

**IN THE MATTER OF THE *SECURITIES ACT*  
R.S.O. 1990, c.S.5, AS AMENDED**

**AND**

**PARADIGM CAPITAL INC.**

**ORDER  
(Sections 127 and 127.1)**

**WHEREAS** on June 8, 2004, the Commission issued a Notice of Hearing (the “Notice of Hearing”) pursuant to sections 127 and 127.1 of the *Securities Act* (the “Act”) in respect of Paradigm Capital Inc.;

**AND WHEREAS** Paradigm Capital Inc. (“Paradigm”) entered into a settlement agreement with Staff of the Commission (the “Settlement Agreement”), in which Paradigm agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing, subject to the approval of the Commission;

**AND WHEREAS** Paradigm, of its own initiative, has recently undertaken a review of its practices and procedures respecting the receipt of confidential material information while acting as an agent on behalf of an issuer, and has submitted for Staff’s review a revised policy which Paradigm undertakes to implement with such modifications as may be requested by Staff;

**AND UPON** reviewing the Settlement Agreement and the Notice of Hearing and Statement of Allegations of Staff of the Commission, and upon hearing submissions from the Respondent and from Staff of the Commission;

**AND WHEREAS** the Commission is of the opinion that it is in the public interest to make this Order;

**IT IS HEREBY ORDERED THAT:**

- (a) the Settlement Agreement dated June 7, 2004, attached hereto, is hereby approved;
- (b) that pursuant to s.127(2) and further to a recent review of its practices and procedures respecting the receipt of confidential material information while acting as an agent on behalf of an issuer, Paradigm will implement a revised policy with such modifications as may be requested by Staff;
- (c) that pursuant to s.127(1) clause 6, that Paradigm is reprimanded;
- (d) that Paradigm make a settlement payment of \$55,755 to the Ontario Securities Commission for allocation to or for the benefit of such third parties as may be approved by the Minister under section 3.4(2) of the Act; and
- (e) that pursuant to s.127.1, Paradigm make a payment of \$30,000 to the Ontario Securities Commission in respect of a portion of the costs of the investigation and this proceeding.

DATED at Toronto this 11th day of June, 2004.

“Wendell S. Wigle”

“Harold P. Hands”

---

Wendell S. Wigle

---

Harold P. Hands

“Suresh Thakrar”

---

Suresh Thakrar