

STATE OF NORTH CAROLINA  
COUNTY OF DURHAM

IN THE GENERAL COURT OF JUSTICE  
SUPERIOR COURT DIVISION

THE ARG GROUP, LLC, )  
)  
Plaintiff, )  
v. )  
)  
CYBERLUX CORPORATION, )  
)  
Defendant. )

25CV004246-310

COMPLAINT

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NOW COMES Plaintiff, THE ARG GROUP, LLC (“ARG” or “Plaintiff”), complaining of the Defendant, CYBERLUX CORPORATION (“Cyberlux” or “Defendant”) and alleges the following:

**PARTIES AND JURISDICTION**

1. Plaintiff is a limited liability company organized under the laws of the State of North Carolina and doing business in North Carolina, with a registered agent and office located in North Carolina.

2. Plaintiff is a Service-Disabled Veteran-Owned Small Business and a HUBZone certified small business, is a leading provider of sales and tactical distribution services of advanced technology equipment to the Department of Defense, Federal Law Enforcement Agencies and US Allies. Plaintiff has a global reach across North and South America and Europe and is focused on delivering advanced technology solution to the warfighter, including drone capabilities and advanced technology products for special operators. Plaintiff serves the Special Operations Command, the U.S. Air Force, the National Guard Bureau, Homeland Security/Customs and Border Protection, and Federal Law Enforcement.

3. Upon information and belief, Defendant is a corporation organized and existing under the laws of the State of Nevada and doing business in North Carolina, with a registered

office located at 160 Mine Lake Ct, Ste 200, Raleigh, North Carolina 27615, and principal office located at 800 Park Offices Dr, Suite 3209, Research Triangle Park, North Carolina 27709.

4. Defendant develops, manufactures, and sells Advanced Lighting Solutions (“ALS”) for portable and fixed use, certain solar power solutions, and Unmanned Aircraft Systems (“UAS”) products including UAS hardware and software solutions.

5. Defendant’s products include, but are not limited to, the BrightEye and Watchdog Tactical Illumination Systems, other various LED and solar products, and the FlightEye UAS products including FlightEye drone hardware and the Flight GDN software operating platform and related product offerings (collectively, the “Products”).

6. This Court has jurisdiction over the parties and subject matter of this action.

7. Venue is proper in this Court of Durham County pursuant to N.C. Gen. Stat. §§ 1-79 and 1-82, and the forum selection clause contained in the Contract entered into between Plaintiff and Defendant governing this dispute.

**FIRST CAUSE OF ACTION**  
**Breach of Contract**

8. The allegations contained in the preceding paragraphs are realleged and incorporated herein.

9. On February 28, 2022, Plaintiff and Defendant entered into a valid and binding Cyberlux Corporation and The ARG Group, LLC Distributor Partner Agreement (the “Contract”).

10. Pursuant to the terms of the Contract, Defendant agreed to provide Plaintiff with a twenty percent (20%) discount off the GSA pricing for the Products. In turn, Plaintiff was responsible for securing customer orders and facilitating the sale of the Products.

11. One of the principal Products sold was the K8 Drone, for which Plaintiff secured a \$79 million contract with the United States Department of Defense on behalf of Defendant to

supply Defendant K8 Unmanned Aircraft Systems, resulting in Defendant receiving \$39 million in upfront payment upon execution of the contract, delivering \$15 million in product during 2023, and retaining \$23 million in advance payments as of December 31, 2023.

12. The parties agreed that proceeds from such sales would be allocated with eighty percent (80%) payable to Defendant and twenty percent (20%) payable to Plaintiff.

13. Following execution of the Contract, Plaintiff actively facilitated Defendant's business operations by introducing Defendant to potential purchasers of the Products and to individuals who could further support Defendant's business interests. Plaintiff played an integral role in the growth and success of Defendant's enterprise and functioned, in effect, as a business partner.

14. As a result of Plaintiff's substantial assistance—including establishing key business contacts and facilitating operations—Defendant agreed to share profits with Plaintiff on sales regardless of which party originated the transaction. This agreement recognized Plaintiff's foundational role in enabling Defendant's access to those business opportunities.

15. In acknowledgment of Plaintiff's contributions, Defendant has made partial payments to Plaintiff in accordance with their agreement and has expressly admitted to owing Plaintiff additional sums.

16. Defendant continues to owe Plaintiff significant sums under the parties' agreement, which remain due and unpaid.

17. As of the filing of this Complaint, Defendant has failed or refused to pay Plaintiff the outstanding amounts owed under the parties' agreement, despite Plaintiff's entitlement to such payment.

18. Defendant's failure or refusal to remit payment to Plaintiff constitutes a material

breach of the parties' agreement.

19. There are no set-offs or counterclaims against the amount owed to Plaintiff.

20. As a direct and proximate result of Defendant's breach(es), Plaintiff has suffered damages and is entitled to recover an amount well in excess of Twenty-Five Thousand Dollars (\$25,000.00), the precise amount to be determined at trial, together with all costs, interest, and attorneys' fees recoverable under the parties' agreement and applicable North Carolina law.

**SECOND CLAIM FOR RELIEF**  
**Unjust Enrichment / Quantum Meruit**  
**In the Alternative**

21. The allegations contained in the preceding paragraphs are realleged and incorporated herein, except that no reference to a contract or agreement is made.

22. In the alternative to Plaintiff's First Claim for Relief for Breach of Contract, and to the extent it is determined that the goods and services provided by Plaintiff were not governed by an enforceable contract, Plaintiff asserts this claim for unjust enrichment and quantum meruit.

23. At Defendant's request and for Defendant's benefit, Plaintiff provided valuable goods and services, including but not limited to facilitating business operations, securing sales of Products, and establishing key commercial relationships essential to Defendant's business activities.

24. Plaintiff provided the goods and services with the reasonable expectation of compensation.

25. Defendant accepted and benefited from the goods and services provided by Plaintiff, and Plaintiff's efforts directly enabled Defendant to generate revenue and grow its business operations.

26. Plaintiff's contributions were not made gratuitously, but with the reasonable and

well-understood expectation that Defendant would provide fair and reasonable compensation in exchange for the benefits received.

27. Defendant knew or reasonably should have known that compensation was expected, and that the value of Plaintiff's goods and services was substantial.

28. Despite accepting and benefiting from Plaintiff's contributions, Defendant has failed or refused to provide adequate compensation for the value received.

29. As a result, Defendant has been unjustly enriched.

30. Defendant's retention of the benefits conferred by Plaintiff without just compensation is inequitable, and as a direct and proximate result of such unjust enrichment, Plaintiff has suffered damages in an amount well in excess of Twenty-Five Thousand Dollars (\$25,000.00), the precise amount to be determined at trial, together with all costs, interest, and attorneys' fees recoverable under applicable North Carolina law.

**THIRD CLAIM FOR RELIEF**  
**Breach of Contract Implied in Fact**

31. The allegations contained in the preceding paragraphs are realleged and incorporated herein by reference.

32. In the event that the express contract entered into between Plaintiff and Defendant does not support the recovery as prayed for herein, then Plaintiff alleges in the alternative that a contract implied in fact existed between Plaintiff and Defendant for the goods, services, and contributions for which outstanding compensation exists.

33. Plaintiff provided valuable goods and services, including but not limited to facilitating business operations, securing sales of Products, and establishing key commercial relationships essential to Defendant's business activities.

34. Defendant accepted and benefited from the goods and services provided by

Plaintiff, and Plaintiff's efforts directly enabled Defendant to generate revenue and grow its business operations.

35. At the time Plaintiff provided valuable goods and services to Defendant, based on the acts, statements, and conduct of the parties, there was a clear understanding that Plaintiff was not providing said goods and services gratuitously, and that Defendant would be required to financially compensate Plaintiff for the same.

36. Defendant's failure to compensate Plaintiff for the goods and services provided constitutes a material and substantial breach of a contract implied in fact, for which Defendant is liable.

37. As a result of Defendant's breach of the contract implied in fact, Plaintiff has been damaged and is entitled to recover from Defendant an amount well in excess of Twenty-Five Thousand Dollars (\$25,000.00), the precise amount to be determined at trial, together with all costs, interest, and attorneys' fees recoverable under applicable North Carolina law.

**FOURTH CLAIM FOR RELIEF**  
**Conversion**

38. The allegations contained in the preceding paragraphs are realleged and incorporated herein by reference.

39. Plaintiff performed all obligations under the terms of the agreement with Defendant, providing goods, services, and other benefits.

40. Defendant received and accepted the goods, services, and benefits provided by Plaintiff, generated substantial profits from the same, and retained those profits for its own use and gain.

41. Despite Plaintiff's performance and Defendant's acceptance of the goods, services, and benefits, Defendant has unlawfully retained possession of the property or funds rightfully

belonging to Plaintiff.

42. Defendant's actions constitute an unauthorized exercise of dominion and control over Plaintiff's property, to the exclusion of Plaintiff's rights.

43. As a direct and proximate result of Defendant's wrongful conduct, Plaintiff has been deprived of the use and enjoyment of the property or funds, and has suffered damages in an amount to be determined at trial.

44. Plaintiff seeks recovery of the full value of the property or funds unlawfully converted by Defendant, along with interest, costs, and reasonably attorney's fees permitted by law.

**FIFTH CLAIM FOR RELIEF**

**Unfair and Deceptive Trade Practices, N.C. Gen. Stat. § 75-1.1, et. seq.**

45. The allegations contained in the preceding paragraphs are realleged and incorporated herein by reference.

46. The acts and/or omissions of Defendant as herein alleged constitute unfair or deceptive acts or practices.

47. Defendant made numerous explicit representations to Plaintiff regarding various business transactions, repeatedly assuring Plaintiff that it would be fairly compensated for its substantial efforts.

48. However, these assurances were mere pretexts, as Defendant never had any intention of honoring those promises. Instead, Plaintiff was intentionally misled into believing that compensation would be forthcoming, leading Plaintiff to rely on Defendant's false assurances to its detriment.

49. These actions exceed the scope of a mere breach of contract and instead reflect a deliberate, willful, and calculated scheme to exploit Plaintiff's substantial contributions.

50. Plaintiff's efforts were critical to Defendant's success, including, but not limited to, introducing Defendant to key business contacts, providing comprehensive operational support, establishing test sites, facilitating the integration of complex firing mechanisms, generating valuable business leads, and advising on technical specifications and cost data—each of which was essential to the effective functioning and growth of Defendant's operations.

51. Defendant's conduct reflects an intent to wrongfully benefit from Plaintiff's intellectual and operational contributions without compensating Plaintiff for its significant efforts.

52. Defendant's conduct was intended to deprive Plaintiff of the benefits of its work and goodwill.

53. The acts and/or omissions of Defendant as herein alleged were performed in or affecting commerce.

54. The acts and/or omissions of Defendant as herein alleged constitute violations of the North Carolina Unfair and Deceptive Trade Practices Act.

55. As a direct and proximate result of Defendant's violations of the North Carolina Unfair and Deceptive Trade Practices Act, Plaintiff has suffered damages for which Defendant is liable.

56. Plaintiff is entitled to recover damages caused by Defendant's violations of the North Carolina Unfair and Deceptive Trade Practices Act, in an amount to be proven at trial, and to have the same trebled pursuant to N.C. Gen. Stat. § 75-16.

57. Plaintiff is further entitled to recover its reasonable attorneys' fees for the prosecution of Defendant's violations of the North Carolina Unfair and Deceptive Trade Practices Act, pursuant to N.C. Gen. Stat. § 75-16.1.



**WHEREFORE**, Plaintiff respectfully prays this honorable Court grant the following relief:

1. That Plaintiff have and recover from Defendant an amount in excess of Twenty-Five Thousand Dollars (\$25,000.00) pursuant to its First Claim for Relief for Breach of Contract; plus all pre- and post-judgment interest, and all costs and attorney's fees pursuant to the Contract, any applicable statute, or the equitable power of the Court;

2. That, in the alternative to Plaintiff's First Claim for Relief, Plaintiff have and recover of Defendant pursuant to its Second Claim for Relief for Unjust Enrichment / *Quantum Meruit* an amount to be proven at trial, plus interest, and all costs and attorneys' fees pursuant to any applicable statute, or the equitable power of the Court;

3. That Plaintiff have and recover from Defendant an amount in excess of Twenty-Five Thousand Dollars (\$25,000.00) pursuant to its Third Claim for Relief for Breach of Contract Implied in Fact; plus all pre- and post-judgment interest, and all costs and attorneys' fees pursuant to any applicable statute, or the equitable power of the Court;

4. That Plaintiff have and recover from Defendant an amount in excess of Twenty-Five Thousand Dollars (\$25,000.00) pursuant to its Fourth Claim for Relief for Conversion; plus all pre- and post-judgment interest allowed, and all costs and attorneys' fees pursuant to any applicable statute, or the equitable power of the Court;

5. That Plaintiff have and recover from Defendant an amount in excess of Twenty-Five Thousand Dollars (\$25,000.00) pursuant to its Fifth Claim for Relief for Defendant's violations of N.C. Gen. Stat. § 75-1.1 et seq.; that those damages be trebled pursuant to N.C. Gen. Stat. § 75-16; and that Plaintiff recover its attorneys' fees pursuant to N.C. Gen. Stat. § 75-16.1, plus interests and costs;

6. That Plaintiff have and recover from Defendant its reasonable attorney's fees;

7. That the costs of this action be taxed against Defendant;
8. For a trial by jury on all issues so triable; and
9. That Plaintiff have and recover from Defendant such other and further relief as the Court may deem appropriate.

This the 24<sup>th</sup> day of April 2025.

**ANDERSON JONES, PLLC**

*/s/ Christian Lunghi*

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