



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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

and

**IN THE MATTER OF PALADIN CAPITAL MARKETS INC.,
JOHN DAVID CULP, AND CLAUDIO FERNANDO MAYA**

**TEMPORARY ORDER
Sections 127(1) & 127(5)**

WHEREAS it appears to the Ontario Securities Commission (the “Commission”) that:

1. Paladin Capital Markets Inc. (“Paladin”) has been registered with the Commission as a limited market dealer since February 27, 2007. Its business location is 275 Richmond Street West, Suite 1, Toronto.
2. John David Culp (“Culp”) is the President, CEO, designated compliance officer and sole director of Paladin. He is the only individual at Paladin who is registered to trade in securities. According to Paladin’s registration file, Culp is Paladin’s sole shareholder.
3. Claudio Fernando Maya (“Maya”) was employed by Paladin as a consultant. Maya is not registered in any capacity with the Commission and was not at the material time.
4. It appears that the Respondents may have authorized, permitted or acquiesced in a breach of an undertaking, contained in a document entitled Statement of Policies, to the Commission dated November 24, 2006, which states, in part, that Paladin will not engage in activities as an adviser, dealer or underwriter in respect of

securities of Paladin except in compliance with Part XIII of the General Regulation to the *Securities Act*, R.S.O. 1990, c. S. 5, as amended (the “Act”). Part XIII, section 223(1)(a) of the General Regulation to the Act requires registrants to file with the Commission a statement of policies in respect of activities in which it is prepared to engage as an adviser, dealer and underwriter in its own securities.

5. Paladin issued \$400,000 in Non Profit Participation Convertible Promissory Note (the “Notes”) to five Ontario investors (the “Investors”) in August and September 2007 as a means of raising working capital for Paladin. Maya solicited the purchases of the Notes by the Investors.
6. Paladin did not file with the Commission a statement of policies under s. 223(1)(a) of the General Regulation to the Act in respect of the sale of the Notes. The only Statement of Policies filed by Paladin contains the undertaking not to sell securities of Paladin without a further filing of a Statement of Policies.
7. It appears that Paladin is insolvent because it has insufficient funds to meet its obligations to the Investors who have requested repayment under the terms of the Notes. To date, Paladin has not redeemed any of the Notes.
8. It appears that officers and employees have been paid with funds generated from the sale of the Notes.

AND WHEREAS the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest as set out in s. 127(5) of the Act;

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

AND WHEREAS by Commission order made April 1, 2008, pursuant to section 3.5(3) of the Act, any one of David Wilson, James E.A. Turner, Lawrence E. Ritchie, Paul K. Bates, and David L. Knight, acting alone is authorized to exercise the powers of the

Commission under the Act, subject to subsection 3.5(4) of the Act, to make orders under section 127 of the Act;

IT IS ORDERED that

1. Under s. 127(1)1 of the Act, the registration of Paladin and Culp be suspended;
2. Under s. 127(1)2 of the Act, all trading in any securities by the Respondents cease;
3. Under s. 127(1)2 of the Act, all trading in securities of Paladin cease; and
4. Under s. 127(1)3 of the Act, all exemptions contained in Ontario securities law do not apply to the Respondents.

IT IS FURTHER ORDERED that pursuant to subsection 127(6) of the Act this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission.

Dated at Toronto this 2nd day of June 2009

“David Wilson”
