Cyberlux Has Three Stories. They Canâ??t All Be True.

Description

Most companies in trouble do the decent thing and pick a story, then cling to it. It doesnâ??t have to be true, but it does have to be consistent, because once you start telling different audiences different versions of reality, youâ??re no longer managing a narrativeâ??youâ??re juggling them, and gravity always wins.

Cyberlux didnâ??t just drop the ball. It walked into three different rooms carrying three different balls and insisted they were identical.

Start with what investors were told. In its 2025 annual report, Cyberlux presents a company under pressure but still very much active: backlog, pipeline, global opportunities across the usual defense acronyms, shipments â??continuing as cash flow allows,â?• and a steady expectation of future growth. It isnâ??t triumphant, but it is unmistakably aliveâ??a business thatâ??s bruised, perhaps, but still in the fight.

Then step into a federal courtroom in Virginia. Same company, different audience, and here Cyberlux presents itself as a functioning defense contractorâ??capable, performing, entitled to funds because it did the work. The tone is more careful, but the direction is the same. At this point, everything broadly lines up: a company under strain, saying slightly different things in slightly different tones, but still pointing forward.

There is, however, a detail that doesnâ??t quite sit right. In Virginia, Cyberlux does not pound the table for the full amount of money sitting in the interpleader. It advances a position that seeks only a portion. At first glance that looks like pragmatism; held up against what follows, it reads differently.

Now go to Texas.

On March 18, 2026, Cyberlux, through its counsel, filed an emergency motion in Harris County. This is not investor language and it isnâ??t a carefully managed tone. It is a formal statement to a court, supported by sworn evidence, asking for relief. In that filing, Cyberlux describes its condition plainly: it cannot meet payrollâ??meaning employees are not being paidâ??it cannot secure financing, and it cannot fulfill orders. In plain English, it tells the court it is not operating.

It then tightens the screw. The company states it has lost an $8.8 million contract and that other contracts are being withheld by the United States government until Cyberlux can demonstrate financial stability. Not delayed, not rescheduledâ??held back until a condition is met.

That combination matters. In Texas, Cyberlux says it is not operating and cannot execute its contracts because those contracts are contingent on proving financial stability. That is the baseline reality it presents when it needs urgency.

Now set that against Virginia. There, Cyberlux tells another judge it is a functioning defense contractor that needs funds to execute those same contractsâ??contracts it has already said it cannot currently execute. Even if the money is released, the companyâ??s own filing says execution depends on a separate conditionâ??financial stabilityâ??that has not been met. The filings do not explain how funds would enable execution of contracts that are not currently available.

Once you see that, the earlier detail about seeking only a portion of the interpleader stops looking like pragmatism and starts to look like a company narrowing its expectations to match its reality. If you are not operating and you cannot execute your contracts, the question is no longer how much you are owed; it is how much you can actually obtain.

Line the accounts up cleanly. In Texas, Cyberlux says it is not operating and cannot execute its contracts. In Virginia, it says it is functioning and needs funds to execute those same contracts. In its annual report, it tells investors it is operating, shipping, and positioning for growth. Those are not variations of the same story. They are different accounts of what the company is.

Since I started looking into Cyberlux over two years ago, the gap between its public narrative and what its filings suggested has been visible. It has been argued over, dismissed, and defended, but always with enough ambiguity for the company to maintain distance from the implications. What was missing was a point where Cyberlux itself removed that ambiguity and said something that could not be walked back.

That point has now arrived. Once a company tells a court it is not operating, everything else it has said about itself has to be measured against that statement. The Virginia position does not explain it. The annual report does not acknowledge it. There is no mechanism in the filings that reconciles a non-operational company with one that is simultaneously executing contracts and positioning itself for growth.

What remains is not a matter of interpretation or emphasis. It is a contradiction that sits on the record, unresolved. The filings, taken together, present a picture that is difficult to reconcile, and the more closely they are read, the less they appear to describe the same company.

Cyberlux has told one court it is not operating. It has told another it is functioning. It has told investors it is operating and advancing. Those are not different perspectives on a difficult situation; they are different realities, and they cannot all describe the same company at the same time.

Once you accept that, the question changes. It is no longer whether Cyberlux is in trouble. The company has already answered that. The question is which version of the company anyone is supposed to believe.

To borrow the words of former Chief Revenue Officer Bill Maadarani, â??Mr. Schmidtâ??s web of deceitâ?• no longer sits in allegation. It now sits on the record.

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Date Created
April 25, 2026
Author
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