
Pennsylvania Rule of Civil Procedure 205.5. (Cover Sheet) provides, in part:

Rule 205.5. Cover Sheet

(a)(1) This rule shall apply to all actions governed by the rules of civil procedure except the following:

- (i) actions pursuant to the Protection from Abuse Act, Rules 1901 et seq.
- (ii) actions for support, Rules 1910.1 et seq.
- (iii) actions for custody, partial custody and visitation of minor children, Rules 1915.1 et seq.
- (iv) actions for divorce or annulment of marriage, Rules 1920.1 et seq.
- (v) actions in domestic relations generally, including paternity actions, Rules 1930.1 et seq.
- (vi) voluntary mediation in custody actions, Rules 1940.1 et seq.

(2) At the commencement of any action, the party initiating the action shall complete the cover sheet set forth in subdivision (e) and file it with the prothonotary.

(b) The prothonotary shall not accept a filing commencing an action without a completed cover sheet.

(c) The prothonotary shall assist a party appearing pro se in the completion of the form.

(d) A judicial district which has implemented an electronic filing system pursuant to Rule 205.4 and has promulgated those procedures pursuant to Rule 239.9 shall be exempt from the provisions of this rule.

(e) The Court Administrator of Pennsylvania, in conjunction with the Civil Procedural Rules Committee, shall design and publish the cover sheet. The latest version of the form shall be published on the website of the Administrative Office of Pennsylvania Courts at www.pacourts.us.

COURT OF COMMON PLEAS NORTHAMPTON COUNTY, PA

Paragon Technologies, Inc.

Plaintiff

Case No.

v.

Thompson Hine, LLP and

Derek D. Bork, Esq.

Jury Trial Demanded

Defendants

NOTICE TO DEFEND

NOTICE

You have been sued in court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this complaint and notice are served, by entering a written appearance personally or by attorney and filing in writing with the court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed without you and a judgment may be entered against you by the court without further notice for any money claimed in the complaint or for any other claim or relief requested by the plaintiff. You may lose money or property or other rights important to you.

You should take this paper to your lawyer at once. If you do not have a lawyer or cannot afford one, go to or telephone the office set forth below to find out where you can get legal help.

AVISO

Le han demandado a usted en la corte. Si usted quiere defenderse de estas demandas expuestas en las paginas siguientes, usted tiene veinte (20) dias de plazo al partir de la fecha de la demanda y la notificacion. Hace falta ascantar una comparencia escrita o en persona o con un abogado y entregar a la corte en forma escrita sus defensas o sus objeciones a las demandas en contra de su persona. Sea avisado que si usted no se defiende, la corte tomara medidas y puede continuar la demanda en contra suya sin previo aviso o notificacion. Ademias, la corte puede decidir a favor del demandante y requiere que usted cumpla con todas las provisiones de esta demanda. Usted puede perder dinero o sus propiedades u otros derechos importantes para usted.

Lleve esta demanda a un abogado inmediatamente. Si no tiene abogado o si no tiene el dinero suficiente de pagar tal servicio. Vaya en persona o llame por telefono a la oficina cuya direccion se encuentra escrita abajo para averiguar donde se puede conseguir asistencia legal.

Lawyer Referral Service
Northampton County Bar Association
155 South Ninth Street
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Counsel for Plaintiff

Paragon Technologies, Inc.,	:	
101 Larry Holmes Drive, Suite 500	:	
Easton, PA 18042	:	
	:	Court of Common Pleas
Plaintiff,	:	Northampton County, PA
	:	
v.	:	Jury Trial Demanded
	:	
Thompson Hine, LLP, and	:	
Derek D. Bork, Esq.,	:	
3900 Key Center	:	
127 Public Square	:	
Cleveland, Ohio 44114-1291	:	
	:	
Defendants.	:	

COMPLAINT

Summary

1. This is a legal malpractice case. Defendants were Plaintiff's corporate counsel for nearly 15 years. Plaintiff is headquartered in Easton but incorporated in Delaware. Defendants drafted corporate bylaws that were facially illegal under Delaware law in order to protect two of the company's directors from ouster by a majority of stockholders. The illegal bylaws led to litigation against Paragon in the Delaware Chancery Court (docket 2024-1134-JTL). As a result, counsel for the plaintiff in that case will be entitled to a corporate benefit award to be paid by Paragon. The amount of the award has not yet been set by the Chancery Court. The Chancery Court litigation and the resulting award against

Paragon would not have happened but for the attorneys drafting bylaws that were facially illegal under Delaware law. Paragon's damages in the present case are the corporate benefit award plus the legal fees Paragon spent defending the case in the Delaware Chancery Court.

2. The bylaws were designed to entrench the then-directors in their positions and make it virtually impossible for shareholders to remove them. The bylaws facially violated three sections of the Delaware General Corporation Law: sections 109, 141(k), and 228.
3. The bylaws violated section 228 of the Delaware General Corporation Law in two ways: 1) they prohibited stockholders from acting by written consent without at least 75% of the stockholders joined together, and 2) they required stockholders to give 90 days' prior notice of any action by written consent and to supply a large amount of unnecessary and vaguely defined information along with that notice.
4. The bylaws violated section 141(k) of the Delaware General Corporation Law by eliminating stockholders' ability to remove directors without cause and requiring 75% of stockholders to remove directors for cause.
5. The bylaws violated section 109 of the Delaware General Corporation Law by precluding the company from reimbursing any stockholder for proxy contests.

Parties

6. Plaintiff Paragon Technologies, Inc. is a Delaware corporation with its principal place of business at 101 Larry Holmes Drive, Suite 500, Easton, PA 18042.
7. Defendant Thompson Hine, LLP is an Ohio limited liability partnership with a place of business at 3900 Key Center, 127 Public Square, Cleveland, Ohio 44114-1291. At least two of its partners reside in Pennsylvania.

8. Defendant Derek D. Bork, Esq., is an individual residing in Ohio, with a place of business at 3900 Key Center, 127 Public Square, Cleveland, Ohio 44114-1291.

Venue

9. Venue is proper under Pa. R.C.P. 1006(a)(2)-(3) and 2179(a)(3)-(4) because the cause of action arises out of the Defendant attorneys services to their client in Easton, Pennsylvania.

Facts

10. Plaintiff Paragon Technologies is a holding company. Its two main operating subsidiaries are an automation company based in Easton and a distribution company based in Colombia, South America. Paragon's certificate of incorporation does not preclude stockholders from taking action by written consent pursuant to section 228 of the Delaware General Corporation Law.
11. Defendants are a law firm and one of its partners, who served as corporate counsel for Paragon for nearly 15 years.
12. Defendants were counsel to Paragon – but not counsel to Paragon's directors.
13. However, Defendants took several actions that appeared to solely benefit the directors individually to the detriment of the actual client, Paragon.
14. In the summer of 2024, Paragon had a large receivable with Thompson Hine as a result of prior work by the firm.
15. Paragon and Thompson Hine negotiated an agreement whereby Paragon would receive a discount but would make equal installment payments during the last five months of 2024.
16. That agreement contained an unusual provision that would accelerate payments if two of the three directors changed.

17. On September 27, 2024, one of the stockholders delivered to Paragon written consents of stockholders representing more than 50% of the company's stock.
18. The written consents reflected a desire of the majority of stockholders to remove two of the directors and install replacements.
19. For the benefit of the two directors who were about to be removed, Defendant Thompson Hine rejected the written consents on a purported technicality.
20. Defendant Bork then prepared the amended bylaws at issue, designed to keep the two directors in their positions over the will of a majority of stockholders.
21. Bork formally circulated the amended bylaws to the board two minutes before a board meeting on September 29, 2024, only two days after the written consents of a majority of stockholders to oust two of the directors.
22. The amendment provided as follows:

The first sentence of Section 2.2 of Article 2 of the Bylaws is hereby amended to read as follows:

Section 2.2 Special Meetings. Special meetings of the stockholders may be called at any time by resolution of the Board of Directors or at the request in writing of stockholders of record owning seventy five percent (75%) in amount of capital stock outstanding and entitled to vote.

A new Section 2.17 is hereby added to Article 2 of the Bylaws as follows:

Section 2.17 Action by Written Consent. Any action that is required to be or may be taken at any annual or special meeting of stockholders may be taken without a meeting in a written consent signed by stockholders of the Corporation, but only by the holders of seventy five percent (75%) of the shares then entitled to vote at a meeting of stockholders.

Section 3.12 of Article 3 of the Bylaws is hereby amended to read as follows:

Section 3.12 Removal. A director or the entire Board of Directors may be removed but only by the holders of seventy five percent (75%) of the shares then entitled to vote at an election of directors. Directors may be removed only for cause.

A new Section 2.18 is hereby added to Article 2 of the Dy laws as follows:

Section 2.18 Advance Notice of Action by Written Consent. In order to ensure that adequate and accurate information is provided to stockholders and the Corporation to allow stockholders and the Board of Directors to consider and assess the merits of any such proposal, any stockholder proposing to solicit any other stockholder or stockholders to act by written consent pursuant to applicable law shall comply with the requirements of this Section 2.18. Any such proposing stockholder shall deliver to all of the record and beneficial stockholders of the Corporation, and to the Secretary of the Corporation at the principal executive offices of the Corporation, at least ninety (90) days prior to the proposed effective date of the written consent, a written statement setting forth: (i) a description in reasonable detail of all matters proposed to be acted upon in the proposed written consent; (ii) the reasons for the proposed matters to be acted upon in the proposed written consent; (iii) any material interest that the proposing stockholder has in the matters proposed to be acted upon in the proposed written consent; (iv) a description of all agreements, arrangements and understandings between the proposing stockholder and any other person or persons (naming such person or persons) relating to the proposed matters to be acted upon in the proposed written consent; (v) as to the proposing stockholder, the name and address of the stockholder, as they appear on the Corporation's books, and the class and number of shares of the Corporation that are owned beneficially and of record by such stockholder and each of its affiliates; and (vi) all information relating to the proposing stockholder and the proposed matters to be acted upon in the proposed written consent that would be required to be disclosed in a solicitation subject to Section 14(a) of the Exchange Act, whether or not the Corporation is then subject to Section 14(a) of the Exchange Act. No written consent of stockholders shall be effective or binding upon the Corporation or its stockholders in the absence of compliance with this Section 2.18.

A new Section 8.9 is hereby added to Article 8 of the Bylaws as follows:

Section 8.9 Reimbursement of Expenses. The Corporation may not reimburse any stockholder of the Corporation for any fees or expenses incurred directly or indirectly by the stockholder in connection with any solicitation of proxies or written consents from the record or beneficial stockholders of the Corporation, including without limitation as a result of the initiation of litigation against the Corporation relating to or in connection with any such solicitation, without such reimbursement being approved by the Board of Directors and the holders of seventy five percent (75%) of the shares entitled to vote at a meeting of stockholders, not including any shares held of record or beneficially by such stockholder or its affiliates or any other stockholder that was a participant in any such solicitation or its affiliates (as "affiliates" and "participant" are defined in the rules and regulations promulgated under the Exchange Act). No stockholder shall be entitled to receive any reimbursement from the Corporation of any such fees or expenses unless the stockholder has disclosed in writing to the stockholders of the Corporation in connection with such solicitation that such reimbursement will be sought by the

stockholder from the Corporation. No amendment or removal of this Section 8.9 or amendment of the Bylaws in whole or in part shall retroactively apply to allow the reimbursement of any fees or expenses incurred by any stockholder prior to the date of any such amendment or removal.

23. The bylaws facially violated three sections of the Delaware General Corporation Law: sections 109, 141(k), and 228.
24. The bylaws violated section 228 of the Delaware General Corporation Law in two ways: 1) they prohibited stockholders from acting by written consent without at least 75% of the stockholders joined together, and 2) they required stockholders to give 90 days' prior notice of any action by written consent and to supply a large amount of unnecessary and vaguely defined information along with that notice.
25. The bylaws violated section 141(k) of the Delaware General Corporation Law by eliminating stockholders' ability to remove directors without cause and requiring 75% of stockholders to remove directors for cause.
26. The bylaws violated section 109 of the Delaware General Corporation Law by precluding the company from reimbursing any stockholder for proxy contests.
27. These bylaws gave no conceivable benefit to the Defendants' actual client, the company, and instead were designed solely to entrench two of the directors in their positions after a majority of the shareholders had formally indicated their desire to oust the directors.
28. The amended bylaws caused the largest shareholder to file suit against Paragon in the Delaware Chancery Court (docket 2024-1134-JTL).
29. The plaintiff in that case moved for summary judgment, and Paragon had no choice but to amend the bylaws.

30. As a result, counsel for the plaintiff in that case will be entitled to a corporate benefit award to be paid by Paragon, the amount of which remains to be set by the Chancery Court.
31. Defendants' conduct fell below the standard of care. Reasonably competent counsel would not have drafted bylaws that violated the letter of the law at three different sections of the general corporation law of their client's state of incorporation. Reasonably competent counsel would have known that amending corporate bylaws to require a 75% supermajority to oust directors, only two days after a simple majority had supplied written consents to replace those directors, would have subjected the corporation to liability if that action were challenged in court.
32. Defendants should not have put the interests of two of Paragon's directors above the interests of Defendants' actual client, Paragon. The bylaws were not in the company's interests but rather in the interests of the two directors whom the bylaws protected.
33. Defendants had intertwined their own interests with the interests of two directors by linking the retention of those directors with Paragon's obligations to pay Defendants. When Defendants prepared the bylaws, Defendants' interests were not aligned with Paragon's interests because Defendants had already caused the two directors to execute an agreement with Paragon that made the schedule of payments to Defendants contingent on the retention of directors.
34. As a direct and proximate result of Defendants' conduct, Paragon suffered damages, including the costs of defending that suit and the corporate benefit award.

Count I
Professional Negligence

35. Plaintiff incorporates by reference the foregoing paragraphs.

36. Defendants served as legal counsel to Plaintiff.
37. In their capacity as Plaintiff's counsel, Defendants prepared bylaws that were facially illegal under the law of Plaintiff's state of incorporation.
38. Defendants' conduct fell below the standard of care.
39. Defendants' conduct subjected Plaintiff to a successful suit by a shareholder in Delaware Chancery Court.
40. As a direct and proximate result of Defendants' conduct, Paragon suffered damages, including the costs of defending that suit and the corporate benefit award.

Count II
Breach of Fiduciary Duty

41. Plaintiff incorporates by reference the foregoing paragraphs.
42. Defendants served as legal counsel to Plaintiff.
43. Plaintiff put its trust in Defendants as a result of Defendants' legal expertise.
44. Defendants owed fiduciary duties to Plaintiff.
45. Defendants breached their fiduciary duties by putting the interests of two of Plaintiff's directors above the interests of their actual client, Plaintiff itself.
46. Defendants breached their fiduciary duties by putting their own interests above Plaintiff's interests.
47. As a result of Defendants' conduct, Plaintiff suffered damages.

WHEREFORE, Plaintiff demands judgment in its favor and against Defendants, jointly and severally, for actual damages in excess of \$75,000, punitive damages, attorney's fees, costs of suit, and interest, and such other relief as the Court may deem just and proper.

Respectfully submitted,

/s/ Evan L. Frank

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Counsel for Plaintiff

September 8, 2025

JURY DEMAND

Plaintiff demands a trial by jury for all counts.

Respectfully submitted,

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September 8, 2025