

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Richmond Division**

HII MISSION TECHNOLOGIES CORP.,

Interpleader Plaintiff,

v.

Case Number: 3:25cv483

ATLANTIC WAVE HOLDINGS, LLC, et al.,

Interpleader Defendants/Claimants.

MEMORANDUM IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT

Comes now your Interpleader Defendants, Atlantic Wave Holdings, LLC and Secure Community, LLC, (jointly as “AWH”) and for their Motion for Summary Judgment against Cyberlux Corporation (CYBL”) pursuant to Rule 56, and argue as follows:

STATEMENT OF FACTS

a. Cyberlux Corporation

CYBL is an OTC publicly traded defense supply contractor formed in Nevada with its headquarters in North Carolina. HII, also a defense supply contractor operating out of Virginia, was already operating under a government “Prime Contract” with its customer, the Federal Systems Integration and Management Center (FEDSIM). HII, as part of its Prime Contract, sought subcontracts for the production of 2000 drones capable of delivering explosive devices in the Ukrainian/Russian conflict. CYBL was awarded a \$78,857,414.20 million dollar subcontract to supply FEDSIM (the Government), coordinated through HII, on August 29, 2023. CYBL was paid one-half of the award in advance. The contract was for a fixed term of August 29, 2023 through July 24, 2024. See Exhibit 1.

CYBL, as of February 2022, did not own or produce drones. CYBL, on March 28, 2022, purchased a small two-person drone company (Catalyst Machineworks LLC) in Texas which assembled drones in Texas for cinematography purposes. The Catalyst principals then re-tasked and re-designed their existing model into, theoretically, battle ready drones identified as the K8.

A dispute arose between HII, FEDSIM and CYBL over the utility of the drones in the battlefield theatre. A Stop Work order was issued December 22, 2023, just four months into the subcontract.

FEDSIM terminated the HII subcontract for the drones on May 13, 2024. HII terminated the CYBL subcontract on May 17, 2024 under the “Termination for Convenience” remedy provided in the subcontractor agreement. See Exhibit 1, para 32.1. A “Termination Settlement” agreement was entered February 26, 2025 between HII and CYBL identified as the Modification No. 4 to Subcontract NO. P000043846. See Exhibit 2. The agreement compromised the disputed claim to a lump sum. The balance of the funds in the Interpleader are those funds acquired by HII from the Government, but interplead into the court prior to delivery to CYBL.

b. Atlantic Wave and Secure Community.

AWH is a Virginia limited liability company. AWH is the sole owner of your Co-Interpleader Defendant, Secure Community, LLC (“SC”). Accordingly, while each a party, AWH and SC have the same claims and are not independent of one another seeking a double recovery. On August 24, 2022, AWH and SC initiated a civil claim against CYBL and Mark Schmidt, individually, in the Richmond Circuit Court as CL22-3882 based CYBL’s breach of a prior unrelated agreement wherein CYBL failed to pay AWH for intellectual property.

Following extended litigation, the parties entered into a settlement agreement (“the Settlement Agreement”)(“Exhibit 3) dated June 15, 2023, in which CYBL and Schmidt agreed to two objectives. The first objective was to reach a liquidated monetary figure of \$1,572,500 payable over time to resolve, in part, the claim. The second objective between the parties was forbearance allowing CYBL to remain in business to pay the balance of monies owed. The CYBL stock, at the time of entry of the Settlement Agreement, was not marketable or tradeable based on OTC

registration requirements, and Schmidt and CYBL refused to make it marketable. Making the Stock marketable would allow AWH to sell its existing CYBL stock, satisfying the balance of its claim. This term was palatable to AWH at the time because the drone subcontract was coming into fruition and CYBL agreed to pledge the drone payments. Per the fifth recital in the Settlement Agreement, “Cyberlux anticipates a significant cash inflow connected with the sale of certain drone products”. See Exhibit 3, page two. Per the terms of the Settlement Agreement, AWH reserved the right to assert breach for CYBL’s failure to perform. See Exhibit 3, para 2(e).

The Settlement Agreement was referenced in the Amended Final Judgment Order (the “Order”) entered June 28, 2023. See Exhibit 4. The Order also granted a consent judgment to AWH for the monetary claim. The Order confirmed that the Settlement Agreement resolved claims in the pending CL22-3882 complaint and other claims contained within the Settlement Agreement. The parties further agreed, and the court ordered, that AWH would be granted a security interest in all property which could be memorialized by UCC-1 filings, at AWH’s discretion.

Specifically, in the Settlement Agreement, at paragraph 7, CYBL agreed and granted AWH and SC a security interest in CYBL’s assets, including, but not limited to, the accounts receivable for drone sales. See Exhibit 1, para 7. CYBL further agreed to, in good faith, bring their stock into OTC compliance “in order to permit the trading of such shares on the OTC Market”. See Exhibit 3, para. 8. To induce AWH to settle, the Settlement Agreement provided for accelerated payments based on anticipated drone sales. Exhibit 3 (para 4(b)). After entry of the Order, AWH filed the identical UCC-1 lien in North Carolina, Texas and Virginia on July 6, 2023. See Exhibits 5,6,7. On March 20, 2026, AWH filed the same lien in Nevada. See Exhibit

8. The collateral included all assets and included accounts receivable and other rights to payment and performance including those rights related to drones.

CYBL then breached the first contractual objective in the CL22-3882 claim by failing to make the required payments. This breach resulted in AWH's filing of a garnishments in Richmond Circuit Court and Fairfax Circuit Court based on the prior consent judgment entered by the Richmond Circuit Court in CL22-3882. AWH also domesticated its CL22-3882 Virginia judgment in Harris County Texas and pursued a Receivership. The Harris County Texas location was the county in which CYBL (Catalyst Machineworks LLC) assembled the drones. An Order Appointing Receiver was entered May 22, 2025 which appointed Robert Berleth, Esquire, as a Receiver for Cyberlux. The Order of Receivership is attached as Exhibit 11 to the First Amended Complaint and incorporated herein by reference. The Order of Appointment granted broad powers to Berleth including the grant of power over all causes of action. See First Amended Complaint, Exhibit 11, Order, Paragraph 25(l).¹

c. The Stock Claim

CYBL also failed to provide "Marketable Trading" stock as required by paragraph 2(e) of the Settlement Agreement in CL22-3882 (the "Stock Claim") by December 31, 2023. CYBL's stock, if it had been properly administered as required by the Settlement Agreement, would have had an approximate value exceeding well over 6 million dollars. Based on the reservation of rights in the Settlement Agreement, AWH and SC re-filed a Complaint to enforce its rights under the Stock Claim. That Complaint was filed in Richmond Circuit Court on September 9, 2024 and became case number CL 24-3910.

¹ Both the Fairfax garnishment and the Harris County Texas Receivership have been resolved. The Receiver may have pending claims for fees and expenses from CYBL which is pending in Texas but the enforcement action in Texas by AWH has been dismissed. The Receiver still retains approximately 2.2 million in the Receivership estate.

Berleth, as part of his duties as Receiver, evaluated the Stock Claim advanced by AWH and SC in CL24-3910 and compromised the figure with AWH and SC. To liquidate and resolve the Stock Claim, Berleth and AWH entered an agreement (the “Receiver Agreement”) accompanied by a Consent Final Order. The Consent Final Order was entered by the Richmond Circuit Court on December 18, 2025, providing for judgment against CYBL and Schmidt in the principal amount of \$6,000,000, attorney’s fees of \$25,250.50, costs of \$352.92, and 6% interest from the date of judgment (the “Consent Final Order”). See Exhibit 9. The Consent Order also ratified the original Settlement Agreement from CL22-3882 as valid and further ruled that the Order of Receivership had been properly recorded in the City of Richmond, without objection. The Consent Order additionally ruled that the Receiver had authority to control and/or manage litigation incident to his role. See Exhibit 9, page 2. ²

CYBL appealed the judgment on February 6, 2026, but has not posted the required 6,000,000 supersedeas bond to suspend execution of the judgment. ³ Accordingly, the claim advanced by AWH and SC in this Motion are as follows:

The Consent Judgment principal amount from CL24-3910 \$6,000,000
 \$25,250.50 attorney fees from CL24-3910
 \$352.92 costs incurred in CL24-3910
 \$66,082.10 interest in the amount of \$986.30/day beginning February 5, 2026 through April 13, 2026 from CL24-3910.
 \$75,000 Reasonable Attorney’s fees necessitated by this Interpleader pursuant to the Settlement Agreement at paragraph 19.

Total: \$6,166,685.50

² The Consent Final Order was re-affirmed on February 5, 2026 after the court denied CYBL’s Motion to Reconsider. The effective date was amended to February 5, 2026, but the judgment figures remained the same as the December 18, 2025 order.

³ To date, Cyberlux has not posted the appeal bond, and has not advanced a record for purposes of appeal in violation of the appellate Rules.

LAW AND ARGUMENT

a. The Standard

Summary judgment is appropriate when the moving party establishes that “there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” Fed.R.Civ.P. 56(a). To meet its burden, the party must identify “particular parts of materials in the record” in support of its position. Fed.R.Civ.P. 56(c)(1)(A). Then, “[t]o avoid summary judgment, the opposing party must set forth specific facts showing that there is a genuine issue for trial.” *Perkins v. Int’l Paper Co.*, 936 F.3d 196, 205 (4th Cir. 2019) (citing *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986)). A dispute of fact is genuine “if the evidence is such that a reasonable jury could return a verdict for the nonmoving party.” *Anderson*, 477 U.S. at 248. The opposing party must identify more than a “scintilla of evidence” in support of its position to defeat the motion for summary judgment. *Id.* at 252. The court “should not weigh the evidence.” *Perkins*, 936 F.3d at 205 (quoting *Anderson*, 477 U.S. at 249). However, if “the record taken as a whole could not lead a rational trier of fact to find for the non-moving party,” then summary judgment is appropriate. *Id.* (quoting *Teamsters Joint Council No. 83 v. Centra, Inc.*, 947 F.2d 115, 119 (4th Cir. 1991)); *see also Celotex Corp. v. Catrett*, 477 U.S. 317, 322-23 (1986).

b. Undisputed Facts

1. HII and CYBL entered a contract to produce drones for \$78,857,414.20 on August 29, 2023. Exhibit 1.
2. The contract between HII and CYBL was terminated for convenience on May 17, 2024.

3. HII and CYBL executed Modification No. 4 settling the remaining balance to be paid to CYBL on February 26, 2025. Exhibit 2.
4. A Settlement Agreement was reached between AWH/SC and CYBL/Schmidt in Richmond Circuit Court Case CL22-3882, which was executed on June 15, 2023. Exhibit 3.
5. The Amended Final Judgment Order CL22-3882 specifically referenced the Settlement Agreement and allowed AWH to file UCC-1 liens for existing and other claims. Exhibit 4.
6. Paragraph 2(e) in the Settlement Agreement contained a performance provision which required CYBL to make its stock marketable by OTC standards by December 31, 2023. It did not. See Exhibit 3 and Declaration para 6.
7. To secure performance of CYBL's obligations, CYBL granted to AWH a security interest in all assets including accounts receivable and drone sales. Exhibit 3, paragraph 7.
8. The Amended Final Judgment Order in CL22-3882 included a consent judgment in favor of AWH against CYBL. Exhibit 4.
9. AWH sought enforcement of the Amended Final Judgment Order in Texas, including the filing of a petition to place Cyberlux in Receivership which was granted on May 22, 2025 by the Harris County District Court in Texas.
10. AWH filed UCC-1 financing statements in Virginia, North Carolina, and Texas on July 6, 2023. They were identical. The UCC-1's are exhibits 5,6,7
11. A UCC-1 was filed in Nevada on March 20, 2026 securing the performance and damage under the Stock Claim by granting a security interest in, among other things,

all assets including accounts receivable, and assets specifically related to drones.

Exhibit 8

12. Robert Berleth, Esq., was appointed as Receiver in Texas by Order Appointing Receiver. See First Amended Complaint, Exhibit 11, incorporated by reference.
13. The Order Appointing Receiver gave Berleth the authority to resolve litigation pursuant to paragraph 25(l). See First Amended Complaint, Exhibit 11, para 25(l).
14. Under the terms of the Settlement Agreement, AWH filed a new claim to enforce its rights for CYBL's failure to perform. Specifically, failing to bring CYBL's stock into OTC Pink Status compliance. See Exhibit 3, para 2(e).
15. The new filing became CL24-3910 in the Circuit Court of the City of Richmond.
16. The Circuit Court in the City of Richmond ruled in CL24-3910 that the Settlement Agreement entered in CL22-3882 was valid and that the Receivership Order was properly docketed in the City of Richmond. See Exhibit 9.
17. The Circuit Court in the City of Richmond ruled in CL24-3910 that the Receiver has authority to resolve litigation. See Exhibit 9.
18. The Receiver, acting under the authority given by Order Appointing Receiver, at paragraph 25(l), and as agreed by the judge in CL24-3910 resolved the Stock Claim on behalf of Cyberlux with AWH. See Exhibit 9.
19. By Consent Order entered December 18, 2025 and re-affirmed, by order entered February 5, 2026, the disputed claim in CL24-3910 for CYBL's failure to perform under the Settlement Agreement was liquidated to a damage figure. Exhibit 9.
20. The existing payoff of the Stock Claim is \$6,019,685.50 prior to an award of attorney's fees granted by the Settlement Agreeemnt.

21. The execution of the Judgment entered December 18, 2025, and reaffirmed by order entered February 5, 2026 in CL24-3910, while appealed, has not been suspended pursuant to Virginia rules.

22. Cyberlux was formed as a Nevada corporation.

23. As of July 6, 2023, drones were being assembled pursuant to the HII Subcontract in Harris County Texas.

24. CYBL maintained its headquarters and operating accounts in North Carolina.

25. AWH filed a Writ of Fieri Facias in the Circuit Court of the City of Richmond under CL24-3910 on April 9, 2026 which was placed in the hands of the City of Richmond Sheriff on April 10, 2026. Exhibit 10.

c. Security Interest

The Uniform Commercial Code, Article 9, has been adopted In Virginia, North Carolina and Texas. Virginia references are used for convenience, but the body of law is the same for Texas and North Carolina. Preliminary definitions under Virginia 8.9-102 relevant here are:

(12) "Collateral" means the property subject to a security interest. The term includes:

(A) proceeds to which a security interest attaches.

(28) "Debtor" means:

(B) (A) a person having an interest, other than a security interest or other lien, in the collateral, whether or not the person is an obligor;

(52) "Lien creditor" means:

(A) a creditor that has acquired a lien on the property involved by attachment, levy, or the like;

(73) "Secured party" means:

(C) (A) a person in whose favor a security interest is created or provided for under a security agreement, whether or not any obligation to be secured is outstanding;

The next part of the analysis relies on following codes.

§ 8.9A-201. General effectiveness of security agreement.

(a) General effectiveness. Except as otherwise provided in the Uniform Commercial Code, a security agreement is effective according to its terms between the parties, against purchasers of the collateral, and against creditors.

§ 8.9A-203. Attachment and enforceability of security interest; proceeds, supporting obligations; formal requisites.

(a) Attachment. A security interest attaches to collateral when it becomes enforceable against the debtor with respect to the collateral, unless an agreement expressly postpones the time of attachment.

(b) Enforceability. Except as otherwise provided in subsections (c) through (i), a security interest is enforceable against the debtor and third parties with respect to the collateral only if:

(1) value has been given;

(2) the debtor has rights in the collateral or the power to transfer rights in the collateral to a secured party; and

(3) one of the following conditions is met:

(A) the debtor has signed a security agreement that provides a description of the collateral and, if the security interest covers timber to be cut, a description of the land concerned;

§ 8.9A-301. Law governing perfection and priority of security interests.

Except as otherwise provided in §§ 8.9A-303 through 8.9A-306.2, the following rules determine the law governing perfection, the effect of perfection or nonperfection, and the priority of a security interest in collateral:

(1) Except as otherwise provided in this section, while a debtor is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in collateral.

(2) While collateral is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a possessory security interest in that collateral.

8.9A-315. Secured party's rights on disposition of collateral and in proceeds.

(a) Disposition of collateral; proceeds.

Except as otherwise provided in this title and in § 8.2-403 (2):

(1) a security interest continues in collateral notwithstanding sale, lease, license, exchange, or other disposition thereof unless the secured party authorized the disposition free of the security interest or agricultural lien; and

(2) a security interest attaches to any identifiable proceeds of collateral.

(c) Perfection of security interest in proceeds. A security interest in proceeds is a perfected security interest if the security interest in the original collateral was perfected.

Under the analysis, CYBL at all relevant times, and in particular between June 15, 2023 (date of Settlement Agreement), and July 7, 2023 (date of filing UCC) was a Debtor. CYBL

CYBL had an interest in the property, components, equipment, drones, profits, etc. The UCC filings included after acquired property. AWH was the Secured Party as defined insofar as the Settlement Agreement was created for the benefit of AWH. The Collateral as defined was identified in paragraph 7 of the Settlement Agreement. Per 8.9A-201, the Settlement Agreement served as the Security Agreement in that paragraph seven provided a “full security interest and lien interest in all of Defendant’s assets. See Exhibit 3, para 7. Per 8.9A-201, it was “effective according to its term between the parties.” Accordingly, under 8.9A-203, AWH’s security interest attached on June 15, 2023, when the grant of the security interest was given to AWH by CYBL. At that time, per 8.9A-203(b)(1) value had been given (compromise of CL22-3882 and other claims). Per 8.9A-203(b)(2), CYBL had rights in the Collateral. Per 8.9A-203(b)(3)(A), CYBL had signed the Settlement Agreement which provided a description of the Collateral.

Once attached under 8.9A-203, the security interest became enforceable against the debtor regardless of perfection. The method of perfection varies according to the type of collateral covered by the security interest.

In this case, AWH argues that the UCC-1 liens filed on July 6, 2023 in North Carolina, Texas and Virginia created perfected security interests at the time in all of CYBL’s collateral. The UCC liens broadly describe the collateral subject to security which, at the time, included much more than just a settlement amount or an account receivable. Pursuant to 8.9-301(2) when collateral is located in a jurisdiction, the local law of that jurisdiction governs perfection. In this case, most of the collateral would have been located in Harris County Texas where the drone

assembly facility was located. Any accounts or other assets would have been located in the corporate headquarters in Raleigh North Carolina. While 8.9A(301) (1) provides that the location of the debtor governs perfection, the opening clause in that subparagraph opens with “Except as otherwise provided in this section”. Section 8.9(301)(2) “otherwise” provides that the location of the collateral controls, not the location of the debtor. Accordingly, AWH’s perfected secured status was effective when UCC liens were filed July 6, 2023 in Texas, North Carolina and Virginia.

The next part of the analysis would be whether AWH’s secured interest covers the Disputed Funds at issue. Under 8.9-315 (a)(1), the security interest granted continues in the collateral notwithstanding its sale, exchange or other disposition. Also under 8.9-315(2) it attaches to any identifiable proceeds of the collateral. Also, under 8.9-315(2)(c) the perfected security in the proceeds is perfected if the security interest in the original collateral was perfected. It was. On July 6, 2023. The fact that CYBL’s Texas equipment was used to assemble the drones, and that the parts were in Texas, and that the stored and completed drones were in Texas, but then sold to HII, cannot change the perfected status of AWH in Texas to unperfected just based on the sale. The perfected status would have followed through the entire contract process until they were transmuted into proceeds.

The UCC-1 describes assets existing at the time or later acquired, inventory related to drones, equipment, accounts receivable, replacements or substitutions for any of the collateral, and money. There was no requirement in the Settlement Agreement that required the performance breach by CYBL be liquidated to a sum certain figure. The grant was based on the obligation of performance. The breach created a resulting damage. The fact that the figure was

not liquidated until the December 18, 2025 and February 5, 2026 orders does not defeat the grant of the perfected security interest created by the July 6, 2023 UCC-1.

That being the case, AWH asserts that it is in 2nd position behind government, and ahead of all others, based on the July 6, 2023 filing of UCC-1's in North Carolina and Texas, and based on the location of the collateral at the time of filing.

Under AWH's worst case scenario, if the UCC-1 was required to be filed in the location of the Debtor, Nevada, that UCC-1 lien was filed in Nevada on March 20, 2026. Accordingly, while the same argument advanced by AWH would apply to the date of attachment (June 15, 2023), the secured perfected interest would have become perfected on March 20, 2026. That would place AWH behind the government and behind Legalist, **IF** Legalist's liens are valid and enforceable. That would also place AWH behind the WeSheild group, but only **IF** WeSheild's liens are valid and enforceable. AWH disputes that they are enforceable.

AWH is also now a lien creditor under the judgment entered in CL24-3910, as it has filed a Writ of Fieri Facias which was delivered to the City of Richmond Sheriff on April 10, 2026.

d. Remaining Parties

Only three creditors/claimants have UCC-1 filings. Legalist, the WeShield group, and AWH. The government's lien is statutory and is not challenged as being first in priority. All other claims are judgment claims (ANPC and TAG), or simply unsecured claims.

i. Legalist SPV III, LP (Legalist)

Per discovery, Legalist entered a revolving line of credit with CYBL on March 27, 2024 for \$3,000,000. Legalist then filed a UCC-1 financing statement in Nevada on April 1, 2024 on "all assets". HII terminated the CYBL contract on May 17, 2024. After termination, the line of credit originally granted to CYBL by Legalist was increased to \$7,000,000 by an "Amended and

Restated” agreement made effective July 13, 2024. On or around April 24, 2025, a “Second Amended and Restated” was entered between CYBL temporarily increasing the credit line to \$12,500,000 which Legalist has identified as a “Protective Advance”.

AWH will not dispute the entry of the credit line documents or the fact that a UCC-1 lien was filed in Nevada by Legalist on April 1, 2024. AWH does assert, however, that AWH’s July 6, 2023 filings have priority over Legalist’s April 1, 2024 filing. Further, depending on Legalist’s anticipated summary judgment motion, AWH will assert that, despite the loan documents, Legalist may not have a secured claim at all insofar as the funding was not based on undisputed purchase orders under their own documents, or alternatively, it should be voidable transfer under the Uniform Voidable Transfers Act and should be estopped from any claim insofar as Legalists continued to advance money or credit to CYBL knowing that they were insolvent and in breach of their own loan documents, or alternatively, that its claim is less than the entire amount claimed insofar as \$3,083,000 had no connection to the government contract or the collateral.

ii. **WeShield Group.**

The WeShield Group contains Assure Global d/b/a WeShield, Roman Investments PR LLC, MAS USA MGT LLC, and Michael Sinensky. By Order entered February 19, 2026, the court adopted a Joint Discovery Plan (ECF 149). The Plan required all parties to produce all documents “supporting or otherwise concerning” their claim. See ECF 149, 6b. The same subparagraph required production of “all” documents on which a party intended to rely. Instead of doing so, these parties failed to produce the supporting documents using the cloak of confidentiality provisions in prior unproduced documents. These parties are playing games with the court and the parties. The court should enter a Show Cause against these parties for their failure to comply with the order or just strike their claims.

Specifically, the WeShield claims include two components. First, WeShield claims that they entered a letter agreement with CYBL on July 12, 2022, which required CYBL to pay a We-Sheild a “percentage” of its earnings. See ECF 51-1, page 2. WeShield then asserted that in early 2025, two and one half years later, WeShield and CYBL “briefly” disputed the letter agreement terms resulting in a “Settlement Agreement”. See ECF 54-2, page 2, para 8. On June 24, 2025, HII filed the original Interpleader. After the filing of the Interpleader, WeShield, in the asserted that on September 24, 2025 WeShield entered a Security Agreement based on the prior Settlement Agreement entered with CYBL from June 24, 2025 dispute, which resolved a dispute over the alleged letter agreement from July 12, 2022. The Security Agreement targeted the Interpleader Funds. See ECF 110, page 5-7. The parties then, based on the September 24, 2025 Security Agreement, then filed a UCC-1 in Nevada on October 23, 2025 upon which they claim reliance. WeShield failed to produce the alleged July 12, 2022 letter agreement or the 2025 Settlement Agreement, asserting that the documents contained confidentiality provisions preventing their production without a protective order. AWH argues that this court ordered the production of these documents, regardless of their alleged contractual terms.

The second component to the WeShield group claim is specific to Roman Investments PR LLC, Michael Sinensky and MAS USA MGT LLC, all of Puerto Rico. The three parties claim that a Stock Purchase agreement was entered with CYBL and that they made investments in CYBL secured by convertible notes. See, ECF 130, page 2, para. 6. All three parties then claim that a dispute arose, on an unprovided date, between these parties and CYBL, which resulted in yet another Settlement Agreement. Miraculously, the Settlement Agreement terms for these parties were also integrated into the Security Agreement dated September 24, 2025 along with the WeShield claim. Again, these parties failed to produce any of documents to

support the claim including the Stock Agreements, the Assignments, the Convertible Notes, or the alleged Settlement Agreement. The only document produced was the Security Agreement from September 2025.

As related to the actual claims of these parties, if they exist, WeShield is justifying their alleged commission based on “sourcing” of the Government Contract. It is disputed whether this commission was properly disclosed to the government and approved, whether WeShield was properly registered as a licensed broker and had a valid DOS ITAR number, or whether this pre-contract commission structure was violative of the Anti-Kickback Act, all of which would disqualify a claimed commission.

Additionally, while the three remaining WeShield group parties may say they loaned money or provided value, they have not produced any supporting documentation and, to the contrary, the OTC quarterly statements filed by CYBL at the relevant time, under oath, and as required by a publicly traded company, fail to identify any of the three as a debt holders. The existence of any agreement at all with WeShield was not disclosed in the quarterly filings until after the filing of the Interpleader.

Accordingly, while the WeSheild group may claim a perfected security interest based solely on their Security Agreement and UCC-1 filing, AWH will dispute that the filing is based on a legitimate claim and should be disregarded, making all four unsecured judgment creditors, or just unsecured general creditors.

iii. ANPC.

ANPC has not filed a UCC lien because it has no underlying security agreement. ANPC obtained a default judgment on July 21, 2025 in North Carolina which it domesticated in the City of Richmond on August 21, 2025. ANPC then filed a garnishment in Fairfax County which is

now moot based on an Order agreed to by HII and ANPC which discharged HII from any responsibility to ANPC under the garnishment as soon as the money was deposited by HII. In other words, HII no longer has any funds subject to garnishment, by agreement. Additionally, the court may lack jurisdiction in Fairfax to entertain a garnishment insofar as the

iv. Thin Air Group

Thin Air Group obtained a default judgment in United States District Court in Colorado on August 29, 2025. AWH is not aware of any levy being sought or filed. If not, Thin Air Group would be a judgment creditor behind the secured parties, but not a lien creditor under the UCC.

v. Fairwinds Technologies

Fairwinds' claim is based on a Teaming Agreement wherein the parties agreed to assist one another in the future in securing sales opportunities. Virginia has held that teaming agreements, depending on the specific language utilized, may not be enforceable if there is no clear contractual obligation between the parties. *See CGI Federal Inc. v. FCI Federal Inc.*, 295 Va 506 (2018). Whether that rationale would apply here is a factual question and Virginia law may not be controlling. Regardless, Fairwinds has no judgment, no lien status, no security status, or perfected security interest. Their status is simply a general unsecured creditor.

vi. ARG group.

The ARG group is another group claiming a commission or contingency fee based on drone sales. Their claim is based on a "Distributor Partner" agreement dated February 28, 2022. This claim will be disputed by AWH insofar as 1) this partner agreement was entered before the K8 drones had even been created, 2) the company which ultimately assembled the K8's (Catalyst) had not even been acquired by CYBL, and 3) the Government contract was not in existence.

Notably, the agreement attached a schedule to identify unmanned aircraft, but failed to list anything on the schedule.

As related to the actual claim of ARG, any commission claim may be disallowed as an improper contingency fee, disallowed because not disclosed, and may not have been accomplished by an approved and licensed broker. ARG may not even have a DOS ITAR registration. Additionally, based on the timing, it may violative of the Anti-Kickback Act, all of which would disqualify a claimed commission.

Regardless, ARG currently has no judgment, no lien, and no secured status making it it a general unsecured creditor behind the judgment creditors.

vii. Berleth

The Receiver's work, as related to AWH, is complete. AWH has been paid and the judgment issued in CL22-3882 has been satisfied. AWH maintains that the Texas court which appointed the Receiver should resolve any amounts owed to the Receiver who still has approximately 2.2 million dollars in the Receivership.

viii. Cyberlux

Cyberlux is in default both with respect to the Interpleader and AWH's Cross Claim. They should be entitled to nothing and Summary Judgment should be issued against it and in favor of AWH based on its failure to answer the Interpleader and the Cross-claim.

ix. Maadarani

Maadarani is another insider claiming commissions. He obtained a default judgment against Datron, a subsidiary of CYBL, but not CYBL. His claim is also based on commissions booked. The government contract with HII/CYBL was booked August 29, 2023, forty days prior to his employment.

This party is not even an unsecured creditor.

CONCLUSION

AWH enjoys a perfected secured interest in the Interpleader funds as of July 6, 2023 which never changed. The fact that the original collateral was transmuted into actual units which were sold does not defeat their secured perfected interest. To the extent that court rules otherwise, AWH' perfection took place on March 20, 2026. AWH and SC, as one entity should be paid the amount claimed from the Interpleader Funds.

Respectfully Submitted

ATLANTIC WAVE HOLDINGS, LLC AND
SECURE COMMUNITY, LLC

BY: _____/s/_____
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CERTIFICATE

I hereby certify that I have electronically filed and sent a copy of the foregoing to counsel of record electronically through ECF this 15th day of April, 2026.

Charles A. Gavin, VSB#31391
Gavin Law, PLC
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