

CAUSE NO. 2024-48085

ATLANTIC WAVE HOLDINGS, LLC § IN THE DISTRICT COURT
and SECURE COMMUNITY, LLC., §
Plaintiffs, Judgment-Creditors, §
v. § 129TH JUDICIAL COURT
CYBERLUX CORPORATION and §
MARK D. SCHMIDT, individually, § IN AND FOR
Defendants, Judgment-Debtors. § HARRIS COUNTY, TEXAS

ORDER TO DISTRIBUTE FUNDS AND TERMINATE RECEIVERSHIP

Following approximately twelve months of receivership by Receiver Robert Berleth, and after review of the Receiver's Report, relevant statutory and case law, and the arguments of counsel, the Court is of the opinion that the motion should be in all things GRANTED. Therefore:

The Court FINDS:

- 1) That the Receiver's report is whole, complete, and unbiased. The Court accepts the report as accurate findings and conclusions of law, including the amounts collected and to be distributed.
- 2) That the Receiver has fulfilled his oath, by performing his duties in an economic, effective, and efficient manner;
- 3) That the Receiver's fees and expenses are reasonable and customary for similar legal services in and around Harris County, Texas. The *Moyer* elements are met. The Receiver effectively performed his duty and has met the *Bergeron* factors for compensation as a 33% contingency fee;

- 4) Per Court Order, in May, June, and July, 2025, the Receiver entered Cyberlux manufacturing facility and took physical possession of Cyberlux manufactured K8 drones. At significant expense and effort, the Receiver then orchestrated a complete inventory, transport of the drones, and delivery to a US government facility in sale and/or fulfillment contract for said drones. Thus, the drones and any follow-on funds from sale or fulfillment thereof are subject to corresponding Receivership Order, including the Receiver's fees under *Bergeron* in the Virginia Interpleader;
- 5) That no further need for the Receiver is needed due to the reflecting Parties agreed mutual settlement and release of all court judgments, between Atlantic Wave Holdings, LLC, Secure Community, LLC, Cyberlux Corporation, and Mark D. Schmidt. Because the parties have fully, finally, and completely settled all claims between them, this order deems all judgments and claims between the parties fully and finally satisfied;
- 6) No appellate orders have superseded this Court's authority to rule upon the issues presented. The Court retains plenary power to enforce this action;
- 7) The Receiver's testimony regarding his fees is well taken and found to be credible. The Receiver's exhibits regarding his necessary expenses are admitted. Pursuant to the Joint Motion by the Parties, they have fully and finally settled all claims, and this settlement would not have occurred but for the actions and efforts by the Receiver;

8) The Court takes judicial notice that the termination of this receivership will animate the next serial receivership. Cyberlux will remain under receivership without interruption pending further orders in that case;

THEREFORE, The Court ORDERS the following:

9) That the Receiver has collected the judgment in full as ordered. The Receiver is entitled to his fees and expenses under *Bergeron* as requested in the amount of 33% of the amount collected, \$3,083,639.75.

10) That the Receivership, and that all duties, rights, and obligations associated therewith, is hereby fully and completely TERMINATED, effective the date of entry below. The Receiver is released;

11) The Court ORDERS that any party appealing this order shall post an appellate (supersedeas) bond in the amount of \$150,000.00 (one hundred fifty thousand dollars) to cover anticipated appellate costs, pending appeal. The bond may be posted in cash or by an approved surety authorized to do business in Texas, and shall be filed with the Clerk of this Court within 14 days of this Order. Upon filing of the required bond, the litigation shall be stayed in accordance with Texas Rule of Appellate Procedure 24 and applicable law. The Clerk is authorized to accept the bond, issue any necessary receipts or certificates, and take any administrative action necessary to effectuate the stay; if the Court requires a different form of security, the appealing party is granted leave to post such alternative security in conformity with the Court's directions.

12)The Clerk is ORDERED to distribute the Receiver's bond back to the receiver in accordance with normal procedures to:

Berleth & Associates, PLLC
9950 Cypresswood Dr., Ste. 200
Houston, Texas 77070

13)Within 14 days of the expiration of any applicable appellate window, the Receiver is ORDERED to distribute collected monies as follows:

- a. The Receiver has distributed \$873,849.02 under previous orders of the court to Atlantic Waves Holdings, LLC.
- b. Receiver disburse \$722,728.68 to the Berleth & Associates, PLLC as reasonable and incurred expenses in the prosecution of the receivership, to be taxed as a cost of court.
- c. Receiver disburse \$1,017,601.11 to Berleth & Associates, PLLC as the Receiver's Fee to be taxed as a cost of court.
- d. Receiver distribute the remaining funds in the amount of **\$469,670.21** in the following order of possibility:
 - i. Transfer the funds to the next receivership, if present; or then,
 - ii. Within 45 days of this order, distribute \$469,670.21 to the previous unpaid employees of Cyberlux at the Spring, Texas manufacturing facility, until the funds are exhausted.

14)Any remaining funds such as fractional cents, interest accrued during distribution, or small calculation errors shall be forwarded to the Access to Justice Foundation by the Receiver.

15) Any and all other relief not expressly granted herein is denied.

16) This order is final and appealable.

SIGNED AND ENTERED: _____

Signed:
6/3/2026



Hon. Michael Gomez
JUDGE PRESIDING

Unofficial Copy Office of Marilyn Burgess District Clerk