



## Relationship Disclosure Information – August 2021

### Purpose:

This Relationship Disclosure Information (“RDI”) is designed to help retail investors of Paradigm Capital Inc. (“Paradigm”) clearly understand the nature of the services that can be provided by their Paradigm advisor, and the necessary elements to ensure a satisfactory ongoing relationship. This document reflects the Client Focused Reforms (“CFR”)<sup>1</sup> which will come into effect in 2021.

### Delivery:

Paradigm uses its website [www.paradigmcap.com](http://www.paradigmcap.com) as its repository for its RDI. All new and existing customers of Paradigm who have accepted electronic delivery method of materials, including RDI, can rely on its delivery via the Paradigm website, as per Section 14.2 of National Instrument 31-103. Effective June 30, 2021.

### Document Information Contained Below:

- Know Your Client (KYC)
- Services
- Account types
- Products
- Investment risks
- Suitability
- Conflict of interest management
- Account fees and charges
- Client transaction and account reporting

### Compliance Contact Information:

This document will also explain the nature of the roles and responsibilities that both the client and advisor should follow to maintain a successful relationship. Please direct any questions about this document to Paradigm’s Chief Compliance Officer at [compliance@paradigmcap.com](mailto:compliance@paradigmcap.com) or by telephone at 416 363 9567.

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<sup>1</sup> [https://www.osc.gov.on.ca/documents/en/Securities-Category3/ni\\_20191003\\_31-103\\_reforms-enhance-client-registrant-relationship.pdf](https://www.osc.gov.on.ca/documents/en/Securities-Category3/ni_20191003_31-103_reforms-enhance-client-registrant-relationship.pdf)



## **Know Your Client (KYC):**

Paradigm predominantly has institutional customers. The few retail customer accounts are either Paradigm employee accounts or accredited investors who were introduced to Paradigm by corporate clients with whom Paradigm has an investment banking relationship. Consequently, the Paradigm retail accounts usually do not reflect the entire portfolio of the client, and the clients are not looking to Paradigm to provide investment or portfolio advice. Typically, these clients are accredited investors with sufficient capital, risk tolerance and time horizon to invest in new issues offered by Paradigm.

The client must keep Paradigm apprised of any significant changes that could impact the operation of the account, including changes to marital status, employment income, or other changes.

Paradigm will contact clients on a periodic basis to ensure that any changes are noted on file, and any relevant changes are made, if necessary.

## **Services:**

Paradigm only offers advisory accounts to retail investors. In an advisory account the client is ultimately responsible for investment decisions, although the client can rely on advice given by the advisor. The advisor is responsible for any advice given. In providing this advice, an advisor must meet an appropriate standard of care, give suitable investment recommendations, and present unbiased investment advice.

## **Account Types:**

Depending on which of the accounts below is right for a particular retail client, the client may be able to open one or more of the following:

Cash Accounts: involve standard cash settlement of transactions, where cash or securities must be delivered two trading days after the day of trade execution.

Margin Accounts: offer some level of borrowing capacity, secured by the prescribed loan value of the securities held in the account; this loan value is prescribed by the more stringent of either both the Investment Industry Regulatory Organization of Canada ("IIROC") or by the credit policies of Paradigm and its Carrying Broker, National Bank Independent Network ("NBIN").

Cash-On-Delivery ("COD") Accounts: the settlement of these trades takes place between Paradigm and the client's designated custodian on a Delivery Versus Payment ("DVP") basis;



Registered Retirement Savings Plan (“RRSP”) Accounts: are intended to hold eligible retirement savings investments and assets, with appropriate contributions, in accordance with the regulations and restrictions on their operation, as prescribed in the Canadian Income Tax Act;

Registered Retirement Income Fund (“RRIF”): are intended to hold eligible retirement savings investments and assets, with appropriate withdrawals, in accordance with the regulations and restrictions on their operation, as prescribed in the Canadian Income Tax Act;

Registered Education Savings Plan (“RESP”) Accounts: are intended to hold eligible savings investments and assets, with appropriate contributions and withdrawals, intended to help a family member pay for post-secondary education, in accordance with the regulations and restrictions on their operation, as prescribed in the Canadian Income Tax Act;

Tax-Free Savings Accounts (“TFSA”): allow clients to hold eligible savings investments and assets where the related income and capital gains are earned on a tax-free basis, in accordance with the regulations and restrictions on their operation, as prescribed in the Canadian Income Tax Act;

For more information on how the various account types operate, the client should consult an advisor. For more information on tax matters, the client should consult a licensed tax advisor.

## **Know Your Product (“KYP”):**

### **Products Available through Paradigm**

Paradigm predominantly trades Canadian and US listed equities on behalf of its clients. Paradigm does not currently offer fixed income products, bonds, government debt, money market or securities trade outside the US or Canada to its retail clients. For a comprehensive list of the various products the firm offers a client should speak to their advisor.

Products may change from time to time. Clients should talk to their advisor or visit the firm's website.

## **Risks:**

### **Investment Risks**

Understanding risk and knowing an individual's comfort with risk is an important part of investing. Risk may be defined as the measurable possibility of a future investment loss or gain, including the prospect of losing some or all of the original investment in addition to any funds borrowed on margin and the associated interest costs. Risk is a common indicator of the volatility of the value of a security or market. Volatility is a measure of the rate or degree that the price of a security or investment fluctuates over time.



## **Risk Profile:**

An individual's risk profile encompasses both risk tolerance, willingness to accept risk, and risk capacity, ability to sustain a loss.

## **Risk Versus Return:**

It is unrealistic to expect to receive a high return without incurring any risk. In reality, risk and return are related. To seek higher returns, investors can choose investments with higher risk profiles, but must understand they can lose all of their capital. The amount of risk that a client is comfortable with is their risk tolerance. How a client feels about risking their capital will drive many of the investment decisions. The risk comfort scale extends from very conservative low-risk, where the client does not want to risk losing a penny regardless of how little their investment earns, to the very aggressive high-risk client who is willing to risk all of their investment for the possibility that it will grow considerably.

## **Risk Tolerance Factors:**

An individual's risk tolerance may be affected by a number of factors including:

- Age
- Family situation
  - marital status
  - number and ages of dependants
  - education
- Net worth
  - Assets
  - Liabilities
- Investment Income needs and expectations
- Income sources and amounts
- Investment time horizon
- Insurance coverage and cash reserves

Careful discussions with your advisor to identify your own personal risk tolerance is essential.

## **Common Risks**

Generally speaking, risks can be classified as market-related or security-specific.

### **Market-Related Risks**

Risk factors that every investor is subject to irrespective of specific investment holdings include:



Market risk -- Most investments are subject to the risk of a general market decline in response to changing conditions in the domestic or global economy. These market-wide changes can be unpredictable and beyond anyone's ability to forecast.

Inflation risk -- Inflation reduces an individual's future purchasing power and their real investment returns.

Interest rate risk -- Interest rates changes affect the value of fixed income securities. An increase in interest rates will result in a drop in the market value of a fixed income security.

Foreign exchange risk -- Foreign exchange rate changes affect the value of investments that are traded in a foreign currency.

### **Security-Specific Risks**

Risk factors which can affect the value of a specific investment holding include:

Product risk -- Stocks generally carry a higher level of risk than bonds. Short-term government debt securities are essentially risk-free, with the degree of risk increasing with longer-term government bonds, investment grade corporate bonds and other corporate bonds.

Business risk -- Business specific risk factors can affect a company's profitability. The failure of a new product, labour difficulties, high debt levels and the performance of competing firms are some of the specific risk factors which may contribute to a particular company's level of business risk.

Sector risk -- certain sectors might be more volatile, or speculative, and thus have differing risk profiles.

Credit Risk -- the riskiness of an issuer due to its debt obligations and ability to repay outstanding debt.

Foreign exchange risk -- Foreign exchange rate changes affect the value of investments in companies that buy and sell products / services in foreign countries.

### **Reducing security specific risk**

Security specific risks can be reduced by holding a well diversified portfolio of investments. A diversified portfolio starts by allocating a client's investments between debt and equity products. It can also factor in diversification across sectors, and specifically to avoid over concentration in any security or sector.



The debt portion of the portfolio can be further diversified by purchasing debt of different terms and of different issuers, although all issuers should have an acceptable credit rating. The equity portion of the portfolio can be further diversified by buying shares of companies in different business sectors or based in different countries. If the client does not have a large amount of money to invest, they can diversify by investing in a pooled investment like mutual funds or exchange traded funds. Paradigm clients must decide their own asset allocation and specific security. If they need full-service advice, such clients should seek a full-service retail representative at another firm.

### **CIPF Protection from firm insolvency risk**

The cash and security assets in the client's account are covered by the Canadian Investor Protection Fund (“**CIPF**”), details of these limits can be found at [www.cipf.ca](http://www.cipf.ca). Should the firm become insolvent, CIPF provides coverage up to CAD \$1 million in cash per customer for securities in the account in the event a firm becomes insolvent. Note that registered accounts are treated as separate accounts.

CIPF coverage does not insure against market losses due to volatile markets, product suitability, or insolvency of an actual security in an account.

### **Your Personal Investor Risk Profile**

An advisor can help a client determine their comfort level with risk based on the information the client provides.

- For a **LOW RISK** investor -The firm will recommend investments that generally display a lower volatility and risk profile. Although returns generated by such products are generally lower, they may be more certain.
- For a **MEDIUM RISK** investor --In addition to lower risk products, the firm may propose investments that include securities that may exhibit moderate volatility and a medium risk profile. While potential returns are higher, return volatility and risk also increase.
- For a **HIGH-RISK** investor --In addition to lower and medium risk products, the firm may suggest investments that may be unpredictable and speculative in nature. Such products may be subject to a greater risk of loss with a greater potential for returns.
- For a **COMBINATION OF RISK LEVELS** - A client may have a combination of the risk levels depending on the types of accounts they have. For example, a client may be high risk investor in their money market account and a low risk investor in their margin account.

Given the product offering at Paradigm, all retail clients must be high risk investors.



## **Investment Suitability**

### Suitability assessment

IIROC member firms are required to use due diligence to evaluate the suitability of any order the firm accepts or recommendation the firm makes based on factors including a client's financial circumstances, investment knowledge, investment objectives, risk tolerance and time horizon.

### **Client Focused Reforms (“CFR”)**

The Canadian Securities Administrators (“CSA”) mandated the CFR which supplement the *Registration Requirements, Exemptions and Ongoing Registrant Obligations* found in National Instrument 31-103. Paradigm recognizes that most, if not all, retail accounts will not form the whole portfolio of holdings by its clients.

### **Client must provide Paradigm with updates:**

Paradigm will ask clients to provide at account opening and to be updated on the total Assets Under Management (“AUM”) and sector breakdown of their entire portfolio. However, as the CSA recognizes, sometimes clients may not provide a full picture, or keep Paradigm informed of all portfolio changes.

### **Unsolicited Orders:**

Paradigm will use its business judgment whether an order, even if unsolicited, as per section 13.3(2.1) of NI 31-103, is suitable for the customer. If the registrant deems the order to be unsuitable, it may ask the client to provide updated information to substantiate the suitability of the unsolicited order.

If the advisor determines that a transaction proposed by the client is unsuitable, they will advise the client of their assessment prior to executing the trade. Moreover, a firm will reserve the right not to accept an order to purchase a security if it is not in keeping with the client's investment or risk objectives. Suitability assessments are also made when securities are transferred or deposited into your account, when there is a change in the registered representative or portfolio manager responsible for your account or when there is a material change to your "know your client" information.

The suitability of the investments held in your account will not be reviewed in the case of triggering events not described above and, in particular, in the event of significant market fluctuations.

Paradigm mostly covers speculative investments, and thus its retail clients should have a high tolerance for risk, as well as the ability to absorb any resultant losses.



Paradigm corporate-related accounts typically hold a higher than normal concentration of the issuer for whom the customer is an employee. This can result from a stock-option plan and / or an issuer financial transaction in which this issuer-related employee participated. In either event, the account will likely be over-concentrated in the issuer, and the customer will have account(s) elsewhere which overall provide for a more balanced portfolio.

### **Referral Arrangements:**

Occasionally customers will be referred to Paradigm. Should there be any referral fee attached to this referral, as per Section 13 of NI 31-103, there shall be both a referral arrangement made between Paradigm and the referring party, and a referral disclosure document sent to the underlying client who was referred to Paradigm.

### **Best Interests Standard:**

The CSA has guided that Best Interest is dependent upon facts and circumstances, in which the materiality of a potential conflict must consider materiality, reasonability and professional judgment.

### **Management of Conflicts of Interest**

Conflicts of interest may arise at account opening or while a client's account is held at the firm. Management of conflicts is carried out through disclosure.

### **Introduction**

CFR requires that Paradigm to take reasonable steps to identify and respond to actual and potential material conflicts of interest, and to provide clients with information about these conflicts; and where appropriate obtain prior client consent before engaging in certain types of transactions.

In situations where Paradigm is providing services in which a conflict of interest might occur between the interests of Paradigm and the client, Paradigm will fully inform clients of these conflicts. This document contains important information you should read carefully about the key conflicts of interest we have identified.

Paradigm is an employee-owned commercial enterprise that has a responsibility to maximize the returns for its shareholders and customers alike. Paradigm earns compensation for investment banking services and trading commissions, in return for investment banking work, research services, and trade execution. Customers should be aware of these fees, which are outlined in this document.





Paradigm provides these fee/trade-based services to meet the interests and needs of customers, as expected under corporate and securities laws. Paradigm provides trusted advice and seeks to protect client and investor interests by addressing conflicts of interest.

### **Regulators:**

The Canadian Securities Administrators (“**CSA**”) and the Investment Industry Regulatory Organization of Canada (“**IIROC**”) stipulate that material conflicts of interest must be identified, addressed and disclosed appropriately.

### **Description of Paradigm**

Paradigm Capital Inc. (“**Paradigm**”) is an independent, research-driven investment dealer, and a member of IIROC. Paradigm sales and trading focuses on companies that Paradigm covers via research services. Our investment banking team provides advisory and corporate finance services, mainly to Canadian corporate issuers. Paradigm espouses teamwork and long-term relationships that are the key to exceptional success and growth.

Paradigm believes in a dynamic work culture, and a high standard of ethics.

Paradigm’s principal clients are institutional money managers and corporate issuers; the Firm has limited number of retail client accounts, which are usually employees of either Paradigm or corporate issuers. Importantly, Paradigm does not provide the full range of services of a traditional retail member. The Firm will often act as an agent between both buyers and sellers or issuers and try to act in the best interests of all parties. Occasionally, we may also act as a principal in a Bought Deal financing or a trade in the marketplace to facilitate a client order. Consequently, some of our business activities may lead to conflicts of interest, should we represent both sides of a transaction.

### **Carrying Broker National Bank Investment Network (“NBIN”)**

Paradigm is a Type 2 Introducing Broker that uses NBIN as its Carrying Broker. NBIN provides many administrative services for Paradigm and its clients, which are outlined in the NBIN Account and Services Agreements and Disclosures found at [www.paradigmcap.com](http://www.paradigmcap.com)

### **Managing Conflicts of Interest**

Under IIROC's rules all existing or potential material conflicts of interest between a Dealer Member and a client must be addressed "in a fair, equitable and transparent manner, and considering the best interest of the client or clients". In applying this requirement, it is recognized that it is not always possible or practical for us to address all conflicts of interest in the best interests of each client when the conflict of interest involves multiple clients and competing interests.



The most common types of conflicts of interest that can occur are:

- Conflicts of interest between us and you; and
- Conflicts of interest between you and our other clients.

Paradigm manages material conflicts of interest in three ways:

- Avoidance: Paradigm avoids conflicts of interest that are prohibited by law, as well as any conflicts that cannot be effectively addressed other than by not engaging in the activity that would give rise to the conflict.
- Control: When, in the Firm's judgment, the conflict of interest can be successfully managed Paradigm will do so by restricting access to information and/or separating business functions.
- Disclosure: When the Firm is unable to avoid or control the conflict, then Paradigm will disclose the conflict to clients appropriately. The clients can then assess the significance of the conflict in light of the services offered by Paradigm, and determine with Paradigm whether and how to proceed accordingly. Outlined below are the various services offered by Paradigm, the potential conflicts to consider, and how the Firm addresses these conflicts.

## **Paradigm Services and Relationships:**

### **Research:**

- Paradigm employs equity research analysts who publish research on issuer companies, which Paradigm distributes as a service to its paying customers. Industry regulations require us to follow clear guidelines for disclosing information about our research and the disclosures that must appear in each report we distribute.
- Paradigm may also have investment banking relationships with issuer companies with some of the same issuers on whom we provide research. In the research disclosures, Paradigm will disclose potential conflicts such as analyst ownership of the issuers, whether Paradigm has any investment banking relationships, and whether the Firm has received any compensation from its investment banking activities for the issuer in the past twenty-four months.
- As part of Paradigm's due diligence to assess the investment potential of an issuer, prior to writing the research the analyst will usually visit the principal operations of the business; the Firm will disclose this site visit in its research disclosures.



## **Sales:**

- Paradigm can also earn compensation by selling products to clients. Paradigm seeks to be fully transparent in disclosing related fees and commissions, and to inform clients in advance of any fees, commissions or charges. All retail clients will be provided with a copy of the Paradigm commission schedule as well as service fees as offered by its Carrying Broker, NBIN.<sup>2</sup>
- We may need to select which clients will be offered certain securities if availability is limited in the event of a new issue being over-subscribed. The syndication group will make a fair determination of the appropriate allocation of securities based on individual client relationships and other trade-related considerations including suitability, timing, and order size.
- Due to investment banking business relationships with issuers, some investment bankers at Paradigm may come into possession of Material Non-Public Information (“MNPI”) that Paradigm legally cannot disclose to you, as per the Tipping Provisions of Section 5 of the Securities Act (Ontario), even when discussing an investment in the issuer or research on the issuer. Paradigm’s investment banking department operates as a separate business unit from both the sales and trading department and the research department. Any information obtained from issuer clients is kept confidential and not divulged to other departments. Paradigm’s internal information barriers are designed to ensure compliance with securities regulations to ensure MNPI does not go beyond investment banking and compliance.

## **Trade Execution:**

- While Paradigm focuses on agency trading, the Firm may occasionally act as Principal trading with its own capital or securities against client orders in order to either facilitate client orders or to flatten an outstanding position; this may result in a profit to the Firm. Paradigm will obtain client consent when required and disclose on the client trade confirmation whether the Firm acted as Agent or as Principal for each transaction.
- Notwithstanding the Agent/Principal nature, Paradigm will always seek to achieve Best Execution, as is found in Paradigm’s Best Execution and Order Handling Document found at [www.paradigmcap.com](http://www.paradigmcap.com).
- Paradigm may sell securities of companies that are related or connected to the Firm. Paradigm will disclose this fact to the customer at the time of the trade.

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<sup>2</sup> [https://www.nbin.ca/cmst/site/pdf/NBIN\\_100\\_E.pdf](https://www.nbin.ca/cmst/site/pdf/NBIN_100_E.pdf)



## **Investment Banking:**

Issuers of securities compensate Paradigm for its advice and/or distribution of their securities. Our investment banking department operates separately from our research and sales departments. However, the sales department may sell customers securities from a corporate finance transaction. Paradigm's internal information barriers are designed to ensure compliance with securities regulations and safeguard MNPI which should not be disclosed to clients.

While institutional customers are suitability exempt, as they can make their own portfolio suitability decisions, Paradigm reserves the right to not sell certain new issue securities to retail customers if the judgment is made that these securities are not suitable for the retail customer.

Paradigm will provide offering documents that provide full disclosure of any relationships With the Firm and the issuer and outline any compensation Paradigm may receive for being a member of the distribution syndicate.

When Paradigm participates in a syndicate that is selling a new issue on a "Best Efforts" basis, the Firm is acting for the issuer, who wants to obtain the highest reasonable price to raise funds for the issuer's enterprise. However, Paradigm is also recommending the new issue to purchasers who wish to obtain the lowest reasonable price. The Firm's investment banking department appropriately evaluates the reasonableness of the pricing of new issues. Such evaluation is performed separately from the considerations of the equity sales group. The offering documents provide full disclosure of any relationships the Firm has with the issuer, and any syndicate-related compensation that Paradigm may receive.

## **Other Potential Conflicts of Interest**

As well as the potential conflicts of interest we have set out above there are a number of other potentially relevant conflicts that may arise:

- Gifts and entertainment from third parties with whom the Firm has active or potential business relationships
- Directorships positions with issuers or other organizations
- Connections to outside political or charitable activities
- Merchant Banking activities
- Other outside business activities

## **Merchant Banking Activities:**

From time to time one or more companies affiliated with Paradigm may undertake merchant banking activities. Individuals involved with Paradigm in various capacities may also be involved in such merchant banking activities. Such merchant banking activity may involve an issuer to which, or about which, Paradigm provides one or more of the above listed Paradigm services. These merchant banking activities may be, or may reasonably be perceived to be, of



direct or indirect benefit to Paradigm. Conflicts of interest may arise in the context of such merchant banking activities.

These types of potential conflicts are covered in Paradigm's internal policies, and the activities are supervised and monitored internally. Appropriate disclosure will be provided to clients as determined in the context of each conflict of interest.

## **Fees and Services Charges**

### **Commissions**

Commissions are transaction related fees paid to the firm at the time of sale or shortly thereafter and which are shared by the dealer with the advisor. Paradigm charges a minimum of \$25 per trade for retail accounts and may negotiate a mutually agreeable fee with the client based on the number of shares purchased and/or the value of each share.

### **Fees**

As part of the account opening process, all retail clients are provided with a Fee Schedule at [www.paradigmcap.com](http://www.paradigmcap.com) which details the fees Paradigm charges including costs to

- Trade
- Hold accounts at the Firm
- Send money via wire transfers
- Transfer accounts out of the firm

## **Account Reporting**

### **Transaction and Statement Reporting**

The client will receive written confirmation of all transactions in their account. The client will also receive account statements when there is a transaction during the month and on a quarterly basis regardless of account activity. We do not currently provide you with the percentage return of your account on your account statements.

Paradigm does not offer Portfolio Management services.

These client account statements are provided by our carrying broker NBIN and are in accordance with regulatory requirements.<sup>3</sup>

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<sup>3</sup> <http://www.investmentreporting.ca/>



## **Annual Portfolio Review**

We are responsible for sending you an annual account report for the previous calendar year which will be provided by our carrying broker NBIN. The report will provide information regarding how your investments performed over the last year and a list of charges and payments you paid over the same time period.

If the client chooses to have an annual portfolio review with their advisor, the client can discuss the performance of the account holdings and investment strategy.

## **Performance Benchmarks**

Investment benchmarks are a standard against which the performance of a security, mutual fund or portfolio can be measured. Generally, broad market stock and bond indices are used for this purpose. There are dozens of indices that be used to gauge the performance of any given investment including the S&P/TSX Composite, the S&P 500 and the Dow Jones Industrial Average. When evaluating the performance of investments, it is important for customers to compare returns against a pre-selected and appropriate benchmark.

Given the importance of having the correct comparison and the diverse nature of its client portfolios, Paradigm will not include benchmarks on the monthly client statements.

## **Client Responsibilities**

A firm needs the client's help to ensure that the relationship with their advisor is positive and results in the services that the client needs and wants. The client has a responsibility to help achieve this outcome. To this effect, the client should:

- Provide a full and accurate description of their financial situation, investment objectives risk tolerance and time horizon to their advisor to assist him/her in meeting the client's investment goals.
- Promptly inform their advisor of any material changes to their life circumstances or investment objectives. A "material change" is a change to any information that could reasonably result in changes to the types of investments appropriate for a client, such as income level, investment objectives, risk tolerance, time horizon or net worth. Examples of such changes would include changes in employment, marital status or retirement plans.
- Review all account documentation, sales literature, trade confirmations, statements and other documents provided by the advisor or Firm.
- Understand all costs and fees associated with the services a client will be provided.
- Be proactive - ask questions and request information to resolve any questions about the account, specific transactions or investments or the client's relationship with their advisor.
- Be cognizant of potential risks and returns on investments.



- Communicate in writing expectations for the advisor and/or firm.
- Contact the Chief Compliance Officer if displeased with answers or explanations from the advisor: [compliance@paradigmcap.com](mailto:compliance@paradigmcap.com)
- Ensure payment for transactions is made by the settlement date.
- Review account/portfolio holdings on a regular basis and discuss them with the advisor.
- Consult a professional such as a tax accountant or a lawyer for professional advice.

### **Complaint Handling Procedures:**

Written client complaints can be submitted either via email to [compliance@paradigmcap.com](mailto:compliance@paradigmcap.com) or via mail to the Designated Complaints Officer (“DCO”) of Paradigm Capital Inc.

**Chief Compliance Officer  
95 Wellington Street West, Suite 2101  
Toronto, Ontario  
M5J 2N7.**

You can also reach the DCO by phone at 416 363 9567.

Within five (5) business days of the receipt of your complaint, you will be sent an acknowledgment letter. In this acknowledgement letter, Paradigm may request additional information in order to investigate your complaint. Paradigm will also send you the following IIROC brochures:

*Making a Complaint A Guide for Investors<sup>4</sup> and How Can I Get My Money Back? A Guide for Investors.<sup>5</sup>*

You will also receive these brochures at the time of your account opening. Within ninety (90) calendar days of the receipt of your complaint, Paradigm will provide you with a substantive response. If Paradigm is unable to respond to your complaint within the above time frame, you will be provided a written explanation as to why.

In the final decision letter, Paradigm will provide you with a summary of your complaint, the results of the investigation, an explanation of the final decision, and the other options you may have for seeking compensation, if you are not satisfied with the response.

If you are dissatisfied with Paradigm’s final response, you may contact the following organizations: Ombudsman for Banking Services and Investment (“OBSI”), Investment

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<sup>4</sup> [https://www.iroc.ca/industry/member-resources/Documents/IIROC\\_Complaints\\_Brochure\\_en.pdf](https://www.iroc.ca/industry/member-resources/Documents/IIROC_Complaints_Brochure_en.pdf)

<sup>5</sup> [https://www.iroc.ca/industry/member-resources/Documents/IIROC\\_How\\_Do\\_I\\_Get\\_Money\\_Back\\_Brochure\\_en.pdf](https://www.iroc.ca/industry/member-resources/Documents/IIROC_How_Do_I_Get_Money_Back_Brochure_en.pdf)



Industry Regulatory Organization of Canada (“IIROC”), or you may choose to go to arbitration or pursue legal action.

### **Agreements and Disclosures:**

The following agreements, some of which may be found at [www.paradigmcap.com](http://www.paradigmcap.com), may be entered into depending on the type of account(s) the client opens:

- Joint Account Agreement
- Margin Agreement, to be obtained before a margin account is opened
- Consent to electronic delivery of documents
- Trading Authority Agreements

The following disclosures are provided via [www.pradigmcap.com](http://www.pradigmcap.com) to the client by Paradigm:

- Best Execution and Order Handling
- CIPF Brochure
- Privacy Policy and Agreement
- Business Continuity Plan
- Relationship Disclosure Information
- Introducing/Carrying Broker Disclosure Statement
- NI 24-101 Trade Matching Statement
- IIROC Investor Protection
  - [https://www.iiroc.ca/industry/member-resources/Documents/How-IIROC-protects-investors\\_Digital\\_Version.pdf](https://www.iiroc.ca/industry/member-resources/Documents/How-IIROC-protects-investors_Digital_Version.pdf)