



PARAGON
TECHNOLOGIES

PARAGON TECHNOLOGIES, INC.
600 Kuebler Road, Easton, Pennsylvania 18040
Telephone (610) 252-3205

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON DECEMBER 15, 2010

The Annual Meeting of Stockholders of Paragon Technologies, Inc., a Delaware corporation (the "Company"), will be held at Pepper Hamilton LLP, 400 Berwyn Park, 899 Cassatt Road, Suite 300, Berwyn, PA 19312 on December 15, 2010, at 11:00 a.m., local time, for the following purposes:

1. To elect six directors to the Board of Directors;
2. To ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2010; and
3. To transact such other business as may properly come before the meeting or at any adjournments thereof.

Only stockholders of record as of the close of business on November 4, 2010 will be entitled to notice of the Annual Meeting and to vote at the Annual Meeting and any adjournments 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 Notice of Annual Meeting (also known as the "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.

November 12, 2010
Easton, Pennsylvania

RONALD J. SEMANICK
Secretary



PARAGON TECHNOLOGIES, INC.
600 Kuebler Road, Easton, Pennsylvania 18040

ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON DECEMBER 15, 2010

This Proxy Statement and the accompanying form of proxy are being mailed on or about November 12, 2010 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 2010 Annual Meeting of Stockholders to be held at Pepper Hamilton LLP, 400 Berwyn Park, 899 Cassatt Road, Suite 300, Berwyn, PA 19312 on December 15, 2010, 11:00 a.m., local time, and at any adjournments 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 on November 4, 2010 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 are given to the Corporate 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 1,554,310 shares of the Company's common stock. Each holder of shares entitled to vote has the right to one vote for each share standing in the holder's name on the books of the Company.

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 persons named in the accompanying proxy for the election of directors and for the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm as specified below, and in their discretion on any other matters properly coming before the 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 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 registered public accounting firm will constitute the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2010. Abstentions will not be counted as votes cast and will have no effect on the result of the vote. While 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 would consider the results of the vote on any future appointment.

November 12, 2010

PROPOSAL #1: ELECTION OF DIRECTORS

At the meeting, six 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 meeting, the persons named therein will vote the shares represented thereby for the six 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. Management 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	32
<p>Hesham Gad is the Managing Partner of the Gad Partners Funds, a concentrated value oriented investment partnership based in Athens, GA. Mr. Gad is also the founder of Gad Properties, LLC, a private real estate investment company focusing on the student housing market. Prior to managing the Gad Partners Fund, he ran the Gad Investment Group from 2002 to 2005. Mr. Gad is the author of the internationally published book, "The Business of Value Investing: Six Steps to Buying Companies Like Warren Buffett." Mr. Gad holds a BBA in Finance and MBA in Finance and Economics from the University of Georgia.</p>		
Ronald J. Izewski.....	2008	53
<p>Ronald J. Izewski currently serves as the Senior Vice President ("SVP") and Chief Financial Officer ("CFO") of Just Born, Inc., a privately owned confectionery manufacturer of jellybeans, marshmallows, and other candy products. Mr. Izewski joined Just Born in 1995 as Vice President of the Finance Division, assumed the role of CFO in 2002, and was promoted to SVP/CFO in 2007. From 1984 to 1995, Mr. Izewski held several financial leadership positions, including Vice President and General Manager of the Donruss Trading Cards Division, at the Leaf Candy Company. From 1978 to 1984, Mr. Izewski was an Audit Supervisor in the Chicago, Illinois office of Coopers & Lybrand, a public accounting firm. Mr. Izewski graduated from Southern Illinois University with a Bachelor's Degree in Accounting and is a Certified Public Accountant.</p>		
Peter H. Kamin	2010	48
<p>Peter H. Kamin has spent the last 25 years as an active investor in both public and private businesses. Mr. Kamin is a Founding Member and Managing Partner of ValueAct Capital</p>		

Name, Other Positions or Offices With The Company and Principal Occupation for Past Five Years	Director Since	Age
<p>Partners, L.P. ValueAct Capital Partners invests on behalf of universities, foundations, and endowments in the public and private U.S. equity markets. Prior to founding ValueAct Capital Partners in 2000, Mr. Kamin founded and managed Peak Investment L.P. Peak Investment L.P. was a limited partnership, organized to make investments in a select number of domestic public companies. In 2000, the capital held in Peak Investment was distributed to Mr. Kamin and his various family entities. Mr. Kamin continues to direct the investment of these assets primarily into small public and private investment opportunities. Prior to founding Peak Investment L.P., Mr. Kamin was a Partner with Morningside, N.A., Ltd., the U.S. private equity operation for a wealthy Hong Kong-based family. Mr. Kamin began his investment career in 1984 at Fidelity Management and Research. Mr. Kamin is presently a director of Seitel Inc., Insurance Auto Auctions, Inc., and KAR Auction Services. Mr. Kamin previously served as either Chairman or Director of LeCroy Corporation, Hanover Compressor Company, Exterran Holdings, Inc., SIRVA, Inc., OneSource Information Services, Inc., Data Transmission Network Corp., TFC Enterprises, Inc., Eskimo Pie Corporation, and ACME United Corp. He has a B.A. from Tufts University and an M.B.A. from Harvard Business School.</p>		
Theodore W. Myers	2002	67
<p>Theodore W. Myers is the Chairman of the Board of the Company, a position he has held since June 2002. Mr. Myers retired from Tucker Anthony Sutro, an investment banking firm where, from 1991 to 2000, he was First Vice President and Branch Manager of the Phillipsburg, New Jersey satellite office. After graduating from Fairleigh Dickinson University in 1966 with a B.S. in Marketing and Finance, he served in the Armed Forces during the Vietnam era and subsequently returned to work as a National Bank Examiner for the Controller of the Currency until he became an internal auditor for Dean Witter Reynolds in 1971. Prior to his employment with Tucker Anthony, he was a Vice President with Prudential Bache and Vice President/Manager of the Flemington, New Jersey office of Paine Webber from 1985 to 1991, and from 1977 to 1985, he was an Assistant Vice President with Thompson McKinnon Securities and Dean Witter Reynolds.</p>		
Robert J. Schwartz	2008	72
<p>Robert J. Schwartz is the founder and President of Land Equity Inc., a real estate firm located in Lebanon, New Jersey. For over 30 years, Land Equity Inc. has specialized in commercial and industrial land sales. Mr. Schwartz began his career in real estate in 1967 and has established his company in key markets of Massachusetts, New Jersey, Pennsylvania, and Maryland. Mr. Schwartz graduated from Fairleigh Dickinson University with a B.S. in International Marketing.</p>		

Name, Other Positions or Offices With The Company and Principal Occupation for Past Five Years	Director Since	Age
Leonard S. Yurkovic	2002	72

Leonard S. Yurkovic returned to the Company as Acting CEO on March 1, 2007. Mr. Yurkovic started with the Company in 1979 as Vice President – Finance. Throughout the 1980s, Mr. Yurkovic was appointed to several executive-level positions at the Company, having been named President and Chief Operating Officer in 1985, Managing Director of European Operations in 1987, and then President and CEO in 1988. Mr. Yurkovic initially retired from the Company as CEO and a member of the Board of Directors in 1999. Mr. Yurkovic returned to the Company as President and CEO in October 2003 and retired from the Company as President and CEO on December 31, 2005. Prior to his tenure at the Company, Mr. Yurkovic was Division Controller at The Harris Corporation, Champlain, New York. A former Lieutenant in the United States Navy, Mr. Yurkovic graduated from Lehigh University with his MBA in Finance and the United States Naval Academy with a B.S. in Engineering.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” THE ELECTION OF
THE SIX NOMINEES AS DIRECTORS OF THE COMPANY.**

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

The Board of Directors has selected KPMG LLP to continue to serve as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2010. Neither the Company’s Bylaws nor other governing documents or law require stockholder ratification of the selection of KPMG LLP as the Company’s independent registered 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 KPMG LLP as the Company’s independent registered public accounting firm is not obtained, the Board of Directors will reconsider this appointment. Even if the appointment is ratified, the Board of Directors, in its discretion, may appoint a different independent registered 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.

Representatives of KPMG 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.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” THE RATIFICATION
OF THE APPOINTMENT OF KPMG LLP AS THE COMPANY’S INDEPENDENT
REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING
DECEMBER 31, 2010.**

2011 STOCKHOLDER PROPOSALS

If a stockholder desires to present a stockholder proposal or nomination of a director at next year's Annual Meeting, the stockholder must give advance notice to the Company prior to the deadline for such meeting determined in accordance with the Bylaws (the "Bylaw Deadline"). Under the Company's Bylaws, in order to be deemed properly presented, notice must be delivered to the Secretary of the Company at the principal executive offices of the Company no less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's Annual Meeting. If the date of next year's Annual Meeting is earlier than November 16, 2011 or later than December 31, 2011, however, your written notice of intent must be delivered between the 120th day before next year's Annual Meeting and the later of the 90th day before next year's Annual Meeting, or the 10th day after the Company's first public announcement of next year's Annual Meeting date. The stockholder's notice must set forth the information required by the Bylaws.

If the Board of Directors decides to propose, for next year's Annual Meeting, an increase in the number of directors, the advance notice requirements will differ from those described above solely with respect to nominations of individuals for the new position(s) created by the increase if we fail to make a timely public announcement of the proposal. The Company's public announcement must be made as described in the Company's Bylaws. To be considered timely, the Company's first public announcement of such a proposal must be made at least 70 days prior to the first anniversary of the preceding year's Annual Meeting. If the Company fails to meet the applicable deadline for making a timely public announcement and you would like to nominate individuals for the new position(s) created by the increase, you must deliver your written notice of intent by no later than the 10th day after the Company's first public announcement. Your written notice of intent may nominate individuals only for new position(s) created by the increase, and must contain the information required by the Bylaws.

The Company may utilize discretionary authority conferred by proxy voting on any proposals not included in the Company's proxy if the stockholder does not give the Company notice of such matter by September 27, 2011. Proxy proposals are to be sent to the attention of Corporate Secretary, Paragon Technologies, Inc., 600 Kuebler Road, Easton, PA 18040.