance Committee has reported that it is satisfied that each of the nominees is fully able and fully committed to serve the best interests of our shareholders. The election of the directors nominated requires the affirmative vote of a simple majority of the Class B Shares voted at the meeting. Information regarding each of the director nominees and our executive officers can be found in *Management Director Nominees and Executive Officers.*

The Board of Directors recommends that the Class B Shareholders vote FOR 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.

3. APPOINTMENT OF AUDITORS

The Audit Committee has nominated PricewaterhouseCoopers LLP for reappointment as our auditors for the 2009 fiscal year. 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 of a simple majority of the Class B Shares voted at the Meeting.

The Board of Directors recommends that the Class B Shareholders vote FOR the appointment of PricewaterhouseCoopers LLP as our auditors.

In addition, our consolidated financial statements and *Management s Discussion and Analysis of Financial Condition and Results of Operations* for the year ended December 31, 2008 are included in the Annual Report on Form 10-K, which has been mailed to our shareholders with the Circular. These consolidated financial statements are also available on our website at www.opco.com and regulatory websites at www.sedar.com (for SEDAR filings) or www.sec.gov (for EDGAR filings).

Table of Contents

PROPOSAL NO. 1 THE DOMESTICATION

General

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, and approve a new certificate of incorporation to be effective on the date of the domestication. We will become subject to the DGCL on the date of our domestication, but will be deemed for the purposes of the DGCL to have commenced our existence in Delaware on the date we originally commenced our existence in Canada. Under the DGCL, a corporation becomes domesticated in Delaware by filing a certificate of corporate domestication and a certificate of incorporation for the corporation being domesticated. The Board of Directors has unanimously approved our domestication and the related certificate of incorporation of Oppenheimer Holdings, believes it to be in our best interests and in the best interests of our shareholders, and unanimously recommends approval of the domestication and the approval of the certificate of incorporation of Oppenheimer Holdings to our shareholders.

The domestication will be effective on the date set forth in the certificate of corporate domestication and the certificate of incorporation, as filed with the office of the Secretary of State of the State of Delaware. Thereafter, we will be subject to the certificate of incorporation filed in Delaware, a copy of which is attached to this Circular as Exhibit C. 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 we expect to be the date of domestication in Delaware. The Class A Shares will continue to be listed on the NYSE under the trading symbol OPY and we will continue to be subject to the rules and regulations of the NYSE and the obligations imposed by each securities regulatory authority in the United States, including the SEC. We will continue to file periodic reports with the SEC pursuant to the Securities Exchange Act of 1934, as amended, or the Exchange Act. Upon our domestication, our Board of Directors intends to adopt by-laws, copies of which are attached to this Circular as Exhibit D. A copy of Section 190 of the CBCA addressing dissenters rights in connection with the continuance is attached to this Circular as Exhibit E.

The domestication will not interrupt our corporate existence or operations, or the trading market of the 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 our domestication, the Class A Shares will continue to be listed on the NYSE under the trading symbol OPY.

Principal Reasons for the Domestication

Our Board of Directors has determined that the domestication will result in an overall simplification of our corporate structure which is in our best interests and the best interests of our shareholders. The Board of Directors believes that the achievement of our strategic goals would be enhanced by our clear and unambiguous identification as a U.S. corporation.

All of our significant operating businesses are located in, and our operating businesses have been headquartered for over 25 years in the United States. We have voluntarily reported under the Exchange Act for approximately 20 years. Most of our shareholders reside in the United States and our Class A Shares are listed exclusively on the NYSE. Despite this connection with the United States, we believe we are not uniformly perceived by investors, customers, lenders, employees or potential strategic partners as a U.S. company. Our Board of Directors believes that the absence of a clear U.S. identity may prevent us from maximizing the opportunities and relationships with investors, existing and potential customers, lenders and potential partners, many of whom prefer to engage in business with a U.S. entity. By changing our jurisdiction of incorporation from Canada to Delaware, and also changing our corporate headquarters from Toronto to New York, we will firmly and unambiguously establish ourselves as a U.S. corporation. This will level the playing field with our principal competitors, most of whom are U.S. corporations.

The 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. The Class A Shares are not presently covered by securities analysts either in Canada or the United States. We believe that one reason for this lack of coverage is that our business resides in the United States but our corporate parent does not. We believe there is a greater likelihood of such coverage if we move our domicile to the United States.

Table of Contents

In addition to the foregoing, the Board of Directors believes that being domiciled in the United States should increase our flexibility to enter into certain types of mergers, acquisitions and business combination transactions with other U.S. corporations which, if we remain a Canadian corporation, could be more difficult to accomplish due to adverse tax consequences.

Recent events in the credit markets of the United States have created significant market imbalances and placed pressure on our capital as well as that of many of our competitors. In connection with these disruptions, the U.S. government has introduced a number of programs intended to add liquidity to the markets through providing funding to financial services firms. In general, these programs have been viewed as being directed more at companies organized in the United States than companies organized outside the United States, and a move to the United States should enhance our eligibility under these programs. One of these programs is the Capital Purchase Program, or CPP, announced by the U.S. Treasury under its Troubled Asset Relief Program, or TARP. Under this program, to the extent funds remain available or more funds are allocated in the future, we may be eligible for a capital injection from the U.S. government, in exchange for which we may be required to issue preferred stock and warrants to purchase our Class A Shares. The availability of the CPP and other federal programs, many of which have been announced but have not been fully implemented, could assist us in resolving issues arising from the failure of the auction rate securities market, which has trapped our clients in illiquid auction rate securities. Many of our competitors have redeemed auction rate securities from their customers and our failure to have done so presents a significant issue for us with our clients and regulators. We have no assurance that we would qualify for CPP or any other federal program nor have we determined that we would participate in any of these programs. Overall, though, we believe the domestication would put us in a better overall position to participate in available programs than if we remain domiciled outside the United States.

The 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. For many years, Delaware has followed a policy of encouraging public companies to incorporate in the state by adopting comprehensive corporate laws that are revised regularly in response to developments in modern corporate law and changes in business circumstances. The Delaware courts are known for their considerable expertise in dealing with complex corporate issues and providing predictability through a substantial body of case law construing Delaware s corporate law. Coupled with an active bar known for continually assessing and recommending improvements to the DGCL, these factors add greater certainty in complying with fiduciary responsibilities and assessing risks associated with conducting business.

In considering its recommendation in favor of the domestication, our Board of Directors weighed the estimated tax liability to us arising from this transaction. See *Proposal 1 The Domestication United States and Canadian Income Tax Considerations.* 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=$0.80, it is anticipated that Canadian income taxation arising from the domestication would not exceed $4.0 million. Accordingly, due to the recent decline in the share price of the Class A Shares, this potential tax liability would be substantially less than it would have been if the domestication had occurred in the past several years.

For the reasons set forth above, our Board of Directors believes that the estimated benefits of domestication outweigh the detriment attributable to our potential tax liability.

Effects of the Domestication

There are material differences between Canadian corporate law and Delaware corporate law with respect to shareholders rights, and Delaware law may offer shareholders more or less protection depending on the particular matter. A detailed overview of the material differences is set forth below.

Applicable Law. As of the effective date of the domestication, our legal jurisdiction of incorporation will be Delaware, and we will no longer be subject to the provisions of the CBCA. All matters of corporate law will be determined under the DGCL. We will retain our original incorporation date in Canada as our date of incorporation for purposes of the DGCL.

Assets, Liabilities, Obligations, Etc. Under Delaware law, as of the effective date of the domestication, all of our assets, property, rights, liabilities and obligations immediately prior to the domestication will continue to be our assets, property, rights, liabilities and obligations. Canadian corporate law ceases to apply to us on the date shown on the

Table of Contents

certificate of discontinuance to be issued by the Director appointed under the CBCA, which we expect to be the date of domestication in Delaware. We will be thereafter become subject to the obligations imposed under Delaware corporate law.

Business and Operations. The domestication, if approved, will effect a change in the legal jurisdiction of incorporation as of the effective date of the domestication, but our business and operations will remain the same.

Officers and Directors

Our Board of Directors currently consists of nine members, J.L. Bitove, R. Crystal, W. Ehrhardt, M.A.M. Keehner, A.G. Lowenthal (Chairman), K.W. McArthur, A.W. Oughtred, E.K. Roberts, and B. Winberg. These directors have been nominated for election at the Meeting, and subject to their re-election at the Meeting, the Board of Directors will consist of the same nine individuals after the domestication. Immediately following the domestication, our officers will also be unchanged. Our officers are A.G. Lowenthal (Chief Executive Officer), E.K. Roberts (President, Treasurer) and D. McNamara (Secretary).

Treatment of the Outstanding Capital Stock, Options and Warrants

The existing share certificates representing our Class A Shares and Class B Shares will continue to represent shares the same number of the same class of our common stock after the domestication without any action on your part. You will not be required to exchange any share certificates. We will only issue new certificates to you representing shares of capital stock of Oppenheimer Holdings upon a transfer of your shares or at your request. Holders of our outstanding options and warrants will continue to hold the same securities, which will remain exercisable for an equivalent number of shares of the same class of common stock of Oppenheimer Holdings, for the equivalent exercise price per share, without any action by the holder.

Shareholder Approval

The domestication is subject to various conditions, including approval of the special resolution authorizing the domestication and the approval of the certificate of incorporation of Oppenheimer Holdings from our Class A Shareholders and Class B Shareholders, voting together as a class. A copy of the special resolution is attached to this Circular as Exhibit A. Under the CBCA, the change of jurisdiction requires affirmative votes, whether in person or by proxy from at least two-thirds of the votes cast by the holders of our Class A Shares and Class B Shares, voting together as a single class, at the Meeting where a quorum, or a majority of our total outstanding Class A Shares and Class B Shares, is present. Assuming we receive the requisite shareholder approval for the domestication, our Board of Directors will retain the right to terminate or abandon the domestication if it determines that consummating the domestication would be inadvisable or not in our or our shareholders best interests, or if all of the respective conditions to consummation of the domestication have not occurred. There are no time limits on the duration of the authorization resulting from a favorable shareholder vote.

Regulatory and Other Approvals

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

Subject to the authorization of the continuance by the Director appointed under the CBCA, and the approval of our Board of Directors and shareholders, we anticipate that we will file with the Secretary of State of the State of Delaware a certificate of corporate domestication and a certificate of incorporation pursuant to Section 388 of the

DGCL, and that we will be domesticated in Delaware on the effective date of such filings. Promptly thereafter, we intend to give notice to the Director appointed under the CBCA that we have been domesticated under the laws of the State of Delaware and request that the Director appointed under the CBCA issue us a certificate of discontinuance bearing the same date as the date of effectiveness of our certificate of corporate domestication and certificate of incorporation by the Secretary of State of the State of Delaware.

Comparison of Shareholder Rights

The principal attributes of our capital stock before and after domestication are comparable, however, there will be material differences in the rights of our shareholders under Delaware law as described below.

General. On the effective date of the domestication, we will be deemed for the purposes of the DGCL to have been incorporated under the laws of the State of Delaware from our inception and we will be governed by the Delaware certificate of incorporation filed with the certificate of corporate domestication. Differences between Canadian corporate law and Delaware corporate law and between our current articles of incorporation and by-laws and the proposed Delaware certificate of incorporation and by-laws will result in various changes in the rights of our shareholders. The following summary comparison highlights provisions of applicable Canadian corporate law and our current Canadian articles of incorporation and by-laws and Delaware corporate law and the proposed certificate of incorporation and by-laws of Oppenheimer Holdings. The proposed certificate of incorporation and by-laws of Oppenheimer Holdings are attached to this Circular as Exhibit C and Exhibit D, respectively.

Capital Structure. Under our current Canadian articles of incorporation, we presently have the authority to issue an unlimited number of Class A Shares, no par value, 99,680 Class B Shares, no par value, and an unlimited number of preferred shares, issuable in a series, no par value. Under our proposed Delaware certificate of incorporation, the total number of shares of capital stock that Oppenheimer Holdings will have the authority to issue is 100,099,680, consisting of 50,000,000 shares of Class A Non-Voting Common Stock, par value $0.001 per share, 99,680 shares of Class B Voting Common Stock, par value $0.001 per share, and 50,000,000 shares of preferred stock, par value $0.001 per share. Under Canadian law, there is no franchise tax on our authorized capital stock. Pursuant to Delaware law, there will be a franchise tax assessed on the authorized capital stock of Oppenheimer Holdings. With authorized capital stock consisting of 50,000,000 shares of Class A Non-Voting Common Stock, par value $0.001 per share, 99,680 shares of Class B Voting Common Stock, par value $0.001 per share, and 50,000,000 shares of preferred stock, par value $0.001 per share, the franchise tax for Oppenheimer Holdings is expected to be $165,000 per year.

Shareholder Approval; Vote on Extraordinary Corporate Transactions. Canadian law generally requires a vote of shareholders on a greater number and diversity of corporate matters than Delaware law, such as a corporate name change, a creation of a new class of shares, or an increase or decrease of the minimum or maximum number of directors. Furthermore, many matters requiring shareholder approval under Canadian law must be approved by a special resolution of not less than two-thirds of the votes cast by shareholders who voted on those matters. In some cases, such as an amendment to the articles of a corporation that affects classes of shares differently, a special resolution to approve an extraordinary corporate action is also required to be approved separately by the holders of a class or series of shares, whether or not shares of such class or series otherwise carry the right to vote.

Under Delaware law, a sale, lease or exchange of all or substantially all the property or assets of a Delaware corporation or an amendment to its certificate of incorporation requires the approval of the holders of a majority of the voting power of the outstanding shares entitled to vote thereon. Mergers or consolidations also generally require the approval of the holders of a majority of the outstanding voting power of the corporation. However, stockholder approval is not required by a Delaware corporation if such corporation s certificate of incorporation is not amended by the merger; each share of stock of such corporation outstanding immediately prior to the merger will be an identical outstanding share of the surviving corporation after the effective date of the merger; and the number of shares of common stock, including securities convertible into common stock, issued in the merger does not exceed 20% of such corporation s outstanding common stock immediately prior to the effective date of the merger. In addition, stockholder approval is not required by a Delaware corporation if it is the surviving corporation in a merger with a subsidiary in which its ownership was 90% or greater.

Amendments to the Governing Documents. Under Canadian law, amendments to the articles of incorporation generally require the approval of not less than two-thirds of the votes cast by shareholders voting on the resolution. If the proposed amendment would affect a particular class of securities in certain specified ways, the holders of shares of that class would be entitled to vote separately as a class on the proposed amendment, whether or not the shares otherwise carried the right to vote. Our current by-laws allow the directors to make, amend or repeal any by-law.

When directors make, amend or repeal a by-law, they are required under the CBCA to submit the change to shareholders at the next meeting of shareholders. Shareholders may confirm, reject or amend the by-law, the amendment or the repeal with the approval of a majority of the votes cast by shareholders who voted on the resolution.

Under the DGCL, an amendment to a corporation s certificate of incorporation requires the approval of holders of a majority of the voting power of the outstanding stock entitled to vote on the matter. In addition, under the DGCL, if the amendment to the certificate of incorporation would increase or decrease the aggregate number of authorized shares of a class, increase or decrease the par value of the shares of such class, or alter or change the powers, preferences or special rights of the shares of such class so as to affect that class adversely, that class is entitled to vote separately on the

Table of Contents

amendment whether or not it is designated as voting stock. Furthermore, if the proposed amendment would alter or change the powers, preferences or special rights of one or more series of any class so as to affect that class adversely, but would not so affect the entire class, then only the shares of the series so affected by the amendment would be considered a separate class for purposes of the class vote. The DGCL gives stockholders the power to adopt, amend or repeal the by-laws of the Delaware corporation. The board of directors of a Delaware corporation has no power to amend the by-laws unless the certificate of incorporation confers such power on the board of directors in addition to the stockholders. The proposed certificate of incorporation of Oppenheimer Holdings will authorize the Board of Directors to adopt, amend or repeal the by-laws of Oppenheimer Holdings. Unlike Canadian law, there is no requirement to submit changes to the by-laws to stockholders under Delaware law.

Place of Meetings. The CBCA provides that meetings of shareholders must be held at the place within Canada provided in the by-laws or, in the absence of such provision, at the place within Canada that the directors determine. A meeting of shareholders may be held at a place outside of Canada if the place is specified in the articles of incorporation or all the shareholders entitled to vote at the meeting agree that the meeting is to be held at that place. Our articles provide that meetings of shareholders may be held at our registered office or such places in or outside Canada as our directors may from time to time determine. The DGCL provides that meetings of the stockholders be held at any place in or outside of Delaware designated by, or in the manner provided in, the certificate of incorporation or by-laws. The proposed by-laws of Oppenheimer Holdings provide that meetings of the stockholders will be held at any place designated by the Board of Directors.

Quorum of Shareholders. The CBCA provides that, unless the by-laws provide otherwise, a quorum of shareholders is present at a meeting of shareholders (irrespective of the number of persons actually present at the meeting) if holders of a majority of the shares entitled to vote at the meeting are present in person or represented by proxy. The current by-laws provide that the presence of at least two shareholders, in person or by proxy, entitled to vote and holding or representing in the aggregate not less than a majority of the outstanding shares entitled to vote at the meeting constitutes a quorum. Under the DGCL, the certificate of incorporation or by-laws may specify the required quorum, but generally a quorum may consist of no less than one-third of the total voting power. The proposed by-laws of Oppenheimer Holdings provide that the presence of two stockholders, represented in person or by proxy, holding a majority of the voting power of the outstanding shares entitled to vote at the meeting shall constitute a quorum at a meeting of stockholders.

Call of Meetings. The CBCA provides that holders of not less than five percent of our issued voting shares may requisition the directors requiring them to call and hold a special meeting for the purposes stated in the requisition. The current by-laws provide that a special meeting of shareholders may be called by the Board of Directors, the Chairman of the Board, our Managing Director or our President. The DGCL provides that a special meeting of the stockholders may be called by the board of directors or by any person or persons as may be authorized by the certificate of incorporation or by-laws. The proposed by-laws of Oppenheimer Holdings provide that a special meeting of stockholders may be called by the Board of Directors, the Chief Executive Officer, the Chairman of the Board, or the President.

Shareholder Consent in Lieu of Meeting. Under the CBCA, shareholders can take action by written resolution and without a meeting only if all shareholders entitled to vote on that resolution sign the written resolution. Under the DGCL, unless otherwise limited by the certificate of incorporation, stockholders may act by written consent without a meeting if holders of outstanding stock representing not less than the minimum number of votes that would be necessary to take the action at an annual or special meeting execute a written consent providing for the action. The proposed certificate of incorporation of Oppenheimer Holdings will prohibit action by written consent of the stockholders.

Director Election, Qualification and Number. Our current by-laws allow for the election of directors by a majority of votes cast at an annual meeting of shareholders. Our proposed by-laws will allow for the election of directors by a plurality of votes cast at an annual meeting of shareholders. The CBCA states that a distributing corporation must have no fewer than three directors, at least two of whom are not officers or employees of the corporation or its affiliates. Additionally, at least 25% of the directors must be Canadian residents unless the corporation has fewer than four directors, in which case at least one director must be a Canadian resident. The DGCL has no similar requirements; however, the governance standards of the NYSE require the majority of a listed company s Board of Directors to be independent. The proposed by-laws of Oppenheimer Holdings prescribe a minimum of three and a maximum of eleven directors.

Fiduciary Duty of Directors. Directors of a corporation incorporated or organized under the CBCA or DGCL have fiduciary obligations to the corporation and its shareholders. The CBCA requires directors of a Canadian corporation, in exercising their powers and discharging their duties, to act honestly and in good faith with a view to the best interests of the corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Under Delaware common law, directors have a duty of care and a duty of loyalty. The duty of care requires that the directors act in an informed and deliberative manner and inform themselves, prior to making a business decision, of all material information reasonably available to them. The duty of loyalty is the duty to act in good faith, not out of self-interest, and in a manner which the directors reasonably believe to be in the best interests of the stockholders. In addition, the DGCL provides that a transaction between a Delaware corporation and one of its directors or officers or an entity affiliated with one of its directors or officers is not voidable solely for such reason so long as (i) the material facts of the director s or officer s interest in the transaction are disclosed to the board of directors and a majority of the disinterested directors approve the transaction, (ii) the material facts of the director s or officer s interest in the transaction are disclosed to the stockholders and the transaction is specifically approved in good faith by the stockholders or (iii) the transaction is fair to the Delaware corporation at the time approved by the board of directors or stockholders.

Personal Liability of Directors. The CBCA prescribes circumstances where directors can be liable for malfeasance or nonfeasance. Certain actions to enforce a liability imposed by the CBCA must be brought within two years from the date of the resolution authorizing the act at issue. A director will be deemed to have complied with his fiduciary obligations to the corporation under the CBCA if he relied in good faith on:

- financial statements represented to him by an officer or in a written report of the auditors fairly reflecting the financial condition of the corporation; or
- a report of a person whose profession lends credibility to a statement made by the professional person.

The CBCA also contains other provisions limiting personal liability of a corporation s directors.

The proposed certificate of incorporation of Oppenheimer Holdings limits the liability of directors to us and our stockholders to monetary damages for breach of fiduciary duty as a director. However, such limitation of liability cannot be relied upon in respect of proscribed conduct, described in the DGCL to include:

- any breach of the director s duty of loyalty to the corporation or its stockholders;
- acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- an unlawful payment of a dividend or an unlawful stock purchase or redemption; and
- any transaction from which the director derived an improper personal benefit.

Indemnification of Officers and Directors. Under the CBCA and pursuant to our current by-laws, we will indemnify present or former directors or officers against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment that is reasonably incurred by the individual in relation to any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of his or her association with us. In order to qualify for indemnification such directors or officers must:

- have acted honestly and in good faith with a view to the best interests of the corporation; and
- in the case of a criminal or administrative action or proceeding enforced by a monetary penalty, have had reasonable grounds for believing that his conduct was lawful.

Currently, we have indemnity agreements in place for all of our directors and we carry liability insurance for our and our subsidiaries officers and directors.

The CBCA also provides that such persons are entitled to indemnity from the corporation in respect of all costs, charges and expenses reasonably incurred in connection with the defense of any such proceeding if the person was not judged by the court or other competent authority to have committed any fault or omitted to do anything that the person ought to have done, and otherwise meets the qualifications for indemnity described above.

Delaware law permits a corporation to indemnify its present or former directors and officers, employees and agents made a party, or threatened to be made a party, to any third party proceeding by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, against expenses (including attorney s fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person:

- acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation; and

- with respect to any criminal action or proceeding, had no reasonable cause to believe such conduct was unlawful.

In a derivative action, or an action by or in the right of the corporation, the corporation is permitted to indemnify directors, officers, employees and agents against expenses actually and reasonably incurred by them in connection with the defense or settlement of an action or suit if they acted in good faith and in a manner that they reasonably believed to be in or not opposed to the best interests of the corporation. However, in such a case, no indemnification shall be made if the person is adjudged liable to the corporation, unless and only to the extent that, the court in which the action or suit was brought or the Court of Chancery of the State of Delaware shall determine upon application that such person is fairly and reasonably entitled to indemnity for such expenses despite such adjudication of liability to the corporation.

The DGCL allows the corporation to advance expenses before the resolution of an action, if in the case of current directors and officers, such persons agree to repay any such amount advanced if they are later determined not to be entitled to indemnification. The proposed by-laws of Oppenheimer Holdings generally provide for mandatory indemnification and advancement of expenses of our directors and officers to the fullest extent permitted under Delaware law; provided, however, that directors and officers shall not be entitled to indemnification for actions initiated by such parties unless the Board of Directors authorizes such action. Following the domestication, Oppenheimer Holdings will enter into indemnity agreements with each of our officers and directors. In addition, Oppenheimer Holdings will carry liability insurance for its and its subsidiaries officers and directors.

Derivative Action. Under the CBCA, a complainant, who is defined as either a present or former registered holder or beneficial owner of a security of a corporation or any of its affiliates; a present or former director or officer of a corporation or any of its affiliates; the Director appointed under the CBCA; or any other person who, in the discretion of a court, is a proper person to make an application under the CBCA relating to shareholder remedies, may apply to the court for the right to bring an action in the name of and on behalf of a corporation or any of its subsidiaries, or to intervene in an existing action to which they are a party for the purpose of prosecuting, defending or discontinuing the action on behalf of the entity. Under the CBCA, the court must be satisfied that:

- the complainant has given proper notice to the directors of the corporation or its subsidiary of the complainant s intention to apply to the court if the directors of the corporation or its subsidiary will not bring, diligently prosecute or defend or discontinue the action;

- the complainant is acting in good faith; and

- it appears to be in the interest of the corporation or its subsidiary that the action be brought, prosecuted, defended or discontinued.

Under the CBCA, the court in a derivative action may make any order it sees fit including orders pertaining to the control or conduct of the lawsuit by the complainant or the making of payments to former and present shareholders and payment of reasonable legal fees incurred by the complainant.

Similarly, under Delaware law, a stockholder may bring a derivative action on behalf of the corporation to enforce a corporate right, including the breach of a director s duty to the corporation. Delaware law requires that the plaintiff in a derivative suit be a stockholder of the corporation at the time of the wrong complained of and remain so throughout the duration of the suit; that the plaintiff make a demand on the directors of the corporation to assert the corporate claim unless the demand would be futile; and that the plaintiff is an adequate representative of the other stockholders.

Dissenters Rights. The CBCA provides that shareholders of a corporation entitled to vote on certain matters are entitled to exercise dissent rights and demand payment for the fair value of their shares. Dissent rights exist when there is a vote upon matters such as:

any amalgamation with another corporation (other than with certain affiliated corporations);

an amendment to our articles of incorporation to add, change or remove any provisions restricting the issue, transfer or ownership of shares;

an amendment to our articles of incorporation to add, change or remove any restriction upon the business or businesses that the corporation may carry on;

a continuance under the laws of another jurisdiction;

a sale, lease or exchange of all or substantially all the property of the corporation other than in the ordinary course of business; and

a court order permitting a shareholder to dissent in connection with an application to the court for an order approving an arrangement proposed by the corporation.

However, a shareholder is not entitled to dissent if an amendment to the articles of incorporation is effected by a court order approving a reorganization or by a court order made in connection with an action for an oppression remedy.

The DGCL grants appraisal rights only in the case of certain mergers or consolidations and not in the case of other fundamental changes such as the sale of all or substantially all of the assets of the corporation or amendments to the certificate of incorporation, unless so provided in the corporation s certificate of incorporation. The proposed certificate of incorporation of Oppenheimer Holdings does not include any such provisions. Under Delaware law, stockholders who have neither voted in favor of nor consented to the merger or consolidation have the right to seek appraisal of their shares in connection with certain mergers or consolidations by demanding payment in cash for their shares equal to the fair value of such shares. Fair value is determined by a court in an action timely brought by the stockholders who have properly demanded appraisal of their shares. In determining fair value, the court may consider all relevant factors, including the rate of interest which the resulting or surviving corporation would have had to pay to borrow money during the pendency of the court proceeding.

No appraisal rights are available for shares of any class or series listed on a national securities exchange (such as our Class A Shares) or held of record by more than 2,000 stockholders. However, appraisal rights are available if the agreement of merger or consolidation would require the holders of stock to accept for their stock anything except:

- stock of the surviving corporation;
- stock of another corporation which is either listed on a national securities exchange or held of record by more than 2,000 stockholders;
- cash in lieu of fractional shares; or
- some combination of the above.

In addition, under Delaware law, appraisal rights are not available for any shares of the surviving corporation if the merger did not require the vote of the stockholders of the surviving corporation.

Oppression Remedy. Under the CBCA, a complainant has the right to apply to a court for an order where an act or omission of the corporation or an affiliate effects a result, or the business or affairs of which are or have been conducted in a manner, or the exercise of the directors powers are or have been exercised in a manner, that would be oppressive or unfairly prejudicial to or would unfairly disregard the interest of any security holder, creditor, director or officer of the corporation. On such application, the court may make any interim or final order it thinks fit, including an order restraining the conduct complained of. There are no equivalent statutory remedies under the DGCL; however, stockholders may be entitled to remedies for a violation of a director s fiduciary duties under Delaware common law.

Business Combinations. Section 203 of the DGCL provides, with some exceptions, that a Delaware corporation may not engage in any business combination with a person, or an affiliate or associate of such person, who is an interested stockholder for three years from the time that person became an interested stockholder unless:

- the board of directors approved the transaction before the interested stockholder obtained such status;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of a Delaware corporation s outstanding voting stock at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding those shares owned (i) by persons who are directors and are also officers and (ii) employee stock plans in which the

participants do not have the right to determine confidentially whether shares held subject to the plans will be tendered in the tender or exchange offer; or

on or subsequent to such date, the business combination or merger is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by two-thirds of the holders of the outstanding common stock not owned by the interested stockholder.

A business combination is defined to include mergers, asset sales and other transactions resulting in financial benefit to a stockholder. In general, an interested stockholder is a person who, together with affiliates and associates, owns 15% or more of a corporation s voting stock or within three years did own 15% or more of a corporation s voting stock.

A corporation may, at its option, exclude itself from the coverage of Section 203 by an appropriate provision in its certificate of incorporation. The proposed certificate of incorporation of Oppenheimer Holdings does not contain such an exclusion from Section 203 of the DGCL.

Table of Contents

There is no comparable provision relating to business combinations under the CBCA, but restrictions on business combinations do exist under applicable Canadian securities laws.

Examination of Corporate Records. Under the CBCA, shareholders, creditors and their personal representatives may examine certain corporate records, such as the securities register and a list of shareholders, and any other person may do so on payment of a reasonable fee. Each such person must provide an affidavit containing specific information. A list of shareholders or information from a securities register may not be used except in connection with an effort to influence the voting of shareholders of the corporation, an offer to acquire securities of the corporation or any other matter relating to the affairs of the corporation.

Under Delaware law, for any proper purpose, stockholders have the right to inspect, upon written demand under oath stating the purpose for such inspection, the corporation s stock ledger, list of stockholders and its other books and records, and to make copies or extracts of the same. A proper purpose means a purpose reasonably related to a person s interest as a stockholder.

Anti-Takeover Effects. Some powers granted to companies under Delaware law may allow a Delaware corporation to make itself potentially less vulnerable to hostile takeover attempts. These powers include the ability to:

- implement a staggered board of directors, which prevents an immediate change in control of the board;
- require that notice of nominations for directors be given to the corporation prior to a meeting where directors will be elected, which may give management an opportunity to make a greater effort to solicit its own proxies;
- only allow the board of directors to call a special meeting of stockholders, which may thwart a raider s ability to call a meeting to make disruptive changes;
- eliminate stockholders action by written consent, which would require a raider to attend a meeting of stockholders to approve any proposed action by the corporation;
- remove a director from a staggered board only for cause, which gives some protection to directors on a staggered board from arbitrary removal;
- provide that the power to determine the number of directors and to fill vacancies be vested solely in the board, so that the incumbent board, not a raider, would control vacant board positions;
- provide for supermajority voting in some circumstances, including mergers and certificate of incorporation amendments; and
- issue blank check preferred stock, which may be used to make a corporation less attractive to a raider.

The proposed certificate of incorporation and/or by-laws of Oppenheimer Holdings will include the following provisions which may make Oppenheimer Holdings less vulnerable to hostile takeover attempts:

- requirement that stockholders provide prior notice by a certain date to nominate directors;
- restrictions on the ability of stockholders to call a special meeting of stockholders;
- the elimination of the ability of stockholders to take action by written consent;

the board of directors may determine the number of directors and fill vacancies on the board of directors; and

the board of directors may issue blank check preferred stock.

Other than the ability of our Board of Directors to determine and issue preferred shares without shareholder approval and to determine the number of directors (within a range provided in our articles) and to fill vacancies between annual meetings of shareholders, our existing articles and Canadian law do not include the anti-takeover provisions listed above that will be included in the certificate of incorporation and/or by-laws of Oppenheimer Holdings.

Proposed Certificate of Incorporation and By-Laws of Oppenheimer Holdings

We have included provisions in the proposed certificate of incorporation and by-laws of Oppenheimer Holdings that do not simply reflect the default provisions of Delaware law. They are as follows:

Voting Rights Of Common Stock. Under Delaware law, unless the certificate of incorporation otherwise provides, each stockholder is entitled to one vote for each share of common stock held by such stockholder. Under the proposed certificate of incorporation of Oppenheimer Holdings, Oppenheimer Holdings will issue two classes of common stock, each with different voting rights. The proposed capital structure of Oppenheimer Holdings is consistent with our current capital structure. Holders of Oppenheimer Holdings Class B Voting Common Stock are entitled to one vote for each share of common stock held by them; holders of Oppenheimer Holdings Class A Non-Voting Common Stock are only entitled to vote as required under Delaware law.

Blank-Check Preferred Stock Issuance Authority For Board Of Directors. Under Delaware law, the powers, preferences and rights, and the qualifications, limitations or restrictions in respect of any series of preferred stock must be set forth in the certificate of incorporation, or, if authority is vested in the board of directors by the certificate of incorporation, in the resolutions providing for the issuance of such series of preferred stock. The proposed certificate of incorporation of Oppenheimer Holdings contains a provision granting its Board of Directors the authority to fix by resolution the powers, preferences, and rights, and the qualifications, limitations or restrictions in respect of any series of preferred stock.

Increase or Decrease In Amount Of Authorized Stock. Under Delaware law, the holders of outstanding shares of a class of stock are entitled to vote as a class on a proposed amendment to increase or decrease the number of authorized shares of such class unless the certificate of incorporation provides that such number of shares may be increased or decreased by the affirmative vote of holders of a majority of the voting power of the outstanding stock entitled to vote. The proposed certificate of incorporation of Oppenheimer Holdings contains such a provision and requires the vote of the holders of a majority of the voting power of all of its outstanding stock entitled to vote to increase or decrease the aggregate number of authorized shares of any class of stock.

By-Laws. Under Delaware law, unless otherwise provided in the certificate of incorporation or by-laws, the holders of a majority in voting power of the shares present at a meeting of stockholders have the power to adopt, amend or repeal the by-laws of the corporation. In addition, if the certificate of incorporation so provides, the board of directors also has the power to adopt, amend or repeal the by-laws. The proposed certificate of incorporation of Oppenheimer Holdings provides that the Board of Directors has the power to make, amend, alter, change, add to or repeal the by-laws. Additionally, the proposed by-laws of Oppenheimer Holdings provide that a majority in outstanding voting power of the shares entitled to vote shall have the power to adopt, amend, or repeal the by-laws.

Stockholders Meetings. The proposed certificate of incorporation of Oppenheimer Holdings will provide that the holders of Class A Non-Voting Common Stock will have the right to attend all stockholders meetings and receive the same informational distributions from Oppenheimer Holdings relating to such meetings as provided to the holders of Class B Voting Common Stock. This provision is consistent with the rights which we have traditionally afforded our Class A Shareholders.

Stockholder Action by Written Consent. Under Delaware law, unless otherwise provided in a corporation s certificate of incorporation, stockholders representing a majority of the outstanding voting power of a corporation entitled to vote on a matter may act by written consent. The proposed certificate of incorporation of Oppenheimer Holdings will prohibit action by written consent of the stockholders.

Presentation of Nominations and Proposals at Meetings of Stockholders. Delaware law does not provide procedures for stockholders to nominate individuals to serve on the board of directors or to present other proposals at meetings of stockholders. The proposed by-laws of Oppenheimer Holdings contain procedures governing stockholder nominations and stockholder proposals. The proposed by-laws of Oppenheimer Holdings allow only the holders of Class B Voting Common Stock to nominate individuals to serve on the board of directors and to present other proposals at meetings of stockholders. To nominate an individual to the board of directors of Oppenheimer Holdings at an annual or special stockholders meeting, or to present other proposals at an annual meeting, a stockholder must provide advance notice to Oppenheimer Holdings, in the case of an annual meeting, not fewer than 90 days nor more than 120 days prior to the first anniversary of the date of Oppenheimer Holdings annual meeting for the preceding year and, in the case of a special meeting, not later than the close of business on the later of the 90th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the board of directors of Oppenheimer Holdings to be elected at such meeting.

Number Of Directors. Under Delaware law, the number of directors is fixed by, or in the manner provided in, the by-laws of a corporation, unless the certificate of incorporation fixes the number of directors. The proposed by-laws of Oppenheimer Holdings provides that the number of directors must be set by a resolution adopted by a majority of the authorized number of directors. The proposed by-laws of Oppenheimer Holdings provide that the number of directors on the board of directors may not be less than three or more than eleven.

Vacancies And Newly Created Directorships. Under Delaware law, vacancies and newly created directorships may be filled by a majority of directors then in office unless the certificate of incorporation or the by-laws otherwise provide.

The proposed by-laws of Oppenheimer Holdings provide that any vacancies and newly created directorships on the board of directors of Oppenheimer Holdings may be filled by a majority of the directors then in office.

Dissent Rights of Shareholders

Section 190 of the CBCA is reprinted in its entirety as Exhibit E to this Circular. Shareholders may exercise their dissent rights in connection with the proposal to approve the continuance (Proposal 1 in the Notice of Meeting).

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

If you wish to dissent, you must send us your written objection to the continuance at or before the Meeting. If you vote in favor of the continuance, you in effect lose your rights to dissent. If you abstain or vote against the continuance, you preserve your dissent rights if you comply with Section 190 of the CBCA.

However, it is not sufficient to vote against the continuance or to abstain. 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.

Under Section 190 of the CBCA, you may dissent only for shares that are registered in your name. In many cases, people beneficially own shares that are registered either:

- in the name of an intermediary, such as a bank, trust company, securities dealer, broker, trustee, administrator of self administered registered retirement savings plans, registered retirement income funds, registered educational savings plans and similar plans and their nominees; or

- in the name of a clearing agency in which the intermediary participates, such as CDS Clearing and Depository Services Limited or The Depository Trust Company.

If you want to dissent and your shares are registered in someone else s name, you must contact your intermediary and either:

- instruct your intermediary to exercise the dissenters rights on your behalf (which, if the shares are registered in the name of a clearing agency, will require that the shares first be re-registered in your intermediary s name); or

- instruct your intermediary to re-register the shares in your name, in which case you will have to exercise your dissenters rights directly.

In other words, if your shares are registered in someone else s name, you will not be able to exercise your dissenters rights directly unless the shares are re-registered in your name. A dissenting shareholder may only make a claim under Section 190 of the CBCA with respect to all of the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder. We are required to notify each shareholder who has filed a dissent notice when and if the continuance has been approved. This notice must be sent within ten days after our shareholders approve the continuance. We will not send a notice to any shareholder who voted to approve the continuance or who has withdrawn his dissent notice.

Within 20 days after receiving the above notice from us, or if you do not receive such notice, within 20 days after learning that the continuance has been approved, you must send us a payment demand containing:

- your name and address;
- the number of shares you own; and
- a demand for payment of the fair value of your shares.

Within 30 days after sending a payment demand, you must send to us directly at our corporate address, P.O. Box 2015, Suite 1110, 20 Eglinton Avenue West, Toronto, Ontario, Canada M4R 1K8, or through our transfer agent, CIBC Mellon Trust Company, the certificates representing your shares. If you fail to send us a dissent notice, a payment demand or your share certificates within the appropriate time frame, you forfeit your right to dissent and your right to be paid the fair value of your shares. Our transfer agent will endorse on your share certificates a notice that you are a dissenting shareholder and will return the share certificates to you.

Table of Contents

Once you send a payment demand to us, you cease to have any rights as a shareholder. Your only remaining right is the right to be paid the fair value of your shares. Your rights as a shareholder will be reinstated if:

- you withdraw your payment demand prior to an offer being made by us;
- we fail to make you an offer of payment and you withdraw the dissent notice; or
- the continuance does not happen.

Within seven days of the later of the effective date of the continuance or the date we receive your payment demand, we must send you a written offer to pay for your shares. This must include a written offer to pay you an amount considered by our Board of Directors to be the fair value of your shares accompanied by a statement showing how that value was determined. The offer must include a statement showing the manner used to calculate the fair value. Each offer to pay shareholders must be on the same terms. We must pay you for your shares within ten days after you accept our offer. Any such offer lapses if we do not receive your acceptance within 30 days after the offer to pay has been made to you.

If we fail to make an offer to pay for your shares, or if you fail to accept the offer within the specified period, we may, within fifty days after the effective date of the continuance, apply to a court to fix a fair value for your shares. If we fail to apply to a court, you may apply to a court for the same purpose within a further period of twenty days. You are not required to give security for costs in such a case.

All dissenting shareholders whose shares have not been purchased will be joined as parties and bound by the decision of the court. We are required to notify each affected dissenting shareholder of the date, place and consequences of the application and of his right to appear and be heard in person or by counsel. The court may determine whether any person who is a dissenting shareholder should be joined as a party. The court will then fix a fair value for the shares of all dissenting shareholders who have not accepted a payment offer from us. The final order of a court will be rendered against us for the amount of the fair value of the shares of all dissenting shareholders. The court may, in its discretion, allow a reasonable rate of interest on the amount payable to each dissenting shareholder and appoint an appraiser to assist in the determination of a fair value for the shares.

THIS IS ONLY A SUMMARY OF THE DISSENTING SHAREHOLDER PROVISIONS OF THE CBCA. THEY ARE TECHNICAL AND COMPLEX. IT IS SUGGESTED THAT IF YOU WANT TO AVAIL YOURSELF OF YOUR RIGHTS THAT YOU SEEK YOUR OWN LEGAL ADVICE. FAILURE TO COMPLY STRICTLY WITH THE PROVISIONS OF THE CBCA MAY PREJUDICE YOUR RIGHT OF DISSENT. SECTION 190 OF THE CBCA IS ATTACHED HEREIN AS EXHIBIT E AND IS INCORPORATED HEREIN BY REFERENCE.

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.

United States and Canadian Income Tax Considerations

The domestication may have income tax consequences in both the United States and Canada. The material tax consequences of the domestication to us and our current shareholders are summarized below.

United States Federal Income Tax Consequences

The following discussion sets forth certain material United States federal income tax consequences of the domestication to Oppenheimer Holdings Inc., the Canadian corporation, and the U.S. Holders (as defined below) and Non-U.S. Holders (as defined below) of its Class A Shares and Class B Shares, as well as certain of the expected material federal income and estate tax consequences of the ownership and disposition of the shares of Oppenheimer Holdings Inc., the Delaware corporation. Some aspects of this summary involve transfers between Oppenheimer Holdings Inc. as a Canadian corporation and Oppenheimer Holdings Inc. as a Delaware corporation. To avoid confusion where a distinction is necessary, Oppenheimer Holdings Inc. as a Canadian corporation is referred to as Oppenheimer Canada and Oppenheimer Holdings Inc. as a Delaware Corporation is referred to as Oppenheimer Delaware.

This discussion does not address all aspects of taxation that may be relevant to particular holders in light of their personal investment or tax circumstances or to persons that are subject to special tax rules. In particular, this description of United States tax consequences does not address the tax treatment of special classes of holders, such as banks, insurance

Table of Contents

companies, tax-exempt entities, financial institutions, broker-dealers, persons holding shares of our capital stock as part of a hedging or conversion transaction or as part of a straddle, United States expatriates, holders who acquired their Class A Shares and Class B Shares in Oppenheimer Canada pursuant to the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan and holders who exercise dissent rights. We assume in this discussion that you hold our capital stock as a capital asset within the meaning of the Internal Revenue Code of 1986, as amended, or the Code. This discussion is based on current provisions of the Code, United States Treasury Regulations, judicial opinions, published positions of the United States Internal Revenue Service, or the IRS, and other applicable authorities, all as in effect on the date of this management proxy circular and all of which are subject to differing interpretations or change, possibly with retroactive effect. This discussion does not give a detailed discussion of any state, local or foreign tax considerations. We urge you to consult your tax advisor about the United States federal tax consequences of acquiring, holding, and disposing of the capital stock of Oppenheimer Canada and Oppenheimer Delaware, as well as any tax consequences that may arise under the laws of any foreign, state, local, or other taxing jurisdiction or under any applicable tax treaty.

As used in this summary, the term U.S. Holder means a beneficial owner of our capital stock that is for United States federal income tax purposes:

- a citizen or resident of the United States;
- a corporation (including any entity treated as a corporation for United States federal income tax purposes) created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate the income of which is taxable in the United States regardless of its source; or
- a trust, the administration of which is subject to the primary supervision of a United States Court and one or more United States persons have the authority to control all substantial decisions of the trust, or that has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

If a partnership (including for this purpose any other entity, either organized within or without the United States, that is treated as a partnership for United States federal income tax purposes) holds the shares, the tax treatment of a partner as a beneficial owner of the shares, generally will depend upon the status of the partner and the activities of the partnership. Foreign partnerships also generally are subject to special United States federal income tax documentation requirements. A beneficial owner of our capital stock who is not a U.S. Holder is referred to below as a Non-U.S. Holder.

Code Section 368 Reorganization Provisions

The change in our place of incorporation will constitute a reorganization within the meaning of Code Section 368(a)(1)(F), which we refer to as an F Reorganization, and generally will not represent a taxable transaction to Oppenheimer Canada for United States federal income tax purposes, provided that holders of not more than 1% of Oppenheimer Canada s shares entitled to vote on the transaction elect to exercise their dissenters rights (Dissenting Shareholders). Under IRS guidance, if holders of less than 1% of Oppenheimer Canada s shares entitled to vote on the domestication exercise their dissenters rights, the domestication would qualify as an F Reorganization.

If the domestication does not qualify as an F Reorganization for the reason stated above, it will qualify as a tax-free transaction to Oppenheimer Canada under Code Section 368(a)(1)(D) of the Code, which we refer to as a D Reorganization, unless Oppenheimer Canada is required to use an amount of its assets to satisfy claims of Dissenting Shareholders which would prevent Oppenheimer Canada from transferring substantially all of its assets to

Oppenheimer Delaware. Historically, for advance ruling purposes, the IRS defines substantially all to mean 70% of the fair market value of gross assets, and at least 90% of the fair market value of net assets of such entity. In determining if Oppenheimer Delaware acquires substantially all of the assets of Oppenheimer Canada, payments of cash by Oppenheimer Canada to Dissenting Shareholders will not be considered assets acquired by Oppenheimer Delaware. Oppenheimer Canada will satisfy the substantially all test unless it is required to pay to Dissenting Shareholders more than 30% of the fair market value of its gross assets and more than 10% of the fair market value of its net assets. Oppenheimer Canada believes that the amount it may be required to pay to Dissenting Shareholders will not prevent it from transferring substantially all of its assets to Oppenheimer Delaware within the meaning of the IRS ruling guidelines. Oppenheimer Canada believes based on all relevant facts that the domestication qualifies as a tax-free reorganization. To the extent that the domestication would not qualify as a tax-free reorganization based on the tests set forth above, the Board of Directors of Oppenheimer Canada will abandon the domestication.

However, to the extent that Oppenheimer Canada owns any United States real property interests, as that term is defined in Code Section 897(c)(1), Oppenheimer Canada will recognize gain to the extent consideration received by Oppenheimer Canada for such interest exceeds Oppenheimer Canada s adjusted tax basis in such interest, regardless of whether the transaction qualifies as an F Reorganization or a D Reorganization. We do not own any material interests in United States real property, as that term is defined in Code Section 879(c)(1).

In the event the domestication does not qualify as either an F Reorganization or a D Reorganization, a U.S. Holder would recognize gain or loss with respect to his shares of Oppenheimer Canada equal to the difference between the stockholder s basis in his Oppenheimer Canada shares and the fair market value, as of the effective time of the domestication, of the Oppenheimer Delaware shares. In such event, a stockholder s aggregate basis in the Oppenheimer Delaware shares would equal its fair market value and such stockholder s holding period would begin the day after the domestication.

Effects of Code Section 367

Code Section 367 applies to certain non-recognition transactions involving foreign corporations. When it applies, Code Section 367 has the effect of imposing income tax on U.S. Holders in connection with transactions that would otherwise be tax free. Code Section 367 would apply to the domestication under the circumstances discussed below.

U.S. Holders who own, directly or by attribution, 10% or more of the combined voting power of all classes of stock of Oppenheimer Canada, which we refer to as a 10% Shareholder, would be required to recognize as dividend income the all earnings and profits amount , which we refer to as the all earnings and profits amount , as determined under Section 1.367(b)-2 of the United States Treasury Regulations, attributable to their shares in Oppenheimer Canada.

A U.S. Holder that is not a 10% Shareholder is not required to include the all earnings and profits amount attributable to such U.S. Holder s shares in Oppenheimer Canada in income. Instead, absent making an election discussed below to include the all earnings and profits amount attributable to such U.S. Holder s shares in Oppenheimer Canada in income, which we refer to as a Deemed Dividend Election, such U.S. Holder must recognize gain, but will not recognize any loss, on his or her shares if such shares have a fair market value of $50,000 or more on the date of the exchange and the fair market value of Oppenheimer Delaware stock received in the exchange exceeds the U.S. Holder s tax basis of the shares of Oppenheimer Canada surrendered in the exchange. However, such U.S. Holder can make the Deemed Dividend Election to include in income as a dividend the all earnings and profits amount attributable to the shares owned by such U.S. Holder in Oppenheimer Canada. If a U.S. Holder makes such an election, then such holder does not recognize any gain on the exchange. A Deemed Dividend Election can be made only if the company gives the U.S. Holder the information which provides the all earnings and profits amount for such holder and the U.S. Holder elects and files certain notices with such holder s federal income tax return for the year in which the exchange occurred. U.S. Holders should consult with their own tax advisors regarding whether to make the Deemed Dividend Election and, if advisable, the appropriate filing requirements with respect to this election.

A U.S. Holder that is not a 10% Shareholder and owns shares in Oppenheimer Canada with a fair market value of less than $50,000 on the day of the exchange is not subject to tax on the domestication.

The term all earnings and profits amount as defined under Treas.Reg.§1.367(b)-2(d) means the net positive earnings (if any) of a foreign corporation that are determined according to principles substantially similar to those applicable to domestic corporations, but taking into account the adjustments under the provisions of Code §312(k) relating to the computation of depreciation, Code §312(n) relating to adjustments to earnings and profits for certain items that more closely conform to economic gain or loss, and the miscellaneous provisions under Code §964 relating to foreign taxes and foreign corporation s earnings and profits. Code §964 and §986, and the regulations thereunder, contain the rules for adjusting earnings and profits under foreign GAAP to U.S. GAAP and U.S. tax accounting, as well as rules for determining the currency in which earnings must be computed for U.S. tax purposes.

Based on all available information, we believe that no U.S. Holder should have a positive all earnings and profits amount attributable to such U.S. Holder s shares of Oppenheimer Canada, and accordingly no U.S. Holder, neither a 10% Shareholder nor a U.S. Holder that is not a 10% Shareholder and who makes a Deemed Dividend Election, should be required to include any such amount in income 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. Oppenheimer Canada s earnings and profits for this purpose were calculated in conformity 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 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 could, if material, negatively impact our calculations. However, based on the substantial financial information we have from 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. Holder should have a positive all earnings and profits amount attributable to such U.S. Holder s shares of Oppenheimer Canada. As a result, we believe that no U.S. Holder 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. Holder may be subject to adverse U.S. federal tax consequences.

Passive Foreign Investment Company Considerations

In addition to the discussion under the heading Effects of Code Section 367 above, the domestication might be a taxable event to U.S. Holders if Oppenheimer Canada is or ever was a passive foreign investment company, or a PFIC, under Section 1297 of the Code, provided that Section 1291(f) of the Code is currently effective.

Generally, a foreign corporation is a PFIC if 75% or more of its gross income for a taxable year is passive income or if, on average for such taxable year, 50% or more of the value of its assets held by the corporation during a taxable year produce or are held to produce passive income. Passive income includes dividends, interest, rents and royalties, but excludes rents and royalties that are derived in the active conduct of a trade or business and that are received from an unrelated person, as well as interest, dividends, rents and royalties received from a related person that are allocable to income of such related person other than passive income. For purposes of these rules, Oppenheimer Canada would be considered to own the assets of and recognize the income of any subsidiary corporations as to which it owns 25% or more of the value of their outstanding stock, in proportion to such ownership. If a foreign corporation is classified as a PFIC for any taxable year during which a U.S. Holder owns stock in the foreign corporation, the foreign corporation generally remains thereafter classified as a PFIC with respect to that stockholder. Oppenheimer Canada believes that it is not and has never been a PFIC. Accordingly, the domestication should not be a taxable event for any U.S. Holder based on an application of the PFIC rules. However, the determination of whether a foreign corporation is a PFIC is primarily factual and there is little administrative or judicial authority on which to rely to make a determination. Hence, the IRS might not agree that Oppenheimer Canada is not a PFIC.

Section 1291(f) of the Code generally requires that, to the extent provided in regulations, a United States person who disposes of stock of a PFIC recognizes gain notwithstanding any other provision of the Code. No final Treasury regulations have been promulgated under this statute. Proposed Treasury regulations were promulgated in 1992 with a retroactive effective date. If finalized in their current form, these regulations would generally require gain recognition by United States persons exchanging stock of Oppenheimer Canada for stock of Oppenheimer Delaware, if Oppenheimer Canada were classified as a PFIC at any time during such United States person s holding period in such stock and such person had not made either a qualified electing fund election under Code Section 1295 for the first taxable year in which such U.S. Holder owned Oppenheimer Canada shares or in which Oppenheimer Canada was a PFIC, whichever is later; or a mark-to-market election under Code Section 1296. The tax on any such gain so recognized would be imposed at the rate applicable to ordinary income and an interest charge would apply based on a complex set of computational rules designed to offset the tax deferral to such stockholders on our undistributed earnings.

However, we are unable to predict at this time whether, in what form, and with what effective date, final Treasury Regulations under Code Section 1291(f) will be adopted.

Basis and Holding Period Considerations

If the domestication is a tax free reorganization within the meaning of Section 368 of the Code, the tax basis of Oppenheimer Delaware s stock received by the shareholder in the exchange will equal his or her tax basis in Oppenheimer Canada s shares surrendered in the exchange increased by any gain recognized by such U.S. Holder in the exchange or the all earnings and profits amount included in the income of such U.S. Holder. The holding period for the Oppenheimer Delaware stock will be the same as the U.S. Holder s holding period for the Oppenheimer Canada shares surrendered in the exchange, provided that the shares were held as a capital asset.

If the domestication is not a tax free reorganization within the meaning of Section 368 of the Code, the tax basis of Oppenheimer Delaware s stock distributed to the U.S. Holder will equal his or her tax basis in the shares surrendered plus any gain recognized. The holding period will begin on the date of the exchange.

Consequences to Non-U.S. Holders

The exchange of shares of Oppenheimer Canada for stock of Oppenheimer Delaware by a Non-U.S. Holder will not be a taxable transaction for such holder for United States federal income tax purposes.

Dividends

Oppenheimer Delaware anticipates paying cash dividends on its stock. If Oppenheimer Delaware pays dividends on shares of its stock, such dividends paid to Non-U.S. Holders will generally be subject to withholding of United States federal income tax at the rate of 30%, or such lower rate as may be specified by an applicable income tax treaty, provided Oppenheimer Delaware has received proper certification (generally on IRS Form W-8BEN) of the application of such income tax treaty. A Non-U.S. Holder that is eligible for a reduced rate of United States federal withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by filing an appropriate claim for a refund with the IRS. Pursuant to the income tax treaty between the United States and Canada (the Treaty), dividends paid by a United States corporation to a Canadian resident where each qualifies for benefits under the Treaty are subject to United States federal withholding tax at a maximum rate of 15%. Non-U.S. Holders should consult their tax advisors regarding their eligibility for claiming benefits under the Treaty and regarding their particular circumstances to claim a tax credit or tax deduction against their Canadian (or other) tax liability for any United States federal withholding tax.

Dividends that are effectively connected with a Non-U.S. Holder s conduct of a trade or business in the United States or, if provided in an applicable income tax treaty, dividends that are attributable to a Non-U.S. Holder s permanent establishment in the United States, are not subject to the U.S. withholding tax, but are instead taxed in the manner applicable to U.S. Holders. In that case, we will not have to withhold United States federal withholding tax if the Non-U.S. Holder complies with applicable certification and disclosure requirements (generally on IRS Form W-8ECI). In addition, dividends received by a foreign corporation that are effectively connected with the conduct of a trade or business in the United States may be subject to a branch profits tax at a 30% rate, or a lower rate specified in an applicable income tax treaty.

Gain on Disposition

A Non-U.S. Holder generally will not be subject to United States federal income tax, including by way of withholding, on gain recognized on a sale or other disposition of stock of Oppenheimer Delaware unless any one of the following is true:

- the gain is effectively connected with the Non-U.S. Holder s conduct of a trade or business in the United States and, if an applicable tax treaty requires, attributable to a U.S. permanent establishment maintained by such Non-U.S. Holder;

- the Non-U.S. Holder is an individual who is present in the United States for 183 or more days in the taxable year of the sale, exchange or other disposition and certain other requirements are met; or

- the stock of Oppenheimer Delaware constitutes a United States real property interest by reason of our status as a United States real property holding corporation (which we refer to as a USRPHC) for United States federal income tax purposes at any time during the shorter of the period during which such Non-U.S. Holder holds the stock of Oppenheimer Delaware; or the 5-year period ending on the date such Non-U.S. Holder disposes of the stock of Oppenheimer Delaware and, in the event of common stock that is regularly traded on an established securities market for tax purposes, the Non-U.S. Holder held, directly or indirectly, at any time within the five-year period preceding such disposition more than 5% of such regularly traded common stock.

We do not anticipate that Oppenheimer Delaware will become a USRPHC. However, since the determination of USRPHC status in the future will be based upon the composition of its assets from time to time and there are uncertainties in the application of certain relevant rules, there can be no assurance that it will not become a USRPHC in the future.

U.S. Federal Estate Taxes

Capital stock of Oppenheimer Delaware owned or treated as owned by an individual who at the time of death is a Non-U.S. Holder will be included in his or her estate for United States federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

Information Reporting and Backup Withholding

A Non-U.S. Holder may have to comply with specific certification procedures to establish that the holder is not a United States person as described above (generally on IRS Form W-8BEN), or otherwise establish an exemption, in order to avoid backup withholding and information reporting tax requirements with respect to our payments of dividends on the stock of Oppenheimer Delaware.

The payment of the proceeds of the disposition of stock by a Non-U.S. Holder to or through the United States office of a broker generally will be reported to the IRS and reduced by backup withholding unless the Non-U.S. Holder either certifies its status as a Non-U.S. Holder under penalties of perjury or otherwise establishes an exemption and the broker has no actual knowledge to the contrary. Information reporting requirements, but not backup withholding, will also apply to payments of the proceeds from sales of our stock by foreign offices of United States brokers or foreign brokers with certain types of relationships to the United States, unless the broker has documentary evidence in its records that the holder is a Non-U.S. Holder and certain other conditions are met, or the holder otherwise establishes an exemption.

Backup withholding is not an additional tax. Any amounts that are withheld under the backup withholding rules will be refunded or credited against the Non-U.S. Holder s United States federal income tax liability if certain required information is furnished to the IRS. Non-U.S. Holders should consult their own tax advisors regarding application of backup withholding in their particular circumstance and the availability of and procedure for obtaining an exemption from backup withholding under current United States Treasury regulations.

Canadian Tax Considerations

The following summary fairly describes the principal Canadian federal income tax considerations relating to legal continuance of the Corporation to Delaware in respect of shareholders of the Class A Shares and the Class B Shares (collectively the shares) who, for the purposes of the Income Tax Act (Canada) (the ITA): (i) hold their shares as capital property; (ii) deal at arm s length with us; (iii) are not affiliated with us, and (iv) in respect of whom we are not a foreign affiliate within the meaning of the ITA, or who hold more than 10% of either the Class A Shares or the Class B Shares. A shareholder will generally be considered to hold shares as capital property, unless the shareholder holds the shares in the course of carrying on a business, acquired the shares in a transaction that is an adventure in the nature of trade, or holds the shares as mark-to-market property for the purposes of the ITA. Shareholders should consult their own tax advisors if they have questions as to whether they in fact hold the shares as capital property. Moreover, shareholders who do not hold the shares as capital property should consult their own tax advisors regarding the consequences of the continuance.

This summary is not applicable to a shareholder: (i) that is a financial institution for the purposes of the mark-to-market rules contained in the ITA; (ii) that is a specified financial institution or restricted financial institution as defined in the ITA; (iii) an interest in which is a tax shelter investment as defined under the ITA, or (iv) to whom the functional currency reporting rules in subsection 261 of the ITA would apply. Such shareholders should consult their own tax advisors.

This summary is based upon the current provisions of the ITA, the regulations thereunder (the Regulations), the Canada-United States Income Tax Convention, 1980, as amended (the Tax Treaty), and counsel s understanding of the current administrative practices and policies of the Canada Revenue Agency (the CRA). This summary also takes into account all specific proposals to amend the ITA and the Regulations (the Proposed Amendments) announced by the Minister of Finance (Canada) prior to the date hereof and assumes that all Proposed Amendments will be enacted in their current form. However, there can be no assurance that the Proposed Amendments will be enacted in the form proposed or at all. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action or decision, nor does it take into account provincial, territorial or foreign income tax considerations, which may differ from the Canadian federal income tax considerations discussed below. An advance income tax ruling will not be sought from the CRA in respect of our continuance transaction.

Although portions of this summary of *Canadian Tax Considerations* that are applicable to shareholders considered to be resident of the United States for purposes of the Tax Treaty (the US resident shareholders) may also apply to shareholders residing in other jurisdictions, this summary does not specifically address the tax consequences to such other shareholders and accordingly such other shareholders are urged to contact their own tax advisors to determine the particular tax consequences applicable to them.

The following summary is based on the facts set out in this Circular and on additional information provided to Canadian tax counsel by our management.

Table of Contents

All amounts relevant to the computation of income under the ITA must be reported in Canadian dollars. Any amount that is expressed or denominated in a currency other than Canadian dollars, including adjusted cost base, proceeds of disposition, and dividends must be converted into Canadian dollars based on the currency exchange rate prevailing on the date each amount arises.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any shareholder. Accordingly, shareholders should consult their own tax advisers for advice as to the income tax consequences having regard to their own particular circumstances.

Tax Consequences Applicable to Us

On the continuance, we will be deemed to be resident in the United States, and to no longer be resident in Canada. Under the ITA, the change in our residence from Canada to the United States will cause our tax year to end immediately before the continuance, and a new tax year to begin at the time of 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 our property at that time. This deemed disposition may cause us to incur a Canadian tax liability as a result of the deemed capital gain. Management intends to mitigate this potential tax liability by making a timely tax election under subsection 93(1) of the ITA to treat a portion of the deemed proceeds of disposition as being a tax-deductible inter-corporate dividend that would reduce the amount of this capital gain. Such election must be made by us while resident in Canada, and immediately after the deemed disposition of our property.

Furthermore, we will be subject to a separate corporate emigration tax imposed by the ITA on a corporation departing from Canada. The emigration tax will be imposed on 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. Tax will be imposed at a rate of 5% on our net assets determined under the foregoing formula, unless one of the main reasons for our changing of residence to the United States was to reduce the amount of this corporate emigration tax or the amount of Canadian withholding tax paid by us, in which case the rate will be 25%.

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. This conclusion is based in part on determinations of factual matters, including determinations regarding the fair market value of our assets and tax attributes. Furthermore, the facts underlying the assumptions and conclusions used by management may change prior to the effective time of the continuance. We have not applied to the CRA for a ruling as to the amount of Canadian taxes payable as a result of the continuance and do not intend to apply for such a ruling given the factual nature of the determinations involved. There can be no assurance that the CRA will accept the valuations or management s estimate of the amount of Canadian taxes that will be payable upon the continuance. Accordingly, there is no assurance that the CRA will conclude after the effective time of the continuance that no additional Canadian taxes are due as a result of the continuance or that the amount of such additional Canadian taxes will not be significant.

Due to the change in residence upon the continuance, we will no longer be subject to taxation in Canada on our worldwide income. However, if we carry on business in Canada, we may be subject to Canadian tax on our Canadian-source business profits.

Shareholders Resident in Canada

The following portion of this summary of *Canadian Tax Considerations* applies to our shareholders who are resident in Canada for the purposes of the ITA.

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 the 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.

Following the continuance, any dividends received by an individual (including a trust) who is a Canadian resident shareholder will be included in computing the individual s income for tax purposes and will not be eligible for the gross-up and dividend tax credit treatment generally applicable to dividends on shares of taxable Canadian corporations.

Any dividends received by a corporate shareholder will be included in calculating that corporation s income for tax purposes and the corporation will not be entitled to deduct the amount of such dividends in computing its taxable income. A Canadian-controlled private corporation (as defined in the ITA) may be liable to pay an additional refundable tax of 62/3% on its aggregate investment income which is defined to include amounts in respect of taxable capital gains and certain dividends. To the extent that U.S. withholding taxes are imposed on dividends paid by us, the amount of such tax will generally be eligible for a Canadian foreign tax credit or tax deduction subject to the detailed rules and limitations under the ITA. Canadian resident shareholders are advised to consult their own tax advisors with respect to the availability of such a Canadian foreign tax credit or tax deduction having regard to their particular circumstances.

Foreign Property Information Reporting

A shareholder that is a specified Canadian entity for a taxation year and whose total cost amount of specified foreign property at any time in the year exceeds C$100,000 (as such terms are defined under the ITA) will be required to file an information return for the year to disclose certain prescribed information. Subject to certain exceptions, a Canadian resident shareholder will generally be a specified Canadian entity. The shares should be classified within the definition of specified foreign property . Canadian resident shareholders should consult their own tax advisors as to whether they must comply with these reporting requirements.

Dissenting Shareholders

Although the matter is not free from doubt, it is reasonable to conclude based on administrative positions published by the CRA that the amount paid to a Canadian resident shareholder who dissents to the continuance should be treated as receiving proceeds of disposition for his shares. Accordingly, the dissenting Canadian resident shareholder would recognize a capital gain or loss to the extent that the amount received as proceeds for the disposition of the shares exceeds or is less than the shareholder s adjusted cost base of the shares.

Interest awarded by a court to a dissenting Canadian resident shareholder will be included in the shareholder s income for purposes of the ITA.

Dissenting Canadian resident shareholders should consult their own tax advisers for advice as to the income tax consequences to them of our continuance, having regard to their own particular circumstances.

U.S. Resident Shareholders

The following portion of this summary of *Canadian Tax Considerations* applies to our shareholders who are residents of the United States for purposes of the Tax Treaty, and who do not use or hold their shares in the course of carrying on a business in Canada.

After the continuance, U.S. resident shareholders will not be considered to have disposed of their shares by reason only of the continuance. Accordingly, the continuance will not cause these U.S. resident shareholders to realize a capital gain or loss on their shares, and will have no effect on the adjusted cost base of their shares.

After the continuance, U.S. resident shareholders will not be subject to Canadian withholding tax on dividends received from us.

After the continuance, neither the Class A Shares or Class B Shares will be taxable Canadian property to U.S. resident shareholders, and therefore will not cause such shareholders to be subject to taxation in Canada on any subsequent disposition of such shares, provided that not more than 50% of the fair market value of the shares is derived directly or indirectly from one or any combination of real property situated in Canada, Canadian resource properties and timber resource properties. Based on representations from management regarding the fair market value of our shares, it is not expected that the Class A Shares and Class B Shares will be classified as taxable Canadian property.

Dissenting U.S. Resident Shareholders

Although the matter is not free from doubt, it is reasonable to conclude based on administrative positions published by the CRA that the amount paid to a U.S. resident shareholder who dissents to the continuance should be treated as proceeds of disposition of their shares. Based on this conclusion, no tax under the ITA needs to be withheld or remitted on a payment made to a U.S. resident shareholder who dissents.

Interest received by a U.S. resident shareholder consequent upon the exercise of the dissent rights will be not subject to withholding tax under the ITA.

Table of Contents

Eligibility for Investment

Following the continuance, the Class A Shares will continue to be listed on the NYSE. Because the Class A Shares will continue to be listed on a designated stock exchange, the Class A Shares will continue to be a qualified investment for certain deferred income plans under the ITA, namely trusts governed by deferred profit sharing plans, registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability saving plans and tax-free savings accounts.

Following the continuance, the Class B Shares will not be listed on any stock exchange. As such, our Class B Shares will not be a qualified investment for certain deferred income plans under the ITA, namely trusts governed by deferred profit sharing plans, registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability saving plans and tax-free savings accounts. The tax consequences to such a deferred income plan of holding the Class B Shares as non-qualified investments are complex, and persons holding Class B Shares in such a plan are urged to consult with their own tax advisors regarding the potential consequences.

DESCRIPTION OF CAPITAL STOCK

Unless the context provides otherwise, the following description of our capital stock assumes the consummation of the domestication has already occurred. The following description of Oppenheimer Holdings capital stock is not complete and is subject to and qualified in its entirety by the proposed certificate of incorporation and by-laws of Oppenheimer Holdings, which are attached as Exhibits C and D, respectively, to this Circular, and by the provisions of Delaware law.

Oppenheimer Holdings authorized capital stock consists of 50,000,000 shares of Class A Non-Voting Common Stock, par value $0.001 per share, 99,680 shares of Class B Voting Common Stock, par value $0.001 per share, and 50,000,000 shares of preferred stock, par value $0.001 per share.

As of March 30, 2009 there were 12,968,992 Class A Shares, 99,665 Class B Shares and no preferred shares issued and outstanding. Assuming the domestication had occurred on March 30, 2009, there would have been 12,968,992 shares of Class A Non-Voting Common Stock, 99,665 shares of Class B Voting Common Stock and no shares of preferred stock issued and outstanding.

Common Stock

Holders of Class B Voting Common Stock are entitled to one vote for each share held of record on all matters on which stockholders are permitted to vote. Holders of Class A Non-Voting Common Stock are not entitled to vote on any matters unless expressly permitted under Delaware law. The proposed certificate of incorporation of Oppenheimer Holdings provides that, except as otherwise provided by law, the affirmative vote of a majority in voting power of the shares of Class B Voting Common Stock, present in person or represented by proxy at a meeting at which a quorum is present shall be the act of the stockholders. Delaware law requires the affirmative vote of a majority in voting power of the outstanding shares to authorize certain extraordinary actions, such as mergers, consolidations, dissolutions or an amendment to the certification of incorporation of Oppenheimer Holdings. There is no cumulative voting for the election of directors. The Class A stockholders shall have the right to attend all stockholders meetings and receive the same informational distributions relating to those meetings as provided to the Class B stockholders. Upon a liquidation, Oppenheimer Holdings creditors and any holders of preferred stock with preferential liquidation rights will be paid before a distribution to holders of the common stock of Oppenheimer Holdings. The Class A and Class B stockholders are treated equally for purposes of liquidation rights. The holders of the common stock of Oppenheimer Holdings would be entitled to receive a pro rata amount per share of any excess distribution. Holders of common stock have no preemptive or subscription rights. There are no conversion rights, redemption rights, sinking fund provisions or fixed dividend rights with respect to the common stock. All outstanding shares of the common stock are fully paid and nonassessable.

Preferred Stock

The proposed certificate of incorporation of Oppenheimer Holdings empowers the Board of Directors to issue up to 50,000,000 shares of preferred stock from time to time, in one or more series. The Board of Directors also may fix the designation, powers, preferences and rights and the qualifications, limitations and restrictions of those shares, including dividend rights, conversion rights, voting rights, redemption rights, terms of sinking funds, liquidation preferences and the number of shares constituting any series or the designation of the series. Terms selected could decrease the amount of earnings and assets available for distribution to holders of common stock. The rights of holders of the common stock will be subject to the rights of the holders of any preferred shares that may be issued in the future. Additionally, the issuance of preferred stock may have the effect of decreasing the market price of the common stock. Although there are no shares of preferred stock currently outstanding and Oppenheimer Holdings has no present intention to issue any shares of preferred stock, any issuance could have the effect of making it more difficult for a third party to acquire a majority of Oppenheimer Holdings outstanding voting stock.

Table of Contents

Potential Anti-takeover Effect of Delaware Law, Our Certificate of Incorporation and Bylaws

Oppenheimer Holdings will be subject to the business combinations provisions of the DGCL. In general, such provisions prohibit a publicly held Delaware corporation from engaging in various business combination transactions with any interested stockholder for a period of three years after the time of the transaction on which the person became an interested stockholder, unless:

- the corporation s board of directors approved the transaction before the interested stockholder obtained such status;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding those shares owned (i) by persons who are directors and are also officers and (ii) employee stock plans in which the participants do not have the right to determine confidentially whether shares held subject to the plans will be tendered in the tender or exchange offer; or
- on or subsequent to such time, the business combination or merger is approved by the corporation s board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by two-thirds of the holders of the outstanding common stock not owned by the interested stockholder.

A business combination is defined to include certain mergers, asset sales and other transactions resulting in financial benefit to a stockholder. In general, an interested stockholder is a person who, together with affiliates and associates, owns 15% or more of a corporation s voting stock or within three years owned 15% or more of a corporation s voting stock. The statute could prohibit or delay mergers or other takeover or change in control attempts.

Provisions of the proposed certificate of incorporation and by-laws of Oppenheimer Holdings providing that only a majority of the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer or the President may call special meetings of stockholders, or providing that stockholders are prohibited from taking action by written consent, may have the effect of making it more difficult for a third party to acquire control of Oppenheimer Holdings, or of discouraging a third party from attempting to acquire control of Oppenheimer Holdings. In addition, the certificate of incorporation of Oppenheimer Holdings allows the Board of Directors to issue up to 50,000,000 shares of preferred stock that could have, when issued, voting rights or preferences that could impede the success of any hostile takeover, or delay a change in control or change in Oppenheimer Holdings management.

Listing

The Class A Non-Voting Common Stock of Oppenheimer Holdings will be listed on the NYSE under the trading symbol OPY.

Transfer Agent and Registrar

The transfer agent and registrar for the common stock of Oppenheimer Holdings is CIBC Mellon Trust Company. The transfer agent s address is P.O. Box 7010, Adelaide Street Postal Station, Toronto, Ontario, Canada M5C 2W9 and Mellon Investor Services, Inc., 85 Challenger Road, Ridgefield Park, New Jersey 07660 and the telephone number is (416) 643-5500 or (800) 387-0825.

Proxies from registered holders are to be sent to CIBC Mellon Trust Company, P.O. Box 721, Agincourt, Ontario, Canada M1S 0A1 and the fax number is (416) 368-2502.

PROPOSAL NO. 2 ELECTION OF DIRECTORS

Management

Our articles provide that our Board of Directors consists of no less than five and no more than fifteen directors to be elected annually. The term of office for each director is from the date of the meeting of shareholders at which the director is elected until the close of the next annual meeting of shareholders or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with our by-laws.

The Nominating/Corporate Governance Committee of the Board has recommended and the directors have determined that nine directors are to be elected at the Meeting. Management does not contemplate that any of the nominees named below will be unable to serve as a director, but, if such an event should occur for any reason prior to the Meeting, the Management Nominees reserve the right to vote for another nominee or nominees in their discretion. The following sets out information with respect to the proposed nominees for election as directors as recommended by the Nominating/Corporate Governance Committee, in accordance with the Nominating/Corporate Governance Committee Charter (available at www.opco.com). The Nominating/Corporate Governance Committee has reported that it is satisfied that each of the nominees is fully able and fully committed to serve the best interests of our shareholders. The election of the directors nominated requires the affirmative vote of a simple majority of the Class B Shares voted at the Meeting.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR EACH OF THE DIRECTORS NOMINATED FOR ELECTION.

Director Nominees and Executive Officers

The following table, and the notes thereto, provide information regarding our director nominees and executive officers.

Name	Province/State, Country of Residence	Age	Positions and Offices Held with the Corporation	Occupation for Previous 5 Years	Year Became Director
J.L. Bitove	Florida, USA	82	Director	Retired Executive	1980
R. Crystal	New York, USA	68	Director	Partner, Seyfarth Shaw LLP (law firm), previously Partner, Thelen LLP and predecessor Brown Raysman Millstein Felder& Steiner LLP (law firm) 2001 2008	1992
W. Ehrhardt	New Jersey, USA	65	Director	Retired; Audit Partner with Deloitte & Touche, New York for 25 years until May 29, 2004	2008

M.A.M. Keehner[3]	New York, USA	65	Director	Adjunct Professor of Finance and Economics, Columbia Business School	2008
A.G. Lowenthal	New York, USA	63	Chairman of the Board and Chief Executive Officer and Director	Chairman of the Board and Chief Executive Officer of the Corporation and Oppenheimer	1985
K.W. McArthur	Ontario, Canada	73	Lead Director	President and Chief Executive Officer, Shurway Capital Corporation (private investment company)	1996
A.W. Oughtred[2]	Ontario, Canada	66	Director	Counsel, Borden Ladner Gervais LLP (law firm)	1979
E.K. Roberts	Ontario, Canada	57	President, Treasurer and Director	President and Treasurer of the Corporation	1977
B. Winberg	Ontario, Canada	84	Director	President, Rockport Holdings Limited (real estate development)	1979

Table of Contents

Notes:

(1) There is no Executive Committee of the Board of Directors. Messrs. Ehrhardt, Keehner, McArthur and Winberg are members of the Audit Committee. Messrs. Bitove, Crystal and Keehner are members of the Nominating/Corporate Governance Committee. Messrs. Ehrhardt, Keehner and Winberg are members of the Compensation and Stock Option Committee.