



Cyberlux's Annual Report Is Due. Here's Your Red Flag Checklist.

Description

Let's be blunt: Companies don't usually go broke trying to avoid a judgment unless what they're avoiding isn't just financial. With Cyberlux Corporation's annual report due, it's not just a matter of whether they tell the truth. It's a matter of whether they tell the whole truth.

This is a company that's spent more on delay tactics than the judgment they claim they shouldn't owe. They've dodged depositions. Disappeared millions in deposits. Claimed victory in a government contract that was very publicly canceled. And they've done it all while insisting everything is fine.

But if everything's fine why are they so afraid of sunlight?

? 1. Legal Proceedings

- **Are the recent federal remands in California and Texas disclosed?**
 - If not, that's a glaring omission. These weren't minor procedural bumps—they were full-on rejections of Cyberlux's strategy to escape state court oversight.
 - **Is there any mention of appeals or continued litigation strategy?**
 - If they're still maneuvering behind the scenes, you'd never know it unless they disclose. And if they *don't*, that's misdirection by omission.
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? 2. The HII Contract Resolution

- **Is there a clear update on the terminated K8 drone contract with HII?**
 - The Q3 report punted this down the field, saying resolution was expected by year-end. The annual report should reveal how that shook out—and if it doesn't, the silence speaks volumes.
 - **Where did nearly \$24 million in customer deposits go?**
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- Q3 showed a plunge in deposits without a matching disclosure. If they don't explain that, investors should assume the worst.
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? 3. Legal Expenses

- **Do they break out litigation-related spending?**
 - If it's still lumped into G&A, they're hiding the cost of their courtroom war chest. Given how much they've spent to delay, this is material info, plain and simple.
 - **Any mention of executive indemnification?**
 - If company funds are shielding execs from personal legal risk, that needs to be disclosed. If it isn't, that's a red flag wrapped in a liability.
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? 4. CEO Deposition Evasion

- **Do they mention why Mark Schmidt still hasn't been deposed?**
 - It's been over six months. If the CEO of a publicly traded company is avoiding sworn testimony, and the company doesn't explain why that's not just odd. It's alarming.
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? 5. FCPA and Taxpayer Fund Risk

- **Any disclosure on Foreign Corrupt Practices Act compliance?**
 - Cyberlux operates internationally. If they're handling foreign contracts and military deals without addressing anti-corruption protocols, they're begging for regulatory scrutiny.
 - **Any discussion of internal audits or compliance reviews?**
 - If not, you have to wonder: are they even looking for problems or just avoiding the answers?
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? 6. Executive Risk and Board Oversight

- **Is there any mention of the board responding to whistleblower allegations or litigation risk?**
 - If not, that's a governance failure. The board's job is to manage exposure, not play peekaboo with it.
 - **Any sudden changes to insurance coverage or D&O protections?**
 - Watch closely. If new coverage language appears out of nowhere, it might be less about planning and more about panic.
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What Cyberlux says today isn't just about disclosure. It's about intention. The difference between transparency and misdirection often lives in the footnotes or in what's conveniently left out of them.

Watch closely.

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Category

1. Cyberlux

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