

**FOR:** IMMEDIATE RELEASE

**CONTACT:** Leonard S. Yurkovic, Acting CEO  
610-252-3205  
610-252-3102 (Fax)  
[www.ptgamex.com](http://www.ptgamex.com)

## **PARAGON TECHNOLOGIES, INC. APPOINTS SHAM M. GAD TO ITS BOARD OF DIRECTORS**

- - - - -

**EASTON, PA — October 8, 2010** -- Paragon Technologies, Inc. (Pink Sheets: PGNT), a leading supplier of “smart” material handling systems and “software-driven” warehouse and distribution center solutions, today announced the appointment of Hesham (“Sham”) M. Gad to its Board of Directors. The appointment of Mr. Gad increases the size of the Paragon Technologies board from five to six directors.

Commenting on the announcement, Chairman of the Board, Ted Myers, stated, “We are pleased that Sham is joining the Board of Directors of Paragon Technologies, Inc. We look forward to his contributions to the Company’s Board of Directors.”

Mr. Gad added “I am looking forward to joining the Board of Paragon as the Company pursues its strategies going forward in its efforts to maximize shareholder value.” Mr. Gad also announced that Gad Capital Management was withdrawing its proposed slate of nominees for election to the Board at the upcoming meeting of stockholders in December.

### **Hesham M. Gad**

Hesham M. Gad, age 32, is the Managing Partner of the Gad Partners Funds, a concentrated value oriented investment partnership based in Athens, GA. Prior to managing the Gad Partners Fund, he ran the Gad Investment Group from 2002 to 2005. Gad holds an MBA in finance from the University of Georgia.

Paragon's SI Systems' branded technologies drive productivity at Fortune 1000 companies and the United States Government.

## About Paragon Technologies

Paragon Technologies is a leader in integrating material handling systems and creating automated solutions for material flow applications. SI Systems' branded technologies and material handling solutions address unit assembly in manufacturing operations and order fulfillment applications. One of the top material handling systems suppliers worldwide, SI Systems' leading clients have included the United States Postal Service, BMG, Peterbilt, Honda, and Maybelline.

\* \* \*

---

**Cautionary Statement.** *Certain statements contained herein are not based on historical fact and are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and the Securities and Exchange Commission rules, regulations and releases. Paragon intends that such forward-looking statements be subject to the safe harbors created hereby. Among other things, the forward-looking statements regard Paragon's earnings, liquidity, financial condition, review of strategic alternatives, and other matters. Words or phrases denoting the anticipated results of future events, such as "anticipate," "does not anticipate," "should help to," "believe," "estimate," "is positioned," "expects," "may," "will," "is expected," "should," "continue," and similar expressions that denote uncertainty, are intended to identify such forward-looking statements. Paragon's actual results, performance, or achievements could differ materially from the results expressed in, or implied by, such "forward-looking statements": (1) as a result of factors over which Paragon has no control, including the strength of domestic and foreign economies, sales growth, competition, and certain cost increases; and (2) if the factors on which Paragon's conclusions are based do not conform to its expectations. The forward-looking statements contained in this press release may become outdated over time. Paragon does not assume any responsibility for updating any forward-looking statements. Furthermore, achievement of the objectives of the Company is subject to certain risks, including, but not limited to, those risks outlined in Paragon's filings with the Pink Sheets, including its annual report for the fiscal year ended December 31, 2009, and the most recent quarterly report for the period ended June 30, 2010 as filed with the Pink Sheets.*

This press release and prior releases are available at [www.ptgamex.com](http://www.ptgamex.com).