

# PARADIGM HOLDINGS, INC

Reported by  
**HALE MARTIN M JR**

## FORM 3

(Initial Statement of Beneficial Ownership)

Filed 04/24/09 for the Period Ending 04/13/09

Address	9715 KEY WEST AVE., 3RD FLOOR ROCKVILLE, MD 20850
Telephone	(301) 468-1200
CIK	0000313353
Symbol	PDHO
SIC Code	7373 - Computer Integrated Systems Design
Industry	Software & Programming
Sector	Technology
Fiscal Year	12/31

# FORM 3

**UNITED STATES SECURITIES AND EXCHANGE  
COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL  
OMB Number: 3235-0104  
Expires: February 28, 2011  
Estimated average burden  
hours per response... 0.5

## INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a)  
of the Public Utility Holding Company Act of 1935 or Section 30(h) of the  
Investment Company Act of 1940

1. Name and Address of Reporting Person *	2. Date of Event Requiring Statement (MM/DD/YYYY)	3. Issuer Name and Ticker or Trading Symbol
<b>HALE MARTIN M JR</b>	<b>4/13/2009</b>	<b>Paradigm Holdings, Inc [PDHO]</b>
(Last) (First) (Middle)	4. Relationship of Reporting Person(s) to Issuer (Check all applicable)	
<b>570 LEXINGTON AVENUE, 49TH FLOOR</b>	<input checked="" type="checkbox"/> Director <span style="margin-left: 150px;"><input type="checkbox"/> 10% Owner</span> <input type="checkbox"/> Officer (give title below) <span style="margin-left: 100px;"><input type="checkbox"/> Other (specify below)</span>	
(Street)	5. If Amendment, Date Original Filed (MM/DD/YYYY)	6. Individual or Joint/Group Filing (Check Applicable Line)
<b>NEW YORK, NY 10022</b>		<input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person
(City) (State) (Zip)		

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
<b>Series A-1 Senior Preferred Stock (1)</b>	<b>3131</b>	<b>I</b>	<b>See Footnote (2)</b>
<b>Series A-1 Senior Preferred Stock (1)</b>	<b>3075</b>	<b>I</b>	<b>See Footnote (3)</b>

**Table II - Derivative Securities Beneficially Owned ( e.g. , puts, calls, warrants, options, convertible securities)**

1. Title of Derivate Security (Instr. 4)	2. Date Exercisable and Expiration Date (MM/DD/YYYY)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
<b>Class A Warrant</b>	<b>2/27/2009</b>	<b>2/27/2016</b>	<b>Common Stock</b>	<b>40160450 (4)</b>	<b>\$0.0780</b>	<b>I</b>	<b>See Footnote (2)</b>
<b>Class B Warrant</b>	<b>2/27/2009</b>	<b>2/27/2016</b>	<b>Common Stock</b>	<b>34842716 (4)</b>	<b>\$0.0858</b>	<b>I</b>	<b>See Footnote (2)</b>
<b>Class A Warrant</b>	<b>2/27/2009</b>	<b>2/27/2016</b>	<b>Common Stock</b>	<b>39442154 (4)</b>	<b>\$0.0780</b>	<b>I</b>	<b>See Footnote (3)</b>
<b>Class B Warrant</b>	<b>2/27/2009</b>	<b>2/27/2016</b>	<b>Common Stock</b>	<b>34219531 (4)</b>	<b>\$0.0858</b>	<b>I</b>	<b>See Footnote (3)</b>

**Explanation of Responses:**

- (1) The Series A-1 Senior Preferred Stock, Class A Warrants and Class B Warrants were acquired pursuant to the Preferred Stock Purchase Agreement between the Issuer, Hale Capital Partners, LP and EREF PARA, LLC, dated as of February 27, 2009 (the "Purchase Agreement").
- (2) The shares are held by Hale Capital Partners, LP where Martin M. Hale, Jr. is the Chief Executive Officer. Martin M. Hale, Jr. is also the sole owner and managing member of Hale Fund Partners, LLC, the general partner of Hale Capital Partners, LP.
- (3) The shares are held by EREF PARA, LLC and Martin M. Hale, Jr. is the sole owner and Chief Executive Officer of Hale Fund Management, LLC, the managing member of EREF PARA, LLC. Hale Fund Management, LLC has voting power over the shares owned by EREF PARA, LLC.
- (4) The Purchase Agreement provides, among other things, that the Issuer shall seek shareholder approval of, among other things, an increase in the number of shares of Common Stock authorized for issuance under the Issuer's Articles of Incorporation (the "Amendment Date"). Until the Amendment Date, the total number of shares of Common Stock for which the Warrants are exercisable is limited to 2,700,888 shares of Common Stock, which is less than 10% of the total number of currently outstanding shares of Common Stock. The Amendment Date has not yet been scheduled.

**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
<b>HALE MARTIN M JR 570 LEXINGTON AVENUE, 49TH FLOOR NEW YORK, NY 10022</b>	<b>X</b>			

**Signatures**

/s/ Martin M. Hale, Jr.

4/23/2009

\*\* Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.