

EXHIBIT 17

CAUSE NO. 2024-48085

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

Plaintiffs/Judgment-Creditor

v.

**CYBERLUX CORPORATION and
MARK D. SCHMIDT, Individually,**

Defendant/Judgment Debtors.

§ **IN THE DISTRICT COURT OF**
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§ **HARRIS COUNTY, TEXAS**
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§ **129TH JUDICIAL DISTRICT**

**PLAINTIFFS’ AND DEFENDANTS’ JOINT NOTICE OF SETTLEMENT AND
JOINT MOTION FOR RELEASE OF FUNDS, FOR SATISFACTION OF
JUDGMENT, AND TO DISSOLVE RECEIVERSHIP**

COME NOW, Plaintiffs Atlantic Wave Holdings, LLC, and Secure Community, LLC (“Plaintiffs”) and Cyberlux Corporation and Mark D. Schmidt (“Defendants”) (collectively, the “Parties”), and file this Joint Notice of Settlement and Joint Motion for Release of Funds, for Satisfaction of Judgment, and to Dissolve Receivership. In support thereof, the Parties state:

I. INTRODUCTION

1. On June 23, 2023, a Virginia court presiding over Case No. CL22-3882-4, *Atlantic Wave Holdings, LLC and Secure Community, LLC v. Cyberlux Corporation and Mark D. Schmidt*, in the Circuit Court of the City of Richmond, State of Virginia, entered a judgment (“Underlying Judgment”) in favor of Plaintiffs and against Defendants, in the principal sum of \$1,572,500.00.

2. Following entry of the Underlying Judgment, Defendants made certain partial payments towards the balance due on the Underlying Judgment.

3. On July 30, 2024, Plaintiffs filed a Petition to Enforce the Underlying Judgment in this Court, initiating this enforcement and collection action.

4. On May 22, 2025, pursuant to Section 31.002(b)(3) of the Texas Civil Practice & Remedies Code, this Court appointed Robert W. Berleth (“Receiver”) “to take possession of [Cyberlux] property, sell it, and pay the proceeds to [Plaintiffs] to the extent required to satisfy the judgment.” The Receivership Order entitled Plaintiffs “to collect post-judgment attorneys’ fees under Tex. Civ. Prac. & Rem. Code § 31.002(e).”

5. On November 14, 2025, a Virginia court presiding over Case No. CL-2025-3413, *Atlantic Wave Holdings, LLC and Secure Community, LLC v. Cyberlux Corporation*, in the Circuit Court of Fairfax County, State of Virginia, entered a final order (“Final Order”) which, among other things, ordered the clerk of that court to disburse (1) \$952,601.71, representing the principal balance owed on the Underlying Judgment; and (2) \$187,399.95, representing Plaintiffs’ reasonable attorneys’ fees and costs incurred in the Virginia state court proceedings only. On November 18, 2025, \$1,140,004.66 was disbursed to Plaintiffs pursuant to the Final Order. The Final Order did not determine the reasonable post-judgment attorneys’ fees and costs incurred by Plaintiffs in the enforcement and collection of the Underlying Judgment in Texas.

6. On January 6, 2026, Plaintiffs filed their updated Second Amended Motion for Distribution of Funds in this action seeking recovery of \$873,849.02, representing the updated reasonable attorneys’ fees and costs incurred by Plaintiffs in the enforcement and collection of the Underlying Judgment in Texas. Plaintiffs therein requested that the \$873,849.02 be paid from the \$3,083,639.75 in non-exempt funds currently held by Receiver under the Receivership Order.

II. ARGUMENT

This joint motion resolves all remaining disputes between Plaintiffs and Defendants in this Texas enforcement action. This joint motion does not resolve the Parties’ disputes

in two pending Virginia actions: (1) Case No. CL24-3910, *Atlantic Wave Holdings, LLC and Secure Community, LLC v. Cyberlux Corporation and Mark D. Schmidt*, pending in the Circuit Court of the City of Richmond, State of Virginia (“Stock Case”); and (2) Case No. 3:25-cv-00483, *HII Mission Technologies Corp. v. Cyberlux Corp., et al.*, pending in the United States District Court for the Eastern District of Virginia, Richmond Division, (“Interpleader Action”).

Under Texas Civil Practice and Remedies Code Section 31.002(e), Plaintiffs, as the judgment-creditors, are “entitled to recover reasonable costs, including attorney’s fees” for their efforts to obtain turnover relief in this Texas enforcement action. The Parties stipulate that Plaintiffs’ reasonable costs and attorneys’ fees recoverable under Section 31.002(e) are \$873,849.02.¹

The Receivership Order provides that “Receiver’s fees and expenses are considered costs of court” and the fee is “equal to 25% of ... all recoveries and credits against the [Underlying Judgment].” The Parties stipulate that Receiver’s fees and expenses are \$218,462.30—that is, 25% of the \$873,849.02 recovery against the Underlying Judgment to Plaintiffs.

The Parties therefore respectfully ask that this Court: (1) order Receiver to disburse \$873,849.02 to Plaintiffs within two business days of entry of this Court’s order; (2) permit Receiver to retain \$218,462.30, representing Receiver’s recoverable fees and expenses; and (3) release \$1,991,328.43 to Legalist SPV III, LP within two business days of entry of the Court’s order. Furthermore, the Parties ask the Court to order Receiver to provide notice

¹ Defendants waive and forever relinquish any right for reconsideration, appeal, or bankruptcy relief on the disbursement of \$873,849.02 in attorneys’ fees and costs to Plaintiffs, as allowed to the fullest extent by law.

and documentation to the Parties and the Court confirming the funds were disbursed and deposited as ordered.

Upon Plaintiffs' receipt of the \$873,849.02 disbursement, the Parties request that the Court mark the Underlying Judgment satisfied and close this Texas enforcement action initiated by Plaintiffs. Upon satisfaction of the Underlying Judgment, the Parties agree to promptly dismiss all Texas actions involving Plaintiffs and Defendants.

Upon satisfaction of the Underlying Judgment (by the foregoing requested disbursement), the Parties request that the Receivership Order be terminated and the receivership closed.

III. CONCLUSION

WHEREFORE, PREMISES CONSIDERED, the Parties respectfully pray that the Court order disbursement of funds as requested; mark the Underlying Judgment satisfied, discharge the Receiver, terminate the receivership, and close this action.

Dated: February 26, 2026.

AGREED AS TO FORM AND SUBSTANCE:

William Welter

Atlantic Wave Holdings, LLC

DocuSigned by:
Mark D. Schmidt
CB9EE73498DE446...

Cyberlux Corporation

William Welter

Secure Community, LLC

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Mark D. Schmidt

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Attorneys for Defendants Cyberlux Corporation and Mark D. Schmidt

Attorneys for Plaintiffs Atlantic Wave Holdings, LLC, and Secure Community, LLC

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing instrument was served on all counsel pursuant to the Texas Rules of Civil Procedure on February 25, 2026.

/s/ Alexander J. Pennetti

Alexander J. Pennetti

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and SECURE COMMUNITY, LLC,**

Plaintiffs/Judgment-Creditor

v.

**CYBERLUX CORPORATION and
MARK D. SCHMIDT, Individually,**

Defendant/Judgment Debtors.

§ **IN THE DISTRICT COURT OF**
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§ **HARRIS COUNTY, TEXAS**
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§ **129TH JUDICIAL DISTRICT**

**ORDER ON JOINT MOTION FOR RELEASE OF FUNDS, FOR SATISFACTION OF
JUDGMENT, AND TO DISSOLVE RECEIVERSHIP**

BEFORE THE COURT IS the Joint Motion for Release of Funds, for Satisfaction of Judgment, and to Dissolve Receivership filed by Plaintiffs Atlantic Wave Holdings, LLC, and Secure Community, LLC (“Plaintiffs”) and Cyberlux Corporation and Mark D. Schmidt (“Defendants”) (collectively, the “Parties”).

UPON CONSIDERATION of the pleadings, evidence, argument of counsel, consent of the Parties, and for good cause shown, the Court:

FINDS THAT the disbursement of funds by the Circuit Court of Fairfax County, Virginia under the terms of the Final Order in *Atlantic Wave Holdings, LLC and Secure Community, LLC v. Cyberlux Corporation*, Case No. CL-2025-3413 was made towards satisfaction of the judgment underlying this enforcement action (“Underlying Judgment”).

FINDS THAT Plaintiffs are entitled to \$873,849.02, which represents the reasonable costs and attorneys’ fees to which Plaintiffs are entitled, including under Texas Civil Practice and Remedies Code § 31.002(e), for their efforts to enforce the Underlying Judgment.

FINDS THAT Receiver Robert W. Berleth and Berleth & Associates, PLLC is entitled to \$218,462.30 in reasonable and recoverable in fees and expenses under Section 31.002, which is 25% of the \$873,849.02 recovery awarded to Plaintiffs in this enforcement action.

FINDS THAT \$3,083,639.75 was previously transferred by Legalist SPV III, LP on behalf of Defendants to the Receiver, and that amount exceeds recoveries and credits against the Underlying Judgment, and the remaining balance should be disbursed to Legalist SPV III, LP.

FINDS THAT, upon disbursement to Plaintiffs of payment of their reasonable costs and attorney's fees in the amount of \$873,849.02, the Underlying Judgment is fully satisfied and this enforcement action initiated by Plaintiffs is moot.

THEREFORE, it is hereby **ORDERED, ADJUDGED, and DECREED**:

Receiver Robert W. Berleth and Berleth & Associates, PLLC, shall disburse all sums transferred to him for this matter, which are \$3,083,639.75. Disbursements are to be made as follows:

- (1) \$873,849.02 to Atlantic Wave Holdings, LLC and Secure Community, LLC;
- (2) \$218,462.30 to Robert W. Berleth and Berleth & Associates, PLLC; and
- (3) \$1,991,328.43 to Legalist SPV III, LP.

IT IS ORDERED THAT the Receiver Robert W. Berleth and Berleth & Associates, PLLC shall disburse all funds, as stated above, within two (2) business days following the entry of this Order.

IT IS ORDERED that the Receiver is discharged.

IT IS ORDERED THAT the Receivership is terminated.

IT IS FURTHER ORDERED THAT all other matters pending in this action (not otherwise addressed herein) shall be temporarily stayed until the Court determines the reasonableness of Receiver's fees and expenses.

All other relief not expressly provided herein is **DENIED**.

SO ORDERED.

Honorable Michael Gomez

AGREED AS TO FORM AND SUBSTANCE:

William Welter

Atlantic Wave Holdings, LLC

DocuSigned by:
Mark D. Schmidt
CB9EE73498DE446...

Cyberlux Corporation

William Welter

Secure Community, LLC

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