

PARADIGM FUNDS

Do not use this application to establish a Paradigm Funds IRA account. Please visit our website at www.paradigm-funds.com or call 1-800-239-0732 if you have questions regarding IRA accounts. There is a \$2,500 minimum initial investment in the Funds. If you have any questions, please contact an Investor Service Representative at 1-800-239-0732.

Shareholder Account Application

Please mail (or send overnight) the completed application to:

Paradigm Funds
c/o Mutual Shareholder Services, LLC
8000 Town Centre Drive, Suite 400
Broadview Heights, Ohio 44147

1. Taxpayer Identification Number

For joint accounts, provide
SSN of first listed owner;
For UGMA/UTMA use minor's SSN

Social Security Number or Taxpayer Identification Number

2. Account Registration (Please Print or Type)

Please check only one type of registration below:

Individual (may not be a minor)

Owner's Name (First, Middle, Last) Date of Birth

Joint* (may not be a minor)

Joint Owner's Name (First, Middle, Last) Date of Birth

Social Security Number of Joint Owner

***Joint tenants with right of survivorship, unless otherwise noted.**

Gift/Transfer to a Minor (UGMA/UTMA) Must Provide Custodian's SSN

Minor's Name (First, Middle, Last) Minor's Date of Birth

Custodian's Name (First, Middle, Last) Custodian's SSN Required

Trust

Name of Trust

Name of Trustee

Additional Trustee (If applicable) Date of Trust

Please attach a trust resolution.

Corporation or other Entity

Type of Entity: Corp. Partnership Other _____

Name of Corporation, Partnership, Estate, etc.

Please attach a corporate / non-corporate resolution.

3. Mailing Address

Street

City, State, Zip Code

() ()

Daytime Telephone Evening Telephone

Owner's Citizenship:

U.S. Citizen **U.S. Resident alien** _____
Country

Non-resident alien – Residence for tax purposes _____
Country
Non-resident aliens with a U.S. address
must also submit IRS Form W-8

4. Additional Address or Broker Dealer Information (If Applicable)

To send copies of confirmations and statements for this account (optional)

Name

Street

City, State, Zip Code

Broker Dealer Representative Name

Broker Dealer Account Number

5. Your Fund Selection(s)

Minimum Initial Investment Amounts:

\$2,500 per regular Fund account.

\$1,000 with an Automatic Investment Plan.

(for this option, also complete Sections 9 and 10)

Payment by Check (Please make check payable to Paradigm Funds.)

Purchase by Wire Call 1-800-239-0732 for instructions.

Paradigm Micro-Cap Fund Total \$ _____

Paradigm Select Fund Total \$ _____

Paradigm Value Fund Total \$ _____

6. Distribution Options

All distributions will be reinvested into additional Fund shares unless you indicate otherwise by selecting payment by check:

Reinvest all Income Dividends and Capital Gains into my account (default).

Pay all Income Dividends and Capital Gains to me by check.

7. Telephone Purchase Option

Telephone Purchase of Shares Option: This option allows you to make additional investments (\$100 minimum per purchase) into your Paradigm Funds account(s) by phone. Upon your request, we will automatically withdraw the purchase directly from your bank account. **To select this option, you must check the box below and complete Section 10.**

I accept this option

8. Telephone Redemption Option

Telephone Redemption of Shares Option: You can sell shares of your Fund by phone (\$25,000 maximum per day) and a check will be sent to your address of record. You will not be able to redeem by telephone and have a check sent to your address for a period of 15 days following an address change. You will automatically be granted telephone redemption privileges unless you decline them by checking the box below:

I decline this option. All requests to redeem shares from this account must be submitted in writing.

Application is continued on the back

9. Automatic Investment Plan

Automatic Investment Program: This option allows you to make automatic monthly or quarterly investments into your Paradigm Funds account(s) directly from your bank account. To establish a new account with this program you must initially invest at least \$1,000 per account and subsequent investments must be at least \$100 per purchase.

You must also include the bank information in Section 10.

I accept this option

Monthly or Quarterly

Paradigm Micro-Cap Fund _____ \$ _____
Fund Name Amount (\$100 minimum)

Paradigm Select Fund _____ \$ _____
Fund Name Amount (\$100 minimum)

Paradigm Value Fund _____ \$ _____
Fund Name Amount (\$100 minimum)

Begin investment on _____ and on the 5th or 20th*
(month, year)
day of the month/quarter.

* Investments will be made on the 20th, unless you select the 5th. Your first automatic investment will become available approximately 15 days after your application is processed.

10. Bank Information

You must complete this section to make additional investments into your Paradigm Funds account(s) by telephone (see Section 7) or to establish an Automatic Investment Plan (see Section 9). **Please attach a voided, unsigned check or savings account deposit slip for the bank account you will be using for transfers.**

Name of Bank

Address of Bank

City, State, Zip Code

Name(s) on Bank Account

Bank Account Number

ABA Number (Available from your bank)

() _____
Bank Phone Number

This is a: Checking Account Savings Account

James A. Sample 123 Main Street Anywhere, USA 12345	0001
Pay to the order of:	_____
_____	DOLLARS
VOID	
1 1234567890123456789012 0001	

Attach Voided Check or Deposit Slip Here.
We cannot establish options in Sections 7 or 9 without it.

11. Signatures (All Account Owners/Trustees Must Sign)

By signing below:

- I certify that I have received and read the current Prospectus for the Paradigm Funds and understand its terms are incorporated in this application by reference. I certify that I have the authority and legal capacity to make this purchase and that I am of legal age in my state of residence. I understand that any redemptions made within 90 days of purchase would be subject to a 2% redemption fee. I certify that I am not a Foreign Financial Institution as defined in the USA PATRIOT Act. I understand that the Paradigm Funds are not backed or guaranteed by any bank, or insured by the FDIC.
- I authorize the Paradigm Funds and its agents to act upon instructions (by phone, in writing or other means) believed to be genuine and in accordance with procedures described in the Prospectus for this account or any account into which exchanges are made. I agree that neither the Paradigm Funds nor the transfer agent will be liable for any loss, cost or expense for acting on such instructions. Such entities will employ reasonable procedures to confirm that instructions communicated by phone are genuine, and may be liable for losses due to unauthorized or fraudulent instructions only if such procedures are not followed.

By completing Section 10 and signing below:

I authorize debits from the bank account referenced in conjunction with the account options selected. I agree that the Paradigm Funds shall be fully protected in honoring any such transaction. I also agree that the Paradigm Funds may make additional attempts to debit my account if the initial attempt fails and I will be liable for any associated costs. All account options selected (if any) shall become part of this application and the terms, representations and conditions thereof.

Under penalty of perjury, I certify that:

- The Social Security Number or Taxpayer Identification Number shown on this application is correct.
- I am not subject to backup withholding because: (a) I am exempt from backup withholding; or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends; or (c) the IRS has notified me that I am no longer subject to backup withholding.

Cross out item 2 if you have been notified by the IRS that you are currently subject to backup withholding.

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

All Owners/Trustees Must Sign. For UGMA/UTMAs, Custodian Should Sign.

X _____
Signature of Individual Owner, Trustee, Custodian, etc. Date

X _____
Signature of Joint Owner, Trustee, Custodian, etc. (If applicable) Date

X _____
Signature of Joint Owner, Trustee, Custodian, etc. (If applicable) Date

If you have any questions, please call: 1-800-239-0732.

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THE USA PATRIOT ACT

To help the government fight the funding of terrorism and money laundering activities, Federal Law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. This information will be verified to ensure the identity of all persons opening a mutual fund account.

PARADIGM FUNDS

COST BASIS ELECTION FORM

Mandatory Cost Basis Reporting Requirement

On October 12, 2010, the Internal Revenue Service (IRS) released the final mandatory cost basis regulations. These regulations were enacted as a result of the Economic Stabilization Act of 2008. As part of the new regulations, brokers and mutual fund companies are now required to provide cost basis reporting to the IRS.

Below is a list of cost basis methods available to you. Please select your preferred reporting method, sign and return with your account application. You may select only **ONE** option. If you do not return this form, the default method of AVERAGE COST will be assigned to your account.

IF YOU WOULD LIKE TO ELECT AVERAGE COST AS YOUR COST BASIS METHOD, THERE IS NO NEED TO RETURN THIS FORM WITH YOUR APPLICATION.

Please see reverse side of this form for cost basis method explanations

- | | |
|---------------------------------------|--------------------------|
| 1. Average Cost (ACST) | <input type="checkbox"/> |
| 2. First In First Out (FIFO) | <input type="checkbox"/> |
| 3. Last In First Out (LIFO) | <input type="checkbox"/> |
| 4. High Cost First Out (HIFO) | <input type="checkbox"/> |
| 5. Low Cost First Out (LOFO) | <input type="checkbox"/> |
| 6. Loss/Gain Utilization (LGUT) | <input type="checkbox"/> |
| 7. Specific Lot Identification (SLID) | <input type="checkbox"/> |

*Secondary Accounting Method Selection: _____
(Note: Average Cost is NOT a valid secondary method)

Print Name:

Print Name:

(For joint owner, custodian, trustee, etc.)

Signature:

Signature:

Date: _____

Date: _____

COST BASIS METHODS

Average Cost (ACST) – A method for valuating the cost of covered shares in an account by averaging the effect of all covered transactions in the account. The gain/loss is calculated by taking the cumulative dollar cost of the covered shares owned and dividing it by the number of covered shares in the account. Non-covered securities are calculated separately from covered securities and are not reported to the Internal Revenue Service.

First In First Out (FIFO) – A standing order to sell the oldest shares in the account first.

Last In First Out (LIFO) – A standing order to sell the newest shares in an account first.

High Cost First Out (HIFO) – A standing order to sell shares purchased at the highest cost first.

Low Cost First Out (LOFO) – A standing order to sell shares purchased at the lowest cost first.

Loss/Gain Utilization (LGUT) – A method that evaluates losses and gains then strategically selects lots based on that gain/loss in conjunction with a holding period.

Specific Lot Identification (SLID) – The shareholder needs to designate which specific shares to redeem when placing their redemption request. Please note that Average Cost cannot be used as a secondary accounting method. The secondary accounting method will only be activated if the lots chosen are no longer available.