



Court Eyes Receivership After Defense Contractor Fails to Pay Millions

Description

The remand wasn't just expected. It was inevitable. Cyberlux tried the federal escape hatch twice, once in Texas and once in California. Both slammed shut.

In Texas, the removal came just hours before CEO Mark Schmidt was scheduled to sit for a deposition. It was a strategic delay, one that worked briefly. But the Southern District saw through it, sent the case back to Harris County on March 27, and effectively handed the baton back to the state court that had already made its position clear.

A few days later, California followed. The case there, a domesticated Virginia judgment now sitting in San Diego, was also remanded, with the federal court finding no basis for removal and no appetite for more maneuvering. So now, in both states, the courtroom clocks have restarted.

And in Texas, that clock is ticking toward something far more consequential: receivership.

The Difference Between Imminent and Inevitable

Back in January, Judge Michael Gomez said the quiet part out loud. He intended to appoint a receiver. That alone sent a signal. Then came the delay. Now, with jurisdiction back and no federal distractions left to hide behind, plaintiffs have refiled a revised 20 page receivership order.

It names Robert Berleth as the receiver and grants him the kind of authority that doesn't just freeze accounts. It resets the entire control structure. This isn't limited to Cyberlux's balance sheet. It covers Schmidt's personal assets as well. That includes bank accounts, business entities, real estate, digital access credentials, and anything else the court deems nonexempt.

The order even includes permission for drone surveillance. Yes, actual unmanned aircraft. To assist in locating and securing assets. Not metaphorical reach. Literal airspace.

It's sweeping. Intentionally so. And while it hasn't been signed yet, the court has already expressed support for the structure. This is not an if. It's a when.

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Legal Whiplash Courtesy of the Usual Objections

Cyberlux's legal team responded with objections almost immediately, arguing that the order is too broad, the judgment amounts are inconsistent, and that enforcement cannot proceed until plaintiffs nail down a number. Depending on the filing, the balance allegedly owed has been quoted anywhere between eight hundred forty eight thousand and over two point one million dollars.

And sure, that's a gap. But courts do not generally forget when defendants spend months dodging enforcement, skipping depositions, and swinging at jurisdictional windmills. By the time objections like these land, the tone in the room is less about clarification and more about exhaustion.

Meanwhile Quiet Pressure Builds

There's also the matter of what hasn't happened. Yet.

Legalist, a litigation funder reportedly owed more than seven million dollars, is still on the sidelines. They haven't sued. Haven't made noise. But they're watching. And if Berleth is appointed and starts moving assets, you can expect Legalist to step in quickly.

Because once enforcement begins, anyone with a claim will want a seat at the table. And Legalist doesn't do passive recovery. They do precision timing.

What Comes Next

If the receivership order is signed, and at this point all signs point to yes, control of both Cyberlux's and Schmidt's assets shifts to the court. That's not just a procedural development. It's a structural one. Business operations, financial decisions, even access to funds, everything moves under the authority of a court appointed officer whose job is to recover, not accommodate.

California will move more slowly. The federal case there dragged out for a year, so the gears will take time to reengage. But they will. And Texas is already warmed up.

This isn't just about collecting a judgment anymore. It's about removing control from people the court no longer trusts to hold it. It's about transparency. And consequence.

And unless something changes fast, Cyberlux and Mark Schmidt will not just be out of time.

They will be out of control.

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