

PARAGON REAL ESTATE EQUITY & INVESTMENT TRUST

Form RW

January 23, 2006

Via EDGAR

January 20, 2006

Ms. Charito Mittelman

Securities and Exchange Commission

450 Fifth Street, N.W.

Washington D.C. 20549

Re: *Paragon Real Estate Equity and Investment Trust
Registration Statement on Form S-2
File No. 333-129219*

Dear Ms. Mittelman:

Pursuant to Rule 477 of the Securities Act of 1933, Paragon Real Estate Equity and Investment Trust respectfully requests the withdrawal of our Registration Statement on Form S-2 (File No. 333-129219), originally filed on October 24, 2005 (the Registration Statement). Paragon requests the withdrawal of the Registration Statement because market conditions make it impractical to continue with the offering at this time. Paragon did not sell any of its shares pursuant to the Registration Statement. Although Paragon has no current plans to do so, it reserves the right to undertake a future private offering in reliance on Securities Act Rule 155(c). If you have any questions regarding this matter, please contact our counsel Marc C. Krantz of Kohrman Jackson & Krantz P.L.L. at 216-736-7204.

Very truly yours,

Paragon Real Estate Equity and Investment Trust

/s/ James C. Mastandrea

By James C. Mastandrea, Chairman,
Chief Executive Officer and President

cc: James P. Mollen, American Stock Exchange
Marc C. Krantz, Esq., Kohrman Jackson & Krantz P.L.L.
John A. Good, Esq., Bass, Berry & Sims PLC

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