



Cyberlux Seeks to Delay AWH Case Until Spring 2025!

Description

The legal battle between Atlantic Wave Holdings, LLC (AWH) and Cyberlux Corporation continues to intensify as allegations of delays and misconduct mount against the Nevada-based company. Recent court filings by AWH's legal counsel have revealed a host of admitted claims against Cyberlux, stemming largely from the company's failure to meet legal deadlines. This, combined with Cyberlux's request to delay proceedings until late spring 2025, has drawn sharp criticism and further heightened tensions in this high-stakes corporate showdown.

Admitted Claims: Cyberlux's Delays Backfire

One of the most significant developments in the case has been Cyberlux's failure to respond to Requests for Admission (RFAs) served on 6 September 2024. Under Virginia law, a party's failure to respond to RFAs by the deadline automatically results in those requests being deemed admitted. For Cyberlux, this oversight has led to the formal admission of several damaging allegations, including:

â€¢ **Drone Sales Documentation:** Cyberlux admitted to shipping drones worth approximately \$15 million before 31 December 2023, without providing sufficient documentation of these sales. This raises concerns about transparency and financial accountability.

â€¢ **Settlement Agreement Breaches:** The company acknowledged failing to make agreed-upon payments to AWH as required under their settlement agreement.

â€¢ **Financial Misrepresentation:** Cyberlux conceded that it provided inaccurate financial information to induce AWH into settlement discussions, undermining the credibility of its financial disclosures.

â€¢ **Security Clearance Issues:** The admissions confirm that neither Cyberlux nor its CEO, Mark D. Schmidt, possesses the necessary U.S. government security clearances, a critical factor in the company's operations and contractual engagements.

â€¢ **Asset Transactions:** Cyberlux disclosed attempts to sell or merge parts of its business within the last 24 months, suggesting potential financial instability or an attempt to shield assets from creditors.

These admissions, while procedurally straightforward, represent a significant strategic setback for Cyberlux, leaving little room to contest the core allegations levied by AWH.

A Pattern of Procedural Delays

The admitted claims also underscore what AWH has characterised as a broader pattern of procedural delays by Cyberlux. In addition to missing the RFA deadline, Cyberlux has consistently failed to engage in discovery, participate in depositions, or schedule timely hearings. AWH's legal team argues that these tactics are deliberate attempts to stall the litigation and frustrate enforcement efforts.

Federico J. Zablah, counsel for AWH, detailed how Cyberlux has sought to avoid resolution by claiming unavailability for hearings. Most recently, Cyberlux requested a preliminary injunction hearing be delayed until April 2025, almost a year after the injunction was first filed.

Cyberlux's refusal to engage meaningfully in this litigation has become a hallmark of their strategy, Zablah stated. "These dilatory tactics only serve to prolong the inevitable, wasting judicial resources and harming creditors in the process."

Implications for the Case

Cyberlux's delays and admissions have strengthened AWH's position, both legally and strategically. By avoiding timely responses and cooperation, Cyberlux has not only damaged its credibility but also ceded critical points in the litigation without contest.

The Virginia courts have already shown willingness to enforce judgments against Cyberlux, including the release of garnished funds to AWH earlier this year. With these admitted claims now formally on record, the likelihood of further adverse rulings against Cyberlux has significantly increased.

What Lies Ahead

As Cyberlux seeks to push hearings into late 2025, the court faces a crucial decision on whether to accommodate these delays or expedite proceedings in the interest of justice. For AWH, the focus remains on enforcing judgments and recovering the millions owed under the settlement agreement.

In the meantime, Cyberlux's apparent unwillingness to engage in substantive litigation raises broader questions about its financial health and operational transparency. For creditors and stakeholders alike, the company's admissions and tactics serve as a stark warning of the risks associated with prolonged and contentious corporate disputes.

The resolution of this case could set a precedent for how courts handle procedural delays and non-compliance in corporate litigation, particularly when such actions result in admitted claims that significantly impact the outcome.

This article is based upon court filings and declarations submitted in ongoing litigation between Atlantic Wave Holdings, LLC, and Cyberlux Corporation. The information presented reflects allegations and procedural developments as outlined in publicly available legal documents and should not be construed as definitive findings of fact or law.

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