

SECURITIES AND EXCHANGE COMMISSION

Self-Regulatory Organizations; Order Granting Application to Strike from Listing and Registration on the American Stock Exchange LLC (Paragon Real Estate Equity and Investment Trust, Common Stock, \$.01 par value) File No. 1-15409

February 24, 2006

On February 15, 2006, the American Stock Exchange LLC ("Amex" or "Exchange") filed an application with the Securities and Exchange Commission ("Commission"), pursuant to Section 12(d) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 12d2-2(c) thereunder,² to strike the common stock, \$.01 par value ("Security"), of Paragon Real Estate Equity and Investment Trust ("Company") from listing and registration on Amex.

Amex listing standards provide, among other things, that Amex may consider removing the security of an issuer from listing and registration when: (i) the financial condition and/or operating results of the issuer appear to be unsatisfactory; (ii) the issuer has failed to comply with its listing agreements with the Exchange; or (iii) any other event shall occur or any condition shall exist which makes further dealings on the Exchange unwarranted.

In applying these standards, Amex considers delisting the securities of a company that has: (i) shareholders' equity of less than \$2,000,000 if the company has reported losses from continuing operations and/or net losses in two of its three most recent fiscal years (Section 1003(a)(i) of the Amex Company Guide ("Company Guide")); (ii) shareholders' equity of less than \$4,000,000 if the company has reported losses from continuing operations and/or net losses in three of its four most recent fiscal years (Section 1003(a)(ii) of the Company Guide);

¹ 15 U.S.C. 78l(d).

² 17 CFR 240.12d2-2(c).

(iii) shareholders' equity of less than \$6,000,000 if the company has reported losses from continuing operations and/or net losses in its five most recent fiscal years (Section 1003(a)(iii) of the Company Guide); or (iv) its common stock selling for a substantial period of time at a low price per share and the issuer has failed to effect a reverse split of such shares within a reasonable time after being notified that the Exchange deems such action to be appropriate under all circumstances.

Amex stated in its application filed with the Commission that the Security no longer qualifies for continued listing and registration, for the following reasons:

1. The Company has incurred net losses as follows:

<u>Nine months ended</u>	<u>Net (Loss)</u>
September 30, 2005	(\$841,567)
 <u>Fiscal years ended</u>	 <u>Net (Loss)</u>
December 31, 2004	(\$816,224)
December 31, 2003	(\$1,089,613)
December 31, 2002	(\$3,558,057)
December 31, 2001	(\$2,654,981)
December 31, 2000	(\$8,314,953)

2. For the nine-month period ended September 30, 2005, the Company reported a shareholders' equity of \$46,007 and an accumulated deficit of \$25,400,000.
3. Over the last twelve months, the Security had an average selling price of \$0.13 a share. In addition, the Company failed to effect a reverse stock split within a reasonable amount of time after being notified by the Exchange that a reverse stock split was appropriate to address low selling price of the Security.

By letter dated December 1, 2004, in accordance with Section 1009 of the Company Guide, Amex advised the Company of its status in relation to the standards of the Exchange and offered the Company an opportunity to submit a business plan in support of continued listing.

Specifically, the Company was not in compliance with Section 1003(a)(i) and 1003(a)(ii) of the Company Guide. The Exchange's letter advised the Company it would need to regain compliance with the Exchange's continued listing standards by December 2, 2005. The Company submitted its plan ("Plan") by letter dated December 28, 2004. The Exchange accepted the Company's plan by letter dated February 22, 2005.

By correspondence dated September 20, 2005, the Company was advised that it was not in compliance with an additional continued listing standard of the Company Guide. Specifically, the Company was not in compliance with Section 1003(a)(iii) of the Company Guide. In addition, the Company was notified that the Exchange deemed it appropriate for the Company to effect a reverse split to address the low selling price of the Security and that, if such a reverse split was not completed within a reasonable amount of time, the Exchange staff may determine that the Company was not in compliance with Section 1003(f)(v) of the Company Guide.

The Company failed to regain compliance with the Exchange's continued listing standards by December 2, 2005. In addition, the Company had not effected a reverse split of the Security and, therefore, the Exchange determined that the Company was not in compliance with Section 1003(f)(v) of the Company Guide. As such, the Exchange determined that the Security did not qualify for continued listing. This determination, along with the Company's right to appeal, was communicated to the Company by letter dated December 6, 2005. By correspondence dated December 12, 2005, the Company appealed the Exchange's determination and requested an oral hearing to review the Exchange's determination.

On January 19, 2006, the Exchange's Listing Qualifications Panel ("Panel") conducted an oral hearing. By letter dated January 25, 2006, the Exchange notified the Company of the Panel's decision to deny the Company's appeal for continued listing of the Security on Amex and

authorized delisting proceedings. The letter also informed the Company of its right, in accordance with Section 1205 of the Company Guide, to request that the Exchange's Committee on Securities ("Committee") review the Panel's decision within fifteen days. The Company did not request the Committee to review the Panel's decision.

The Commission, having considered the facts stated in Amex's application and having due regard for the public interest and protection of investors, orders that the application be, and it hereby is, granted, effective at the opening of business on February 27, 2006.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.³

Nancy M. Morris
Secretary

³ 17 CFR 200.30-3(a)(1).