



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

Dear Stockholder:

On April 29, 2025, Hesham M. Gad commenced a consent solicitation to remove all the current directors of Paragon other than himself and replace them with his handpicked nominees. Specifically, he is seeking stockholders' consent to repeal any recently adopted provisions of Paragon's Bylaws; amend the Bylaws to provide that any vacancies on the Board resulting from the removal of directors shall be filled exclusively by the stockholders; remove four of the current directors on the Board; and replace these directors with four individuals handpicked by Mr. Gad. As a result, you may have received, or may receive in the future, consent solicitation materials from Mr. Gad seeking your written consent to remove our current Board members and replace them with Mr. Gad's candidates to the Board. In short, Mr. Gad seeks to gain control of the Company through his consent solicitation, even though neither Mr. Gad nor his director candidates have specified any concrete path to build the value of your investment in the Company.

**THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE OPPOSES THE GAD CONSENT SOLICITATION. IT URGES YOU NOT TO SIGN ANY WHITE CONSENT CARD SENT TO YOU BY MR. GAD, BUT, INSTEAD TO SIGN AND RETURN THE BLUE CONSENT REVOCATION CARD INCLUDED WITH THESE MATERIALS.**

As you know, Mr. Gad previously was the Company's CEO and Chairman of the Board. He is now in the process of soliciting your written consents to attempt to regain control of the Company, from which he was removed as CEO and Chairman of the Board and terminated from his remaining positions with the Company and its subsidiaries.

The Company's Nominating and Corporate Governance Committee, composed solely of independent directors, believes that Mr. Gad exhibited an alarming pattern of deceit and misuse of corporate assets beginning well before his time at the Company and continuing today. Specifically, Gad went to great lengths to conceal the fact that he was living in the United States illegally without a valid visa during his entire tenure as CEO of Paragon and in his roles with the Company's subsidiaries. The Committee believes that he intentionally failed to communicate to the Board that he did not have authorization to work in the U.S. when he was named CEO of Paragon in 2014 and failed to make that disclosure to the Board when he was appointed CEO of SI Systems. Such conduct is a violation of federal law. The Committee believes Mr. Gad's actions violated his fiduciary duties to the Company and its stockholders exposing the company to potential legal action and financial penalties.

The Nominating and Corporate Governance Committee believes that Mr. Gad's proposals are not in the best interests of the Company's stockholders. In essence, Mr. Gad is asking you to consent to turning over control of the Company to his handpicked director candidates, one of which is an employee of Paragon. If elected, Mr. Gad would control the Board and, although the directors would be subject to their fiduciary duties under Delaware law, they would be in a position to advance Mr. Gad's specific interests, which may not be aligned with the interests of all of our stockholders. Moreover, we believe that there is a significant risk that if Mr. Gad's candidates are elected to the Board, Mr. Gad may again engage in self-serving conduct that harms Paragon, thereby causing further financial and reputational losses to the Company.

Moreover, neither Mr. Gad nor his director candidates have identified any specific ideas or proposals regarding the future of the Company. We believe stockholder interests will be served best if the Company continues to implement the strategic plan that began last fall after Mr. Gad was replaced as the Company's Chief Executive Officer. Since then, we have focused on resolving the many substantial problems that have plagued the Company due to Mr. Gad's conduct, improving operations, strengthening the Company's financial performance, and improving its corporate governance, all while keeping a close eye on expenses, so as to enhance value for all stockholders.

The Company has created a strategic plan that is built on the following concepts: (i) rebuilding SI Systems infrastructure critically damaged under Mr. Gad's leadership to grow that business and expand product offerings; (ii) position SED International Holdings, Inc. to self-finance its own expansion beyond Colombia into other areas of Latin America to mitigate specific currency risk; (iii) liquidate the condominium holdings of Ohana Home Services which have underperformed and provided single digit, at best, returns to stockholders; (iv) liquidate Paragon's underperforming investment portfolio which has failed to produce positive returns during one of the best market environments in history; and (v) identify accretive acquisition targets that can bolster Paragon's domestic revenue and earnings to reduce dependence on SED International de Colombia S.A.S. whose low margins and currency risk make Paragon's earnings unpredictable and susceptible to exogenous economic events. We ask stockholders to not provide Mr. Gad their consent so that we may continue to execute our strategic plan.

This Consent Revocation Statement contains important information as to why you should, and how to, submit the accompanying **BLUE** Consent Revocation Card to revoke any white consent card that you previously returned to Mr. Gad. We urge you to read it carefully. **Regardless of the number of shares of Company common stock that you own, your revocation of consent is important. You can defend against Mr. Gad's efforts to take control of the Company through the following steps:**

- 1. Do not sign Mr. Gad's white consent card;**
- 2. If you have signed Mr. Gad's white consent card, you have every right to change your vote and revoke your consent. You may revoke that consent by signing, dating and mailing the enclosed BLUE Consent Revocation Card in the postage-paid envelope provided; and**
- 3. Even if you have not signed Mr. Gad's white consent card, you can show the support for your Board and your investment in the Company by signing, dating and mailing the enclosed BLUE Consent Revocation Card in the postage-paid envelope provided.**

Please act today to help protect the interests of ALL stockholders. Thank you for your support.

Sincerely yours,

Nominating and Corporate Governance Committee  
Paragon Technologies, Inc.

If you have questions or need assistance revoking your consent please contact:

Alliance Advisors LLC  
150 Clove Rd, #400  
Little Falls Township, NJ 07424  
(844) 202- 6169  
Email: [Paragon@allianceadvisors.com](mailto:Paragon@allianceadvisors.com)



**PARAGON**  
TECHNOLOGIES

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

**CONSENT REVOCATION STATEMENT  
BY THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE  
OF THE BOARD OF DIRECTORS OF  
PARAGON TECHNOLOGIES, INC. IN OPPOSITION TO  
A CONSENT SOLICITATION BY HESHAM M. GAD**

This Consent Revocation Statement ("Consent Revocation Statement") is furnished by the Nominating and Corporate Governance Committee of Paragon Technologies, Inc., a Delaware corporation (the "Company"), to the holders of outstanding shares of the Company's common stock, par value \$1.00 per share (the "Common Stock"), in connection with the Nominating and Corporate Governance Committee's opposition to the solicitation of written stockholder consents (the "Gad Consent Solicitation") by Hesham M. Gad.

As you may be aware, Mr. Gad is attempting to gain control of your Board and the Company by asking you to remove four directors currently serving on the Board, and to replace them with a slate of candidates hand picked by Mr. Gad. Specifically, Mr. Gad is asking you to: (i) repeal any provisions of the Company's Amended and Restated Bylaws of the Company (the "Bylaws") that were not in effect on December 3, 2024 ("Proposal 1"); (ii) amend Article 3, Section 3.3 of the Company's Bylaws to provide that any vacancies on the Board resulting from the removal of directors by the stockholders of the Company shall be filled exclusively by the stockholders of the Company ("Proposal 2"); (iii) remove four current members of the Board: Howard Brownstein, H. Timothy Eriksen, David Lontini and Samuel Weiser as well as any person (other than those elected by the Gad Consent Solicitation) nominated, elected or appointed to the Board without stockholder approval to fill any vacancy on the Board or any newly-created directorships on or after April 29, 2025 and prior to the time that any of the actions proposed to be taken by the Gad Consent Solicitation becomes effective ("Proposal 3"); and (iv) elect David Duquette, James Kaufman, Elodie Leoni and Ronell Rivera (the "Gad Candidates") as directors to serve as directors of the Company until the Company's 2025 annual meeting of stockholders and until their successors are duly elected and qualified ("Proposal 4").

The Nominating and Corporate Governance Committee believes, for the reasons specified in this Consent Revocation Statement, that the proposals contained in the Gad Consent Solicitation are not in the best interests of stockholders. Mr. Gad's actions are an unnecessary distraction during this critical time when your Board believes its efforts are best spent focused on exploring the best opportunities available to maximize value for all the Company's stockholders, rather than addressing these untimely and misguided efforts by Mr. Gad. The Nominating and Corporate Governance Committee remains committed to acting in the best interests of all of the Company's stockholders and will discharge its duties in this regard.

Your current independent directors were selected through processes designed to uphold good corporate governance and ensure representation of the interest of all stockholders. A consent in favor of the Gad Consent Solicitation is a consent to remove, without cause, all of the members of your Board, except Mr. Gad, and to replace them with the Gad Candidates. If successful, the Gad Consent Proposals will result in stockholders turning control of the Company over to Mr. Gad, an individual with a substantial track record of putting his personal interests above the interests of the Company's stockholders, and individuals nominated by Mr. Gad.

THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE HAS DETERMINED THAT THE GAD CONSENT SOLICITATION IS NOT IN THE BEST INTERESTS OF THE COMPANY AND ITS STOCKHOLDERS. ACCORDINGLY, THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE RECOMMENDS THAT YOU **DO NOT SIGN ANY WHITE CONSENT CARD** SENT TO YOU BY MR. GAD. **WHETHER OR NOT YOU HAVE PREVIOUSLY EXECUTED MR. GAD'S WHITE CONSENT CARD, THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE URGES YOU TO SIGN, DATE AND DELIVER THE ENCLOSED BLUE CONSENT REVOCATION CARD USING THE ENCLOSED PRE-PAID ENVELOPE.**

We anticipate that the close of business on May 19, 2025 will be established as the record date (the "Record Date") for the determination of the Company's stockholders who are entitled to execute, withhold or revoke consents relating to the Gad Consent Solicitation. Only stockholders of record as of the Record Date may execute, withhold or revoke consents with respect to the Gad Consent Solicitation.

If you have any questions about giving your consent revocation or require assistance, please contact:

Alliance Advisors LLC  
150 Clove Rd, #400  
Little Falls Township, NJ 07424  
(844) 202- 6169  
Email: [Paragon@allianceadvisors.com](mailto:Paragon@allianceadvisors.com)

## **DESCRIPTION OF THE GAD CONSENT SOLICITATION**

Mr. Gad is soliciting your consents in favor of the following proposals (collectively, the “Gad Consent Proposals”) to:

- (1) Repeal any provision of the Bylaws in effect at the time this proposal becomes effective, including any amendments thereto, which were not included in the Bylaws that were in effect on December 3, 2024 (“Proposal 1”);
- (2) Amend Article 3, Section 3.3 of the Bylaws to provide that any vacancies on the Board resulting from the removal of directors by the stockholders of the Company shall be filled exclusively by the stockholders of the Company (“Proposal 2”);
- (3) Remove without cause the following members of the Board: Howard Brownstein, H. Timothy Eriksen, David Lontini and Samuel Weiser, as well as any person (other than those elected by the Consent Solicitation) nominated, elected or appointed to the Board without stockholder approval to fill any vacancy on the Board or any newly-created directorships on or after April 29, 2025 and prior to the time that any of the actions proposed to be taken by the Consent Solicitation become effective (“Proposal 3”); and
- (4) Elect David Duquette, James Kaufman, Elodie Leoni, and Ronell Rivera to serve as directors of the Company until the Company’s 2025 annual meeting of stockholders and until their successors are duly elected and qualified (“Proposal 4”).

**Taken together Proposals 1 through 4 are designed to enable Mr. Gad’s and his director candidates to take control of the Board.**

## THE CONSENT PROCEDURE

### Voting Securities and Record Date

It is anticipated that the close of business on May 19, 2025 will be established as the Record Date for the determination of the Company's stockholders who are entitled to execute, withhold or revoke consents relating to the Gad Consent Solicitation. Each share of the Company's Common Stock outstanding as of the Record Date will be entitled to one vote.

Only stockholders of record as of the Record Date are eligible to execute, withhold or revoke consents in connection with the Gad Consent Proposals. Persons beneficially owning shares of the Company's Common Stock (but not holders of record), such as persons whose ownership of Common Stock is through a broker, bank, financial institution or other nominee holder, may wish to contact such broker, bank, financial institution or other nominee holder and instruct such person to execute the **BLUE** Consent Revocation Card on their behalf. Any failure to consent will have the same effect as withholding consent from the Gad Consent Proposals.

### Effectiveness of Consents

Under Delaware law and the Company's Bylaws, stockholders may act without a meeting and without a vote, if consents in writing setting forth the action to be taken are signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Under Section 228 of the Delaware General Corporation Law, the Gad Consent Proposals will become effective if valid, unrevoked consents signed by the holders of a majority of the shares of the Common Stock outstanding as of the Record Date are properly delivered to the Company within 60 days of the first date on which a consent is properly delivered to the Company (the "Effective Date").

### Effect of BLUE Consent Revocation Card

A stockholder may revoke any previously signed consent by signing, dating and returning to the Company a **BLUE** Consent Revocation Card prior to the Effective Date. Stockholders are urged to return all consent revocations in the envelope provided or to Alliance Advisors LLC. Unless you specify otherwise, by signing and delivering the **BLUE** Consent Revocation Card, you will be deemed to have revoked consent to all of the Gad Consent Proposals.

Any consent revocation may itself be revoked by marking, signing, dating, and delivering a written revocation of your **BLUE** Consent Revocation Card to the Company or to Mr. Gad or by delivering to Mr. Gad a subsequently dated white consent card that Mr. Gad sent to you.

The revocation of any previously delivered consent or consent revocation must be signed, have a subsequent date than the previously delivered consent or consent revocation and is not required to state the number of shares held unless you wish to revoke your consent with respect to less than all shares as to which you previously consented, in which case you must state the number of shares to which your revocation relates. In addition, if you have more than one account with respect to which you have delivered a consent, the revocation should identify the relevant account the consent for which is being revoked.

The Company has retained Alliance Advisors LLC to assist in communicating with stockholders in connection with the Gad Consent Solicitation and to assist in our efforts to obtain consent revocations. If you have any questions about how to complete or submit your **BLUE** Consent Revocation Card or any other questions, Alliance Advisors LLC will be pleased to assist you. Please call Alliance Advisors LLC toll free at (844) 202- 6169.

If any shares of Common Stock that you owned on the Record Date were held for you in an account with a stock brokerage firm, bank nominee or other similar "street name" holder, you are not entitled to vote such shares directly, but rather must give instructions to the stock brokerage firm, bank nominee or other "street name" holder to grant or revoke consent for the shares of Common Stock held in your name. Accordingly, you should follow the instructions on the **BLUE** Consent Revocation Card to vote

your shares. Alternatively, you can contact the person responsible for your account and direct him or her to execute the enclosed **BLUE** Consent Revocation Card on your behalf. You are urged to confirm in writing your instructions to the person responsible for your account and provide a copy of those instructions to the Company, c/o Alliance Advisors LLC, at the address or facsimile number set forth above so that the Company will be aware of your instructions and can attempt to ensure each instruction is followed.

YOU HAVE THE RIGHT TO REVOKE ANY CONSENT YOU MAY HAVE PREVIOUSLY GIVEN TO MR. GAD. TO DO SO, YOU NEED ONLY SIGN, DATE AND RETURN IN THE ENCLOSED POSTAGE-PAID ENVELOPE THE **BLUE** CONSENT REVOCATION CARD ACCOMPANYING THIS CONSENT REVOCATION STATEMENT PRIOR TO THE EFFECTIVE DATE. IF YOU DO NOT INDICATE A SPECIFIC VOTE ON THE **BLUE** CONSENT REVOCATION CARD WITH RESPECT TO THE GAD CONSENT PROPOSALS, THE CONSENT REVOCATION CARD WILL REPRESENT AN INSTRUCTION TO REVOKE ANY CONSENT WITH RESPECT TO ALL SUCH PROPOSALS IN ACCORDANCE WITH THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE'S RECOMMENDATION.

**You should carefully review this Consent Revocation Statement. YOUR TIMELY RESPONSE IS IMPORTANT.** You are urged not to sign any white consent cards. Instead, reject the solicitation efforts of Mr. Gad by promptly completing, signing, dating and returning the enclosed **BLUE** Consent Revocation Card in the envelope provided. Please be aware that if you sign a white consent card but do not check any of the boxes on the card, you will be deemed to have consented to all of the Gad Consent Proposals.

#### **IMPORTANT NOTICE REGARDING THE INTERNET AVAILABILITY OF CONSENT REVOCATION MATERIALS**

The consent revocation materials for the Company's solicitation of consent revocations, including this Consent Revocation Statement, are available over the Internet on our website at [www.pgntgroup.com](http://www.pgntgroup.com). Information on the Company's website does not constitute part of the Company's consent revocation materials.

#### **OTHER MATTERS**

The only matters for which the participants intend to solicit revocations of consents are set forth in this Consent Revocation Statement. However, if consents are solicited by Mr. Gad or any other person on any other matter, the participants may determine that it is in the best interests of the Company and its stockholders to solicit revocations of consents with respect to such additional matters.

#### **IMPORTANT**

**The Nominating and Corporate Governance Committee urges you NOT to return any white consent card solicited from you by Mr. Gad. If you have previously returned any such consent card you have every right to revoke your consent. Simply complete, sign, date and mail the enclosed **BLUE** Consent Revocation Card in the postage-paid envelope provided, whether or not you previously returned the white consent card.**

**For additional information or assistance, please call our soliciting agent, Alliance Advisors LLC at (844) 202- 6169.**

## **BLUE CONSENT REVOCATION CARD**

### **SOLICITED ON BEHALF OF THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE OF PARAGON TECHNOLOGIES, INC.**

The undersigned, a record holder of shares of common stock, par value \$1.00 per share (the "Common Stock"), of Paragon Technologies, Inc. (the "Company"), acting with respect to all shares of the Company's Common Stock held by the undersigned, hereby acts as follows concerning the proposals of Hesham M. Gad set forth below.

### **THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE OF THE COMPANY URGES YOU TO MARK THE "YES, REVOKE MY CONSENT" BOXES IN ALL PROPOSALS BELOW.**

☒ PLEASE MARK CONSENT REVOCATION AS IN THIS EXAMPLE

PROPOSAL 1: Proposal made by Mr. Gad to repeal any provision of the Bylaws in effect at the time this proposal becomes effective, including any amendments thereto, which were not included in the Bylaws that were in effect on December 3, 2024.

☐ YES, REVOKE MY CONSENT ☐ NO, DO NOT REVOKE MY CONSENT

INSTRUCTION: IF YOU WISH TO REVOKE CONSENT TO PROPOSAL #1, CHECK THE "YES, REVOKE MY CONSENT" BOX ABOVE.

PROPOSAL 2: Proposal made by Mr. Gad to amend Article 3, Section 3.3 of the Bylaws to provide that any vacancies on the Board resulting from the removal of directors by the stockholders of the Company shall be filled exclusively by the stockholders of the Company.

☐ YES, REVOKE MY CONSENT ☐ NO, DO NOT REVOKE MY CONSENT

INSTRUCTION: IF YOU WISH TO REVOKE CONSENT TO PROPOSAL #2, CHECK THE "YES, REVOKE MY CONSENT" BOX ABOVE.

PROPOSAL 3: Proposal made by Mr. Gad to remove without cause the following members of the Board: Howard Brownstein, H. Timothy Eriksen, David Lontini and Samuel Weiser, as well as any person (other than those elected by the Consent Solicitation) nominated, elected or appointed to the Board without stockholder approval to fill any vacancy on the Board or any newly-created directorships on or after April 29, 2025 and prior to the time that any of the actions proposed to be taken by the Consent Solicitation become effective.

☐ YES, REVOKE MY CONSENT ☐ NO, DO NOT REVOKE MY CONSENT

INSTRUCTION: IF YOU WISH TO REVOKE CONSENT TO PROPOSAL #3, CHECK THE "YES, REVOKE MY CONSENT" BOX ABOVE.

PROPOSAL 4: Proposal made by Mr. Gad to elect David Duquette, James Kaufman, Elodie Leoni, and Ronell Rivera to serve as directors of the Company until the Company's 2025 annual meeting of stockholders and until their successors are duly elected and qualified.

☐ YES, REVOKE MY CONSENT ☐ NO, DO NOT REVOKE MY CONSENT

INSTRUCTION: IF YOU WISH TO REVOKE CONSENT TO PROPOSAL #4, CHECK THE "YES, REVOKE MY CONSENT" BOX ABOVE. PROPOSAL #4 IS SUBJECT TO THE ADOPTION OF PROPOSAL #3 IN WHOLE OR IN PART AND THE REMOVAL OF ONE OR MORE MEMBERS OF THE BOARD PURSUANT TO PROPOSAL #3 OR THE RESIGNATION OF ONE OR MORE MEMBERS OF THE BOARD.

**THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE OF THE COMPANY  
URGES YOU TO MARK THE "YES, REVOKE MY CONSENT" BOXES ON ALL PROPOSALS SET  
FORTH HEREIN.**



**UNLESS OTHERWISE INDICATED ABOVE, THIS REVOCATION CARD REVOKES ALL PRIOR CONSENTS GIVEN WITH RESPECT TO THE PROPOSALS SET FORTH HEREIN.**

**UNLESS YOU SPECIFY OTHERWISE, BY SIGNING, DATING AND DELIVERING THIS REVOCATION CARD TO THE COMPANY, YOU WILL BE DEEMED TO HAVE REVOKED CONSENT TO ALL OF THE PROPOSALS SET FORTH HEREIN.**

THE UNDERSIGNED HEREBY AFFIRMS THAT THE SHARES REPRESENTED HEREBY ARE HELD OF RECORD.

IN ORDER FOR YOUR CONSENT REVOCATION TO BE VALID, IT MUST BE DATED. PLEASE MARK, SIGN, DATE AND MAIL IN THE POSTAGE-PAID ENVELOPE PROVIDED.

Dated: \_\_\_\_\_, 2025

Print Name: \_\_\_\_\_

Signature (Title, if any): \_\_\_\_\_

Signature (if held jointly): \_\_\_\_\_

Name and Title or Authority (if applicable): \_\_\_\_\_

Please sign in the same form as name appears hereon. Joint owners should all sign. Executors and fiduciaries should indicate their titles. If signed on behalf of a corporation, limited liability company or partnership, give title of officer or authorized person signing.

#### **REVOKE YOUR CONSENT BY MAIL**

Please mark, sign and date your **BLUE** Consent Revocation Card and return it in the postage-paid envelope provided or return it to: Alliance Advisors LLC, 150 Clove Rd, #400, Little Falls Township, NJ 07424.

DO NOT PRINT IN THIS AREA  
(Stockholder Name & Address Data)

**CONTROL NUMBER**



The Consent Revocation Statement is available at: <https://web.viewproxy.com/PGNT/2025>



#### **INTERNET**

**Revoke Your Consent on the Internet:**

**Go to [www.FCRvote.com/PGNT](http://www.FCRvote.com/PGNT)**

Have your consent revocation card available when you access the above website. Follow the prompts to vote your shares.



#### **TELEPHONE**

**Revoke Your Consent by Phone:**

**Call 1-866-402-3905**

Use any touch-tone telephone to revoke your consent. Have your consent revocation card available when you call. Follow the voting instructions to vote your shares.



#### **MAIL**

**Revoke Your Consent by Mail:**

Mark, sign, and date your consent revocation card, then detach it, and return it in the postage-paid envelope provided.