

EXHIBIT 1

Unofficial Copy Office of Marilyn Burgess District Clerk

CAUSE NO. 2024-48085

ATLANTIC WAVE HOLDINGS, LLC
and SECURE COMMUNITY, LLC,

Plaintiffs

v.

CYBERLUX CORPORATION and
MARK D. SCHMIDT, Individually,

Defendant/Judgment Debtors.

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IN THE DISTRICT COURT OF

HARRIS COUNTY, TEXAS

129TH JUDICIAL DISTRICT

DECLARATION OF CAMERON G. HOLT, MAJ GEN, USAF (RET.)

1. My name is Cameron G. Holt, Major General United States Air Force (Ret). I am over the age of twenty-one (21) years, of sound mind, and otherwise competent to make this declaration. The facts and statements contained in this declaration are within my personal knowledge and are true and correct. I am a subject matter expert in Federal and Defense acquisition and contracting, and it is in this capacity that I am making this declaration.

2. I retired from the U.S. Air Force on August 31, 2022, concluding my service as the Deputy Assistant Secretary of the Air Force (Contracting). My official U.S. Air Force biography is attached hereto as **Exhibit 1**. Since retiring from the Air Force, I joined the Defense Advisory Board of Cyberlux Corporation ("Cyberlux"). Cyberlux was subsequently awarded a subcontract (the "Subcontract") by Huntington Ingalls Incorporated Defense & Federal Solutions, Inc., later modified to Huntington Ingalls Incorporated Mission Technologies Corporation ("HII"). The Subcontract called for 2,000 drones to be delivered in support of an approved Foreign Military Sales ("FMS") Cost-Plus-Fixed-Fee ("CPFF") contract awarded to HII by the U.S. General Services Administration ("GSA"), acting as the contracting agent for the U.S. Navy. The Subcontract provided for an upfront payment by HII (using U.S. Government

funds) of \$38.7 million for Cyberlux to, inter alia, acquire materials and labor to begin production of the drones. GSA later terminated the portion of its contract with HII that covered Cyberlux's Subcontract pursuant to what is known as a "termination for convenience" clause, and in turn, HII issued a termination for convenience as to the Subcontract. In laymen's terms, a termination for convenience means, through no finding of fault on any party and generally based on a change in the U.S. Government's needs, the remaining contract performance is cancelled and the U.S. Government works with the contractors to pay for and receive all work completed prior to termination.

3. Prior to that termination, Cyberlux manufactured certain products (drones) and, as of the termination, had possession of certain drone components and work-in-progress parts that it manufactured and/or acquired in accordance with its Subcontract with HII using U.S. Government funding and as an anticipated contract deliverable to the U.S. Government.

4. There are certain Federal Acquisition Regulations (or FARs), applicable to the drones, drone components and work-in-progress. FAR 52.249-6(c) specifies the procedures to be followed immediately after the issuance of a so-called, "Termination for Convenience," and it reads:

(c) After receipt of a Notice of Termination ... the Contractor shall immediately proceed with the following obligations ...:

(1) Stop work as specified in the notice

(6) Transfer title (if not already transferred) and, as directed by the Contracting Officer, deliver to the Government -

(i) The fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced or acquired for the work terminated;

(ii) The completed or partially completed plans, drawings, information, and other property that, if the contract had been completed, would be required to be furnished to the Government; and

(iii) The jigs, dies, fixtures, and other special tools and tooling acquired or manufactured for this contract, the cost of which the Contractor has been or will be reimbursed under this contract.

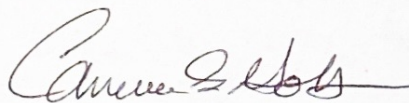
5. The mere fact that the drones and related materials are presently located at the Spring, Texas facility does not make them property of Cyberlux.

6. Immediately after the Termination for Convenience was issued, the GSA directed that the property subject to the HII/Cyberlux contract be inventoried on-site in Spring, TX, thus asserting the Federal Government's ownership interest. Both HII and GSA performed the directed inventory in July 2024. The Federal Government had not yet issued final instructions for delivery of the drones, drone components, and work in progress parts in Spring, TX.

7. Based on the contract and my understanding of federal procurement laws, regulations, and contract terms (gained by my experience), the Federal Government, through GSA, has a direct and preceding ownership interest in all such products (drones) and any remaining drone components and work-in-progress parts

I declare under the penalty of perjury that the foregoing is true and correct.

Executed in, Falls Church, VA City, State of VA, on the 27th day of January, 2025.



Cameron G. Holt, Maj Gen, USAF (Ret)
President & Founder, Holt Consulting Group
and Advisor to Cyberlux Defense, Declarant