

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO**

Civil Action No. _____

HELGA PETERS, Individually and On Behalf of All Others Similarly Situated,

Plaintiff,

v.

OPPENHEIMERFUNDS, INC.,
OPPENHEIMER FUNDS DISTRIBUTOR, INC.,
WILLIAM L. ARMSTRONG,
ROBERT G. AVIS,
GEORGE C. BOWEN,
EDWARD L. CAMERON,
JON S. FOSSEL,
SAM FREEDMAN,
BEVERLY L. HAMILTON,
ROBERT J. MALONE,
F. WILLIAM MARSHALL, JR.,
JOHN V. MURPHY,
BRIAN W. WIXTED, and
ANGELO MANIOUDAKIS,

Defendants.

**CLASS ACTION COMPLAINT FOR
VIOLATIONS OF THE FEDERAL SECURITIES LAWS
AND JURY DEMAND**

Plaintiff Helga Peters, for her Complaint, alleges the following upon personal knowledge as to herself and her own acts, and as to all other matters upon information and belief, based upon the investigation made by and through her attorneys, which included, *inter alia*, review of Securities and Exchange Commission (“SEC”) filings, press releases, analyst reports, news articles, and other publicly available materials, including lawsuits prepared and filed in this jurisdiction and others.

NATURE OF THE ACTION AND OVERVIEW

1. Plaintiff brings this class action on behalf of all persons or entities who purchased or held shares of Oppenheimer Champion Income Fund (the “Fund”), and were damaged thereby from August 7, 2006 to December 9, 2008, inclusive (the “Class Period”). This action pursues remedies for purchasers and holders of the Fund, including in connection with its January 26, 2007 and January 25, 2008 offerings (the “Offerings”). The Fund sold five classes of shares, A, B, C, N, and Y, under the ticker symbols OPCHX, OCHBX, OCHCX, OCHNX, and OCHYX.

2. Plaintiff alleges that Defendants violated federal law in registering, marketing and selling the Fund as a conservative high income fund or at least a high income fund that was not dramatically riskier than the high income/intermediate fund peer group. Defendants portrayed the Fund as a diversified, higher-yielding Fund that may be appropriate as part of a retirement plan portfolio. However, the Fund was more risky than represented because it took huge bets on mortgage-backed securities and illiquid derivatives that caused the value of the Fund to suffer.

3. The Registration Statements and Prospectus materials (including notes, circulars, and other written communications) made material representations to investors that the Fund was diversified and did not take any undue risks. By way of example, these representations included representations that:

- The Fund’s primary objective is to seek a high level of current income by investing mainly in a diversified portfolio of high-yield, lower-grade, fixed-income securities that the Fund’s investment manager, OppenheimerFunds, Inc. (the ‘Manager’), believes does not involve undue risk.”
- Under normal market conditions, the Fund invests at least 60% of its total assets in high-yield, lower-grade, fixed-income securities, commonly called ‘junk’ bonds.”
- The Fund also uses certain derivative investments to try to enhance income or to try to manage investment risks.”
- In selecting securities for the Fund, the overall strategy is to build a broadly diversified portfolio to help moderate the special risks of investing in high-yield debt instruments.”
- “The Fund is intended to be a long-term investment and may be appropriate as a part of a retirement plan portfolio.”

4. The foregoing representations contained untrue statements of material facts, and/or omitted to state other facts necessary to make the statements not be misleading for the following reasons:

- The Fund did not invest mainly in a diversified portfolio of high-yield, lower-grade, fixed-income securities but, instead, bet heavily on highly risky derivatives, including total-return swaps and credit-default swaps that cost the Fund hundreds-of-millions in losses. The Fund also made substantial gambles on volatile mortgage-backed securities that tanked and on the bonds of

financial companies like Lehman Brothers, AIG, and General Motors at a time when all three companies were in a deep financial crisis.

- For these same reasons, the Fund did not seek to avoid undue risk or use derivatives to try to manage risk. To the contrary, the Fund invested in these speculative devices in order to try to pump returns as returns on high-yield bonds eased during 2007.
- The Fund also had inadequate internal controls to prevent Defendants from taking excessive risk; took on an undue amount of liquidity risk due to the illiquid nature of a large portion of the Fund's portfolios; and over-used leverage, which substantially magnified the Fund's risk.

5. In Registration Statements and Prospectuses, Defendants agreed that the Fund's fundamental policies could be changed "by the vote of a 'majority' of the Fund's outstanding voting securities." *See, e.g.*, January 26, 2007, Statement of Additional Information.

6. As part of those policies, the Fund indicated that it could not invest 25% or more of its total assets in any one industry, could not borrow money in excess of 33 1/3% of the value of its total assets, and would invest mainly in a "diversified portfolio" of high-yield, lower-grade, fixed-income securities that do "not involve undue risk."

7. Contrary to these fundamental policies, beginning in late 2006, the Fund concentrated more than 25% of its total assets in high-risk mortgage-backed securities, utilized substantial and risky leveraging devices that resulted in borrowings well in excess of 33 1/3% of the value of its total assets, heavily employed risky total-return swaps and credit-default swaps, and otherwise invested in securities with undue risk.

8. At no time did the Trustees seek or obtain approval from a majority of the Fund's

shareholders to deviate from the foregoing fundamental policies.

9. These violations of fundamental policies dramatically transformed the Fund into a higher risk investment, and the volatility that comes with that higher risk resulted in the loss of hundreds-of-millions of dollars.

10. As a result of Defendants' misstatements and omissions, the Fund experienced an 82% drop in NAV, one of the worst showings among the roughly 150 U.S. high-yield debt funds. For context, the average high-yield debt fund was down about 32% in 2008.

11. The Fund's assets as of September 20, 2007 were over \$2.5 billion. This dropped to just over \$2 billion on March 31, 2008, and then plunged to \$638 million on December 31, 2008, an almost \$2 billion drop in assets in 15 months' time.

JURISDICTION & VENUE

12. Plaintiff brings claims under and pursuant to §§ 11, 12(a)(2) and 15 of the Securities Act of 1933 ("1933 Act"), §§ 10(b) and 20(a) of the Securities Exchange Act of 1934 ("1934 Act") and SEC Rule 10b-5.

13. This Court has jurisdiction over the subject matter of this action under 28 U.S.C. § 1331, § 22 of the 1933 Act, and § 27 of the 1934 Act.

14. Venue is proper in this District pursuant to 28 U.S.C. 1391(b). Defendants do business in this District. Further, many of the acts giving rise to the violations of law complained of herein occurred in this District, including manager meetings, the preparation and dissemination to shareholders of the Registration Statements and Prospectuses, and the decision to deviate from the Fund's fundamental policies without first obtaining shareholder approval. The Fund has its Principal Executive Offices in this District at 6803 South Tucson Way, Centennial, Colorado 80112-3924.

15. In connection with the acts alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications and the facilities of the national securities markets.

PARTIES

16. Plaintiff Helga Peters purchased shares of the Fund during the Class Period pursuant to or traceable to a registration statement and prospectus at issue in this complaint and has been damaged thereby. Plaintiff also purchased shares of the Fund before and after the Fund violated its fundamental policies and has been damaged thereby.

17. The Defendants are all affiliated with each other and conduct business under the umbrella of the “Oppenheimer” name, which is one of the largest asset management organizations in the United States.

18. Defendant OppenheimerFunds, Inc. (the “Manager”) is the manager and investment advisor of the Fund and chooses the Fund’s investments and handles its day-to-day business. It is a holding company that engaged in securities brokerage, banking services and related financial services through its subsidiaries. OppenheimerFunds, Inc. is incorporated and headquartered in Colorado at 6803 South Tuscon Way, Centennial CO 80112. The Manager carries out its duties, subject to the policies established by the Fund’s Board of Trustees, under an investment advisory agreement. As compensation for its services, OppenheimerFunds, Inc. receives a management fee.

19. Defendant OppenheimerFunds Distributor, Inc. (the “Distributor”), located at Two World Financial Center, 225 Liberty Street, New York, New York 10281-1008, is a subsidiary of the Manager and was, during the Class Period, the principal underwriter and

distributor for shares of the Fund, was the trust agent for the purpose of the continuous public offering of the Fund's shares, and helped draft and disseminate the offering documents.

20. Defendant William L. Armstrong is Chairman of the board of Trustees and signed or authorized the signing of each Registration Statement effective during the Class Period.

21. Defendant Robert G. Avis was a Trustee and signed or authorized the signing of the January 26, 2007 Registration Statement.

22. Defendant George C. Bowen is a Trustee and signed or authorized the signing of each Registration Statement effective during the Class Period.

23. Defendant Edward L. Cameron is a Trustee and signed or authorized the signing of each Registration Statement effective during the Class Period.

24. Defendant Jon S. Fossel is a Trustee and signed or authorized the signing of each Registration Statement effective during the Class Period.

25. Defendant Sam Freedman is a Trustee and signed or authorized the signing of each Registration Statement effective during the Class Period.

26. Defendant Beverly L. Hamilton is a Trustee and signed or authorized the signing of each Registration Statement effective during the Class Period.

27. Defendant Robert J. Malone is a Trustee and signed or authorized the signing of each Registration Statement effective during the Class Period.

28. Defendant F. William Marshall, Jr., is a Trustee and signed or authorized the signing of each Registration Statement effective during the Class Period.

29. Defendant John V. Murphy is President and Principal Executive Officer of the Fund and a Trustee and signed or authorized the signing of each Registration Statement effective during the Class Period.

30. Defendant Brian W. Wixted is Treasurer and Principal Financial and Accounting Officer of the Fund and signed or authorized the signing of each Registration Statement effective during the Class Period.

31. Defendant Angelo Manioudakis was the Fund's Vice President and Portfolio Manager during the Class Period until his departure in December 2008. On information and belief due to his position as the person with overall "responsib[ility] for the day-to-day management of the Fund's investments," he participated in the written or oral communications used to market the Fund. In late 2006, Manioudakis took over management of the Fund and started gambling with derivatives.

32. The persons identified above in ¶¶ 20-31 sometimes are referred to as the "Individual Defendants."

33. The Manager, the Distributor, and the Individual Defendants, directly or indirectly, control the Fund, both individually and collectively.

FACTUAL ALLEGATIONS

34. The Fund is an open-ended, fixed income mutual fund managed and marketed by Defendant OppenheimerFunds. The Fund sold five classes of shares, A, B, C, N, and Y, under the ticker symbols OPCHX, OCHBX, OCHCX, OCHNX, and OCHYX.

35. Defendants positioned the Fund as a conservative high income fund or at least a high income fund that was not dramatically riskier than the high income/intermediate fund peer group and portrayed the Fund as a diversified, higher-yielding fund that may be appropriate as part of a retirement plan portfolio.

36. Defendants annually filed nearly identical Registration Statements and Prospectuses throughout the Class Period in connection with the continuous offerings of the

Fund's shares. The Fund's shares were issued to investors pursuant to the following series of Registration Statements filed with the SEC and made effective during the Class Period, which are referred to collectively as the "Registration Statements":

- Registration Statement filed pursuant to Form N-1A on August 7, 2006;
- Registration Statement filed pursuant to Form N-1A on January 26, 2007; and
- Registration Statement filed pursuant to Form N-1A on January 28, 2008.

37. The Fund was marketed and sold to investors pursuant to the following series of Prospectuses:

- Prospectus dated August 7, 2006 (the "2006 Prospectus");
- Prospectus dated January 26, 2007 (the "2007 Prospectus"); and
- Prospectus dated January 28, 2008 (the "2008 Prospectus").

38. These Prospectuses also explicitly incorporated by reference a Statement of Additional Information ("SAI") and the Fund's Annual Report for that year, each of which provided investors with additional guidance about, *inter alia*, the Fund's investment strategies and limitations. These SAIs include the following:

- Statement of Additional Information dated August 7, 2006;
- Statement of Additional Information dated January 26, 2007; and
- Statement of Additional Information dated January 28, 2008;

39. Each of the foregoing documents was materially false and misleading as described below.

The Misstatements of Material Fact and Material Omissions

40. From the August 7, 2006, Registration Statement and Prospectus onward throughout the entire Class Period, Defendants issued and offered for sale shares of the Fund.

Defendants continuously filed nearly identical Registration Statements and Prospectuses throughout the Class Period and continued to offer and sell the Fund's newly issued securities.

41. The Registration Statements, Prospectuses, and SAIs used throughout the Class Period to register and offer the Fund to Plaintiff and the Class contained untrue statements of material facts and omitted material facts necessary to make the statements therein not misleading. While the Prospectuses issued were not perfectly identical, they did contain many of the same untrue statements and were rendered misleading by the same omissions. These include the following statements:

a. From the August 7, 2006 Prospectus:

WHAT ARE THE FUND'S INVESTMENT OBJECTIVES? The Fund's primary objective is to seek a high level of current income by investing mainly in a diversified portfolio of high-yield, lower-grade, fixed-income securities that **the Fund's investment manager, OppenheimerFunds, Inc. (the "Manager"), believes do not involve undue risk.** The Fund's secondary objective is to seek capital growth when consistent with its primary objective.

WHAT DOES THE FUND MAINLY INVEST IN? The Fund invests mainly in a variety of high-yield fixed-income debt securities of domestic and foreign issuers for high current income. These securities primarily include:

- Lower-grade bonds and notes of corporate issuers.
- Foreign corporate and government bonds.
- "Structured" notes.

Under normal market conditions, the Fund invests at least 60% of its total assets in high-yield, lower-grade, fixed-income securities, commonly called "junk" bonds. Lower-grade debt securities are those rated below "Baa" by Moody's Investors Service ("Moody's") or lower than "BBB" by Standard & Poor's Ratings Service ("S&P") or comparable ratings by other nationally-recognized rating organizations (or, in the case of unrated securities, determined by the Manager to be comparable to securities rated below investment grade). See Appendix A to the Statement of Additional Information for a description of bond ratings.

The remainder of the Fund's assets may be held in other debt securities, cash or cash equivalents, in rights or warrants, or invested in common stocks and other equity securities when the Manager believes these investments are consistent with the Fund's objectives. Investments in high-yield securities and equity securities may provide opportunities for capital growth while also providing income to the Fund.

The Fund's foreign investments currently focus on debt securities of issuers in developed markets. The Fund also uses certain derivative investments, primarily "structured notes," to try to enhance income or to try to manage investment risks. These investments are more fully explained in "About the Fund's Investments," below.

HOW DO THE PORTFOLIO MANAGERS DECIDE WHAT SECURITIES TO BUY OR SELL? In selecting securities for the Fund, the Fund's portfolio managers analyze the overall investment opportunities and risks in different market sectors, industries and countries. **The overall strategy is to build a broadly diversified portfolio of debt securities to help moderate the special risks of investing in high-yield debt instruments.** The portfolio managers currently use a "bottom up" approach, focusing on the performance of individual securities before considering industry trends. They evaluate an issuer's liquidity, financial strength and earnings power and also consider the factors below (which may vary in particular cases and may change over time), looking for:

- Changes in the business cycle that might affect corporate profits,
- Corporate sectors that in the portfolio managers' views are currently undervalued in the marketplace,
- Issuers with earnings growth rates that are faster than the growth rate of the overall economy,
- Securities or sectors that will help the overall diversification of the portfolio, and
- Issuers with improvements in relative cash flows and liquidity to help them meet their obligations.

The portfolio managers monitor changes in the factors listed above and any changes may trigger a decision to sell a security.

WHO IS THE FUND DESIGNED FOR? The Fund is designed primarily for investors seeking high current income from a fund that invests mainly in lower-grade domestic and foreign fixed-income debt securities. Those investors should be willing to assume the greater risks of short-term share price fluctuations that are typical for a fund that invests mainly in high-yield domestic and foreign fixed-income debt securities, which also have

special credit risks. Since the Fund's income level will fluctuate, it is not designed for investor needing an assured level of current income. The Fund is intended to be a long-term investment and may be appropriate as a part of a retirement plan portfolio. The Fund is not a complete investment program.

- b. The January 26, 2007, and January 28, 2008, Prospectuses contained disclosures similar to the 2006 Prospectus:

WHAT ARE THE FUND'S INVESTMENT OBJECTIVES? The Fund's primary objective is to seek a high level of current income by investing mainly in a diversified portfolio of high-yield, lower-grade, fixed-income securities that **the Fund's investment manager, OppenheimerFunds, Inc. (the "Manager"), believes does not involve undue risk.** The Fund's secondary objective is to seek capital growth when consistent with its primary objective.

WHAT DOES THE FUND MAINLY INVEST IN? The Fund invests in a variety of high-yield, fixed-income securities and related instruments. These investments primarily include:

- Lower-grade corporate bonds.
- Foreign corporate and government bonds.
- Swaps, including single name and index-linked credit default swaps.

Under normal market conditions, the Fund invests at least 60% of its total assets in high-yield, lower-grade, fixed-income securities, commonly called "junk" bonds. Lower-grade debt securities are those rated below "Baa" by Moody's Investors Service ("Moody's") or lower than "BBB" by Standard & Poors Ratings Service ("S&P") or comparable ratings by other nationally-recognized rating organizations (or, if unrated, debt securities determined by the Manager to be comparable to securities rated below investment grade). See Appendix A to the Statement of Additional Information for a description of bond ratings. Investments in high-yield securities may provide opportunities for capital growth while also providing income to the Fund.

The remainder of the Fund's assets may be invested in other debt securities, common stocks (and other equity securities), or cash equivalents when the Manager believes these investments are consistent with the Fund's objectives.

The Fund may invest in securities of foreign issuers. The Fund currently focuses on debt securities of foreign issuers in developed markets. The Fund also uses certain derivative investments to try to enhance income or to try to manage investment risks. These investments are more fully explained in “About the Fund’s Investments,” below.

HOW DO THE PORTFOLIO MANAGERS DECIDE WHAT SECURITIES TO BUY OR SELL? In selecting securities for the Fund, **the overall strategy is to build a broadly diversified portfolio to help moderate the special risks of investing in high-yield debt instruments.** The portfolio managers currently use a “bottom up” approach, focusing on the performance of individual securities before considering industry trends. They evaluate an issuer’s liquidity, financial strength and earnings power. The Fund’s portfolio managers also analyze the overall investment opportunities and risks in different market sectors, industries and countries. The Fund’s portfolio managers consider some or all of the factors below (which may change over time):

- Issuers with earnings growth rates that are faster than the growth rate of the overall economy,
- Issuers with improvements in relative cash flows and liquidity to help them meet their obligations,
- Corporate sectors that in the portfolio managers’ views are currently undervalued in the marketplace,
- Changes in the business cycle that might affect corporate profits, and
- Securities or sectors that will help the overall diversification of the portfolio.

The portfolio managers monitor changes in the factors listed above. Any changes may trigger a decision to sell a security.

WHO IS THE FUND DESIGNED FOR? The Fund is designed primarily for investors seeking high current income from a fund that invests mainly in lower-grade domestic and foreign fixed-income securities. Those investors should be willing to assume the greater risks of short-term share price fluctuations and the special credit risks that are typical for a fund that invests mainly in lower-grade domestic and foreign fixed-income securities. Since the Fund’s income level will fluctuate, it is not designed for investor needing an assured level of current income. The Fund is intended to be a long-term investment and may be appropriate as a part of a retirement plan portfolio. The Fund is not a complete investment program.

42. Evidencing the belief by advisors (and even Oppenheimer) that the Fund was to

be conservative in its credit posture was the holdings by other conservative Oppenheimer funds in the Champion Income Fund. For example, the \$290 million Oppenheimer Conservative Investor Fund had 4% of its holdings in the Champion Income Fund through November 2008. (The Oppenheimer Conservative Investor Fund is down almost 40% this year, making it one of the worst-performing conservative allocation funds followed by fund tracker Morningstar Inc.). Indeed, more than 10% of the Fund also was recently held by other Oppenheimer Funds offerings. This includes several funds of funds that bundle various products from the firm and at least one target-date retirement offering.

43. The November 26, 2007 SEC form N-CSR also provided the following:

MANAGEMENT'S DISCUSSION OF FUND PERFORMANCE. Over the 12-month period ended September 30, 2007, Oppenheimer Champion Income Fund's Class A shares (without sales charge) posted annualized returns of 7.51% that was in line with those of the Fund's primary benchmark, the Merrill Lynch High Yield Master Index, which returned 7.63%. We attribute these slightly disappointing performance results to two primary factors. First, despite generally favorable conditions for the high-yield sector in the first half of the reporting period, the overall market backdrop that prevailed over the second half of the Fund's fiscal year was dominated by investors' preference for only the highest-rated fixed-income securities, particularly U.S. Treasuries. As a result, most non-Treasury, or "spread" securities suffered from February through the end of the reporting period, as yield spreads widened considerably, particularly for high-yield credits. With yield spreads at significantly wide levels, and with technical factors such as reduced investor demand working against the sector at-large, most high-yield credits found it difficult to appreciate in price regardless of their generally sound fundamentals.

Second, while we continue to redirect the Fund's credit-quality profile toward a higher-quality bias by reducing the number of lower-quality credits in the Fund's portfolio, our shrinking but still-present emphasis on lower-quality bonds hurt performance in a period marked by investors' aversion to risk.

That said, several factors worked in our favor this period, giving rise to our generally optimistic outlook for the Fund's long-term performance potential. First, prudent management of the Fund's duration, or exposure to interest-rate risk, provided a key benefit to

performance for the period. For example, our less-than-market interest-rate sensitivity added value through mid-February, and in particular, in January, when yields rose in response to favorable economic data and a brightened outlook for the U.S. economy.

As the fiscal year progressed, we continued to adjust the size of our short duration position according to prevailing conditions and our proprietary models. By June, we had moved to a neutral duration versus the benchmark, since at that time, we believed longer-term forecasts as implied by the yield curve had transitioned to more closely align with actual fundamentals. Then, in July, a surge of delinquencies in the sub-prime mortgage market prompted a wave of volatility and investor confidence shattered. Yields fell markedly, and we were convinced that the markets were assuming an overly negative long-term outlook for interest rates. In light of that analysis, we resumed our short duration positioning over the benchmark. While our decision to move back to a less-than-market interest-rate sensitivity in July cost us some marginal performance when rates continued to fall through the end of the period, the impact of this detractor was negligible, and the positive impact our overall interest-rate strategy made to the Fund's performance for the 12-month period eclipsed those losses.

Next, our decision to remain overweighted in our exposure to highly rated telecom bonds served us well given this sector's strong performance over the period. Likewise, our consistent emphasis on gaming-related bonds has provided a steady boon to performance. Meanwhile, the Fund's underweighted exposure to bonds issued by companies in the homebuilding sector also boosted our performance relative to the benchmark, since this sector has continued to stagnate along with the overall U.S. housing market.

Individual security selection within the health care sector added to performance in the first half of the period, with many of our select holdings in this area providing attractive yield and relative price stability. Finally, our decision to emphasize domestic auto-related bonds, particularly Ford Motor Co. and General Motors Corp., which led the consumer-cyclicals sector in terms of performance in the first half of 2007, benefited the Fund's returns in the first half of the period, particularly on a relative basis.

44. The Prospectuses were negligently prepared and, as a result, contained untrue statements of material facts or omitted to state other facts necessary to make the statements made not misleading and were not prepared in accordance with the rules and regulations governing

their preparation.

45. In late August 2008, the Fund filed with the SEC its Quarterly Schedule of Portfolio Holdings on form N-Q for the period ending June 30, 2008. The N-Q disclosed the Fund's increase in exposure to the commercial real estate market as well as to Lehman and AIG paper.

46. Thereafter, by September 12, 2008, Lehman was on the verge of collapse and the situation at AIG was growing increasingly precarious. A few days later, on September 15, 2008, Lehman filed for bankruptcy. The next day AIG announced it had received a bail out from the U.S. Government. In the wake of the collapse of Lehman and AIG, shares of the Champion Fund fell given the Fund's exposure to both of these companies. The Champion Fund's Class A shares closed on September 12, 2008 at \$7.47 per share. By the end of September, the Fund had lost 16% of its value, closing at \$6.26 per share.

47. Over the course of the next several months, the Fund's investment portfolio began to rapidly deteriorate and investors began to realize the extent of the Fund's exposure to derivatives and other high risk investments and its true leverage position. The Fund continued its collapse and by the end of October 2008, the Fund had lost another 37% of its value, closing at \$3.95 per share.

48. In November 2008, the U.S. Government announced that its \$700 billion economic rescue program would not include buying toxic debt such as the type of debt held by the Fund as planned. Further, in November 2008, speculation increased that the already troubled commercial real estate market would be the next to meltdown as delinquencies in the market rose sharply. As a result, OppenheimerFunds was forced to make an additional investment of \$150 million into the Fund to boost liquidity. The Fund lost an astounding 56% of its value in

November 2008, closing the month at \$1.75 per share, trading as low as \$1.36 per share during the month.

49. On December 2, 2008, the Fund filed with the SEC its 2008 Annual Report for fiscal year ending September 31, 2008 on Form N-CSR. The Annual Report provided additional details as to the extent of the Fund's derivative exposure and leverage position and further disclosed the Fund's purchase of Lehman bonds during its fourth quarter. The Annual Report provided in part:

Management's Discussion of Fund Performance. For the 12-month period ended September 30, 2008, the Fund's Class A shares (without sales) returned -27.70%, underperforming the Merrill Lynch High Yield Master Index and the Lehman Brothers Credit Index, which returned -11.58% and -4.79%, respectively, during the same time frame.

For the fiscal year ended September 30, 2008, several factors detracted from Oppenheimer Champion Income Fund's returns and materially contributed to the Fund's underperformance versus its benchmarks. To begin, our decision to gradually improve the overall credit quality of the Fund's portfolio hurt us. In the beginning of the fiscal year, high-yield credit spreads were "tight," or narrow relative to like-duration Treasuries. At that time, we believed that the high-yield market was not adequately compensating investors for taking on incremental risk. Given this conviction, plus our unwavering commitment to avoid undue risk, we began trimming our high-yield risk exposure and instead, worked to increase our exposure to higher-quality credits. We accomplished this by adding to the portfolio's higher-grade, longer-duration financials bonds, highly rated non-agency residential mortgages and equally highly rated commercial mortgage-backed securities.

Despite the fact that the overall credit quality of our holdings improved, this strategy worked against us. For one, the ongoing credit crisis propelled investors to eschew virtually all mortgage-related risk, regardless of credit quality, compressing returns in the residential non-agency mortgage arena—even for securities backed by high-quality borrowers with AAA-ratings.

Additionally, our decision to emphasize financial bonds of longer durations hurt us in two respects: financial-related credit suffered substantially by association as some of Wall Street's major banking

institutions declared or neared bankruptcy; and, longer-maturity bonds weathered relatively greater price volatility in an increasingly turbulent market. Finally, although commercial mortgage-backed securities (CMBS) bear little resemblance to residential mortgage-backed securities in terms of current delinquencies and potential for impairment, they too were shunned by investors due to perceived association with the residential mortgage crisis. And, despite a brief rally for CMBS in the second quarter 2008, they soon fell and lagged markedly for the period at large. With all three of these market segments sharply underperforming, our emphasis in these areas placed a substantial drag on Fund performance.

Next, our decision to underweight our exposure to high-yield credits also cost us returns. Ironically, despite a widespread flight-to-quality by investors who turned away from perceived risk, lower-quality, high-yield credit suffered less on a relative basis than some higher-quality names, largely due to sector association.

Finally, our interest-rate positioning detracted from performance, but only slightly. We remained neutral in our duration, or interest-rate sensitivity, based on our belief that the market's expectations for rates during the period were roughly in line with actual economic fundamentals. Fortunately, this strategy only minimally impacted returns for the Fund.

Notwithstanding the Fund's disappointing performance this period, three factors worked in our favor. Our decision to remain underweighted in our exposure to both retail/consumer credit as well as cyclical names, such as metals, mining and paper company debt, helped, since these areas lagged. Similarly, our overweight exposure to specialty chemicals at the expense of commodity chemicals also added to our returns, since this niche of the credit market exhibited relatively less sensitivity to current conditions.

50. Then, on December 10, 2008, *Bloomberg* published an article entitled "Oppenheimer High-Yield Fund Battered by Mortgage-Backed Debt". The article, which confirmed investors' prior fears, stated in part:

Oppenheimer Champion Income Fund fell 55 percent in the past month after the U.S. Treasury abandoned plans to buy troubled mortgages from banks, making it the worst-performing U.S. bond fund since September.

The \$627 million high-yield fund, run by New York-based OppenheimerFunds Inc., plunged on wrong-way bets that prices on securities tied to commercial mortgages would increase. Instead,

prices fell after Treasury Secretary Henry Paulson said Nov. 12 that the government's \$700 billion economic-rescue program wouldn't include buying toxic debt as first planned.

“I don't think the managers saw it as an aggressive strategy, **but there were some risks there that weren't clearly appreciated,**” said Miriam Sjoblom, a fund analyst with Morningstar Inc. in Chicago. “The big question right now is: Will the fund recover quickly, or will it take years?”

Top-rated commercial-mortgage bonds, the largest part of the \$800 billion market, tumbled 10 percent last month, according to Merrill Lynch & Co.'s CMBS Fixed-Rate AAA Rated index. That compares with an 8.5 percent drop in October, the previous worst decline since at least 1998.

The spread on AAA rated commercial mortgage-backed securities hit a record 15.29 percentage points more than benchmark rates on Nov. 20, according to Bank of America Corp. data. The gap has since fallen to 10.17 percentage points.

Corporate Investment

Managed by a five-member team led by Angelo Manioudakis, Champion Income has lost 77 percent since September, the biggest decline by any bond fund tracked by Morningstar. OppenheimerFunds has pumped \$150 million into the fund so the fund does not have the sell illiquid securities, Manioudakis said in an interview.

“It was the perfect storm,” he said. “Traditional high- yields were experiencing a decline in prices and spreads” on commercial-backed mortgage securities “widened to unprecedented levels.”

OppenheimerFunds, owned by Massachusetts Mutual Life Insurance Co., manages more than \$150 billion.

Champion Income can invest as much as 40 percent of assets in areas where it sees “strong opportunity,” according to fund marketing documents. The fund's prospectus allows the managers to invest in swaps and other derivatives. The total-return swap contracts held by Champion Income that were backed by commercial mortgages had a notional value of \$1.05 billion as of Sept. 30, according to a Dec. 2 regulatory filing.

Under those swaps, the fund would have profited if the spread, or the difference between benchmark interest rates and mortgage-backed bonds, had narrowed. Instead, mortgage bonds posted a record decline in November, raising the gap to an all- time high.

'Ridiculous Levels'

Manioudakis said declines in the market for mortgage-backed securities has brought prices for senior debt to "ridiculous levels," which will help the fund when prices rebound.

Oppenheimer Champion Income entered into total-return swaps with counterparties including Goldman Sachs Group Inc. and Citigroup Inc. as of Sept. 30.

According to the terms of those agreements, if credit spreads rose on certain indexes of commercial mortgage-backed securities, the fund would pay the counterparties the spread plus as much as 2.5 percent of the notional value of the bonds.

Commercial mortgage delinquencies rose in November and will climb as the economy slows, according to Barclays Plc. Payments more than 60 days late on commercial real estate loans that were bundled together and sold as bonds increased to 0.69 percent last month, compared with 0.57 percent in October and 0.51 percent in September, Barclays data show.

High-Yield Fall

High-yield bond funds that invest in corporate debt have tumbled 31 percent this year after a credit freeze that started last year with a surge in subprime-mortgage defaults. The bankruptcy in September of Lehman Brothers Holdings Inc. accelerated bond-market declines, with investors shunning all but the safest government-backed debt.

High-yield, or junk, bonds are rated below Baa3 by Moody's Investors Service and less than BBB- at Standard & Poor's.

Companies with junk credit ratings have been mostly unable to sell bonds, causing yields over benchmark rates on their debt to double since Lehman filed for bankruptcy to more than 20 percentage points for the first time, according Merrill Lynch index data.

Oppenheimer Champion fund had about 61 percent of assets in corporate debt rated "B" or below by Standard & Poor's. That compares with 79 percent of assets held in debt rated below "B" by rival high-yield bond funds, according to Morningstar.

Even with higher-quality investments, the swap arrangements dragged down the Oppenheimer fund, Morningstar's Sjoblom said. The average high-yield bond fund has declined 29 percent in the past

three months, Morningstar data show.

Champion Income has lost 79.1 percent this year, a record eclipsed only by Regions Morgan Keegan Select High Income Fund. That fund, managed by Memphis, Tennessee-based Morgan Asset Management Inc., has declined 79.2 percent on below-investment-grade bonds. The performance has prompted investor lawsuits. Morgan Asset Management is the investment advisory unit of Regions Financial Corp., based in Birmingham, Alabama.

51. On December 10, 2008, the Fund closed at \$1.67 per share, a decline of 83% from its Class Period high of \$9.71 per share in May 2007.

52. The true material facts, or material facts omitted necessary to make the statements made not misleading and/or omitted material facts required to be stated therein, were:

a. The Fund was no longer adhering to its objectives of (i) investing mainly in a diversified portfolio of higher-yield, lower-grade, fixed income securities, and (ii) not taking any undue risk, but – in an effort to achieve greater yields – was pursuing riskier instruments and over-concentrating investments in volatile mortgage-backed securities and illiquid derivatives;

b. The Fund took on an undue amount of liquidity risk due to the illiquid nature of a large portion of the Fund's portfolios;

c. Defendants failed to disclose and, indeed concealed, the extent of the Fund's risk exposure to derivatives and other high risk instruments;

d. Defendants misstated the extent of the Fund's leverage exposure; and

e. The Fund's internal controls were inadequate to prevent Defendants from taking excessive risk.

53. The Fund was a typical conservative high income fund until, beginning in late 2006 or in 2007, and unbeknownst to investors, the Fund altered investment policies and began

taking on excessive risk in the hopes of seeking higher returns as the returns on high-yield bonds generally began to wane. This included dramatically increasing the Fund's reliance on volatile mortgage-backed securities and risky derivative instruments. Although the Fund had invested in derivatives prior to this change in course, it had done so more conservatively in an effort to hedge risk and not to goose returns. Unknown to investors, the Fund became a *de facto* hedge fund, investing heavily in extraordinarily risky derivatives that were highly illiquid.

54. One example of taking excessive risks came in the form of total-return swaps. The Fund traded in total-return swaps, which are highly illiquid, speculative and complex agreements between parties to exchange cash flows in the future based on how a set of securities performs. Specifically, the Fund was betting that top-rated commercial mortgage-backed securities would rally in 2008. As of December 2007, the Fund's total-return swaps had appreciated. However, as commercial mortgage-backed securities cratered in 2008, the Fund suffered substantial losses.

55. Another example of excessive risk taking involved credit-default swaps, or "CDSs." CDSs are essentially insurance contracts that protect investors against bond and loan defaults. In exchange for being on the hook to pay out for such issues, CDS sellers receive a stream of interest payments. Selling CDSs can be particularly risky when insuring companies that are already struggling with credit problems – which is exactly what the Fund did. Through September 2008, the Fund was selling CDSs on troubled companies like Lehman Brothers, AIG, General Motors, and Tribune Company – all companies that have either collapsed, filed for bankruptcy or were otherwise in crisis in 2008. And the troubles at these companies were already public in September 2008, meaning that the Fund knowingly made very risky bets on these investments. The Fund's losses on selling CDSs were massive.

56. The Fund took massive bets on some of the riskiest derivatives available. These

risks were not adequately disclosed to investors; the use of derivatives was only generally disclosed in cursory boiler-plate.

57. The derivatives utilized by the Fund added a tremendous amount of leverage to the Fund and allowed the Fund to bet on more securities than it actually held in the portfolio. This exacerbated losses when the Fund was already declining.

58. The risks of the Fund made it much more similar to a hedge fund than the conservative high income fund it was portrayed to clients in marketing material and sales pitches.

59. The Fund also magnified risk by, in effect, doubling down on falling mortgage-related bonds in 2008. For example, mortgage securities tied to Washington Mutual Inc. with a \$9 million principal value were valued at only \$3 million at the end of September 2008. A set of five Freddie Mac mortgage-backed securities with a combined principal amount of \$20 million were valued at just \$2.5 million. As defaults continued to rise, the mortgage related holdings plummeted. While this sort of sector bet might be appropriate for a sector fund or hedge fund, the Fund was not meant to be a sector or hedge fund but, instead, a conservative high-yield fund appropriate for a retirement portfolio.

60. The Fund also made a direct sector bet in struggling Wall Street brokerage firms during the early days of the financial crisis. For example, the Fund purchased Lehman bonds between June 1, 2008 and September 30, 2008 with \$29 million in principal value. Lehman filed for Chapter 11 bankruptcy-court protection in mid-September, and those bonds fell to just \$144,000. The Fund also added Morgan Stanley bonds with \$13 million in principal during the financial crisis. The bonds were valued at approximately \$8.3 million by the end of September. These investments were bald gambles that should not have been made given the Fund's

objectives.

61. The foregoing is dramatically at odds with a Fund promoted by Defendants as a conservative high income fund or a fund that was not riskier than the high income/intermediate fund peer group. The foregoing is dramatically at odds with a Fund portrayed by Defendants as a diversified, higher-yielding Fund that may be appropriate as part of a retirement plan portfolio.

62. A reasonable investor would have viewed these undisclosed facts, severally and jointly, as having materially altered the total mix of information available to him or her. Such an investor would reasonably think that the facts described herein but never disclosed would cause him or her to undertake a materially increased investment risk in connection with the Fund shares they purchased during the Class Period because the Fund was investing in securities that were materially more risky than disclosed. Nevertheless, Defendants did not disclose the facts highlighted in this section of the complaint immediately above in any of the Fund Prospectus Materials which were in effect during the Class Period.

63. Due to Defendants' positive, but misleading or untrue statements, and the omissions described above, billions of dollars poured into the Fund.

64. By September 20, 2007, the Fund's assets reached over \$2.5 billion.

65. But Defendants' investments ultimately triggered staggering losses.

66. The Fund's dependence for success on heavy investments in mortgage-backed securities, including those backed by subprime mortgages, tied the Fund's fate to that of the mortgage market. The collapse of pricing within that market and the devastating impact that collapse had on the Fund illustrate the extent to which the Fund had deviated from its investment guidelines and exposed investors to high-risk instruments that proved illiquid.

67. The same was true of the Fund's heavy investments in total-return swaps and

credit-default swaps. Through September 2008, alone the Fund had lost \$47 million and \$238 million on total-return swap and credit-default swap bets, respectively.

68. Then the bottom fell out in November 2008, when the Fund lost 55% of its value.

69. Overall, the Fund experienced an 82% drop in NAV, one of the worst showings among the roughly 150 U.S. high-yield debt funds. For context, the average high-yield bond fund was down about 32% in 2008.

70. Defendants did not disclose that the Fund's rapid decline was the result of risky investments made in violation of the Fund's fundamental policies. On February 6, 2009, *Morningstar* gave the Fund an "F" for "failing investors," noting that "the managers bought complex, off-balance-sheet swap contracts that created a leveraging effect" and that "no attempt was made to communicate to shareholders that these funds were taking on additional risk."

71. On February 4, 2009, *Morningstar* included the Fund on its list of "The Eight Most Shocking Losses of the Past 12 Months," noting that "the managers tried to make a killing in mortgages by scooping them up at depressed prices in January 2008," which was "[n]ot only . . . a really bad bet, but it was made much worse by the use of tremendous leverage. [I]t wasn't easy for shareholders to see that their fund had just become much more risky." In another article dated February 5, 2009, *Morningstar* explained that Fund managers "fail[ed] to appreciate the risks they were taking," and that Oppenheimer "also did a terrible job communicating the risks of this exposure in shareholder reports and Web commentary."

LOSS CAUSATION

72. By misrepresenting the Fund's investing outlook, the Defendants presented a misleading picture of the Fund's portfolio and financial condition and prospects. Thus, instead of truthfully disclosing during the Class Period that the Fund's portfolio was not as healthy as

represented, the Fund falsely reported its investing outlook and its actual financial prospects.

73. These claims of profitability caused and maintained the artificial inflation in the Fund's share prices throughout the Class Period and until the truth was revealed to the market.

74. Defendants' false and misleading statements had the intended effect and caused the Fund's shares to trade at artificially inflated levels throughout the Class Period.

75. The truth about the Fund's portfolio, investing outlook and financial prospects began to enter the market in September 2008 with a series of partial disclosures and revelations which were accompanied by denials and continuing misrepresentations by Defendants. As a result, the artificial inflation in the Fund's share prices did not come out of the shares all at once, rather the artificial inflation came out over time, as the shares declined. The shares continued to trade at artificial inflated prices through December 2008.

76. As a direct result of Defendants admissions and the public revelations regarding the Fund's portfolio, investing outlook, and actual financial prospects, the Fund's shares fell. The *Bloomberg* story of December 10, 2008 confirmed investors' fears that the mortgage-related exposure would lead to large realized losses. As a result of their purchases of and decisions to continue to hold Fund shares during the Class Period, Plaintiff suffered economic harm.

CLASS ACTION ALLEGATIONS

77. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of all persons or entities who acquired or held shares of the Fund traceable to a false and misleading January 26, 2007 and January 25, 2008 Registration Statements and Prospectus for the Fund, or who purchased or held the shares during the Class Period, who were damaged thereby.

78. Excluded from Class are Defendants, their Officers and Directors, members of

their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

79. The members of the Class are so numerous that joinder of all members is impracticable. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are thousands if not tens-of-thousands of members in the proposed Class. The Fund's shares were actively traded in an efficient market. Record owners and other members of the Class may be identified from records maintained by Registrant or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

80. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

81. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

82. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- a. whether the 1933 Act was violated by Defendants' acts as alleged;
- b. whether the 1934 Act was violated by Defendants' acts as alleged;
- c. whether statements made by Defendants to the investing public in the Registration Statements and Prospectuses misrepresented or omitted material facts;

d. whether statement misrepresented or omitted material facts made by Defendants to the investing public in the during the Class Period; and

e. whether the members of the Class have sustained damages and, if so, what is the proper measure thereof.

83. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy because joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to redress individually the wrongs done to them. There will be no difficulty in the management of this action as a class action.

COUNT I
VIOLATIONS OF SECTION 11 OF THE 1933 ACT

84. Plaintiff repeats and re-alleges the allegations contained in the foregoing paragraphs as if set forth fully herein, except to the extent any allegations above contain facts which are unnecessary or irrelevant for purposes of stating a claim under Section 11, including allegations that might be interpreted to sound in fraud or relating to any state of mind on the part of the § 11 Defendants, other than strict liability or negligence.

85. This Count is brought pursuant to § 11 of the 1933 Act, 15 U.S.C. § 77k, on behalf of the Class. It is asserted against all Defendants except Manioudakis.

86. The Registration Statements for the Fund contained untrue statements of material facts, omitted to state other facts necessary to make the statements made not misleading, and/or omitted to state material facts required to be stated therein.

87. The Defendants named herein were responsible for the contents and dissemination of the Registration Statements.

88. None of the Defendants named herein made a reasonable investigation or possessed reasonable grounds for the belief that the statements contained in the Registration Statements were true and without omissions of any material facts and were not misleading.

89. By reasons of the conduct herein alleged, each Defendant violated, and/or controlled a person who violated § 11 of the 1933 Act.

90. Plaintiff acquired Fund shares pursuant to the Registration Statements.

91. Plaintiff and the Class have sustained damages. The value of the Fund shares has declined substantially subsequent to and due to Defendants' violations.

92. At the time of their purchases of the Fund shares, Plaintiff and other members of the Class were without knowledge of the facts concerning the untrue statements or omissions herein and could not have reasonably discovered those facts prior to December 2008. Less than one year has elapsed from the time that Plaintiff discovered or reasonably could have discovered the facts upon which this complaint is based to the time that Plaintiff filed this complaint. Less than three years have elapsed between the time that the securities upon which this Count is brought were offered to the public and the time Plaintiff filed this complaint.

COUNT II
VIOLATIONS OF SECTION 12(a)(2) OF THE 1933 ACT

93. Plaintiff repeats and incorporates each and every allegation contained above as if fully set forth herein, except to the extent any allegations above contain facts which are unnecessary or irrelevant for purposes of stating a claim under Section 12, including allegations that might be interpreted to sound in fraud or relating to any state of mind on the part of the § 12 Defendants, other than strict liability or negligence.

94. This Count is brought pursuant to § 12 of the 1933 Act, 15 U.S.C. § 771. It is asserted against all Defendants, because they were all participants in the distribution of the

Fund's shares.

95. The § 12 Defendants offered and sold a security, namely shares of the Fund's common stock, by means of prospectuses or were controlling persons of the Fund or of those who offered and sold the Fund's shares. The Prospectuses contained untrue statements of material facts and omitted to state material facts necessary in order to make the statements, in light of the circumstances under which they were made, not misleading, which statements and omissions the § 12 Defendants knew, or in the exercise of reasonable care the § 12 Defendants would have known, were false or were material facts which were required to be disclosed to avoid the representations which were made from being misleading.

96. The § 12 Defendants actively solicited the sale of the Fund's shares to serve their own financial interests.

97. Plaintiff did not know that the representations made in connection with the distribution to her by the § 12 Defendants regarding the matters described above were untrue and did not know the above described material facts that were not disclosed.

98. As a result of the matters set forth herein, pursuant to § 12(a)(2), Plaintiff and Class members are entitled to recover the consideration paid for such security with interest thereon, less the amount of any income received thereon, upon the tender of such security, or for damages if they no longer own such shares.

99. Plaintiff and putative Class members who do not opt out, hereby tender their shares in the Fund.

100. The § 12 Defendants are liable to Plaintiff and Class members pursuant to § 12(a)(2) of the Securities Act, as sellers of the Fund's shares.

COUNT III
VIOLATIONS OF SECTION 15 OF THE 1933 ACT

101. Plaintiff repeats and re-alleges the allegations contained in the foregoing paragraphs as if set forth fully herein, except to the extent any allegations above contain facts which are unnecessary or irrelevant for purposes of stating a claim under Section 15, including allegations that might be interpreted to sound in fraud or relating to any state of mind on the part of the § 15 Defendants, other than strict liability or negligence.

102. This Count is brought pursuant to § 15 of the 1933 Act, 15 U.S.C. § 77o. It is asserted against all Defendants except Manioudakis.

103. Each of these Defendants was a control person of the Fund or the Manager or Distributor by virtue of his or her position as a trustee and/or senior officer of the Fund or the Oppenheimer entities. The § 15 Defendants each had a series of direct and/or indirect business and/or personal relationships with other trustees and/or officers and/or major shareholders of the Manager and Distributor and the Fund.

104. Each of the § 15 Defendants was a culpable participant in the violations of §§ 11 and 12 of the 1933 Act alleged in the Counts above, based on their having signed or authorized the signing of the Registration Statements and having otherwise participated in the process which allowed the offerings to be successfully completed, or having participated in the offer or sale of the shares of the Fund.

COUNT IV
VIOLATIONS OF SECTION 10(b) OF THE 1934 ACT
AGAINST DEFENDANTS OPPENHEIMERFUNDS,
ARMSTRONG, MURPHY & WIXTED

105. Plaintiff repeats and realleges each and every allegation contained above. This Count is asserted against the OppenheimerFunds, Armstrong, Murphy and Wixed for violations

of §10(b) of the 1934 Act, 15 U.S.C. §78j(b), and Rule 10b-5, 17 C.F.R. §240.10b-5, promulgated thereunder.

106. Prior to and throughout the Class Period, OppenheimerFunds, Armstrong, Murphy and Wixted, individually and in concert with others, directly and indirectly, by the use of means or instrumentalities of interstate commerce and/or of the mails and a national securities exchange, engaged and participated in a continuous course of conduct that operated as a fraud and deceit upon Plaintiff and the Class; made various untrue and/or misleading statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; made the above statements with a reckless disregard for the truth; and employed devices and artifices to defraud in connection with the purchase and sale of Fund shares, which were intended to, and, during the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, regarding, among other things, the Fund's compliance with its stated investment policies; and (ii) cause Plaintiff and the Class to purchase or continue to hold Fund shares at artificially inflated prices.

107. Defendants Armstrong, Murphy and Wixted are liable as direct participants in the wrongs complained of herein. Through their positions of control and authority as officers of the Fund and OppenheimerFunds, the Defendants named in this Count were able to control and did control the content of the public statements contained herein and, with knowledge or in reckless disregard, they caused the above complained of public statements to contain misstatements and omissions of material facts as alleged herein.

108. Defendant OppenheimerFunds is liable for each of the materially false and misleading statements set forth therein, including each of the statements of the Individual

Defendants, under the principles of respondeat superior.

109. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for or continued to hold Fund shares. Plaintiff and the Class would not have purchased or continued to hold Fund shares at the prices they paid, or at all, if they had been aware that the market prices had been artificially and falsely inflated by Defendants' misleading statements.

110. OppenheimerFunds and Defendants Armstrong, Murphy and Wixted acted with scienter in that they knew that the public documents and statements issued or disseminated in the name of the Fund were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities law.

COUNT V
VIOLATIONS OF SECTION 20(a) OF THE 1934 ACT
AGAINST DEFENDANTS OPPENHEIMERFUNDS,
ARMSTRONG, MURPHY & WIXTED

111. Plaintiff repeats and realleges each of the allegations set forth above as if fully set forth herein.

112. This Count is asserted against Defendants OppenheimerFunds, Armstrong, Murphy and Wixted for violations of §20(a) of the 1934 Act.

113. Defendants OppenheimerFunds, Armstrong, Murphy and Wixted, who were officers of the Fund, committed a primary violation of §10(b) of the 1934 Act, 15 U.S.C. §78j(b), and Rule 10-5, 17 C.F.R. §240.10b-5, promulgated thereunder, by making the false and misleading statements of material facts, identified above, in connection with the purchase or sale of securities, which constituted a fraud on the market and were, therefore, presumed to have been

relied upon by Plaintiff and the Class. At the time that they made these false and misleading statements, the Defendants named in this Count either knew of, or recklessly disregarded, their falsity.

114. Defendants Armstrong, Murphy and Wixted, as well as OppenheimerFunds, had direct control and/or supervisory involvement in the operations of the Fund prior to and during the Class Period, and therefore had the power to control or influence the particular transactions giving rise to the violations of the 1934 Act by the Fund as alleged herein, and exercised the same.

115. By reason of their status as officers, managers and/or trustees of the Fund during the Class Period, OppenheimerFunds, Armstrong, Murphy and Wixted are "controlling persons" of the Fund within the meaning of §20(a) of the 1934 Act because they had the power and influence to cause the Fund to engage in the unlawful conduct complained of herein. Because of their positions of control, OppenheimerFunds, Armstrong, Murphy and Wixted were able to, and did, directly or indirectly, control the conduct of the Fund's investments, the information contained in its filings with the SEC, and public statements about its investments.

116. As set forth above, Defendants OppenheimerFunds, Armstrong, Murphy and Wixted violated §10(b) of the 1934 Act and Rule 10b-5 promulgated thereunder by their acts and omissions as alleged in this complaint. By virtue of their positions as "controlling persons," these Defendants are liable pursuant to §20(a) of the 1934 Act. As a direct and proximate cause of the wrongful conduct set forth in this Count, Plaintiff and other members of the Class suffered damages in connection with their purchases or holdings of Fund shares during the Class Period.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

- A. Determining that this action is a proper class action and certifying Plaintiff as Class representative under Rule 23 of the Federal Rules of Civil Procedure;
- B. Awarding compensatory damages in favor of Plaintiff and the other Class members against all Defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;
- C. Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees;
- D. Entry of such orders or judgments as may be necessary to restore to any person in interest any money that may have been acquired by means of unlawful business acts and practices;
- E. Awarding recessionary relief; and
- F. Such equitable, injunctive or other relief as deemed appropriate by the Court.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated: March 11, 2009

s/ Kip B. Shuman _____
Kip B. Shuman
Rusty E. Glenn
THE SHUMAN LAW FIRM
885 Arapahoe Avenue
Boulder, CO 80302
Telephone:(303) 861-3003
Facsimile: (303) 484-4886
Email: kip@shumanlawfirm.com
Email: rusty@shumanlawfirm.com

ROBBINS UMEDA LLP
Brian J. Robbins
610 West Ash St, Suite 1800

San Diego, CA 92101
Telephone:(619) 525-3990
Facsimile: (619) 525-3991
Email: BRobbins@robbinsumeda.com

**THE LAW OFFICES OF
WILLIAM C. WRIGHT, P.A.**
William C. Wright
301 Clematis Street, Suite 3000
West Palm Beach, FL 33401
Telephone: (561) 514-0904
Facsimile: (561) 514-0905
Email: willwright@wrightlawoffice.com

Attorneys for Plaintiff

**CERTIFICATION OF NAMED PLAINTIFF
PURSUANT TO FEDERAL SECURITIES LAW**

Helga W. Peters ("Plaintiff") declares as to the claims asserted, or to be asserted, under the federal securities laws, that:

1. Plaintiff has reviewed the Oppenheimer Class Action Complaint and authorized its filing.

2. Plaintiff did not acquire the security that is the subject of this action at the direction of Plaintiff's counsel or in order to participate in any private action or any other litigation under the federal securities laws.

3. Plaintiff has made the following transaction during the Class Period in the securities that are the subject of this action:

SECURITY	TRANSACTION (Purchase/Sale)	QUANTITY	TRADE DATE	PRICE PER SHARE/SECURITY
Opp Cham Inc	Purchase	2277.774	10/12/06	\$9.36

4. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary.

5. Plaintiff has not sought to serve or served as a representative party for a class in an action filed under the federal securities laws within the past three years, unless otherwise stated in the space below:

6. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond the Plaintiff's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the Court.

7. Plaintiff represents and warrants that she is fully authorized to enter into and execute this certification.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 11th day of March, 2009.

Helga W Peters 3/11/09

Helga Peters