

PARAGON TECHNOLOGIES, INC.
101 Larry Holmes Drive, Suite 500, Easton, Pennsylvania 18042
Telephone (610) 252-3205

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 21, 2016

The 2016 Annual Meeting of Stockholders of Paragon Technologies, Inc., a Delaware corporation (the "Company"), will be held at the Company's headquarters, 101 Larry Holmes Drive, Suite 500, Easton, Pennsylvania 18042, at 10:00 A.M., local time, on June 21, 2016, for the following purposes:

1. To elect the three directors named in the accompanying Proxy Statement to the Board of Directors;

2. To ratify the appointment of RSM US LLP as the Company's independent public accounting firm for the fiscal year ending December 31, 2016; and

3. To transact such other business as may properly come before the Annual Meeting or at any adjournments or postponements thereof.

Only stockholders of record as of the close of business on May 12, 2016 will be entitled to notice of the Annual Meeting and to vote at the Annual Meeting and any adjournments or postponements thereof. A list of stockholders of the Company entitled to vote at the meeting will be available for inspection by a stockholder at the Annual Meeting and during normal business hours at the Company's corporate offices during the ten-day period immediately prior to the Annual Meeting.

The Board of Directors hopes you will be able to attend the Annual Meeting, but whether or not you plan to attend, please vote your shares by:

- **Marking, signing, dating, and returning the enclosed proxy card as soon as possible;**
- **Calling the toll-free number listed on the proxy card; or**
- **Accessing the Internet as instructed on the proxy card.**

Voting by proxy will not prevent you from voting your shares in person in the manner described in the accompanying Proxy Statement if you subsequently choose to attend the Annual Meeting. If you hold your shares in "street name" through a bank, broker, or custodian, you must obtain a legal proxy from such custodian in order to vote in person at the Annual Meeting.

May 17, 2016
Easton, Pennsylvania

HESHAM M. GAD
Chairman

PARAGON TECHNOLOGIES, INC.
101 Larry Holmes Drive, Suite 500, Easton, Pennsylvania 18042

ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 21, 2016

This Proxy Statement and the accompanying form of proxy are being mailed on or about May 17, 2016 to the stockholders of Paragon Technologies, Inc. (the "Company"). They are being furnished in connection with the solicitation by the Board of Directors of proxies to be voted at the 2016 Annual Meeting of Stockholders (the "Annual Meeting") to be held at the Company's headquarters, 101 Larry Holmes Drive, Suite 500, Easton, Pennsylvania 18042, at 10:00 A.M., local time, on June 21, 2016, and at any adjournments or postponements thereof. The cost of such solicitation will be borne by the Company.

Only the holders of record of the outstanding shares of common stock of the Company as of the close of business on May 12, 2016 will be entitled to vote at the Annual Meeting. A stockholder giving a proxy may revoke it at any time by giving written notice of such revocation to the Secretary of the Company before it is exercised. A proxy may also be revoked by executing a later proxy or by attending the Annual Meeting and voting in person, provided written notice of such actions is given to the Secretary of the Company before the proxy is exercised.

At the close of business as of the above record date, there were outstanding and entitled to vote 1,684,745 shares of the Company's common stock. Each holder of shares has the right to one vote for each share standing in the holder's name on the books of the Company as of the record date.

The shares represented by each properly executed proxy will be voted in the manner specified by the stockholder. If instructions are not given, the shares will be voted by the person named in the accompanying proxy for the election of directors, for the ratification of the appointment of the independent public accounting firm, and in his discretion on any other matters properly coming before the Annual Meeting.

Under Delaware law and the Company's Bylaws, the presence, in person or by proxy, of stockholders entitled to cast at least a majority of the votes that all stockholders are entitled to cast will constitute a quorum for the purposes of the Annual Meeting. Abstentions and broker non-votes will be treated as present for purposes of determining the presence of a quorum.

Directors are elected by a plurality of the votes cast at the Annual Meeting. Accordingly, directions to withhold authority, abstentions, and broker non-votes will have no effect on the outcome of the vote for the election of directors.

The affirmative vote of a majority of the votes cast on the proposal to ratify the appointment of the Company's independent public accounting firm will constitute the ratification of the appointment of RSM US LLP as the Company's independent public accounting firm for the fiscal year ending December 31, 2016. Abstentions and broker non-votes will have no effect on the result of the vote. Although stockholder ratification is not required, the Company considers such ratification to be a desirable corporate practice, and if the affirmative vote is less than a majority of the votes cast, the Board will consider the results of the vote on any future appointment.

2015 ANNUAL REPORT

Shares of the Company's common stock are quoted on the OTC Markets under the symbol "PGNT." The Company's Annual Report for the fiscal year ended December 31, 2015 is available on the OTC Markets' website at www.otcmarkets.com.

PROPOSAL #1: ELECTION OF DIRECTORS

Committees of the Board; Corporate Governance

The Board of Directors has a standing Audit Committee, Compensation Committee and Nominating Committee. The Audit Committee is composed of Mr. Weiser (Chair) and Mr. Jacobs. The Compensation Committee is composed of Mr. Gad (Chair) and Mr. Jacobs. The Nominating Committee is composed of Mr. Gad (Chair) and Mr. Weiser. Messrs. Jacobs and Weiser are independent of the Company under NYSE, NASDAQ and SEC rules, including for serving on the Audit Committee.

During 2015, the Board of Directors met 12 times. Each of the directors was present, in person or by teleconference, at each of these meetings. The Audit Committee met five times during 2015. Each of the committee members was present, in person or by teleconference, at each of the meetings for the committees on which he serves.

Each of the Audit Committee, Compensation Committee and Nominating Committee has a charter that outlines the duties and responsibilities of the committee. The Company also maintains a "Code of Business Conduct and Ethics," a "Disclosure Policy," a "Policy on Conflicts of Interest, Political Contributions and Improper Payments to Third Parties," and a "Policy Statement on Dealing with Company Information, Including Inside Information and Insider Securities Trading and Conflicts of Interest."

Our Director Nominees

At the Annual Meeting, three nominees will stand for election as directors of the Company to hold office for a period of one year or until their successors have been elected and qualified.

If the enclosed proxy is duly executed and received in time for the Annual Meeting, the person named therein will vote the shares represented thereby for the three persons nominated for election as directors unless authority is withheld.

If any nominee should refuse or be unable to serve, the proxy will be voted for such other person as shall be designated by the Board of Directors. The Board of Directors has no knowledge that any of the nominees will refuse or be unable to serve.

Information concerning the nominees for election as directors is set forth below:

Name, Other Positions or Offices With the Company and Principal Occupation for Past Five Years	Director Since	Age
Hesham M. Gad	2010	38
Hesham M. Gad has been Chief Executive Officer of the Company since June 2014, Chairman of the Company's Board of Directors since March 2012 and a director of the Company since October 2010. Mr. Gad is also the Chairman and CEO of SED International Holdings, Inc. (OTC: SEDN). Paragon is the largest shareholder in SED. Mr. Gad is also the author of the internationally published book, "The Business of Value Investing." Mr. Gad holds a B.A. in finance and an MBA in finance from the University of Georgia.		

Name, Other Positions or Offices With the Company and Principal Occupation for Past Five Years	Director Since	Age
Jack H. Jacobs	2012	70

Jack H. Jacobs has been a principal of The Fitzroy Group, Ltd., a firm that specializes in the development of residential real estate in London and invests both for its own account and in joint ventures with other institutions, for the past six years. He has held the McDermott Chair of Politics at West Point since 2005 and has served as an NBC military analyst since 2002. Mr. Jacobs was a co-founder and Chief Operating Officer of AutoFinance Group Inc., one of the firms to pioneer the securitization of debt instruments, from 1988 to 1989; the firm was subsequently sold to KeyBank. He was a Managing Director of Bankers Trust Corporation, a diversified financial institution and investment bank, where he ran foreign exchange options worldwide and was a partner in the institutional hedge fund business.

Mr. Jacobs' military career included two tours of duty in Vietnam where he was among the most highly decorated soldiers, earning three Bronze Stars, two Silver Stars and the Medal of Honor, the nation's highest combat decoration. He retired from active military duty as a Colonel in 1987. From 2007 to 2012, Mr. Jacobs served as a member of the Board of Directors of Xedar Corporation, a public company; from June 2006 to 2009, he was a director of Visual Management Systems, a private company; and he was a director of BioNeutral Group, Inc., a public company, until 2009. Mr. Jacobs was previously a director of Premier Exhibitions, Inc. (NASDAQ: PRXI), a public company, and joined the Board of Directors of DATATRAK International, Inc. (OTC: DTRK), a technology and services company delivering dClinical solutions for the clinical trials industry, in January 2016. Mr. Jacobs is Vice Chairman of the Medal of Honor Foundation and a member of the Board of Trustees of the USO of New York. Mr. Jacobs is the author of the book "If Not Now, When?: Duty and Sacrifice in America's Time of Need." Mr. Jacobs received a Bachelor of Arts and a Master's degree from Rutgers University.

Samuel S. Weiser 2012 56

Samuel S. Weiser is currently the President and Chief Executive Officer of Foxdale Management LLC. From August 2009 until April 2015, he was a member of the Board of Directors and from August 2014 until March 2015 was Executive Chairman of Premier Exhibitions, Inc. (NASDAQ: PRXI), a provider of museum quality touring exhibitions. In addition, Mr. Weiser served as President and Chief Executive Officer of Premier Exhibitions from November 2011 until June 2014. Mr. Weiser was a member of SED International's Board of Directors from October of 2013 until October 2014. Previously, Mr. Weiser served as a member and Chief Operating Officer of Sellers Capital LLC, an investment management firm, from 2007 to 2010. From 2005 to 2007, he was a Managing Director responsible for the Hedge Fund Consulting Group within Citigroup Inc.'s Global Prime Brokerage Division. From 2002 to April 2005, he was the President and Chief Executive Officer of Foxdale Management, LLC, a consulting firm founded by Mr. Weiser that provided operational consulting to hedge funds and litigation support services in hedge fund related securities disputes. Mr. Weiser also served as Chairman of the Managed Funds Association, a lobbying organization for the hedge fund industry, from 2001 to 2003 and was formerly a partner in Ernst and Young. He received his B.A. in Economics from Colby College and a M.A. in Accounting from George Washington University.

Recommendation

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE ELECTION OF THE THREE NOMINEES NAMED HEREIN AS DIRECTORS OF THE COMPANY.

PROPOSAL #2: RATIFICATION OF THE APPOINTMENT OF INDEPENDENT PUBLIC ACCOUNTING FIRM

Our Proposal

The Board of Directors has selected RSM US LLP to serve as the Company's independent public accounting firm for the fiscal year ending December 31, 2016. Neither the Company's Bylaws nor other governing documents or law require stockholder ratification of the selection of RSM US LLP as the Company's independent public accounting firm. However, the Company is asking stockholders to ratify this appointment as a matter of good corporate practice. If ratification by the stockholders of the appointment of RSM US LLP as the Company's independent public accounting firm is not obtained, the Board of Directors will consider the results of the vote on any future appointments. Even if the appointment is ratified, the Board of Directors, in its discretion, may appoint a different independent public accounting firm at any time during the year if the Board of Directors determines that such a change would be in the best interests of the Company and its stockholders.

One or more representatives of RSM US LLP are expected to be present at the Annual Meeting. They will have the opportunity to make a statement if they desire to do so and are also expected to be available to respond to appropriate questions from stockholders.

Fees Paid to Our Independent Public Accounting Firm

RSM US LLP's professional fees and expenses to conduct the audit of the Company's financial statements for the fiscal years ended December 31, 2015 and 2014 were $81,000 and $78,000, respectively. In addition, RSM US LLP's professional fees for tax preparation services for fiscal years ended December 31, 2015 and 2014 were $33,600 and $28,000, respectively.

Recommendation

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE RATIFICATION OF THE APPOINTMENT OF RSM US LLP AS THE COMPANY'S INDEPENDENT PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2016.