

**IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1990, c. S.5, as amended**

- and -

**PARADIGM CAPITAL INC.
PATRICK McCARTHY
EDEN RAHIM**

**NOTICE OF HEARING
(Sections 127 and 127.1)**

TAKE NOTICE that the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to section 127 of the Securities Act (the “Act”) at the Commission’s offices on the 17th floor, 20 Queen Street West, Toronto, Ontario, commencing on Friday, the 11th day of June, 2004 at 10:00 a.m., or as soon thereafter as the hearing can be held, to consider:

- i) Re: Paradigm Capital Inc. (“Paradigm”),** whether in the opinion of the Commission, it is in the public interest to make an order or orders, pursuant to sections 127(1) and 127.1 of the Act, specifically that:
 - (a) Paradigm submit to a review of certain of its practices, and procedures and institute such changes as may be ordered by the Commission;
 - (b) Paradigm be reprimanded;
 - (c) Paradigm be ordered to pay a portion of the costs of the investigation and this proceeding; and
 - (d) such other order as the Commission may deem appropriate.

- ii) Re: Patrick McCarthy (“McCarthy”),** whether in the opinion of the Commission, it is in the public interest to make an order or orders, pursuant to sections 127(1) and 127.1 of the Act, specifically that:

- (a) certain terms and conditions be placed on the registration of McCarthy;
 - (b) McCarthy be reprimanded;
 - (c) McCarthy be ordered to pay a portion of the costs of the investigation and this proceeding; and
 - (d) such other orders as the Commission may deem appropriate.
- (iii) **Re: Eden Rahim (“Rahim”)**, whether in the opinion of the Commission, it is in the public interest to make an order or orders, pursuant to sections 127(1) and 127.1 of the Act, specifically that:
- (a) certain terms and conditions be placed on the registration of Rahim;
 - (b) Rahim be reprimanded;
 - (c) Rahim be ordered to pay a portion of the costs of the investigation and this proceeding; and
 - (d) such other orders as the Commission may deem appropriate.

BY REASON of the allegations as set out in the attached Statement of Allegations made by Staff of the Commission dated June 8, 2004;

AND TAKE FURTHER NOTICE THAT any party to the proceedings may be represented by counsel at the hearing;

AND TAKE FURTHER NOTICE THAT, upon failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party and such party is not entitled to any further notice of the proceeding.

DATED at Toronto this 8th day of June, 2004.

“Daisy Aranha”

A/Secretary to the Commission

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