

EXHIBIT I

HII MT CYPERLUX GARNISHEE'S ANSWER AND PLEA OF NONJOINDER

(CASE NO. CL22-3882-15) 10.24.24(30060782.1)-2

Unofficial Copy Office of Marilyn Burgess District Clerk

VIRGINIA: IN THE CIRCUIT COURT OF THE CITY OF RICHMOND

**ATLANTIC WAVE HOLDINGS, LLC,
AND
SECURE COMMUNITY, LLC,**

Judgment Creditors,

v.

Case No. CL22-3882-15

CYBERLUX CORPORATION,

Judgment Debtor,

and

HII MISSION TECHNOLOGIES CORP.,

Garnishee.

GARNISHEE'S ANSWER AND PLEA OF NONJOINDER

Garnishee, HII Mission Technologies Corp. ("MT"), by counsel, pursuant to Virginia Code § 8.01-515, states as follows for its Answer to the Garnishment Summons issued on behalf of judgment creditors, Atlantic Wave Holdings, LLC and Secure Community, LLC (collectively, the "Judgment Creditors") and its Plea of Nonjoinder:

Background

1. On September 27, 2024, MT was served with the Garnishment Summons in this action seeking to garnish "[a]ny monies owed to the judgment debtor," Cyberlux Corporation ("Cyberlux").

2. The Garnishment Summons is returnable on October 28, 2024.

3. In lieu of appearing on the return date, a garnishee may file a statement. Va. Code Ann. § 8.01-515. "Such statement shall show the amount the garnishee is indebted to the

judgment debtor, if any, or what property or effects, if any, the garnishee has or holds which belongs to the judgment debtor, or in which he has an interest.”

4. Effective August 29, 2023, MT’s predecessor in interest and Cyberlux entered into Subcontract No. P000043846 (the “Subcontract”).

5. The Subcontract was a firm fixed price contract for work by Cyberlux to support MT’s work under Prime Contract No. GS00Q14OADU109; Task/Delivery Order No. 47QFCA22F0039 (the “Prime Contract”) that had been issued by the Federal Systems Integration and Management Center.

6. The period of performance for the Subcontract was from August 29, 2023 through July 24, 2024.

MT’s Obligations, If Any, to Cyberlux or Its Assignees or Other Creditors

7. On May 13, 2024, the contracting officer for the Prime Contract terminated for convenience the portion of the Prime Contract scope of work relevant to the Subcontract.

8. On May 17, 2024, MT terminated for convenience the Subcontract, in accordance with the Subcontract’s applicable terms and conditions.

9. Section 32.1 of the Subcontract provides that MT’s “sole obligation to [Cyberlux] in the event of a termination for convenience shall be to pay [Cyberlux] a percentage of the Subcontract price corresponding with the percentage of the terminated work actually performed prior to the notice of termination, plus [Cyberlux’s] reasonable expenses incurred as a direct result of the termination. Under no circumstances shall [Cyberlux] be entitled to anticipatory or lost profits. Within twenty (20) days from such termination, [Cyberlux] may submit to [MT] its written claim for termination charges in the form prescribed by [MT]. Failure to submit such

claim within such time shall constitute a waiver of all claims and a release of [MT's] liability arising out of such termination."

10. Since May of 2024, MT and Cyberlux have engaged in ongoing communications in an attempt to agree on the amount, if any, owed to Cyberlux as a result of the termination for convenience of the Subcontract. That matter remains unresolved as of this filing and is not anticipated to be resolved as of the return date of October 28, 2024.

11. As a result, MT is unable to state the amount, if any, that MT is indebted to Cyberlux.

Interests of Cyberlux's Other Creditor, Legalist

12. By letter dated April 5, 2024 from Legalist SPV III, LP ("Legalist"), MT was informed that Cyberlux has granted a security interest in, and assigned, its accounts receivable to Legalist pursuant to an Instrument of Assignment.

13. As a result, Legalist directed MT to pay to Legalist all "amounts ordinarily payable to [Cyberlux] under the [Subcontract]."

14. Therefore, it appears that Legalist has a superior interest in any amounts payable to Cyberlux based on its perfected security interest in Cyberlux's receivables, which was perfected earlier in time than the Judgment Creditors' writ of fieri facias or delivery of the same to the sheriff for execution.

15. On or about July 12, 2024, Cyberlux executed and delivered to MT a letter agreement in which Cyberlux "acknowledge[d] and expressly consent[ed] to HII Mission Technologies Corp. ('HII') paying to Legalist . . . all amounts that otherwise become due and owing to Cyberlux under . . . Subcontract . . . after the date of execution of this Exhibit. . . until

such time HII receives written notice from Cyberlux or Legalist to cease such payments to Legalist, in lieu of payment to Cyberlux under the Subcontract.”

16. To date, MT has received vague communications from Cyberlux regarding payment to Legalist.

17. To date, MT has made no payments to Legalist because no amounts have been determined to be due and owing to Cyberlux since July 12, 2024.

18. MT takes no position on to whom any amounts otherwise payable by MT to Cyberlux should be directed.

19. MT submits that Legalist is a necessary and indispensable party to this action pursuant to Rule 3:12 of the Rules of the Supreme Court of Virginia.

20. Pursuant to Virginia Code § 8.9A-406, MT can no longer discharge any obligations to Cyberlux by payment to Cyberlux, but only through payments to Legalist until such time that the debt secured by Legalist’s security interest is satisfied. The outstanding balance of the debt secured by Legalist’s security interest is unknown to MT.

21. As a result, any orders in in this action directing payment to the Judgment Creditors could expose MT to a “substantial risk of incurring double, multiple or otherwise inconsistent obligations by reason of the claimed interest” of Legalist. Va. Sup. Ct. R. 3:12(a).

22. MT is withholding any payment which is or may become due and owing to Cyberlux or Legalist pending further order and/or direction of the Court.

23. All allegations, if any, contained in the Garnishment Summons which have not been specifically admitted or otherwise addressed are denied.

WHEREFORE, HII Mission Technologies Corp., by counsel, respectfully requests that this Court enter an Order

- (1) dismissing the Garnishment Summons ; or in the alternative
- (2) joining Legalist SPV III, LP as a party; and
- (2) taking no action against the interests of HII Mission Technologies Corp.

HII MISSION TECHNOLOGIES CORP.

By: _____

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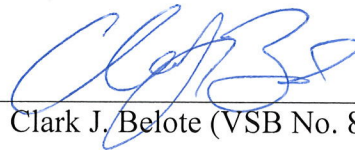
CERTIFICATE OF SERVICE

I hereby certify that on this 24th day of October, 2024, a true copy of the foregoing was sent via email (as indicated) and First-Class mail, postage prepaid, to the following:

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