

For Immediate Release

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## **Federal Judge Confirms Award Against Eyelation, Inc.**

**November 5, 2015, Raleigh, North Carolina..** IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF NORTH CAROLINA WESTERN DIVISION. U.S. District Court Judge Terrence Boyle confirmed a binding arbitration award against Eyelation, Inc. in favor of Cyber Imaging Systems, Inc. The Award is now a Final Judgment subject to immediate enforcement action by the Court.

### **CASE BACKGROUND**

Cyber Imaging Systems, Inc. and Eyelation, LLC entered into a Software Development and Technology Licensing Agreement on October 26, 2009. Under the 10-year exclusive Agreement, CyberImaging would develop and deliver a customized version of its' CyberEYESVTO software to Eyelation. In exchange, Eyelation was to pay to CyberImaging a royalty fee on every pair of safety glasses sold by Eyelation, or third parties contracted by Eyelation. CyberImaging delivered the software and Eyelation initially made the royalty payments. However, several months later Eyelation ceased making royalty payments as required under the Software Development and Technology Licensing Agreement.

The case went to binding Arbitration in Chicago and after a year of discovery followed by a six day hearing which featured the testimony of CyberImaging's Hal Wilson against Eyelation's Brad Kirschner, the Arbitrator issued an award requiring Eyelation to pay damages to CyberImaging. The amount of the Award is the full and complete 10-year royalty stream set forth in the original Agreement. The value of the Award is estimated to have a value of \$4.5 million to \$7.0 million depending on the orders generated over the 10-year term. The Award also allows CyberImaging to hire an independent auditor to conduct a complete and thorough annual examination of Eyelation's financial documents, sales records and all other documentation to confirm the correctness of the Eyelation's royalty payments.

Following the conclusion of the Arbitration, Eyelation made payments towards the Award for several months before again ceasing to pay. Eyelation also refused to allow an independent audit per the Arbitration Award to conduct the audit. This required CyberImaging to file another lawsuit against Eyelation to enforce the Award.

Eyelation responded to the lawsuit by hiring new lawyers who attempted to vacate the Arbitration Award by claiming that the lawsuit caption name did not include the word 'Systems' (Cyber Imaging Systems,

Inc). Eyelation also claimed that the statute of limitations on Arbitration Awards is one year and therefore Eyelation is not bound by the Award. Both of these claims were denied by Judge Terrence Boyle. The Award, now a Final Judgment, moves to the enforcement phase where in addition to recovering the full and complete damage award and conducting a thorough audit of Eyelation, CyberImaging is seeking additional punitive damages based on the continuing breach of the Award and the cost of enforcement.

### **About Cyber Imaging Systems, Inc**

Cyber Imaging Systems, Inc. provides try on imaging technologies for online safety eyewear applications ([www.eyewebsafety.com](http://www.eyewebsafety.com)). The company also licenses its' patented digital measurement tools which enables online retailers to remotely calculate digital eyeglass measurements. The company serves corporate customers with the Eyeweb platform that provides enterprise-wide prescription safety eyewear programs across geographically dispersed locations. For more complete information about Eyeweb programs visit [www.eyewebsafety.com](http://www.eyewebsafety.com).