

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

HII MISSION TECHNOLOGIES)	
CORP.,)	
)	
Plaintiff,)	Case No. 3:25-cv-483
)	
v.)	
)	
CYBERLUX CORP., et al.,)	
)	
Defendants.)	
)	

COMPLAINT IN INTERVENTION OF THE ARG GROUP, LLC

In accordance with Federal Rule of Civil Procedure 24 and its Motion to Intervene, Intervenor The ARG Group, LLC (“ARG”), by and through its undersigned counsel of record, respectfully submits this Complaint in Intervention, and states as follows:

PARTIES

1. Intervenor ARG is a Delaware limited liability company with its principal place of business located in Tucson, Arizona.
2. Upon information and belief, the allegations regarding the parties as set forth in paragraphs 3 through 11 of Plaintiff HII Mission Technologies Corp.’s (“HII”) First Amended Complaint for Interpleader (the “Amended Complaint”, ECF 41) accurately describe the parties named in the Amended Complaint.

JURISDICTION AND VENUE

3. ARG accepts the allegations regarding jurisdiction and venue set forth in paragraphs 12 through 16 of HII’s Amended Complaint (ECF 41).

STATEMENT OF FACTS

4. ARG asserts through this Complaint in Intervention its interest in the funds that HII has interpleaded in this case. As set forth below, ARG has an interest in the interpleaded funds and seeks a judgment and payment in the amount of at least \$14,118,618.61 from the Initial Payment and Final Payment (defined below), including additional prejudgment interest on the Initial Payment as this case progresses and all prejudgment interest on the Final Payment, in satisfaction of that interest.

ARG's Contract With Cyberlux

5. ARG is a Service-Disabled Veteran-Owned Small Business and is a leading provider of sales and tactical distribution services of advanced technology equipment to the Department of Defense, Federal Law Enforcement Agencies, and US Allies. ARG has a global reach across North and South America and Europe and is focused on delivering advanced technology solutions to the warfighter, including drone capabilities and advanced technology products for special operators. ARG serves the Special Operations Command, the U.S. Air Force, the National Guard Bureau, Homeland Security/Customs and Border Protection, and Federal Law Enforcement.
6. Defendant Cyberlux Corporation ("Cyberlux") develops, manufactures, and sells Advanced Lighting Solutions ("ALS") for portable and fixed use, certain solar power solutions, and Unmanned Aircraft Systems ("UAS") products including UAS hardware and software solutions. Cyberlux's products include, but are not limited to, the BrightEye and Watchdog Tactical Illumination Systems, other various LED and solar products, and the FlightEye UAS products including FlightEye drone hardware and the Flight GDN software operating platform and related product offerings (all collectively, the "Products").

7. In February 2022, ARG initiated discussions with Cyberlux about ways it could support the advancement and commercialization of Cyberlux's Products, including the sale of drones.
8. On February 28, 2022, ARG and Cyberlux entered into a valid and binding "Cyberlux Corporation and The ARG Group, LLC Distributor Partner Agreement" (the "Contract").
9. Pursuant to the terms of the Contract, ARG agreed to secure customer orders and facilitate the sale of Cyberlux's Products and Cyberlux agreed to provide ARG with a 20% discount off the GSA pricing for the Products.
10. In accordance with paragraph 4A of the Contract, ARG and Cyberlux also agreed that the proceeds from sales of the Products would be allocated with 80% payable to Cyberlux and 20% payable to ARG.
11. ARG played an integral role in the growth and success of Cyberlux's enterprise and functioned, in effect, as a business partner.
12. As a result of ARG's substantial assistance, and as confirmed by Cyberlux and ARG's course of performance and written communications, Cyberlux agreed to share profits with ARG on sales of the Products regardless of whether ARG or Cyberlux originated the transaction. Indeed, on multiple occasions, Cyberlux's CEO Mark Schmidt expressly acknowledged, via Signal messages and other forms of communication, that ARG was entitled to 20% of the proceeds from sales of the Products (including drones) regardless of who the prime was on the contract. Mr. Schmidt also confirmed in writing that if Cyberlux sold the Products directly without a prime, ARG and Cyberlux would split the 20%, so ARG would receive 30% of the proceeds. This agreement recognized ARG's foundational role in enabling Cyberlux's access to those business opportunities.

ARG's Performance Under The Contract

13. Following the commencement of the partnership and execution of the Contract, ARG quickly became a critical driver of Cyberlux's growth, actively contributing to business development, expanding market reach, and accelerating the deployment of key product lines.
14. ARG's efforts were critical to Cyberlux's success by introducing Cyberlux to key business contacts and purchasers of the Products and to individuals who could further support Cyberlux's business interests, providing comprehensive operational support, establishing test sites, facilitating the integration of complex firing mechanisms, generating valuable business leads, and advising on technical specifications and cost data, each of which was essential to the effective functioning and growth of Cyberlux's operations.
15. One of the primary Products Cyberlux and ARG planned to market and sell was the K8 Drone, which was manufactured and sold pursuant to the Subcontract (the "Subcontract") between Cyberlux and HII that is the subject of HII's Amended Complaint. *See* ECF 41, ¶¶ 17-30.
16. To enhance the K8 Drone's appeal and functionality, ARG assembled a specialized team, including members of the U.S. Army, to help redesign its firing mechanism, with the goal of boosting both sales and marketability for Cyberlux.
17. To launch the K8 Drone into the marketplace, ARG facilitated Cyberlux's participation in key trade shows, creating valuable opportunities to generate exposure and drive sales. At one particular trade show that ARG Group advised Cyberlux to attend (SOFIC in Tampa), ARG brought its key contacts, including representatives from USASOC, Global Ordnance, the Ukrainian Army, PRG, as well as Air Force and Navy EOD units. This strategic introduction enabled Cyberlux to connect with critical military and defense stakeholders and ultimately

led to a meeting with intervenor Fairwinds Technologies, LLC (“Fairwinds”). Through the connection with Fairwinds, Cyberlux was introduced to Ferd Irizarry, who would join Cyberlux’s Board of Advisors. The creation of the Board of Advisors was directly initiated by ARG’s recommendation.

18. ARG also brought in Major General Cameron Holt to assist with developing a pathway to secure a Foreign Military Sales (“FMS”) or Foreign Military Financing (“FMF”) deal.
19. On August 7, 2022, General Holt provided ARG with an eight-page roadmap titled “Accelerating FlightEye K8 FMS to Ukraine”, which outlined the necessary steps, requirements, and government offices involved in advancing the sale of the K8 drones.
20. By November 2022, Cyberlux added retired Army Sergeant Major Marty Moore to its Board of Advisors. Sergeant Major Moore was a contact of Jeremy Shrock, whom ARG had brought in specifically to assist with lead development and the design of the K8 Drone’s firing mechanism. At that point, Cyberlux’s Board of Advisors included Major General Holt, Sergeant Major Moore, and Brigadier General Irizarry, all of whom were introduced to Cyberlux directly or indirectly through ARG’s efforts and network.
21. ARG possesses hundreds of pages of Signal app communications between itself and Cyberlux, as well as separate group conversations including Larry Isely, which demonstrate ARG’s involvement in guiding Cyberlux through key technical and operational matters. These communications show that ARG played a central role in navigating the integration of the K8 drone firing mechanism, developing specification sheets, and compiling cost data necessary to advance the K8 drone project.
22. As a result of ARG’s substantial assistance, including establishing key business contacts and facilitating operations, Cyberlux agreed to share profits with ARG on sales regardless of

which party originated the transaction. This agreement recognized ARG's foundational role in enabling Cyberlux's access to those business opportunities.

23. As a direct result of ARG's efforts pursuant to the Contract, ARG was instrumental in securing for Cyberlux the Subcontract between Cyberlux and HII for Cyberlux to supply K8 Unmanned Aircraft Systems, resulting in Cyberlux receiving \$38,700,600 up front (the "Initial Payment") and \$25,769,369.03 as final payment (the "Final Payment") from HII. To be clear, the K8 Drone was manufactured and sold pursuant to the Subcontract that is the subject of HII's Amended Complaint. *See* ECF 41, ¶¶ 17-30.

The Amounts Owed ARG Under The Contract

24. Although Cyberlux received the Initial Payment from HII, it did not remit payment to ARG.
25. In accordance with the Contract, ARG is entitled to 20% of the \$38,700,600 Initial Payment, which is \$7,740,120. ARG has not been paid its 20% of the Initial Payment for over 31 months (as of April 15, 2026). Prejudgment interest at 8% for 31 months on the \$7,740,120 Initial Payment is \$1,599,624.80 (\$51,600.80/month). Therefore, through April 15, 2026, ARG is owed \$9,339,744.80 from the Initial Payment.
26. ARG also is entitled to 20% of the \$25,769,369.03 Final Payment, which is \$5,153,873.81, plus prejudgment interest which cannot be calculated at this time.
27. In acknowledgment of ARG's contributions and its obligations under the Contract, Cyberlux has made \$375,000 in partial payments to ARG and admitted that it owes ARG the amounts claimed, but it has refused to pay the remaining amounts owed ARG.
28. After subtracting the \$375,000 in partial payments made by Cyberlux, through April 15, 2026, in total, ARG is entitled to at least \$14,118,618.61 from the Initial Payment and Final

Payment, including additional prejudgment interest on the Initial Payment as this case progresses and all prejudgment interest on the Final Payment.

29. ARG fully complied with its obligations under the Contract and there are no set-offs or counterclaims against the amount owed to ARG.

30. ARG has repeatedly demanded that Cyberlux pay all amounts owed ARG, but Cyberlux has failed and/or refused to do so.

The North Carolina Action

31. Because Cyberlux was in material breach of the Contract and engaged in other wrongful conduct, on April 24, 2025, ARG brought a Complaint in the Superior Court for the County of Durham, North Carolina, Case No. 25CV004246-310 (the “North Carolina Action”), alleging claims for breach of contract, unjust enrichment/quantum meruit (in the alternative to the breach of contract claim), breach of contract implied in fact, conversion, and unfair and deceptive trade practices under N.C. Gen. Stat. § 75-1.1, *et. seq.* For relief, ARG seeks at least \$14,118,618.61 from the Initial Payment and Final Payment, including additional prejudgment interest on the Initial Payment as the case progresses and all prejudgment interest on the Final Payment, treble damages pursuant to N.C. Gen. Stat. § 75-16, all attorneys’ fees and costs pursuant to the Contract, N.C. Gen. Stat. § 75-16.1, any other applicable statute, and/or other equitable power of the Court, post-judgment interest, and such other and further relief as the Court may deem appropriate.

32. In the North Carolina Action, Cyberlux filed an Answer and the case is at issue.

33. On or about February 25, 2026, ARG and Cyberlux executed an “Amendment No. 1 to Distributor Partner Agreement [the Contract]” (the “Amendment”), which permits ARG to file its Motion to Intervene in this action.¹

ARG’s Proper Inclusion In The Original Complaint For Interpleader

34. On May 20, 2025, counsel for ARG sent a letter to Clark J. Belote, Esq., counsel for HII in this action, which advised Mr. Belote of ARG’s “claims to funds held or to be held by HII on behalf of or for the benefit of [Cyberlux]” pursuant to the Subcontract at issue in this action, and further advised that “ARG hereby asserts it is an interested stakeholder in any payment due and owed to Cyberlux by HII because Cyberlux has not satisfied debts due and owed to ARG, in whole or in part, under a valid and enforceable contract.” To support ARG’s claims, ARG’s counsel attached, *inter alia*, the Contract and the complaint in the North Carolina Action. That same day, ARG’s counsel also sent a letter to Charles Watts of Cyberlux again demanding all amounts owed pursuant to the Contract and claimed in the North Carolina Action.

35. On June 24, 2025, HII filed its original Complaint for Interpleader and properly named ARG as an interpleader defendant/claimant because ARG has claimed a right or interest in the interpleaded funds. *See* ECF 1 at ¶¶ 1, 10. More specifically, the original Complaint alleges that, “[b]y letter dated April 28, 2025 (attached as Exhibit 10), ARG Group asserted it is ‘an interested stakeholder in any payment due and owed to Cyberlux by HII because Cyberlux has not satisfied debts due and owed to ARG, in whole or in part, under a valid and enforceable contract[.]’”. *Id.* at ¶ 67.

¹ If the Court grants ARG’s Motion to Intervene, then ARG intends to move to stay and/or voluntarily dismiss the North Carolina Action.

36. Thus, HII agreed that ARG had a legitimate claim to the interpleaded funds and was a proper party to this action, otherwise it would not have included ARG as an interpleader defendant/claimant in the original Complaint. *See* ECF 132 at 1, n. 2 (In granting Thin Air Gear, LLC's ("TAG") Motion to Intervene, the Court stated, "[n]otably, HII's original complaint named TAG as an interpleader creditor-defendant").

HII's Improper Exclusion Of ARG From The Amended Complaint For Interpleader

37. On July 14, 2025, Mr. Belote sent a letter to ARG's counsel advising, *inter alia*, that HII would be filing an Amended Complaint for Interpleader and requesting confirmation whether ARG asserts an interest in, or claim to, the Payment Receivable (defined in this letter as additional amounts held by HII that may otherwise be or become payable to Cyberlux under the Subcontract or otherwise interpleaded in this case). Mr. Belote sought this confirmation and supporting information by July 23, 2025.

38. As requested, on July 14, 2025, ARG's counsel sent a letter to Mr. Belote that confirmed ARG's interest and entitlement to its portion of the Payment Receivable and provided information and documents that supported ARG's claim for \$15,272,447.30 of the Payment Receivable.

39. On August 4, 2025, HII filed the Amended Complaint, which did not include ARG as an interpleader defendant/claimant. *See* ECF 41.

40. In an August 4, 2025 email to ARG's counsel, Mr. Belote confirmed that ARG "is no longer a party to the case because, in HII's view, it has not articulated a colorable legal basis to claim an interest in the Disputed Funds (as defined therein), as opposed to holding a general claim against Cyberlux", which is directly contradicted by what HII alleged in the original

Complaint. In a subsequent email to HII's counsel, ARG's counsel advised HII's counsel of the contradiction in HII's position, but HII's counsel did not reconsider his position.

41. As of the date of this filing, HII and Cyberlux have not paid ARG the amounts owed pursuant to the Contract, the North Carolina Action, or otherwise

COUNT I - JUDGMENT IN INTERPLEADER PURSUANT TO 28 U.S.C. § 1335 AND 28 U.S.C. § 2361

42. ARG re-alleges and incorporates by reference each allegation set forth above as if fully set forth herein.

43. Pursuant to 28 U.S.C. § 1335 and 28 U.S.C. § 2361, the Court has authority to enter judgment distributing the interpleaded funds as appropriate or as justice so demands.

44. Based upon the Statement of Facts alleged above, ARG is entitled to a judgment directing that the Court pay ARG at least \$14,118,618.61 from the Initial Payment and Final Payment, including additional prejudgment interest on the Initial Payment as this case progresses and all prejudgment interest on the Final Payment, plus applicable post-judgment interest and all attorneys' fees and costs incurred in the prosecution of this Complaint in Intervention from the interpleaded funds.

PRAYER FOR RELIEF/AD DAMNUM

WHEREFORE, ARG requests that Judgment be entered in ARG's favor as follows:

1. A Judgment directing that ARG is awarded at least \$14,118,618.61 from the Initial Payment and Final Payment, including additional prejudgment interest on the Initial Payment as this case progresses and all prejudgment interest on the Final Payment from the interpleaded funds;
2. All reasonable attorneys' fees and costs (including expert witness fees and other costs of litigation) incurred in the prosecution of this Complaint in Intervention;

3. Post-judgment interest as permitted by law; and
4. Such other and further relief as the Court deems just and proper.

Dated: March 6, 2026

Respectfully submitted,

/s/ Stephen J. Stine, Esq.
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Counsel for The ARG Group, LLC

CERTIFICATE OF SERVICE

I hereby certify that on this 6th day of March, 2026, a true and correct copy of the foregoing was served via CM/ECF, upon all counsel of record.

Respectfully submitted,

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