

Cyberlux: What does the settlement agreement require?

Description

Summary of the Settlement Agreement:

The settlement resolves disputes arising from prior agreements between Atlantic Wave Holdings, LLC; Secure Community, LLC (the Plaintiffs); and Cyberlux Corporation and Mark D. Schmidt (the Defendants). The key issues involve arrears in payments under an intellectual property agreement and a consulting agreement. Strikepoint Consulting, LLC, a third party, is also included in the settlement to resolve related claims.

The settlement establishes specific payment obligations for the Defendants, a mutual release of claims, confidentiality, and non-disparagement clauses, as well as mechanisms for enforcement and remedies in case of breach.

Responsibilities of Each Party:

Defendants (Cyberlux Corporation and Mark D. Schmidt):

1. Payment Obligations:

• Total settlement amount: **\$1,572,500**, including arrears under the intellectual property and consulting agreements.

• Payment breakdown:

• An initial payment of **\$150,000** within 30-45 days of the agreement.

• 36 monthly payments of **\$21,459** to the Plaintiffs.

• 36 monthly payments of **\$18,055.56** to Strikepoint.

• Acceleration clauses allow up to \$5,000 per drone sale to be applied towards the outstanding balance.

• Full payment of attorney's fees, costs, and court-imposed sanctions.

2. Compliance Obligations:

• Resolve OTC Markets restrictions and work to return Cyberlux stock to "Pink Current" status by 31 December 2023.

• Provide progress updates on drone contracts and sales, and share requested documentation unless restricted by confidentiality or classification.

3. Security Interest:

• Grant Plaintiffs a lien on all assets, including intellectual property, receivables, and drone sales, to secure the payment obligations.

4. Behavioural Obligations:

• Adhere to confidentiality and non-disparagement clauses.

• Ensure financial statements used in the agreement are accurate and comply with relevant standards.

Plaintiffs (Atlantic Wave Holdings, LLC and Secure Community, LLC):

1. Release of Claims:

• Provide a mutual release of claims against the Defendants and Strikepoint, contingent on the initial settlement payment and subsequent compliance with the agreement.

2. Dismissal of Litigation:

• File a notice of satisfaction within 10 business days upon receiving full settlement consideration.

3. Cooperation:

• Consider extending the stock compliance deadline if credible evidence of delays is presented.

Strikepoint Consulting, LLC:

1. Resolution of Disputes:

• Accept a payment of **\$650,000**, structured as part of the Defendants' monthly payment plan.

2. Release of Claims:

• Provide a mutual release of claims against the Defendants, contingent on compliance with the agreement.

General Provisions for All Parties:

1. **Mutual Confidentiality:** Maintain the confidentiality of the settlement terms and related litigation materials.

2. **Non-Disparagement:** Refrain from any negative public or private comments about other parties.

3. **Enforcement and Remedies:** Adhere to the remedies specified for breaches, including injunctive relief, damages, and acceleration of payments.

This agreement seeks to close all related disputes whilst ensuring structured compliance from the Defendants to satisfy financial obligations.

[Cyberlux AWH Settlement Agreement Download](#)

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