

PARAMOUNT GOLD & SILVER CORP.
Form DEF 14A
November 08, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by Registrant

Filed by Party other than Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Materials Pursuant to §240.14a-12

PARAMOUNT GOLD AND SILVER CORP.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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PARAMOUNT GOLD AND SILVER CORP.

665 Anderson Street
Winnemucca, Nevada 89445
(775) 625-3600

November 5, 2010

Dear Stockholders:

We are holding an annual meeting (the "Meeting") of our stockholders to vote on routine proposals including the election of directors and appointment of auditors. The Meeting will be held on December 10, 2010 at 11:00 a.m., local time, at 2600 North Military Trail, Suite 270 Boca Raton, Florida 33431. Notice of the Meeting, the related proxy statement and our Annual Report to Stockholders for the fiscal year ended June 30, 2010 are enclosed. More information about the Meeting and other business to be considered by Paramount stockholders is contained in this proxy statement. We encourage you to read this proxy statement carefully and in its entirety before voting.

Due to the change in NYSE rules, we would like to inform you that your broker will not be able to vote your shares with respect to the election of directors if you have not provided instructions to your broker. We strongly encourage you to submit your proxy card and exercise your right to vote.

Whether or not you plan to attend the Meeting, please complete, date, sign and return, as promptly as possible, the enclosed proxy card in the accompanying reply envelope. Stockholders who attend the Meeting may revoke their proxies and vote in person.

The Board unanimously recommends that you vote "FOR" the proposals described in the attached proxy statement.

Only shareholders of record at the close of business on November 11, 2010 are entitled to notice of, and to vote at, the Meeting.

We look forward to seeing you at the Meeting.

Very truly yours,

Christopher Crupi
CEO

PARAMOUNT GOLD AND SILVER CORP.

665 Anderson Street
Winnemucca, Nevada 89445
(775)625-3600

Notice of Annual Meeting of Stockholders

An annual meeting (the "Meeting") of Stockholders of Paramount Gold and Silver Corp., a Delaware corporation ("Paramount"), will be held on December 10, 2010, at 11 a.m., local time, at 2600 North Military Trail, Suite 270 Boca Raton, Florida 33431,, to consider and vote on the proposals listed below and to transact such other business as may properly come before the Meeting or any adjournment or postponement of the Meeting:

1. Election of Directors. To elect the following eight members of the Board of Directors of Paramount (the "Board") to serve until the 2011 annual meeting of stockholders or until their successors are elected and qualified or their earlier death, resignation or removal: Christopher Crupi, Michel Yvan Stinglhamber, John Carden, Robert Dinning, Christopher Reynolds, Rudi P. Fronk, Eliseo Gonzalez-Urien and Shawn Kennedy;
2. Ratification of Independent Auditors. To ratify the appointment of Meyers Norris Penny LLP as Paramount's independent certified public accountants for the fiscal year ending June 30, 2011; and
3. Other Business. To consider and act upon such other business and matters or proposals as may properly come before the Meeting or any adjournments or postponements thereof.

The close of business on November 11, 2010 has been fixed as the record date for determining those Paramount stockholders entitled to notice of, and to vote at, the Meeting. Accordingly, only stockholders of record at the close of business on that date will receive this notice of, and be eligible to vote at, the Meeting or any adjournments or postponements of the Meeting. Each of the items of business listed above is more fully described in the proxy statement that accompanies this notice.

The presence, in person or by proxy, of the holders of one-third of the voting power of the common stock of Paramount entitled to vote at the Meeting shall constitute a quorum for the transaction of business. Approval of the various proposals to be voted upon at the Meeting may require different votes:

- The eight directors identified in Proposal No. 1 will be elected upon a plurality of the votes of the shares present in person or represented by proxy at the Meeting and entitled to vote on the election of directors. A properly executed proxy marked "Withhold authority" with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether there is a quorum.
- Approval of Proposal No. 2 relating to ratification of the appointment of Paramount's independent certified public accountants requires the affirmative vote of the majority of shares present in person or represented by proxy at the Meeting and entitled to vote.

As of the close of business on the record date for the Meeting, the directors and executive officers of Paramount, collectively, beneficially owned approximately 7,354,189 shares of Paramount common stock, inclusive of shares subject to stock options that may be exercised within 60 days following that date. Such shares represented approximately 5.1% of the total Paramount voting power as of such date.

Your vote is very important. Please read the proxy statement and the instructions on the enclosed proxy card and then, whether or not you expect to attend the Meeting in person, and no matter how many shares you own, please vote your shares as promptly as possible in accordance with the instructions on the enclosed proxy card. Submitting a proxy now will help assure a quorum and avoid added proxy solicitation costs. It will not prevent you from voting in person at the Meeting.

The Board unanimously recommends that you vote "FOR" the election of each of the director nominees, and "FOR" ratification of the appointment of Paramount's independent certified public accountants.

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE SIGN AND DATE THE ENCLOSED PROXY AND RETURN IT IN THE ENVELOPE PROVIDED.

By order of the Board of Directors,

Christopher Crupi, CEO
November 5, 2010

Neither the U.S. Securities and Exchange Commission nor any state, provincial or territorial securities regulatory agency or authority has passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

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PARAMOUNT GOLD AND SILVER CORP.

665 Anderson Street
Winnemucca, Nevada 89445
(775) 625-3600

Introduction to Proxy Statement

This proxy statement and the accompanying form of proxy are being furnished to stockholders of Paramount Gold and Silver Corp., a Delaware corporation (“Paramount”) in connection with the solicitation of proxies by the Board of Directors of Paramount (the “Board”) for use at the annual meeting (the “Meeting”) of our stockholders to be held on December 10, 2010, at 11 a.m., local time, at 2600 North Military Trail, Suite 270 Boca Raton, Florida.

You are being asked to vote for the election of each of the director nominees, and for a proposal to ratify the appointment of Meyers Norris Penny LLP as Paramount’s independent certified public accountants for the fiscal year ending June 30, 2011.

Important Note

In deciding how to vote on the matters described in this proxy statement, you should rely only on the information contained in this proxy statement and the annexes attached hereto. Paramount has not authorized any person to provide you with any information that is different from what is contained in this proxy statement.

The information contained in this proxy statement speaks only as of the date on which this proxy statement was filed unless the information specifically indicates that another date applies. This proxy statement is dated November 5, 2010, and is first being mailed to Paramount stockholders on or about November 15, 2010.

If you have any questions about the matters described in this proxy statement, you may contact Paramount Gold and Silver Corp., 665 Anderson Street, Winnemucca, Nevada, 89445, Attn: Christopher Crupi.

Important Notice Regarding Availability of Proxy Material for the Meeting to Be Held on December 10, 2010

The Notice of Annual Meeting of Stockholders, this Proxy Statement and the 2010 Annual Report to Stockholders are available on the Internet at the following website: www.paramountgold.com.

Directions to the Meeting

To obtain directions to attend the Annual Meeting and vote in person, please contact Paramount’s corporate offices located at 665 Anderson Street, Winnemucca, Nevada, 89445, Attn: Christopher Crupi. (Phone No. 775-625-3600).

• Required Vote of Paramount's Stockholders.

- The eight directors identified in Proposal No. 1 will be elected upon a plurality of the votes of the shares present in person or represented by proxy at the Meeting and entitled to vote on the election of directors. A properly executed proxy marked "Withhold authority" with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether there is a quorum.
- Approval of Proposal No. 2 relating to ratification of the appointment of Paramount's independent certified public accountants requires the affirmative vote of the majority of shares present in person or represented by proxy at the Meeting and entitled to vote.
- Paramount's Board Recommendation. Paramount's Board of Directors unanimously recommends that Paramount's stockholders vote "FOR" each of the Proposals.
- Record date for Paramount's Stockholders. You are entitled to vote at the meeting if you owned shares of Paramount common stock at the close of business on November 11, 2010 (the "Record Date").
- Paramount Voting Information. You will have one vote for each share of Paramount common stock that you owned at the close of business on the Record Date. If your shares are held in "street name" by a broker, you will need to provide your broker with instructions on how to vote your shares. Before voting your shares of Paramount common stock you should read this proxy statement in its entirety, including its annexes, and carefully consider how each Proposal may affect you. Then, mail your completed, dated and signed proxy card in the enclosed return envelope as soon as possible so that your shares can be voted at the Meeting. For more information on how to vote your shares, please refer to "The Meeting of Paramount Stockholders" beginning on page 13.
- Additional Information. You can find more information about Paramount in the periodic reports and other information Paramount files with the Securities and Exchange Commission (the "SEC") at the SEC's public reference facilities and at the website maintained by the SEC at www.sec.gov. Paramount also make public filings with applicable Canadian securities regulators, available to the public free of charge on the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators ("SEDAR") at www.sedar.com. For a more detailed description of the additional information available, see the section entitled "Where Stockholders Can Find More Information About Paramount" beginning on page 11.

Questions and Answers about the Meeting

The following questions and answers are for your convenience only, and briefly address some commonly asked questions about the Proposals and the Meeting. You should still carefully read this entire proxy statement, including the attached Annexes.

The Meeting; Voting Your Shares

Q: Why am I receiving this proxy statement?

A: You are receiving this proxy statement and enclosed proxy card because, as of November 11, 2010, the Record Date for the Meeting, you owned shares of Paramount common stock. Only holders of record of shares of Paramount common stock as of the close of business on November 11, 2010 will be entitled to vote those shares at the Meeting. The Board is providing these proxy materials to give you information to determine how to vote in connection with the Meeting.

This proxy statement describes the issues on which Paramount would like you, as a stockholder, to vote. It also provides you with important information about these issues to enable you to make an informed decision as to whether to vote your shares of Paramount common stock for the matters described herein.

Paramount is holding the Meeting to obtain the stockholder approval necessary to approve the Proposals. We have included in this proxy statement important information about the Meeting. You should read this information carefully and in its entirety.

Your vote is very important and we encourage you to complete, sign, date and mail your proxy card, as soon as possible, whether or not you plan to attend the Meeting. Stockholders who attend the Meeting may revoke their proxies and vote in person. This proxy statement describes the issues on which we would like you, as a stockholder, to vote.

Q: When and where is the Meeting?

A: The Meeting will be held will be held on December 10, 2010, at 11 a.m., local time, at 2600 North Military Trail, Suite 270 Boca Raton, Florida 33431.

Q: Who is eligible to attend the Meeting and vote?

A: Stockholders of record at the close of business on November 11, 2010 are entitled to attend and vote at the Meeting.

Q: How many votes do I have?

A: Stockholders who own Paramount common stock at the close of business November 11, 2010 are entitled to one vote for each share of common stock they held on that date in all matters properly brought before the Meeting.

Q: How many shares are outstanding?

A: As of October 31, 2010 there were 132,077,034 of common stock issued and outstanding.

Q: What proposals will be addressed at the Meeting?

A: We will address the following proposals at the Meeting:

- a proposal to elect director nominees to the Board;
- a proposal to ratify the appointment of Meyers Norris Penny LLP as Paramount's independent certified public accountants for the fiscal year ending June 30, 2011; and
- any other business that may properly come before the Meeting.

Q: What vote is required to approve the proposals?

A: The following votes are required:

- The eight directors identified in Proposal No. 1 will be elected upon a plurality of the votes of the shares present in person or represented by proxy at the Meeting and entitled to vote on the election of directors. A properly executed proxy marked "Withhold authority" with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether there is a quorum.
- Approval of Proposal No. 2 relating to ratification of the appointment of Paramount's independent certified public accountants requires the affirmative vote of the majority of shares present in person or represented by proxy at the Meeting and entitled to vote.

Q: Why would the Meeting be adjourned or postponed?

A: The Meeting will be adjourned or postponed if a quorum is not present on the date of the Meeting. One-third of the votes entitled to be cast on the matter by a voting group, represented in person or by proxy, constitutes a quorum of that voting group for the action on the matter. If a quorum is not present, the Meeting may be postponed to a later date when a quorum is obtained. For purposes of determining whether the stockholders have approved matters other than the election of directors, abstentions are treated as shares present or represented and voting, so abstaining has the same effect as a negative vote. If a stockholder's shares are held of record by a broker, bank or other nominee and the stockholder wishes to vote in person at the Meeting, the stockholder must contact his or her broker or bank and obtain from the record holder a "legal" proxy issued in the stockholder's name. Brokers who hold shares in "street name" for clients typically have the authority to vote on "routine" proposals when they have not received instructions from beneficial owners. Absent specific instructions from the beneficial owner of the shares, brokers are not allowed to exercise their voting discretion with respect to the approval of non-routine matters. (No such matters are being voted upon at this meeting.), Proxies submitted without a vote by brokers on these matters are referred to as "broker non-votes." Abstentions and broker non-votes are counted for purposes of determining whether a quorum exists at the Meeting.

Q: How do I vote in person?

A: If you plan to attend on the date of the Meeting, or at a later date if it is postponed or adjourned, and vote in person, Paramount will give you a ballot when you arrive. However, if your shares are held in the name of your broker, bank or other nominee, you must bring a power of attorney executed by the broker, bank or other nominee that owns the shares of record for your benefit, authorizing you to vote the shares in person.

Q: How do I vote by proxy?

A: Returning the proxy card will not affect your right to attend the Meeting and vote in person. If you properly fill in your proxy card and send it to us in time to vote, your “proxy” (one of the individuals named on your proxy card) will vote your shares as you have directed. If you sign the proxy card but do not make specific choices, your proxy will vote your shares as recommended by the Board as follows:

- “FOR” the election of all director nominees; and
- “FOR” the ratification of the appointment of Meyers Norris Penny LLP as Paramount’s independent certified public accountants for the fiscal year ending June 30, 2011;

If any other matter is presented, your proxy will vote in accordance with his best judgment. At the time this proxy statement went to press, Paramount knew of no matters that needed to be acted on at the Meeting other than those discussed in this proxy statement.

Q: May I revoke my proxy?

A: If you give a proxy, you may revoke it at any time before it is exercised. You may revoke your proxy in any one of three ways:

- You may send in another proxy with a later date.
- You may notify Paramount in writing (by you or your attorney authorized in writing, or if the stockholder is a corporation, under its corporate seal, by an officer or attorney of the corporation) at its corporate offices before the Meeting, that you are revoking your proxy.
- You may vote in person at the Meeting.

Q: How are votes counted?

A: Votes will be counted by the inspector of election appointed for the Meeting, who will separately count “FOR” and “AGAINST” votes, abstentions and broker non-votes. A “broker non-vote” occurs when a nominee holding shares for a beneficial owner does not receive instructions with respect to the proposals from the beneficial owner.

Q: What happens if I do not vote?

A: The presence, in person or by proxy, of one-third of the votes entitled to be cast on the matter by a voting group is necessary to constitute a quorum at the Meeting. For purposes of determining whether the stockholders have approved matters other than the election of directors, abstentions are treated as shares present or represented and voting, so abstaining has the same effect as a negative vote. Shares held by brokers who do not have discretionary authority to vote on a particular matter and who have not received voting instructions from their customers are not counted or deemed to be present or represented for the purpose of determining whether stockholders have approved that matter, but they are counted as present for the purposes of determining the existence of a quorum at the Meeting.

Q: What happens if I sell my shares of Paramount common stock before the Meeting?

A: The Record Date for stockholders entitled to vote at the Meeting is earlier than the meeting date. If you transfer your shares of Paramount common stock after the Record Date but before the Meeting you will, unless special arrangements are made, retain your right to vote at the Meeting.

Q: If my shares are held in “street name” by my broker, will my broker vote my shares for me?

A: If a stockholder’s shares are held of record by a broker, bank or other nominee and the stockholder wishes to vote in person at the Meeting, the stockholder must contact his or her broker or bank and obtain from the record holder a “legal” proxy issued in the stockholder’s name. Absent specific instructions from the beneficial owners of the shares, brokers who hold shares in “street name” for clients no longer have the authority to vote on proposals when they have not received instructions from beneficial owners. Proxies submitted without a vote by brokers on these matters are referred to as “broker non-votes.” Broker non-votes are counted for purposes of determining whether a quorum exists at the Meeting.

Q: Will my shares held in “street name” or another form of record ownership be combined for voting purposes with shares I hold of record?

A: No. Because any shares you may hold in “street name” will be deemed to be held by a different stockholder than any shares you hold of record, any shares so held will not be combined for voting purposes with shares you hold of record. Similarly, if you own shares in various registered forms, such as jointly with your spouse, as trustee of a trust or as custodian for a minor, you will receive, and will need to sign and return, a separate proxy card for those shares because they are held in a different form of record ownership. Shares held by a corporation or business entity must be voted by an authorized officer of the entity. Shares held in an IRA must be voted under the rules governing the account.

Q: What does it mean if I receive more than one set of materials?

A: This means you own shares of Paramount common stock that are registered under different names. For example, you may own some shares directly as a stockholder of record and other shares through a broker or you may own shares through more than one broker. In these situations, you will receive multiple sets of proxy materials. You must vote, sign and return all of the proxy cards or follow the instructions for any alternative voting procedure on each of the proxy cards that you receive in order to vote all of the shares you own. Each proxy card you receive comes with its own prepaid return envelope. If you vote by mail, make sure you return each proxy card in the return envelope that accompanies that proxy card.

Q: What if I fail to instruct my broker?