

CYBERLUX CORP

FORM 10SB12G

(Securities Registration Statement (small business, section 12(g)))

Filed 12/17/01

Address	4625 CREEKSTONE DRIVE SUITE 100 DURHAM, NC 27703
Telephone	919-474-9700
CIK	0001138169
Symbol	CYBL
SIC Code	3674 - Semiconductors and Related Devices
Fiscal Year	12/31

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10 - SB

**GENERAL FORM FOR REGISTRATION OF SECURITIES OF SMALL BUSINESS ISSUERS
Under Section 12(b) or (g) of the Securities Exchange Act of 1934**

Cyberlux Corporation

(Name of Small Business Issuers in its charter)

Nevada

91-2048978

(State of other jurisdiction of incorporation or organization) (I.R.S. Employer Identification Number)

50 Orange Road
PO Box 2010
Pinehurst, North Carolina

28370-2010

(Address of principal executive offices)

(Zip code)

Issuer's telephone number: (910) 235-0066

Securities to be registered under section 12(b) of the Act:

Title of Each Class Name on each exchange on which
To be so registered Each class is to be registered

Securities to be registered under section 12(g) of the Act:

Common Stock, \$0.001 par value per share, 20,000,000 shares authorized, 5,014,748 issued and outstanding as of the most practicable date.

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Forward Looking Statements

Some of the statements contained in this Form 10-SB that are not historical facts are "forward-looking statements" which can be identified by the use of terminology such as "estimates," "projects," "plans," "believes," "expects," "anticipates," "intends," or the negative or other variations, or by discussions of strategy that involve risks and uncertainties. We urge you to be cautious of the forward-looking statements, that such statements, which are contained in this Form 10-SB, reflect our current beliefs with respect to future events and involve known and unknown risks, uncertainties and other factors affecting our operations, market growth, services, products and licenses. No assurances can be given regarding the achievement of future results, as actual results may differ materially as a result of the risks we face, and actual events may differ from the assumptions underlying the statements that have been made regarding anticipated events. Factors that may cause actual results, our performance or achievements, or industry results, to differ materially from those contemplated by such forward-looking statements include without limitation:

1. Our ability to attract, maintain and integrate internal management, technical information and management information systems;
2. Our ability to remain abreast of trends in the optoelectronics industry;
3. The level of acceptance of our products by retail merchants and their respective customers; and
4. Our ability to address potential additional capital requirements.

All written and oral forward-looking statements made in connection with this Form 10-SB that are attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Given the uncertainties that surround such statements, you are cautioned not to place undue reliance on such forward-looking statements.

Part I

We are filing this Form 10-SB on a voluntary basis to:

1. Provide current, public information to the investment community;
2. Expand the availability of secondary trading exemptions under the Blue Sky laws and thereby expand the trading market in our securities; and
3. Comply with prerequisites for listing of our securities on the NASD OTC Bulletin Board.

Item 1. Description of Business

A. Business Development and Summary

We were formed as a Nevada Corporation on May 17, 2000 under the name Cyberlux Corporation. Our articles authorize us to issue up to

20,000,000 shares of common stock at a par value of \$0.001 per share and 5,000,000 shares of preferred stock at a par value of \$0.001 per share. We are filing this Form 10-SB voluntarily with the intention of establishing a fully reporting status with the SEC. Obtaining a fully reporting status is a necessary step in accomplishing our goal of having our stock listed on the OTC Bulletin Board. Consequently, we will continue to voluntarily file all necessary reports and forms as required by existing legislation and SEC rules and regulations.

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Our management founded the Company to design, develop, manufacture, market and sell advanced lighting systems that utilize white (and other) light emitting diodes as illumination elements. Although the diode illumination industry is in its infancy, these lighting systems offer the potential to make continued advancements in illumination technology. Light emitting diodes (LEDs) consume 90% less energy than their incandescent or fluorescent counterparts to produce a comparable lumen output. A "lumen" is a unit of measure used to determine light intensity. We believe that in electrochemical (battery powered) applications, this decrease in energy consumption positions our lighting solutions as a much more durable and reliable lighting source than other alternatives. In standard electrical current applications, the calculated life of diodes as lighting elements is over ten years versus hours for traditional incandescent or fluorescent bulbs. The performance characteristics of diminutive energy consumption and extended life have prompted LED implementation in traffic lights and brake lights, and to a lesser degree in our area of focus, diode illumination.

B. Business of Issuer

(1) Principal products and principal markets

In April 1999, Research Econometrics, LLP, began an investigative research study for a new long-term interim lighting system to be used during power outages. Research Econometrics is a limited liability partnership in which the president of Cyberlux Corporation, Donald F. Evans, was a partner.

During the course of the research study, the newly developed bright white diode was discovered, which served to validate the intent of the study, as an economical solution to long-term battery powered interim lighting systems. Subsequently, Cyberlux Corporation was formed to pursue development of diode illumination products. Research Econometrics Partners founded Cyberlux and received stock therein in return for assignment of research data and a provisional patent (see Recent Sale of Unregistered Securities page 17).

The reliable manufacture of Cyberlux designed products requires the coordination of resources to provide detailed working drawings to tool manufacturers for injection molded parts and optics; precise circuitry diagrams to receive diodes, resistors and capacitors into the electronics platform; source identification for volume supplies of batteries and diodes; packaging considerations for presentation of product and corresponding dimensions of containment's for shipping and display; and an experienced contract assembly organization with an extensive infrastructure capable of collation of all component parts, assembly, testing, packaging and inventory of the finished product(s).

During the Fall of 2000, Cyberlux identified Shelby County Community Services (SCCS), Shelbyville, Illinois, as a contract manufacture and assembly organization that was well positioned to meet our requirements. SCCS has over a decade of successful performance on behalf of Fortune 100 companies and represented the quality of management, performance and fiscal stability that Cyberlux sought to employ in the production process.

We entered into a Proprietary Product Manufacturing Agreement with SCCS (see Exhibit 10a) on April 24, 2001 that provides for the purchase of all component parts for our products by SCCS; conformance of parts acquired to Cyberlux specifications; exact assembly of parts in accordance with schematics; verified accountable tests of each unit prior to packaging; individual- packaging; finished goods inventory warehousing; palletized shipping containment's per purchase orders; and loading for shipment FOB Shelbyville. Cyberlux has agreed to pay SCCS 112% of the costs associated with production of finished products within thirty days of the shipment date.

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SCCS coordinates materials inventory with Cyberlux approved vendors based upon purchase orders or blanket orders for products. Robrady Design, Inc., our industrial design firm, is instrumental in providing detailed working drawings for injection molded parts to tool manufacturers in the US and abroad. We have retained International Consolidated Technologies (ICT), an Illinois corporation headquartered in Casey, Illinois, to produce multi-cavity steel molds and temporary molds required for proprietary injection molded parts. The molds will be manufactured at ICT's plant in Korea and the component part manufacture will occur in Casey, IL, which is within 35 miles of the SCCS assembly operation in Shelbyville, IL.

Similarly, the engineering firm of TKJ, Inc. in Northbrook, Illinois manages our proprietary circuitry design. TKJ, Inc. has engaged an integrated circuit board contract manufacturer, Controls, Inc., Logansport, Indiana, to manufacture the electronic platforms to precise specifications. Although the boards are rigidly tested prior to shipment to Shelbyville, SCCS will test each board on receipt consistent with the quality assurance protocols established by Cyberlux.

TKJ, Inc. has negotiated diode supply agreements with Nichia and others. SCCS has been delivered an agreement provided by Cyberlux wherein Rayovac supplies AA alkaline batteries to SCCS for \$.152 per unit, FOB Shelbyville, IL. The agreement with Rayovac provides for certain cooperative advertising arrangements and the blister packaging of eight individual batteries for subsequent insertion into a packaging

cavity in the Cyberlux Home Safety Light retail box.

(2) Distribution methods of our products

We have targeted distribution of our initial product, the Home Safety Light, to home improvement chain retailers, which have historically experienced a high volume flow of consumers, many of whom may be classified as opportunistic buyers. Although the consumer may be in the store for a specific item, if the retailer in a prominent position features a new product, the consumer is inclined to evaluate its merits. By researching locations in the various stores, we feel that our initial product will get the most exposure in the home safety section that displays products, which concentrate on items such as fire alarms, child protection products and other items that protect homeowners from potential dangers in the home. We recognize these markets as the optimum entry point for introduction of the Cyberlux Home Safety Light to be followed by a broader market exposure in the mass-market chain stores.

During the Spring of 2001, we had an opportunity to show design illustrations of the Home Safety Light to certain sales representatives that routinely call on the leading home improvement warehouse chains. We entered into an agreement with Hynes, Inc. as a strategic marketing partner for product launch and focused sales support. Hynes, Inc. is a sales organization founded in 1939 to represent manufacturers to retail chain stores, which include Lowe's and Home Depot. Hynes maintains sales offices from Maine to Florida west to Texas and Oklahoma. Their experienced staff is highly respected by buyers who are familiar with the professional services provided by Hynes and the reliability of the products they represent. Hynes will also service the accounts, process orders electronically and coordinate tracking of deliveries through real time communications with Cyberlux and SCCS.

We are positioned to go to full production of the Home Safety Light on completion of the injection molds in January, 2002. These molds provide the proprietary component parts, which in conjunction with the proprietary circuit board and battery pack, complete the finished product. Our objective is delivery to the first purchase orders in early 2002.

We intend to introduce the Home Safety Light through a national home improvement warehouse chain by placing the product in display containers holding 18 to 24 units per container. Our initial

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concentration will be in approximately 250 stores located in the States of Virginia, North Carolina, South Carolina, Georgia and Florida.

The anticipated placement of approximately 250 displays will require initial production of 12,000 Home Safety Lights. Based upon consumer acceptance and resulting reorders, we have made provisions to produce up to 80,000 units per month at the SCCS facilities. We have undertaken other marketing initiatives with SCCS, a not-for-profit quasi-government entity, which will introduce the Home Safety Light in a different format to the Federal Emergency Management Agency (FEMA), the Department of Defense (DOD) and comparable state, county and municipal emergency service organizations.

We have retained an advertising and public relations firm, T. Franzen, Inc., which will initiate a campaign in January 2002 to create interest in and educate potential consumers to the merits of the Cyberlux Home Safety Light. Although the central advertising message is product benefit to the consumer, the underlying emphasis is the identity of Cyberlux as a leader in diode illumination or applied optoelectronics. This approach is designed to educate the consumer to identify Cyberlux as a brand name that will support interest in new products.

(3) Status of any announced new products

The Cyberlux Home Safety Light is a portable fixture that may be hand-held, placed on a level platform in a horizontal or vertical plane, or suspended by a wall-mounted hook to broadcast a blanket of light. The fixture, patent pending, is designed to produce three levels of light; level one activates 4 amber diodes which serve as a locator or night light; level two disengages the amber diodes and activates 6 white diodes which produce a reading level light; and level three engages all 10 diodes to produce an intense space light for room, corridor or stairwell illumination.

The circuitry design of the Cyberlux Home Safety Light contributed to the development of a second-generation product, Cyberlux Wireless Interim Lighting System (CWILS), which is currently in the design and testing stage. CWILS is a permanently installed system comprised of three light fixtures and one radio frequency (RF) transmitter. The circuit board in each of the fixtures contains an RF receiver that is activated by a signal from the RF transmitter that is plugged into an electrical wall outlet in a home or business. When the power that activates the wall outlet is interrupted (as in a power outage), the RF transmitter sends a signal to the three fixtures, which illuminates the diodal lighting elements thereby providing a bright blanket of light to the space in which the fixture is installed. The CWILS product is forecast for introduction to retail sales during the second quarter of 2002.

(4) Industry background

Our Company was born from an investigative research study designed to identify a new approach to the development of an electrochemical (battery powered), portable, interim lighting system capable of providing safe illumination for extended periods of time to property owners deprived of electrical service caused by power outages. Although power outages have come to be a recurring phenomenon due to anomalies in electrical service distribution networks, the focus of the initial study was on disruptions caused by severe storm activity along the Atlantic and

Gulf States' coastlines and the corresponding affected inland electrical grids. The National Weather Service labels annual storm activity as the "Hurricane Season", which is officially monitored from June 1st to November 30th each year. Other deficiency outages not related to weather have been labeled by the press as "rolling blackouts".

The loss of electrical power related to tropical and subtropical storms can be wide spread and cover extensive regional segments surrounding the matrix of the storm. It is the pervasive incidence of power outages that identified the need for a reliable, durable, safe and economical interim lighting system for

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property owners and the general population in areas affected by these seasonally severe weather systems. The research conducted to identify an optimum interim lighting system led to the discovery of a new illumination technology (optoelectronics). We plan to implement this technology through the development of diode illumination fixtures for domestic, commercial and industrial applications. Management has identified several opportunities where our optoelectronic technology can be introduced as a cost effective solution for antiquated, expensive and unreliable lighting systems currently in use. The introduction of our Cyberlux Home Safety Light is an example of our advanced illumination technology. We hope that this will establish us as an innovative leader in the industry.

(8) Regulation

Our advertising and sales practices concerning the Home Safety Light and the Wireless Interim Lighting Systems are regulated by the Federal Trade Commission and state consumer protection laws. Such regulations include restrictions on the manner that we promote the sale of our products. While we believe that we comply with these regulations in all material respects, we cannot guarantee that we have not violated these regulations in connection with the manufacture and distribution of our products.

(9) Effect of existing or probable government regulations

We believe that we will be able to comply in all material respects with laws and regulations governing the conduct of business operations in general. We are not aware of any pending government regulations that may adversely affect our business.

(10) Research and development activities

The Cyberlux Wireless Interim Lighting System (CWILS), referenced in sub section (3) above, is an example of ongoing research into several applications for our technology. Other products that have been positioned for design and testing are battery powered trade show display lighting elements; navigational lighting for small craft; sealed lighting elements for miner's helmets; and replacement lighting elements for hard-wired outdoor walkway, parking lot or landscape illumination systems.

(12) Employees

We currently have five full time employees. Our employees are primarily at the executive level based upon our role in coordination of outsource contracts for manufacturing and other production considerations. Currently, there exist no organized labor agreements or union agreements between Cyberlux and our employees. However, we have employment agreements with the following executive officers: Donald F. Evans, President (see Exhibit 10b), Alan H. Ninneman, Senior Vice President (see Exhibit 10c) and John W. Ringo, Secretary and Corporate Counsel (see Exhibit 10d). We believe that our relations with our employees are good.

C. Reports to Security Holders

Our annual report will contain audited financial statements. We are not required to deliver an annual report to security holders and will not deliver a copy of the annual report to security holders unless they send us a formal request. We intend, from this date forward, to file all of our required information with the Securities and Exchange Commission. Before this form was filed, we had filed no other forms with the SEC. We plan to file with the SEC our Forms 10-KSB, 10-QSB, and all other forms that may be or become applicable to the Company.

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The public may read and copy any materials that we file with the SEC at the SEC's Public Reference Room at 450 Fifth Street, NW, Washington, D.C. 20549. The Public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The statements and forms we file with the SEC have also been filed electronically and are available for viewing or copying on the SEC-maintained Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The Internet address for this site is www.sec.gov.

(13) Dependence on Key Personnel

The success of our Company depends upon the efforts, abilities and expertise of our executive officers and other key employees, including our Chief Executive Officer, Senior Vice President for Operations, Treasurer/Chief Financial Officer and Secretary/Corporate Counsel. The loss of

the services of such individuals and/or other key individuals could have a material adverse effect on our operations.

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Item 2. Management's Discussion and Analysis

When used in this Form 10-SB and in our future filings with the Securities and Exchange Commission, the words or phrases "will likely result," "management expects," or "we expect," "will continue," "is anticipated," "estimated" or similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Readers are cautioned not to place undue reliance on any such forward-looking statements, each of which speak only as of the date made. These statements are subject to risks and uncertainties, some of which are described below. Actual results may differ materially from historical earnings and those presently anticipated or projected. We have no obligation to publicly release the result of any revisions that may be made to any forward-looking statements to reflect anticipated events or circumstances occurring after the date of such statements.

A. Management's Discussion and Analysis

(1) For the period May 17, 2000 (inception) through September 30, 2001, we did not generate revenue from sales or other sources. During this development stage, we pursued capital accumulation through debt and equity financing and development of the Cyberlux Home Safety Light. During the ensuing twelve months of operation we intend to:

1. Complete the tools (molds) necessary for production of component parts;
2. Hire mid-level management personnel and support staff; and
3. Develop relationships with retail outlets to distribute and market our products.

We cannot guarantee that we will be able to compete successfully or that the competitive pressures we may face will not have an adverse effect on our business, results of operations and financial condition. If we require more capital, we may be required to raise additional capital via a public or private offering of equity or debt. The Company's officers and directors loaned \$129,502 to the Company. The notes bear interest at 10% and are due June 30, 2002. We have no arrangements or commitments for accounts and accounts receivable financing. We cannot assure you that any such financing can be obtained or, if obtained, that it will be on reasonable terms.

<u>Classification</u>	<u>Fixed/Variable</u>	<u>Ability to Control</u>
Employee Wages and Benefits	Salary = Fixed Hourly = Variable	Can reduce through lay off of personnel
Subcontractor Expense	Fixed	Can reduce through discontinuation or restructuring of agreements
Accounting and Legal Expenses	Variable	May increase as Company becomes fully reporting
Building Rental Expense	Fixed	Little control over, per agreement
Utilities	Variable	May fluctuate due to seasonality
Business Insurance	Fixed	Will increase if "Key Man" life insurance is obtained
Misc. Office Supplies & Shipping	Variable	Can control through reduced office supply requisitions, negotiating alternative shipping solutions

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To fund ongoing fiscal 2002 operations, we will need to begin to generate revenues to fund our operations and provide for our working capital needs. If we are unable to generate sufficient revenues, we may need to obtain additional funding through a public or private offering of equity or debt. In the meantime, our officers and directors plan to advance funds to us on an as-needed basis, although there is no definitive or legally binding agreement to do so. We have no arrangements or agreements to obtain funding, and we cannot assure you that such financing will be

available on reasonable terms, if at all. However, we may experience fluctuations in operating results in future periods due to a variety of factors, such as:

1. We have a limited operating history on which to base estimates of future performance;
2. We may need to obtain additional financing in the event that we are unable to realize sales of our products or if we require more capital than we currently have; and
3. We may experience difficulty in managing growth.

Item 3. Description of Property

A. Description of Property

Our corporate headquarters are located at 50 Orange Road, Pinehurst, North Carolina 28374. The office space is defined as the 12' by 14' office located at the northeast corner of the property situated at 50 Orange Road, Pinehurst, North Carolina 28374 and adjacent common spaces consisting of restroom facilities, storage closets and conference room access. Equipment consists of two telephone units; two calculators; one HP printer, copier, fax; one IBM typewriter; one IBM computer with CTX color monitor and Logitech keyboards. Furniture and fixtures consist of two leather executive swivel chairs; two executive desks; two 2 drawer file cabinets; one lateral file cabinet; one cherry wood storage cabinet; one steel typewriter table; two brass banker's lamps, two extended halogen task lamps and various desk top appurtenances.

Research Econometrics, LLP, provides these facilities to Cyberlux at a cost of \$650 per month. The managing partner of Research Econometrics, LLP, Carothers H. Evans, is the son of Donald F. Evans, president of Cyberlux. The leasing terms represent a fully negotiated contract price between two unrelated parties at an arms length transaction. According to the Sublease Agreement, as of July 1, 2000 the space is rented on a month-to-month basis continuing until such use and enjoyment is terminated by either party on thirty days notice in writing. Our management believes that suitable expansion space is available to meet our future needs at commercially reasonable terms, if required.

B. Investment Policies

Management does not currently have policies regarding the acquisition or sale of assets primarily for possible capital gain or primarily for income. We do not presently hold any investments or interests in real estate, investments in real estate mortgages or securities of or interests in those persons primarily engaged in real estate activities.

Item 4. Security Ownership of Management

A. Security Ownership of Management

The following table sets forth as of September 30, 2001, certain information regarding the beneficial ownership of our common stock by:

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1. Each person who is known us to be the beneficial owner of more than 5% of the common stock,
2. Each of our director and executive officers and
3. All of our directors and executive officers as a group.

Except as otherwise indicated, the persons or entities listed below have sole voting and investment power with respect to all shares of common stock beneficially owned by them, except to the extent such power may be shared with a spouse. No change in control is currently being contemplated.

Name and Address of Beneficial Owner	Shares Beneficially Owned	Percentage of Shares Outstanding
Donald F. Evans Fifty Orange Road Pinehurst, NC 28374	875,000 @ \$0.001/share 380,000 @ \$0.065/share	25%
David D. Downing 100 Country Meadow Drive Marietta, OH 45750	400,000 @ \$0.001/share	8%
Scott W. Elliot Masonic Park Road, Box 274C Marietta, OH 45750	300,000 @ \$0.001/share	6%

Alan H. Ninneman 17 Barberry Court Corrales, NM 87048	500,000 @ \$0.001/share	10%
John W. Ringo 241 Lamplighter Lane Marietta, GA 30067	300,000 @ \$0.001/share	6%
Total ownership by our officers and directors (four individuals)	2,455,000 -----	49% ---

Footnotes
1 Shares received through Research Econometrics Partnership in return for assignment of research data and a provisional patent (see page 17, Recent Sale of Unregistered Securities).

B. Persons Sharing Ownership of Control of Shares

No person other than Donald F. Evans, David D. Downing, Scott W. Elliot, Alan H. Ninneman, and John Ringo owns or shares the power to vote 5% or more of our securities.

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Item 5. Directors and Executive Officers

A. Directors and Executive Officers

The following table sets forth certain information with respect to each of our executive officers or directors.

Name	Age	Position	Appointed
-----	---	-----	-----
Donald F. Evans	67	President & Chairman of the Board	May 19, 2000
John W. Ringo	56	Secretary, Corporate Counsel & Director	May 19, 2000
Alan H. Ninneman	58	Senior Vice President & Director	May 19, 2000
David D. Downing	52	Treasurer & CFO	May 19, 2000

B. Work Experience

Donald F. Evans, President, Chairman of the Board - Mr. Evans graduated from the University of North Carolina, Chapel Hill, NC with a BS Degree in Economics. Prior to founding the Company, he was a Senior Partner in Research Econometrics, LLP, a Firm engaged in product development and venture capital investments. From 1970 to the present, Mr. Evans participated in the origination of several successful ventures including American Refuse Systems, now Browning-Ferris Industries; Cardio-Pulmonary Instruments, now G. D. Searle Division of Monsanto; and Healthcare Econometrics, now a subsidiary of Medtronic, Inc.

John W. Ringo, Secretary, Corporate Counsel & Director - Mr. Ringo graduated from the University of Kentucky, Lexington, KY with a BA Degree in Journalism. Subsequently, he received a Juris Doctor Degree from the University of Kentucky College of Law. Since 1990, he has been engaged in private practice in Marietta, GA specializing in corporate and securities law. He is a former Staff Attorney with the U. S. Securities and Exchange Commission, a member of the Bar of the Supreme Court of the United States, the Kentucky Bar Association and the Georgia Bar Association.

Alan H. Ninneman, Senior Vice President & Director - Mr. Ninneman attended Elgin Community College, Elgin, IL and subsequently majored in business administration at Southern Illinois University, Carbondale, IL. He became a Senior Business Analyst at Apple Computer specializing in financial software and manufacturing software. Prior to joining City Software, Inc. in 1992, he served as a Senior Support Analyst for Tandem Computer in Cupertino, CA. He was formerly President of CSI that designs implements and administers software products for states, counties and cities to track financial and demographic information required by Federal Agencies. Mr. Ninneman is responsible for the Company's operations systems.

David D. Downing, Treasurer & CFO - Mr. Downing graduated from Grove City College, Grove City, PA with a BA Degree in Accounting. He was formerly an internal auditor for Dravo Corporation (NYSE) including duties in finance, preparation of 10-Qs and 10-Ks for SEC filings, global money management for operations in Japan, China and Mexico. He was formerly CFO and Director of Marietta Industrial Enterprises, Marietta, OH and is a Director of Agri-Cycle Products, Inc., Columbus, OH and Director of American Business Parks, Inc.,

Item 6. Executive Compensation**Remuneration of Directors and Executive Officers**

We have employment agreements with Messrs. Evans, Ringo and Ninneman listed below. No officer or director has received any compensation as of yet until such time as we begin generating revenues. However, the following table sets forth the annual compensation due our executives that has accrued based on the inability of the Company to meet the obligation.

Name	Capacities in which Remuneration was Recorded	Annual Compensation ^{1,2,3}
Donald F. Evans	President & Chairman of the Board	\$98,000
John W. Ringo	Secretary, Corporate Counsel & Director	\$66,000
Alan H. Ninneman	Senior Vice President & Director	\$78,000
David D. Downing	Treasurer & CFO	\$0

Footnotes to Executive Compensation:

1. No officer has been paid a salary since our inception as a capital conservation measure designed to invest all available funds into the development of our products. Annual compensation began accruing as of July 2000.
2. Managements' salaries will be based upon the performance of the Company. Managements' performance bonuses will be decided by a disinterested majority of the Board of Directors of the Company. In addition, managements' base salaries can be increased by the Board of Directors of the Company based on the attainment of financial and other performance guidelines set by the Company.
3. Members of the Company's Board of Directors will serve until the next annual meeting of the stockholders and until their successors are duly elected and qualified, unless earlier removed as provided in the Bylaws of the Company. Executive officers serve at the pleasure of the Board of Directors.

Compensation of Directors

There were no arrangements pursuant to which any director was compensated for the period from May 17, 2000 (inception) to September 30, 2001, for services provided as a director.

Stock Option Plan

The Company has created an Employee Stock Option Plan for incentive/retention of current key employees and as an inducement to employment of new employees. The plan, which sets aside 600,000 shares of common stock for purchase by employees, was made effective in the second quarter by the Board of Directors. Cyberlux will not issue options or warrants to any employee or affiliate with an exercise price of less than 85% of the fair market value of the Common Stock on the date of the grant.

On May 31, 2001, Cyberlux issued stock options to purchase 350,000 shares of the 600,000 shares authorized by the Board of Directors to the following individuals, in the following amounts:

Individual	Corporate Position	Number of Shares
Donald F. Evans	President and CEO	100,000
John W. Ringo	Secretary and Corporate Counsel	100,000
Alan H. Ninneman	Senior Vice President	100,000
David D. Downing	Treasurer and CFO	50,000

The exercise price is 85% of the fair market price per share. The options expire on the tenth anniversary of the Stock Option Agreement (all dated May 31, 2001).

Item 7. Certain Relationships and Related Transactions

The Company entered into a sub-lease agreement with Research Econometrics, LLP, which provides the Company the ability to continue the research and development efforts of the Electrochemical Portable Power Plant and Lighting System. The agreement is on a month-to-month basis. Total rental expense for the nine months ending September 30, 2001 was \$10,606, and for the period ending December 31, 2000 was \$10,606.

The Company's officers and directors loaned \$129,502 to the Company. The notes bear interest at 10% and are June 30, 2002.

Item 8. Description of Securities

The authorized capital stock of our Company consists of 20,000,000 shares of common stock, \$0.001 par value per share, and 5,000,000 shares of preferred stock, \$0.001 par value per share. The following summary of certain provisions of the common stock of our Company does not purport to be complete and is subject to, and qualified in its entirety by, the provisions of our Articles of Incorporation, which is included as an exhibit to this document and by the provisions of applicable law.

Common Stock

The Company currently has 5,014,748 shares of common stock issued and outstanding. As a holder of our common stock:

1. You have equal rights to dividends from funds legally available, ratably, when as and if declared by our Board of Directors;
2. You are entitled to share, ratably, in all of our assets available for distribution upon liquidation, dissolution, or winding up of our business affairs;
3. You do not have preemptive, subscription or conversion rights and there are no redemption or sinking fund provisions applicable;
4. You are entitled to one vote per share of common stock you own, on all matters that stockholders may vote, and at all meetings of shareholders; and
5. Your shares are fully paid and non-assessable.

Additionally, there is no cumulative voting for the election of directors.

Preferred Stock

The preferred equity securities authorized to be issued under the Articles is comprised of 5,000,000 shares of the preferred stock, \$0.001 par value. As of the date of this filing, our Company has issued no preferred shares. Preferred shares may be issued in one or more series by the board of directors

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of the Company and such board has the authority to alter any and all rights or preferences, privileges and restrictions granted to or imposed upon any wholly unissued series of common stock, and to fix, alter or reduce (but not below the number outstanding) the number of preferred shares comprising any such series and the designation thereof, or any of them, and to provide for the rights and terms of redemption or conversion of the shares of any series.

Nevada Anti-Takeover Provisions

The anti-takeover provisions of Sections 78.411 through 78.445 of the Nevada Corporation Law apply to Cyberlux Corporation. Section 78.438 of the Nevada law prohibits us from merging with or selling Cyberlux Corporation or more than 5% of our assets or stock to any shareholder who owns or owned more than 10% of any stock or any entity related to a 10% shareholder for three years after the date on which the shareholder acquired the Cyberlux Corporation shares, unless the transaction is approved by Cyberlux Corporation's Board of Directors. The provisions also prohibit us from completing any of the transactions described in the preceding sentence with a 10% shareholder who has held the shares more than three years and its related entities unless the transaction is approved by our Board of Directors or a majority of our shares, other than shares owned by that 10% shareholder or any related entity. These provisions could delay, defer or prevent a change in control of Cyberlux Corporation.

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Part II

Item 1. Market for Common Equity and Related Stockholder Matters

A. Market Information

There is no current market for our common equity. Additionally, our common equity is subject to outstanding options (see Stock Option Plan page 13) and shares of our common equity have been sold pursuant to Rule 144 of the Securities Act (see Item 4. Recent Sale of Unregistered Securities page 17), which could have a material effect on the on the market price of our common equity.

There are currently 762,966 shares of our common stock which are freely tradable and which are held of record by approximately 46 people. The remaining 4,251,782 shares will become freely tradable in accordance with the requirements of Rule 144. Any shares held by "affiliates" of us, which would otherwise be freely tradable, will be subject to the resale limitations under Rule 144. In general, under Rule 144, as currently in effect, a person, or persons whose shares are aggregated, who has beneficially owned shares for at least one year would be entitled to sell, within any three month period, that number of shares that does not exceed the greater of one percent (1%) of the then- outstanding shares of common stock and the average weekly trading volume in the common stock during the four calendar weeks immediately preceding the date on which the notice of sale is filed with the Securities and Exchange Commission, provided certain manner of sale and notice requirements and public information requirements are satisfied.

In addition, affiliates of ours must comply with the restrictions and requirements of Rule 144, other than the one- year holding period requirement, in order to sell shares of common stock. As defined in Rule 144, an "affiliate" of an issuer is a person who, directly or indirectly, through the use of one or more intermediaries controls, or is controlled by, or is under common control with, he issuer. Under Rule 144(k), a holder of "restricted securities" who is not deemed an affiliate of the issuer and who has beneficially owned shares for at least two years would be entitled to sell shares under Rule 144(k) without regard to the limitations described in the paragraph above.

B. Holders

As of September 30, 2001, we had approximately 106 stockholders of record.

D. Reports to Shareholders

We will furnish our shareholders with annual reports containing audited financial statements and such other periodic reports as we determine to be appropriate or as may be required by law. We are filing this Form 10-SB voluntarily with the intention of establishing the fully reporting status of Cyberlux Corporation, with the SEC. Upon the effectiveness of this Registration Statement, we will be required to comply with periodic reporting, proxy solicitation and certain other requirements by the Securities Exchange Act of 1934. Consequently, we will voluntarily file all necessary reports and forms as required by existing legislation and SEC rules.

E. Transfer Agent and Registrar

The Transfer Agent for our shares of common stock is Pacific Stock Transfer Company, 500 East Warm Springs Road, Suite 240, Las Vegas, Nevada 898119. The telephone number is (702) 361-3033.

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Item 2. Legal Proceedings

Cyberlux has filed a complaint against Light Technology, Inc., Ervin J. Rachwal, and others (Defendants) alleging, among other things, that Defendants breached a contract entered into on July 12, 2000, that gave the Company the option to purchase all of the assets of Light Technology for \$100,000. The contract also stipulated, as part of the \$100,000, which the Defendants were to develop an emergency storm light to be completed on or before September 30, 2000. Additionally, the agreement was contingent upon a satisfactory employment agreement with Defendant Rachwal and the issuance of the Company's securities in amounts and classes consistent with an independent valuation of the transaction by an accredited expert acceptable to the Defendants and the Company. The defendants never produced the emergency storm light and were never able to place an ascertainable value on the assets to be acquired.

On April 18, 2001, Cyberlux filed a civil complaint alleging breach of contract, fraud, misappropriation of trade secrets and sought injunctive action against the defendants to prevent them from misappropriating trade secrets as well as to recover monetary damages.

On May 11, 2001, the Court granted a temporary injunction against the Defendants. On June 5, 2001, the Defendants filed a counterclaim against the Company ostensibly alleging similar claims against the Company.

The Company denies all material allegations against the Company and intends to fully defend the counterclaim of the Defendants and prosecute the Company's claims and actions against the Defendants. This litigation is still in the discovery stage and the ultimate outcome cannot presently be determined.

Case Name: Cyberlux Corporation, Plaintiff v. Ervin J. Rachwal, Light Technology, Inc., Safe-Light Industries, LLC a/k/a JFER Innovations Group, LLC, James Meyer and John Fleming.

Case Number: 2001 CA 005309 NC Div. C.

Item 3. Changes in and Disagreements with Accountants

We have had no disagreements with our independent accountants.

Item 4. Recent Sale of Unregistered Securities

The following discussion describes all the securities we have sold within the past three fiscal years:

On May 17, 2000, we were incorporated under the laws of the State of Nevada as Cyberlux Corporation. We are authorized to issue 20,000,000 shares of common stock, par value \$0.001, and 5,000,000 shares of preferred stock, par value \$0.001.

On May 19, 2000, we issued 3,265,000 shares of our common stock with par value of \$0.001 per share to nine founding individuals, which were fully paid and non-assessable. All shares issued by the Company were issued in accordance with Section 4(2) of the Securities Act of 1933. Subsequently, one of those founding shareholders, Research Econometrics, distributed on a pro-rata basis its 750,000 shares to its ten shareholders, one of whom was already a founding shareholder of Cyberlux Corporation.

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On June 23, 2000 we completed a private placement of shares of common stock pursuant to Regulation D, Rule 505 of the Securities Act of 1933, as amended, whereby we sold 288,000 shares of common stock to approximately 8 unaffiliated shareholders of record, none of whom were or are officers or directors of the Company.

On November 30, 2000, we completed a public offering of shares of common stock in accordance with Regulation D, Rule 504 of the Securities Act of 1933, as amended, and the registration by qualification of the offering in the State of Nevada and the State of Arkansas. This offering was conducted on a best efforts basis and was not underwritten. We sold 762,966 shares of common stock, par value, at a price of \$0.15 per share to 51 unaffiliated shareholders of record, none of whom were or are our officers or directors. The offering was sold for \$96,026 in cash and \$18,419 in services rendered. Listed below are the requirements set forth under Regulation D, Rule 504 and the facts, which support the availability of Rule 504 to this offering:

Exemption

Offers and sales of securities that satisfy the conditions in paragraph (b) of this Rule 504 by an issuer that is not:

1. Subject to the reporting requirements of section 13 or 15(d) of the Exchange Act;
2. An investment company; or
3. A development stage company that either has no specific business plan or purpose or has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies, or other entity or person, shall be exempt from the provision of section 5 of the Act under section 3(b) of the Act.

At the time of the offering, we were not subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act. Further, we have never been considered to be an investment company. In addition, we have continuously pursued our specific business plan of developing and manufacturing miscellaneous chemical products.

Conditions to be met

General Conditions - To qualify for exemption under this Rule 504, offers and sales must satisfy the terms and conditions of Rule 501 and Rule 502 (a), (c) and (d), except that the provisions of Rule 502 (c) and (d) will not apply to offers and sales of securities under this Rule 504 that are made:

1. In one or more states that provide for the registration of the securities that require the filing and delivery to investors of a prospectus before sale, and are made in accordance with those state provisions;
2. In one or more states that have no provision for the registration of the securities or the filing or delivery of a disclosure document before sale, if the securities have been registered in at least one state that provides for such registration, public filing and delivery before sale, offers and sales are made in that state in accordance with such provisions, and the disclosure document is delivered before sale to all purchasers; or
3. Exclusively according to state law exemptions from registration that permit general solicitation and general advertising so long as sales are made only to "accredited investors" as defined in Rule 501(a).

On August 21, 2000, we were issued a notice of effectiveness by the State of Nevada, in response to our application for registration by qualification in that state. The application for

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registration by qualification was filed in accordance with the provisions of NRS 90.490, which requires the public filing and delivery to investors of a disclosure document before sale.

On October 31, 2000, we were issued a notice of effectiveness by the State of Arkansas, in response to our application for registration by qualification in that state. The application for registration by qualification was filed pursuant to Arkansas Code Ann. Section 23-42-503(b) and Rule 503.01(B)(1) of the Rules of the Commissioner, which requires the public filing and delivery to investors of a disclosure document before sale. This offering was conducted exclusively in the states of Nevada and Arkansas.

Proceeds of the Offering - The aggregate offering price for an offering of securities under this Rule 504, as defined in Rule 501(c), shall not exceed \$1,000,000, less the aggregate offering price for all securities sold within the twelve months before the start of and during the offering of securities under this Rule 504, in reliance on any exemption under section 3(b), or in violation of section 5(a) of the Securities Act. The aggregate offering price was \$345,000, of which \$114,445 was sold.

On January 31, 2001, we completed a private placement of shares of preferred stock pursuant to Regulation D, Rule 505 of the Securities Act of 1933, as amended, whereby we sold 698,782 shares of preferred stock to 34 unaffiliated shareholders of record, none of whom were or are our officers or directors. On or about June 1, 2001 the 698,782 shares of preferred stock were converted on a one-for-one basis to common stock.

As of September 30, 2001, we have 5,014,748 shares of common stock issued and outstanding, which are held by approximately 106 stockholders of record.

Item 5. Indemnification of Directors and Officers

Neither our Articles of Incorporation nor our bylaws provide for the indemnification of a present or former director or officer. However, pursuant to Nevada Revised Statutes Section 78.750 and 751 we must indemnify any of our directors, officers, employees or agents who are successful on the merits or otherwise in defense on any action or suit. Such indemnification shall include, expenses, including attorney's fees actually or reasonably incurred by him. Nevada law also provides for discretionary indemnification for each person who serves as or at our request as one of our officers or directors. We may indemnify such individuals against all costs, expenses and liabilities incurred in a threatened, pending or completed action, suit or proceeding brought because such individual is one of our directors or officers. Such individual must have conducted himself in good faith and reasonably believed that his conduct was in, or not opposed to, our best interests. In a criminal action, he must not have had a reasonable cause to believe his conduct was unlawful.

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Part F/S

Item 1. Financial Statements

The following documents are filed as part of this report:

	Page
Report of Independent Certified Public Accountants	21
Balance Sheet	22
Statement of Operations	23
Statement of Stockholders' Equity	24
Statement of Cash Flows	25
Notes to Financial Statements	26

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G. BRAD BECKSTEAD
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

November 28, 2001

Board of Directors
Cyberlux Corporation
Las Vegas, NV

I have audited the Balance Sheet of Cyberlux Corporation (a Development Stage Company), as of September 30, 2001 and December 31, 2000, and the related Statements of Operations, Changes in Stockholders' Equity, and Cash Flows for the period May 17, 2000 (Date of Inception) to September 30, 2001. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cyberlux Corporation, (A Development Stage Company), as of September 30, 2001 and December 31, 2000, and the results of its operations and its cash flows for the period from May 17, 2000 (Date of Inception) to September 30, 2001 in conformity with generally accepted accounting principles.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 11 to the financial statements, the Company has had limited operations and has not commenced planned principal operations. This raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 11. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ G. Brad Beckstead

G. Brad Beckstead, CPA

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Cyberlux Corporation
(a Development Stage Company)
Balance Sheet

Assets	September 30, 2001	December 31, 2000
Current assets:		
Cash	\$ 1,835	\$ 21,697
Prepaid consulting fees	2,500	2,500
Total current assets	4,335	24,197
Fixed assets, net	2,527	3,538
Other assets:		
Deposit	6,819	1,819
Provisional patent (net)	186,278	191,220
Total assets	\$ 199,959	\$ 220,774
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accrued interest	\$ 1,267	\$ 1,267
Notes payable	351,927	85,000
Total current liabilities	353,194	86,267
Convertible debentures	55,500	117,455

	408,694	203,722
Stockholders' Equity (Deficit):		
Preferred stock, \$0.001 par value, 5,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock, \$0.001 par value; 20,000,000 shares authorized, 5,014,748 and 4,315,966 shares issued and outstanding as of 9/30/01 and 12/31/00, respectively	5,015	4,216
Additional paid-in capital	375,423	276,782
(Deficit) accumulated during development stage	(589,173)	(263,946)
	(208,735)	17,052
	\$ 199,959	\$ 220,774

The accompanying Notes are an integral part of these financial statements.

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Cyberlux Corporation
(a Development Stage Company)

Statement of Operations

For the nine months ended September 30, 2001, the period May 17, 2000 (Inception) to December 31, 2000, and for the period May 17, 2000 (Inception) to September 30, 2001

	Nine-months ended September 30, 2001	May 17, 2000 (inception) to December 31, 2000	May 17, 2000 (inception) to September 30, 2001
Revenue	\$ -	\$ -	\$ -
Expenses:			
Marketing and advertising expense	74,535	44,013	118,548
Depreciation and amortization expense	10,953	3,300	14,253
Organizational costs	-	25,473	25,473
Research and development costs	42,000	8,555	50,555
Professional and consulting - related party	141,336	111,660	252,996
General and administrative expenses	58,926	65,526	124,452
Total expenses	327,750	258,527	586,277
(Loss) from operations	(327,750)	(258,527)	(586,277)
Other income (expense):			
Interest (expense)	(492)	(2,444)	(2,936)
Interest income	-	40	40
Net (loss)	\$ (328,242)	\$ (260,931)	\$ (589,173)
Weighted average number of common shares outstanding	5,014,748	3,825,000	5,014,748
Net loss per share	\$ (0.07)	\$ (0.07)	\$ (0.12)

The accompanying Notes are an integral part of these financial statements.

Cyberlux Corporation
(a Development Stage Company)

Statement of Changes in Stockholders' Equity For the Period May 17, 2000 (Date of Inception) to September 30, 2001

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	(Deficit) Accumulated During Development Stage	Total Stockholders' Equity
Shares issued to founders for cash	1,640,000	\$ 1,640	\$ 560		\$ 2,200
Shares issued for provisional patent	1,625,000	1,625	103,713		105,338
Shares issued for conversion of debt	288,000	288	39,712		40,000
Donated capital			16,000		16,000
Shares issued for cash pursuant to Rule 504 offering	640,171	640	95,386		96,026
Shares issued for consulting services	122,795	123	18,296		18,419
Net (loss) May 17, 2000 (inception) to December 31, 2000				(260,931)	(260,931)
Balance, December 31, 2000	4,315,966	4,316	273,667	(260,931)	17,052
Shares issued for conversion of debt	698,782	699	101,756		102,455
Net (loss) Nine months ending September 30, 2001				(328,242)	(328,242)
Balance, September 30, 2001	5,014,748	\$ 5,015	\$ 375,423	\$ (589,173)	\$ (208,735)

The accompanying Notes are an integral part of these financial statements.

Cyberlux Corporation
(a Development Stage Company)

Statement of Cash Flows

For the nine months ended September 30, 2001, the period May 17, 2000 (Inception) to December 31, 2000, and for the period May 17, 2000 (Inception) to September 30, 2001

	Nine-months ended September 30, 2001	May 17, 2000 (inception) to December 31, 2000	May 17, 2000 (inception) to September 30, 2001
Cash flows from operating activities			
Net (loss)	\$ (328,242)	\$ (260,931)	\$ (589,173)
Depreciation and amortization			

expense	10,953	3,300	14,253
Shares issued for consulting services	-	18,419	18,419
Adjustments to reconcile net (loss) to cash (used) by operating activities:			
(Increase) in prepaid consulting fee	-	(2,500)	(2,500)
(Increase) in deposit	(5,000)	(1,819)	(6,819)
Increase in accrued interest	-	1,267	1,267
Net cash (used) by operating activities	(322,289)	(242,264)	(564,553)
Cash flows from investing activities			
Purchase of fixed assets	-	(4,205)	(4,205)
Provisional patent costs	(5,000)	(8,500)	(13,500)
Notes payable	307,427	85,000	392,427
Net cash provided by investing activities	302,427	72,295	374,722
Cash flows from financing activities			
Convertible debentures	-	117,440	117,440
Issuance of common stock	-	74,226	74,226
Net cash provided by financing activities	-	191,666	191,666
Net increase in cash	(19,862)	21,697	1,835
Cash - beginning	21,697	-	-
Cash - ending	\$ 1,835	\$ 21,697	\$ 1,835
Supplemental disclosures:			
Interest paid	\$ -	\$ 1,202	\$ 1,202
Income taxes paid	\$ -	\$ -	\$ -
Non-cash investing and financing activities:			
Purchase of patent through issuance of common stock	\$ -	\$ 180,096	\$ 180,096

The accompanying Notes are an integral part of these financial statements.

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Cyberlux Corporation
(A Development Stage Company)

Notes

Note 1 - History and organization of the company

The Company was organized on May 17, 2000 (Date of Inception) under the laws of the State of Nevada, as Cyberlux Corporation. The Company has limited operations, and in accordance with SFAS #7, the Company is considered a development stage company.

Note 2 - Accounting policies and procedures

Accounting method

The Company reports income and expenses on the accrual method.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those

estimates.

Cash and cash equivalents

The Company maintains a cash balance in a non-interest-bearing account that currently does not exceed federally insured limits. For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. There are no cash equivalents as of September 30, 2001 and December 31, 2000.

Intangible assets

The intangible asset "Provisional Patent" is being amortized using the straight-line method over 20 years.

Reporting on the costs of start-up activities Statement of Position 98-5 (SOP 98-5), "Reporting on the Costs of Start-Up Activities," which provides guidance on the financial reporting of start-up costs and organizational costs, requires most costs of start-up activities and organizational costs to be expensed as incurred. SOP 98-5 is effective for fiscal years beginning after December 15, 1998. With the adoption of SOP 98-5, there has been little or no effect on the Company's financial statements.

Loss per share

Net loss per share is provided in accordance with Statement of Financial Accounting Standards No. 128 (SFAS #128) "Earnings Per Share". Basic loss per share is computed by dividing losses available to common stockholders by the weighted average number of common shares outstanding during the period.

Dividends

The Company has not yet adopted any policy regarding payment of dividends. No dividends have been paid or declared since inception.

Fixed assets

The cost of future fixed assets, if any, will be depreciated over the estimated useful life of the fixed assets utilizing the straight-line method of depreciation with estimated useful lives consistent with the classes of fixed assets being depreciated.

Year end

The Company has adopted December 31 as its fiscal year end.

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Cyberlux Corporation
(A Development Stage Company)

Notes

Note 3 - Income taxes

Income taxes are provided for using the liability method of accounting in accordance with Statement of Financial Accounting Standards No. 109 (SFAS #109) "Accounting for Income Taxes". A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting. Deferred tax expense (benefit) results from the net change during the year of deferred tax assets and liabilities. There is no provision for income taxes for the period ended December 31, 2000 due to the net loss and no state income tax in Nevada, the state of the Company's domicile and operations.

Note 4 - Intangible Assets

The Company purchased a provisional patent and all future amendments to the provisional patent (e.g. a comprehensive 20- year patent) from the Company's president. Included in the total amount capitalized of \$85,344, \$48,759 represents the cost incurred by Research Econometrics, LLP. to develop the technology used in the Electrochemical Portable Power Plant and Lighting System. The Company's president is a partner in Research Econometrics, LLP. The remaining \$36,585 represents the value of the time the Company's president spent in developing the technology and in applying for the provisional patent. In consideration for the intangible asset, the Company issued 875,000 shares of its \$0.001 par value common stock to its president and 750,000 shares of its \$0.001 par value common stock to Research Econometrics, LLP.

Note 5 - Notes Payable

The Company received cash in exchange for promissory notes totaling \$351,927 as of September 30, 2001. The unsecured notes bear an interest rate of 10.0% and the principal and interest are due on July 31, 2001. Stock warrants were issued in connection with some of the promissory notes (see Note 7).

Note 6 - Stockholders' equity

The Company is authorized to issue 20,000,000 shares of its \$0.001 par value common stock and 5,000,000 shares of its \$0.001 par value

preferred stock.

The Company issued 1,640,000 shares of its \$0.001 par value common stock in exchange for cash of \$2,200.

The Company issued 1,625,000 shares of its \$0.001 par value common stock in exchange for an intangible asset (see Note 4) valued at \$85,344 and for organizational costs paid for by Research Econometrics, LLP in the amount of \$19,994.

The Company issued 288,000 shares of its \$0.001 par value common stock in exchange for convertible debentures in the amount of \$40,000.

The Company received additional paid in capital in the amount of \$16,000.

The Company issued 640,171 shares of its \$0.001 par value common stock for total cash of \$96,026 pursuant to a Regulation D, Rule 504 of the Securities and Exchange Commission Act of 1933, offering.

The Company issued 122,795 shares of its \$0.001 par value common stock for consulting services valued at \$18,419.

The Company issued 698,782 shares of its \$0.001 par value common stock in exchange for convertible debentures in the amount of \$102,455.

There have been no other issuances of common or preferred stock.

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Cyberlux Corporation
(A Development Stage Company)

Notes

Note 7 - Warrants and options

The Company issued 19,612 warrants to note holders convertible on a 1-for-1 basis to the Company's \$0.001 par value common stock.

Note 8 - Related party transactions

The Company entered into a sub-lease agreement with Research Econometrics, LLP, which provides the Company the ability to continue the research and development efforts of the Electrochemical Portable Power Plant and Lighting System. The agreement is on a month-to-month basis. Total rental expense for the nine months ending September 30, 2001 was \$10,606, and for the period ending December 31, 2000 was \$10,606.

The Company's officers and directors loaned \$129,502 to the Company. The notes bear interest at 10% and are June 30, 2002.

Note 9 - Going concern

The Company's financial statements are prepared using the generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. Without realization of additional capital, it would be unlikely for the Company to continue as a going concern. It is the intent of the Company to seek to raise additional capital via a private placement offering filed in accordance with Regulation D, Rule 504 of the Securities Act of 1933 in Nevada and Arkansas.

The officers and directors of the Company are involved in other business activities and may, in the future, become involved in other business opportunities. If a specific business opportunity becomes available, such persons may face a conflict in selecting between the Company and their other business interests. The Company has not formulated a policy for the resolution of such conflicts.

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Part III

Item 1.	Index to Exhibits
Exhibit Number -----	Name and/or Identification of Exhibit -----
3	Articles of Incorporation & By-Laws
	a. Articles of Incorporation of the Company filed May 17, 2000

- b. By-Laws of the Company adopted May 19, 2000
- 10 Material Contracts
 - a. SCCS Proprietary Product Manufacturing Agreement
 - b. Donald F. Evans Employment Agreement
 - c. Alan H. Ninneman Employment Agreement
 - d. John W. Ringo Employment Agreement
- 23 Consent of Experts and Counsel
 - Consent of independent public accountant

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SIGNATURES

In accordance with Section 12 of the Securities Exchange Act of 1934, the registrant caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Cyberlux Corporation

(Registrant)

Date: 12/14/01

By: */s/ Donald F. Evans*

Donald Evans, President & Chairman of the Board

Date: *12/14/01*

By: */s/ John W. Ringo*

John W. Ringo, Secretary, Corporate Counsel & Director

Date: *12/14/01*

By: */s/ Al Ninneman*

Alan H. Ninneman, Senior Vice President & Director

Date: *12/14/01*

By: */s/ David D. Downing*

David D. Downing, Treasurer & CFO

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FILED# C13838-00

ARTICLES OF INCORPORATION

OF

CYBERLUX CORPORATION

1. Name of Company:

Cyberlux Corporation

2. Resident Agent:

The resident agent of the Company is:

CORPORATE AGENTS OF NEVADA
3110 S. Valley View, Suite 105
Las Vegas, Nevada 89102

3. Board of Directors:

The Company shall initially have one director (1) who is Don Evans; 50 Orange Road; Pinehurst, NC 28370-2010. This individual shall serve as director until their successor or successors have been elected and qualified. The number of directors may be increased or decreased by a duly adopted amendment to the By-Laws of the Corporation.

4. Authorized Shares:

The aggregate number of shares which the corporation shall have authority to issue shall consist of 20,000,000 shares of Common Stock having a \$.001 par value, and 5,000,000 shares of Preferred Stock having a \$.001 par value. The Common and/or Preferred Stock of the Company may be issued from time to time without prior approval by the stockholders. The Common and/or Preferred Stock may be issued for such consideration as may be fixed from time to time by the Board of Directors. The Board of Directors may issue such share of Common and/or Preferred Stock in one or more series, with such voting powers, designations, preferences and rights or qualifications, limitations or restrictions thereof as shall be stated in the resolution or resolutions.

5. Preemptive Rights and Assessment of Shares:

Holders of Common Stock or Preferred Stock of the corporation shall not have any preference, preemptive right or right of subscription to acquire shares of the corporation authorized, issued, or sold, or to be authorized, issued or sold, or to any obligations or shares authorized or issued or to be authorized or issued, and convertible into shares of the corporation, nor to any right of subscription thereto, other than to the extent, if any, the Board of Directors in its sole discretion, may determine from time to time.

The Common Stock of the Corporation, after the amount of the subscription price has been fully paid in, in money, property or services, as the directors shall determine, not be subject to assessment to pay the debts of the corporation, nor for any other purpose, and no Common Stock issued as fully paid shall ever be assessable or assessed, and the Articles of Incorporation shall not be amended to provide for such assessment.

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Incorporation Continued

6. Directors' and Officers' Liability

A director or officer of the corporation shall not be personally liable to this corporation or its stockholders for damages for breach of fiduciary duty as a director or officer, but this Article shall not eliminate or limit the liability of a director or officer for (i) acts or omissions which involve intentional misconduct, fraud or a knowing violation of the law or (ii) the unlawful payment of dividends. Any repeal or modification of this Article by stockholders of the corporation shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director or officer of the corporation for acts or omissions prior to such repeal or modification.

7. Indemnity

Every person who was or is a party to, or is threatened to be made a party to, or is involved in any such action, suit or proceeding, whether civil, criminal, administrative or investigative, by the reason of the fact that he or she, or a person with whom he or she is a legal representative, is or was a director of the corporation, or who is serving at the request of the corporation as a director or officer of another corporation, or is a representative in a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under the laws of the State of Nevada from time to time against all expenses, liability and loss (including attorneys' fees, judgments, fines, and amounts paid or to be paid in a settlement) reasonably incurred or suffered by him or her in connection therewith. Such right of indemnification shall be a contract right which may be enforced in any manner desired by such person. The expenses of officers and directors incurred in defending a civil suit or proceeding must be paid by the corporation as incurred and in advance of the final disposition of the action, suit, or proceeding, under receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he or she is not entitled to be indemnified by the corporation. Such right of indemnification shall not be exclusive of any other right of such directors, officers or representatives may have or hereafter acquire, and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any bylaw, agreement, vote of stockholders, provision of law, or otherwise, as well as their rights under this article.

Without limiting the application of the foregoing, the Board of Directors may adopt By-Laws from time to time without respect to indemnification, to provide at all times the fullest indemnification permitted by the laws of the State of Nevada, and may cause the corporation to purchase or maintain insurance on behalf of any person who is or was a director or officer

8. Amendments

Subject at all times to the express provisions of Section 5 on the Assessment of Shares, this corporation reserves the right to amend, alter, change, or repeal any provision contained in these Articles of Incorporation or its By-Laws, in the manner now or hereafter prescribed by statute or the Articles of Incorporation or said By-Laws, and all rights conferred upon shareholders are granted subject to this reservation.

9. Power of Directors

In furtherance, and not in limitation of those powers conferred by statute, the Board of Directors is expressly authorized:

(a) Subject to the By-Laws, if any, adopted by the shareholders, to make, alter or repeal the By-Laws of the corporation;

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Incorporation Continued

All the corporate powers of the corporation shall be exercised by the Board of Directors except as otherwise herein or in the By- Laws or by law.

IN WITNESS WHEREOF, I hereunder set my hand this Monday, May 15, 2000, hereby declaring and certifying that the facts stated hereinabove are true.

Signature of Incorporator

Name: Thomas C. Cook, Esq.
Address: 3110 S, Valley View, Suite 106
Las Vegas, Nevada 89102

Signature: /s/ Thomas C. Cook

Thomas C. Cook, Esq.

State of Nevada)
County of Clark)

This instrument was acknowledged before me on
May 15, 2000, by Thomas C, Cook, Esq.

NOTARY PUBLIC
STATE OF NEVADA
County of Clark
MATTHEW J. BLEVINS
No. 98-0220-1

Signature: /s/ Matthew J. Blevins

Notary Public

My Appointment Expires Jan. 14, 2002

Certificate of Acceptance of Appointment as Resident Agent: I, Pantelis Langis, on behalf of CORPORATE AGENTS OF NEVADA, Inc. (CAN), hereby accept appointment of CAN as the resident agent for the above referenced company.

Signature: /s/ Pantelis Langis

Pantelis Langis

**BYLAWS
OF
Cyberlux Corporation**

**ARTICLE I
OFFICES**

The principal office of the Corporation in the state of Nevada shall be located in Las Vegas, County of Clark. The Corporation may have such other offices, either within or without the State of Nevada, as the Board of Directors may designate or as the business of the Corporation may require from time to time.

**ARTICLE II
SHAREHOLDERS**

SECTION 1. Annual Meeting. The annual meeting of the shareholders shall be held on the second Tuesday day in the month of May in each year, beginning with the year 2001, at the hour of one o'clock p.m., for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next business day. If the election of Directors shall not be held on the day designated herein for any annual meeting of the shareholders, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the shareholders as soon thereafter as soon as conveniently may be.

SECTION 2. Special Meetings. Special meetings of the shareholders, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or by the Board of Directors, and shall be called by the President at the request of the holders of not less than fifty percent (65%) of all the outstanding shares of the Corporation entitled to vote at the meeting.

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SECTION 3. Place of Meeting. The Board of Directors may designate any place, either within or without the State of Nevada, unless otherwise prescribed by statute, as the place of meeting for any annual meeting or for any special meeting. A waiver of notice signed by all shareholders entitled to vote at a meeting may designate any place, either within or without the State of Nevada, unless otherwise prescribed by statute, as the place for the holding of such meeting. If no designation is made, the place of the meeting will be the principal office of the Corporation.

SECTION 4. Notice of Meeting. Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall unless otherwise prescribed by statute, be delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the shareholder at his/her address as it appears on the stock transfer books of the Corporation, with postage thereon prepaid.

SECTION 5. Closing of Transfer Books or Fixing of Record. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or shareholders entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors of the Corporation may provide that the stock transfer books shall be closed for a stated period, but not to exceed in any case fifty (50) days. If the stock transfer books shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such books shall be closed for at least ten (10) days immediately preceding such meeting. In lieu of closing the stock transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of shareholders, such date in any case to be not more than fifty (50) days and, in case of a meeting of shareholders, not less than ten (10) days prior to the date on which the particular action requiring such determination of shareholders is to be taken. If the stock transfer books are not closed and no record date is fixed for determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or shareholders

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entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof.

SECTION 6. Voting Lists. The officer or agent having charge of the stock transfer books for shares of the Corporation shall make a complete list of the shareholders entitled to vote at each meeting of shareholders or at any adjournment thereof, arranged in alphabetical order, with the address of and the number of shares held by each. Such list shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting for the purposes thereof.

SECTION 7. Quorum. Sixty five percent (65%) of the outstanding shares of the Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. If less than sixty five percent (65%) of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

SECTION 8. Proxies. At all meetings of shareholders, a shareholder may vote in person or by proxy executed in writing by the shareholder by

his/her duly authorized attorney-in-fact. Such proxy shall be filed with the secretary of the Corporation before or at the time of the meeting.

SECTION 9. Voting of Shares. Each outstanding share entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of shareholders.

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SECTION 10. Voting of Shares by Certain Holders. Shares standing in the name of another corporation may be voted by such officer, agent or proxy as the Bylaws of such corporation may prescribe or, in the absence of such provision, as the Board of Directors of such corporation may determine. Shares held by an administrator, executor, guardian or conservator may be voted by him, either in person or by proxy, without a transfer of such shares into his name. Shares standing in the name of a trustee may be voted by him, either in person or by proxy, but no trustee shall be entitled to vote shares held by him without a transfer of such shares into his name.

Shares standing in the name of a receiver may be voted by such receiver, and the shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name, if authority to do so be contained in an appropriate order of the court by which such receiver was appointed.

A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred. Shares of its own stock belonging to the Corporation shall not be voted, directly or indirectly, at any meeting, and shall not be counted in determining the total number of outstanding shares at any given time.

SECTION 11. Informal Action by Shareholders. Unless otherwise provided by law, any action required to be taken at a meeting of the shareholders, or any other action which may be taken at a meeting of the shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof.

ARTICLE III BOARD OF DIRECTORS

SECTION 1. General Powers. The Board of Directors shall be responsible for the control and management of the affairs, property and interests of the Corporation and may exercise all powers of the Corporation, except as are in the Certificate of Incorporation or by statute expressly conferred upon or reserved to the shareholders.

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SECTION 2. Number, Tenure and Qualifications. The number of directors of the Corporation shall be fixed by the Board of Directors, but in no event shall be less than three

(3) nor more than fifteen (15). Each director shall hold office until the next annual meeting of shareholders and until his/her successor shall have been elected and qualified.

SECTION 3. Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of shareholders. The Board of Directors may provide, by resolution, the time and place for the holding of additional regular meetings without notice other than such resolution.

SECTION 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix the place for holding any special meeting of the Board of Directors called by them.

SECTION 5. Notice. Notice of any special meeting shall be given at least one (1) day previous thereto by written notice delivered personally or mailed to each director at his business address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the notice be given to the telegraph company. Any directors may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 6. Quorum. A majority of the number of directors fixed by Section 2 of this Article shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

SECTION 7. Telephonic Meeting. A meeting of the Board of Directors may be had by means of a telephone conference or similar communications equipment by which all persons

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participating in the meeting can hear each other, and the participation in a meeting under such circumstances shall constitute presence at the meeting.

SECTION 8. Manner of Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 9. Action Without a Meeting. Any action that may be taken by the Board of Directors at a meeting may be taken without a meeting if a consent in writing, setting forth the action so to be taken, shall be signed before such action by all of the directors.

SECTION 10. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors, unless otherwise provided by law. A director elected to fill a vacancy shall be elected for the unexpired term of his/her predecessor in office. Any directorship to be filled by reason of an increase in the number of directors may be filled by election by the Board of Directors for a term of office continuing only until the next election of directors by the shareholders.

SECTION 11. Resignation. Any director may resign at any time by giving written notice to the Board of Directors, the President or the

Secretary of the Corporation. Unless otherwise specified in such written notice such resignation shall take effect upon receipt thereof by the Board of Directors or such officer, and the acceptance of such resignation shall not be necessary to make it effective.

SECTION 12. Removal. Any director may be removed with or without cause at any time by the affirmative vote of shareholders holding of record in the aggregate at least a majority of the outstanding shares of stock of the Corporation at a special meeting of the shareholders called for that purpose, and may be removed for cause by action of the Board.

SECTION 13. Compensation. By resolution of the Board of Directors, each director may be paid for his/her expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a stated salary as director or a fixed sum for attendance at each meeting of the Board of Directors or both. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

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SECTION 14. Contracts. No contract or other transaction between this Corporation and any other corporation shall be impaired, affected or invalidated, nor shall any director be liable in any way by reason of the fact that one or more of the directors of this Corporation is or are interested in, or is a director or officer, or are directors or officers of such other corporations, provided that such facts are disclosed or made known to the Board of Directors, prior to their authorizing such transaction. Any director, personally and individually, may be a party to or may be interested in any contract or transaction of this Corporation, and no directors shall be liable in any way by reason of such interest, provided that the fact of such interest be disclosed or made known to the Board of Directors prior to their authorization of such contract or transaction, and provided that the Board of Directors shall authorize, approve or ratify such contract or transaction by the vote (not counting the vote of any such Director) of a majority of a quorum, notwithstanding the presence of any such director at the meeting at which such action is taken. Such director or directors may be counted in determining the presence of a quorum at such meeting. This Section shall not be construed to impair, invalidate or in any way affect any contract or other transaction which would otherwise be valid under the law (common, statutory or otherwise) applicable thereto.

SECTION 15. Committees. The Board of Directors, by resolution adopted by a majority of the entire Board, may from time to time designate from among its members an executive committee and such other committees, and alternate members thereof, as they may deem desirable, with such powers and authority (to the extent permitted by law) as may be provided in such resolution. Each such committee shall serve at the pleasure of the Board.

SECTION 16. Presumption of Assent. A director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his/her dissent shall be entered into the minutes of the meeting or unless he/she shall file written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the

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Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

ARTICLE IV OFFICERS

SECTION 1. Number. The officers of the Corporation shall be a President, one or more Vice Presidents, a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors, including a Chairman of the Board. In its discretion, the Board of Directors may leave unfilled for any such period as it may determine any office except those of President and Secretary. Any two or more offices may be held by the same person. Officers may be directors or shareholders of the Corporation.

SECTION 2. Election and Term of Office. The officers of the Corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his/her successor shall have been duly elected and shall have qualified, or until his/her death, or until he/she shall resign or shall have been removed in the manner hereinafter provided.

SECTION 3. Resignation. Any officer may resign at any time by giving written notice of such resignation to the Board of Directors, or to the President or the Secretary of the Corporation. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board of Directors or by such officer, and the acceptance of such resignation shall not be necessary to make it effective.

SECTION 4. Removal. Any officer or agent may be removed by the Board of Directors whenever, in its judgment, the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Election

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or appointment of an officer or agent shall not of itself create contract rights, and such appointment shall be terminable at will.

SECTION 5. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 6. President. The President shall be the principal executive officer of the Corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Corporation. He/she shall, when present, preside at all meetings of the shareholders and of the Board of Directors, unless there is a Chairman of the Board, in which case the Chairman will preside.

The President may sign, with the Secretary or any other proper officer of the Corporation thereunto authorized by the Board of Directors, certificates for shares of the Corporation, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 7. Vice President. In the absence of the President or in event of his/her death, inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned by the President or by the Board of Directors. If there is more than one Vice President, each Vice President shall succeed to the duties of the President in order of rank as determined by the Board of Directors. If no such rank has been determined, then each Vice President shall succeed to the duties of the President in order of date of election, the earliest date having first rank.

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SECTION 8. Secretary. The Secretary shall: (a) keep the minutes of the proceedings of the shareholders and of the Board of Directors in one or more minute book provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized; (d) keep a register of the post office address of each shareholder which shall be furnished to the Secretary by such shareholder; (e) sign with the president certificates for shares of the Corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the stock transfer books of the Corporation; and (g) in general perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors.

SECTION 9. Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Corporation; (b) receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VI of these Bylaws; and (c) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

SECTION 10. Salaries. The salaries of the officers shall be fixed from time to time by the Board of Directors, and no officer shall be prevented from receiving such salary by reason of the fact that he/she is also a director of the corporation.

SECTION 11. Sureties and Bonds. In case the Board of Directors shall so require any officer, employee or agent of the Corporation shall execute to the Corporation a bond in such sum, and with such surety or sureties as the Board of

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Directors may direct, conditioned upon the faithful performance of his/her duties to the Corporation, including responsibility for negligence for the accounting for all property, funds or securities of the Corporation which may come into his/her hands.

SECTION 12. Shares of Stock of Other Corporations. Whenever the Corporation is the holder of shares of stock of any other corporation, any right of power of the Corporation as such shareholder (including the attendance, acting and voting at shareholders' meetings and execution of waivers, consents, proxies or other instruments) may be exercised on behalf of the Corporation by the President, any Vice President or such other person as the Board of directors may authorize.

ARTICLE V INDEMNITY

The Corporation shall indemnify its directors, officers and employees as follows:

Every director, officer, or employee of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him/her in connection with any proceeding to which he/she may be made a party, or in which he/she may become involved, by reason of being or having been a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of the Corporation, partnership, joint venture, trust or enterprise, or any settlement thereof, whether or not he/she is a director, officer, employee or agent at the time such expenses are incurred, except in such cases wherein the director, officer, employee or agent is adjudged guilty of willful misfeasance or malfeasance in the performance of his/her duties; provided that in the event of a settlement the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the Corporation.

The Corporation shall provide to any person who is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of the

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corporation, partnership, joint venture, trust or enterprise, the indemnity against expenses of a suit, litigation or other proceedings which is specifically permissible under applicable law.

The Board of Directors may, in its discretion, direct the purchase of liability insurance by way of implementing the provisions of this Article.

ARTICLE VI CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

SECTION 2. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

SECTION 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VII SHARES OF STOCK

SECTION 1. Certificates for Shares. Certificates representing shares of the Corporation shall be in such a form as shall be determined by the Board of Directors. Such certificates shall be signed by the President and by the Secretary or by such other officers authorized by law and by the Board of Directors to do so, and sealed with the

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corporate seal. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the Corporation. All certificates surrendered to the Corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except that in the case of a lost, destroyed or mutilated certificate, a new one may be issued therefor upon such terms and indemnity to the Corporation as the Board of Directors may prescribe.

SECTION 2. Transfer of Shares. Transfer of shares of the Corporation shall be made only on the stock transfer books of the Corporation by the holder of record thereof or by his/her legal representative, who shall furnish proper evidence of authority to transfer, or by his/her attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Corporation, and on surrender for cancellation of the certificate for such shares. The person in whose name shares stand on the books of the Corporation shall be deemed by the Corporation to be the owner thereof for all purposes. Provided, however, that upon any action undertaken by the shareholders to elect S Corporation status pursuant to Section 1362 of the Internal Revenue Code and upon any shareholders' agreement thereto restricting the transfer of said shares so as to disqualify said S Corporation status, said restriction on transfer shall be made a part of the Bylaws so long as said agreement is in force and effect.

ARTICLE VIII FISCAL YEAR

The fiscal year of the Corporation shall begin on the first day of January and end on the thirty-first day of December of each year.

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ARTICLE IX DIVIDENDS

The Board of Directors may from time to time declare, and the corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and its Articles of Incorporation.

ARTICLE X CORPORATE SEAL

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Corporation and the state of incorporation and the words "Corporate Seal".

ARTICLE XI WAIVER OF NOTICE

Unless otherwise provided by law, whenever any notice is required to be given to any shareholder or director of the Corporation under the provisions of these Bylaws or under the provisions of the Articles of Incorporation or under the provisions of the applicable Business Corporation Act, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII AMENDMENTS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Board of Directors at any regular or special meeting of the Board of Directors.

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The above Bylaws are certified to have been adopted by the Board of Directors of the Corporation on May 19, 2000.

/s/ John W. Ringo

John W. Ringo, Esq.,
Secretary

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PROPRIETARY PRODUCT MANUFACTURING AGREEMENT

This PROPRIETARY PRODUCT MANUFACTURING AGREEMENT ("Agreement") is hereby entered into and made effective this 24th day of April, 2001 (hereinafter "Effective Date"), by and between CYBERLUX CORPORATION ("Cyberlux"), a Nevada corporation having its registered office at P.O. 2010, 50 Orange Road, Pinehurst, North Carolina 28370, and SHELBY COUNTY COMMUNITY SERVICES, INC., an Illinois not-for-profit, tax-exempt corporation having its registered office at 1810 West South 3rd Street, Shelbyville, IL 62565 (hereinafter "SCCS").

RECITALS:

A. WHEREAS, Cyberlux is the owner or licensee of all right, title and interest in and to a certain new product known as the "Cyberlux Storm Light" (hereinafter the "Storm Light"), which new product is described in detail in Exhibit A attached hereto and incorporated herein by this reference; and,

B. WHEREAS, Cyberlux intends to develop a family of products, being referred to collectively herein as the "Future Products"; and,

C. WHEREAS, SCCS is an Illinois, not-for-profit, tax- exempt corporation which provides contract manufacturing services in support of its mission, which is to provide training and employment to persons with handicaps and disabilities, and

D. WHEREAS, Cyberlux intends to market the product and desires that SCCS assemble the product in conformity to the specifications, plans, drawings, know-how, and expertise of Cyberlux; and,

E. WHEREAS, SCCS desires to secure the exclusive right to assemble the Storm Light, and a "Right of Last Refusal" as described herein for the Future Products for sale to its customers; and,

F. WHEREAS, SCCS has agreed to purchase necessary supplies and inventory, and has further agreed to maintain an inventory of fully assembled Storm Lights sufficient for it to meet its assembly and delivery obligations set forth herein; and,

G. WHEREAS, Cyberlux has agreed that, in the event of a termination of this Agreement for any reason, it shall purchase all inventory of SCCS related to the assembly and delivery of the Storm Light including, but not limited to, supplies, parts, work-in-process, and fully assembled Storm Lights, upon the terms and conditions set forth herein.

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NOW. THEREFORE, in consideration of TEN DOLLARS

(\$10.00), the recitals above, the mutual covenants and promises hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of

which is hereby acknowledged, the parties hereby agree as follows:

1. DEFINITIONS

For purposes hereof:

1.1 "Storm Light" shall mean the product described in Exhibit A, as may be purchased for use by Cyberlux customers, and any "Improvements" thereto as such term is defined in Paragraph 1.3 below.

1.2 "Future Products" shall mean collectively those products designed by Cyberlux for development and sale.

1.3 "Improvements" shall mean any addition or change in the structure, appearance, operation, assembly, or use of the Storm Light, which competes with or is intended to replace, in whole or in part, the Storm

Light.

1.4 "Effective Date" shall mean the 24th day of April, 2001.

2. EXCLUSIVE MANUFACTURER

2.1 Subject to the terms and conditions of this Agreement, Cyberlux hereby agrees that SCCS shall be the exclusive assembler of the Storm Light for Cyberlux.

2.2 Subject to the terms and conditions of this Agreement, Cyberlux hereby agrees that SCCS shall be the exclusive agent for acquiring inventory for Storm Light replacement parts for the purpose of resale as replacement parts or for any other purposes. SCCS agrees to acquire and maintain such inventory of replacement parts as is reasonably

directed by Cyberlux.

2.3 Subject to the terms and conditions of this Agreement, Cyberlux grants to SCCS the right and license to make or have made, but only for sale to Cyberlux or a designee of

Cyberlux, the subject matter of any U.S. or foreign patents, copyrights, trademarks, trade names, or designs, whether or not registered, which Cyberlux has obtained or may obtain relating to the Storm Light. These rights do not include the transfer or ownership of any patent, copyright, trademarks, trade name, design or registration for the Storm Light.

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2.4 The rights granted in Paragraph 2.3 above include the right to use lawfully, but only in connection with the Storm Light and for the benefit of Cyberlux, Cyberlux know-how and expertise relating to the Storm Light, as well as drawings, supporting data, market analyses, product specifications, tooling, software and other technical, manufacturing, and commercial information relating to the Storm Light. SCCS shall keep such know-how, expertise, and information confidential as set forth herein below.

3. MANUFACTURE OF LICENSED PRODUCTS

3.1 SCCS shall assemble and supply Storm Lights for Cyberlux on the basis of prices, payments, delivery arrangements and other

specific conditions to be agreed upon by the parties in accordance with Sections 4 and 5 below.

3.2 SCCS shall assemble the Storm Light in conformance with the plans and specifications provided by Cyberlux. Moreover, during the

term of this Agreement SCCS shall not make any significant changes to the Storm Light, in design, specification or otherwise, without first obtaining the express written consent of Cyberlux.

3.3 SCCS agrees to assemble the Storm Light in conformity to the plans, drawings and specifications provided by Cyberlux. SCCS agrees to provide Cyberlux twenty-four (24) prototype(s) of the assembled product. Cyberlux shall thereafter have the right to accept or reject the prototype for failure to comply with the plans and specifications provided by Cyberlux. In the event Cyberlux rejects the prototype, SCCS agrees to revise its manufacturing process as directed by Cyberlux so as to cause the subsequent prototype to be in conformity to the plans, drawings and specifications provided by Cyberlux. Upon acceptance of the prototype, Cyberlux shall mark, identify and return twelve prototypes to SCCS to be maintained for comparative purposes. SCCS agrees that once Cyberlux has accepted the prototype, SCCS shall assemble the Storm Light in conformity to the plans and specifications and future Storm Lights shall be of a like-kind and quality as the prototype.

3.4 All tooling and software which Cyberlux provides to SCCS is and shall remain the property of Cyberlux.

3.5 Cyberlux will identify those vendors that can produce and deliver the necessary components and parts of the Storm Light in

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adherence to Cyberlux standards of specifications, timeliness of service, completeness of deliveries and reasonableness in costs. Such vendors shall be "Cyberlux certified vendors" and shall constitute Cyberlux's approved vendor list, which may, from time to time, be changed by Cyberlux. Said vendor list shall include each Cyberlux certified vendor's pricing schedule for all parts and components of the Storm Light.

4. PAYMENTS

4.1 Cyberlux shall pay SCCS One Hundred and Twelve Percent of SCCS's costs of assembling and delivering the Storm Lights, such costs to include, but not be limited to includes all costs incident to the completion of the Storm Light in finished goods form, packaged, prepared for shipment, the costs of purchasing necessary components and parts, as determined by the Cyberlux certified vendor's pricing schedule, labor, overhead and shipping, but in no event shall such payment

to SCCS be less than One Dollar and 38/100 (\$1.38). In the event SCCS' costs increase for any reason, SCCS shall notify Cyberlux within twenty (20) Days of such increase.

SCCS shall, within thirty (30) days of receiving written notice from Cyberlux, provide Cyberlux with a detailed description and breakdown of its actual costs associated with assembling the Storm Light. The estimated parts, components and shipping cost per unit as of the effective date is Eleven and 48/100 Dollars (\$11.48).

4.2 Payments to SCCS shall be received within

thirty (30) days from date of shipment FOB, Shelbyville, Illinois, and may be made by electronic funds transfer.

4.3 In order to secure SCCS' rights under this

Agreement, Cyberlux hereby grants to SCCS a security interest in, and therefore assigns to SCCS (a) all of its right, title and interest in and to any patents, copyrights, trade names, trademarks, designs or registrations for the Storm Lights and Improvements to SCCS until such time as the first shipment of product is paid by Cyberlux at which time 4.3(a) is released from any security interest; (b) in addition, any right it has to the inventory of units, parts or other goods; and (c) all accounts, including accounts receivable; and any of the foregoing hereafter acquired by Cyberlux as security hereunder except as excepted in 4.3(a) above. Cyberlux agrees to execute any further documents SCCS deems necessary to perfect its security interest in such property and to carry out its intent, including UCC-1s or other filings as applicable in the State of Illinois, in the State of Nevada, and/or

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in the State of North Carolina. Any breach of this Agreement by Cyberlux shall constitute a breach of this security interest and shall entitle SCCS to all rights and remedies of a secured party under the UCC and under any other applicable laws.

4.4 Profits from sales of replacement parts for the Storm Light, if any, shall be split as follows: forty percent (40%) to SCCS, sixty percent (60%) to Cyberlux. For purposes of this Paragraph 4.1, profits will be determined by gross sales minus costs of goods sold.

4.5 Cyberlux will provide SCCS with payment for SCCS's percentage of profits from sales of

Replacement Parts 15 days after Cyberlux receives payment.

4.6 In addition to the payments required above,

Cyberlux shall pay SCCS Two and 8/10 Cents (\$0.028} per Battery purchased by SCCS for installation in assembled Storm Lights.

5. INVENTORY, DELIVERY AND PACKAGING

5.1 Upon Cyberlux submitting proof that it has orders for delivery of Storm Lights. SCCS will order and stock components and parts in quantities sufficient to assemble the ordered products. SCCS shall not be required to inventory parts, components, or assembled units in excess of the amount of the same SCCS determines are necessary to assemble and deliver Storm Lights committed to sale.

5.2 SCCS can assemble, box and deliver for initial shipment 40,000 Storm Lights within thirty (30) days of receiving a purchase order from Cyberlux. Thereafter, the assembly, box and delivery for shipment shall

be done in conformity to the Schedule which is attached hereto as Exhibit 5.2, which demonstrates the capacity of SCCS to respond to orders.

5.3 Cyberlux will produce and provide the design

and any identifying marks for shipping containers and the boxing of the product. Upon receipt, SCCS will submit said design to one or more vendors for quotes. Upon receipt of such quotes, SCCS will forward the same to Cyberlux, who may accept or reject the quotes. If the quote is accepted, such proposed vendor shall be added to the list of Cyberlux certified vendors, and the quote shall become said vendor's certified vendor pricing schedule. If Cyberlux rejects the quote, Cyberlux shall procure quotes on its own for the shipping containers and boxing of the product.

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5.4 Delays in assembly or shipping caused by the failure of Cyberlux approved vendors to deliver parts or components of the Storm

Light, or caused by the delay of Cyberlux to provide shipping containers and boxes shall not be considered as a breach of this Agreement by SCCS, and the length of any delays occasioned herein shall be added to the time of performance by SCCS as contained in paragraph 5.2 above.

5.5 SCCS's obligation herein is FOB Shelbyville, Illinois. All shipping instructions are to be provided to SCCS by Cyberlux. All shipping costs are to be reimbursed to SCCS in accordance with Paragraph 4.1 hereinabove.

5.6 SCCS liability for Storm Lights shall cease upon delivery to an approved shipping company in accordance with the instructions provided by Cyberlux. Upon such delivery for shipment, Cyberlux shall bear all risk of loss of such Storm Lights.

5.7 SCCS will provide appropriate insurance coverage to replace any damaged or destroyed materials, tooling or inventory where such damage occurs while such materials, tooling

or inventory are in SCCS' possession and under its control, ordinary wear and tear excepted.

6. IMPROVEMENTS

6.1 Any improvements to the Storm Light shall be subject to the terms and conditions of this Agreement.

6.2 Any improvements which may be made to the Storm Light by SCCS during the term of this

Agreement shall be the property of Cyberlux. At Cyberlux's request and expense, SCCS will cooperate with Cyberlux in obtaining patent or other protection for such improvements, if

any.

6.3 During the term of this Agreement, Cyberlux agrees that it shall not accept nor solicit bids to assemble the Storm Light from any

different assemblers or manufacturers.

6.4 Cyberlux agrees and acknowledges that it may develop and receive licenses and/or patents for other products other than the Storm Light. Cyberlux also agrees and acknowledges that there may be improvements that it intends to market. In the event Cyberlux accepts or receives bids for the assembly of the Storm Light, Future Products or improvements from other assemblers,

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Cyberlux shall notify SCCS that Cyberlux is accepting or receiving such bids. Cyberlux shall notify SCCS if it has received a bona fide bid that is either lower than a bid provided by SCCS or is a bid for the Storm Light, Future Product or Improvement upon which SCCS has previously not provided a bid. Thereafter, Cyberlux shall provide SCCS with a true and correct copy of such bona fide bid, and SCCS shall have ten (10) business days in which to submit to Cyberlux a counter bid. If such counter bid is equal to or less than the bid from the different assembler, Cyberlux agrees that it will enter into an exclusive manufacturing agreement with SCCS for the assembly of such Storm Lights, Future Products or Improvements upon the terms, conditions and prices set forth within the counter bid. If SCCS does not submit a counter bid within such time or such counter bid is greater than the bid from the different assembler, Cyberlux may submit

purchase orders on the Storm Light, Future Product or Improvement to the different assembler.

7. CONFIDENTIALITY

All written information and data exchanged between the parties for the purpose of enabling SCCS to manufacture and deliver products under this Agreement may be subject to a Non-Disclosure Agreement by and between the parties. Such Non-

Disclosure Agreement, if executed, shall be under separate cover.

8. TERM AND TERMINATION

8.1 This Agreement shall continue until it is terminated by either party, for any reason,

upon 180 days' written notice. Termination of this Agreement for any reason shall not affect the obligations of either party as of the date of termination.

8.2 If, at the time of expiration or termination of this Agreement for any reason, SCCS holds any inventory of the Storm Light or parts

necessary for its manufacture, SCCS shall transfer such inventory to Cyberlux within ninety (90) days following such expiration or termination. Cyberlux shall compensate SCCS for such transferred inventory prior to SCCS shipping same to Cyberlux; such compensation shall include the cost of materials plus shipping and handling expenses.

8.3 Subject to Paragraph 4.3 hereinabove, upon expiration or termination of this Agreement for any reason, all patent, trademark and trade name rights with respect to the Storm Light shall belong

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exclusively to Cyberlux. SCCS shall

thereafter cease all assembly of the Storm Light.

9. INDEMNIFICATION

9.1 Cyberlux warrants and represents that it is the owner or sole licensee of any and all patents, trademarks, trade names and copyrights that it provides to SCCS hereunder to assemble, sell and deliver the products as directed by Cyberlux. Cyberlux further represents and warrants that such patents, trademarks, trade names and copyrights are valid and are not an infringement of the rights of others with equal or superior claim to such processes, ideas, designs, patents, trademarks, trade names and copyrights. Cyberlux shall defend at its sole cost and expense any and all claims, demands, and actions which may be asserted against SCCS for any and all alleged patent, trademark or copyright infringement resulting from any assembly, sale and delivery of the Storm Light by Cyberlux and to indemnify and hold SCCS free, harmless and indemnified against all such claims, demands and actions including attorneys' fees, costs, expenses, damages, judgments and orders relating to any such demands, claims and actions.

9.2 Cyberlux agrees to indemnify, defend and hold harmless SCCS and any and all of its employees, officers, or directors from any and all liability, suits, claims, judgments, expenses, including reasonable attorney's fees, arising out of the acts or omissions of Cyberlux either pursuant to this Agreement or otherwise. Cyberlux further agrees to indemnify, defend and hold harmless SCCS and any and all of its employees, officers, or directors from any and all liability, suits, claims, judgments, expenses,

including reasonable attorney's fees, arising out of products liability claims arising from alleged defects in the design, product specifications, blue prints,

technical drawings, or similar documents which were provided by Cyberlux to SCCS.

10. GENERAL PROVISIONS

10.1 Nothing herein shall be construed or deemed to create any relationship of joint venture, partnership, master-servant or principal- agent

between the parties, and the

relationship between the parties shall only
be that of independent contractors. Except
as expressly provided herein, neither party

shall have authority to commit or bind the other with respect to any person.

10.2 Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration to be held in Shelby County, Illinois and administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s)

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may be entered in any court having jurisdiction thereof. During such arbitration, the parties agree to otherwise continue performance in accordance with the provisions hereof.

10.3 Neither party shall assign this Agreement or transfer any rights or obligations hereunder with the express written consent of the other party, which consent will not be unreasonably

withheld.

10.4 Neither party to this Agreement makes any
warranty or representation as to the amount
of gross or net sales or profits that the

other party will derive under this Agreement.

10.5 This Agreement is not intended to benefit any person, firm, corporation or other entity, other than the parties hereto and their respective successors and assigns in interest.

10.6 This Agreement contains the entire agreement
with respect to the subject matter hereof
and, except as expressly provided to the
contrary, supersedes all prior oral or
written agreement, communications and
dealings between the parties with respect to
the subject matter hereof, all of which are
hereby merged into this agreement.

10.7 All notices required by this Agreement shall be in writing and shall be deemed sufficiently given on the date of delivery, if hand delivered, or three business days after being mailed, postage repaid, by certified or registered mail, to the addresses set forth below, or to such other locations as either party may notify the other:

All notices to Cyberlux shall be given or addressed to:

Cyberlux Corporation Attention: Donald F. Evans P. O. Box 2010
50 Orange Road
Pinehurst, NC 28370
Telephone: 910-235-0066 Telecopier: 910-235-0933

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With a copy to:

John Ringo
Attorney at Law
241 Lamplighter Lane Marietta, GA 30067
Telephone: 770-518-6508 Telecopier: 770-552-9408

All notices to SCCS shall be given or addressed to:

Shelby County Community Services, Inc.
Attention: Dick Gloede 1810 West South 3rd Street, P.O.

Box 650
Shelbyville, IL 62565
Telephone: 217/774-5587
Telecopier: 217/447-5202

With a copy to:

Crain, Miller & Milner, Ltd.

Attention: William P. Grain
623 E. Broadway, P. O. Box 867
Centralia, IL 62801
Telephone: 618/532-4744
Telecopier: 618/532-7648

10.8 The "Whereas" paragraphs are herein incorporated into the body of this Agreement.

10.9 The various headings or captions in this Agreement are for convenience only and shall not affect the meaning or interpretation of this Agreement.

10.10 No amendments or variations of the terms and conditions of this Employment Contract shall be valid unless the same is in writing and signed by all of the parties hereto;

10.10 The waiver of a breach of any provision of this Agreement shall not operate or be construed as a wavier of any subsequent breach.

10.11 If any of the provisions, or portions thereof, of this Agreement are held to be

unenforceable or invalid by any arbitration panel or court, the validity and enforceability of the remaining provisions, or

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portions thereof, will not be affected and shall continue in full force and effect.

IN WITNESS WHEREOF; the parties have agreed to and executed this Agreement in duplicate as of the

effective date.

Cyberlux Corporation

*Shelby County Community Services,
Inc.*

By: /s/ Donald F. Evans

By: /s/ Richard Gloede

*Donald F. Evans
President*

*Richard Gloede,
Executive Director*

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Cyberlux

Executive Employment Agreement

This agreement of employment is effective as of July 1, 2000, by and between Cyberlux Corporation ("Employer") and Donald F. Evans ("Executive Employee").

For good and valuable consideration, receipt of which is hereby acknowledged, the Employer (hereinafter "the Company" or "Cyberlux") employs the Executive Employee in accordance with the following terms and conditions.

1. The Executive Employee shall perform the following duties and fulfill the following responsibilities: (a), the Executive Title shall be President, Chairman of the Board and Chief Executive Officer (hereinafter "CEO"); (b) duties shall extend to governance of all policies, procedures, operations and commitments of the Company; and (c) responsibility is full management accountability to the Board of Directors.
2. The CEO's employment under this agreement shall commence on July 1, 2000 and shall terminate on June 30, 2005. The CEO's contract of employment may otherwise terminate upon occurrence of any of the following events: (a) death or disability of the CEO; (b) failure of the CEO to perform his duties satisfactorily due to ill health; or (c) voluntary withdrawal from office after nomination of a duly qualified successor. In the event of (a) death or disability, the Company will have provided for insurance or other funding source to pay to the spouse or the CEO a minimum of \$200,000 or an amount equal to twice the CEO's annual salary, including allowances and/or bonuses; (b) failure to perform due to ill health, the Company will have provided for disability insurance or other funding sources to pay the disabled CEO 65% of his salary, including allowances and/or bonuses, that were in effect at the time of his disability through the remaining term of this contract; and (c) voluntary withdrawal, the Company will have provided a retirement benefit equal to 55% of the CEO's cumulative salary, including allowances and/or bonuses, which shall be payable upon withdrawal from office.
3. Compensation of the CEO shall be by salary payable biweekly, by bonuses consistent with certain thresholds of performance and through a stock option plan to be established by the Board of Directors. For the period July 1, 2000 through September 30, 2000 the CEO is to be paid a base salary of \$3,000 per month. In consideration of the minimal salary agreement, the CEO will receive a bonus compensation payment of \$9,000 upon conclusion of the second offering of Cyberlux securities during the Fall of 2000. For the period October 1, 2000 through December 31, 2000, the CEO is to be paid a base salary of \$6,500 per month. Upon the installation of the Director of Operations in Sarasota, FL and the successful conclusion of the second offering of Cyberlux securities, the CEO will receive a bonus compensation payment of \$4,500 payable on or after January 1, 2001. For the period January 1, 2001 through June 30, 2001, the CEO will be paid a salary of \$8,000 per month. Bonus compensation, based upon the performance of Cyberlux Corporation, and salary adjustments to be reviewed during the third quarter of each year. The CEO is to receive full health plan coverage which extends to his spouse, an automobile allowance of \$600 per month; term life and disability insurance.

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Cyberlux Corporation

4. The CEO, Donald F. Evans, will not at any time during the tenure of this agreement, or for a period of three years subsequent to the termination of this agreement, engage in any business competitive to that of Cyberlux Corporation unless such engagement may be on behalf of or inure to the benefit of the Company.
5. Any dispute that may arise concerning fulfillment of the terms and conditions of this contract will be resolved by binding arbitration of the parties hereto. Each party shall select one arbitrator and both such arbitrators shall select a third. The arbitration will be governed by the rules of the American Arbitration Association then in force.
6. The terms and conditions of this contract will continue to any successor ownership of Cyberlux Corporation that may occur through reorganization, merger with or acquisition by another entity or entities. This agreement constitutes the complete understanding between the Company and Donald F. Evans unless amended by a subsequent written instrument signed by both parties.

Cyberlux Corporation

Executive Employee

By /s/ Al Ninneman

/s/ Don Evans

*-----
Its Senior Vice President & Director*

*-----
Title: Chief Executive Officer*

Attest:

**By
Its Secretary**

Cyberlux Corporation, 50 Orange Road. PO Box 2010, Pinehurst, North Carolina, USA 28370-2010

Cyberlux
A new brilliance in light

Executive Employment Agreement

This agreement of employment is effective as of September 1, 2000, by and between Cyberlux Corporation ("Employer") and Alan H. Ninneman ("Executive Employee").

For good and valuable consideration, receipt of which is hereby acknowledged, the Employer (hereinafter "the Company" or "Cyberlux") employs the Executive Employee in accordance with the following terms and conditions.

1. The Executive Employee shall perform the following duties and fulfill the following responsibilities: (a) the Executive Title shall be Senior Vice President (hereinafter "SRVP"); (b) duties shall extend to governance of all policies, procedures, operations and commitments of the Company; and (c) responsibility is full management accountability to the Board of Directors.
 2. The SRVP's employment under this agreement shall commence on September 1, 2000 and shall terminate on August 31, 2005. The SRVP's contract of employment may otherwise terminate upon occurrence of any of the following events: (a) death or disability of the SRVP; (b) failure of the SRVP to perform his duties satisfactorily due to ill health; or (c) voluntary withdrawal from office after nomination of a duly qualified successor. In the event of (a) death or disability, the Company will have provided for insurance or other funding source to pay to the spouse or the SRVP a minimum of \$200,000 or an amount equal to twice the SRVP's annual salary, including allowances and/or bonuses; (b) failure to perform due to ill health, the Company will have provided for disability insurance or other funding sources to pay the disabled SRVP 65% of his salary, including allowances and/or bonuses, that were in effect at the time of his disability through the remaining term of this contract; and (c) voluntary withdrawal, the Company will have provided a retirement benefit equal to 55% of the SRVP's cumulative salary, including allowances and/or bonuses, which shall be payable upon withdrawal from office.
 3. Compensation of the SRVP shall be by salary payable biweekly, by bonuses consistent with certain thresholds of performance and through a stock option plan to be established by the Board of Directors. For the period September 1, 2000 through November 30, 2000 the SRVP is to be paid a base salary of \$3,000 per month. In consideration of the minimal salary agreement the SRVP will receive a bonus compensation payment of \$6,000 upon conclusion of the second offering of Cyberlux securities during the Fall of 2000. For the period November 1, 2000 through December 31, 2000, the SRVP is to be paid a base salary of \$4,500 per month. Upon the installation of the Director of Operations in Sarasota, FL and the successful conclusion of the second offering of Cyberlux securities, the SRVP will receive a bonus compensation payment of \$4,500 payable on or after January 1, 2001. For the period January 1, 2001 through June 30, 2001, the SRVP will be paid a salary of \$6,500 per month. Bonus compensation, based upon the performance of Cyberlux Corporation, and salary adjustments to be reviewed during the third
- Telephone (910) 235-0066 Email cyberlux@utinet.net Facsimile (910) 235-0933
- /1/
- Cyberlux Corporation, 50 Orange Road. PO Box 2010, Pinehurst, North Carolina, USA 28370-2010
- quarter of each year. The SRVP is to receive full health plan coverage which extends to his spouse, an automobile allowance of \$500 per month; term life and disability insurance.
4. The SRVP, Alan H. Ninneman, will not at any time during the tenure of this agreement, or for a period of three years subsequent to the termination of this agreement, engage in any business competitive to that of Cyberlux Corporation unless such engagement may be on behalf of or inure to the benefit of the Company.
 5. Any dispute that may arise concerning fulfillment of the terms and conditions of this contract will be resolved by binding arbitration of the parties hereto. Each party shall select one arbitrator and both such arbitrators shall select a third. The arbitration will be governed by the rules of the American Arbitration Association then in force.
 6. The terms and conditions of this contract will continue to any successor ownership of Cyberlux Corporation that may occur through reorganization, merger with or acquisition by another entity or entities. This agreement constitutes the complete understanding between the Company and Alan H. Ninneman unless amended by a subsequent written instrument signed by both parties.

Cyberlux Corporation

Executive Employee

By /s/ Don Evans

/s/ Al Ninneman

Attest:

By /s/ John W. Ringo

Its Secretary

Telephone (910) 235-0066 Email cyberlux@utinet.net Facsimile (910) 235-0933

/2/

Cyberlux Corporation, 50 Orange Road. PO Box 2010, Pinehurst, North Carolina, USA 28370-2010

Cyberlux
A new brilliance in light

Executive Employment Agreement

This agreement of employment is effective as of September 1, 2000, by and between Cyberlux Corporation ("Employer") and John W. Ringo ("Executive Employee").

For good and valuable consideration, receipt of which is hereby acknowledged, the Employer (hereinafter "the Company" or "Cyberlux") employs the Executive Employee in accordance with the following terms and conditions.

1. The Executive Employee shall perform the following duties and fulfill the following responsibilities: (a) the Executive Title shall be Secretary and Corporate Counsel (hereinafter "Sec/Counsel"); (b) duties shall extend to governance of all policies, procedures, operations and commitments of the Company; and (c) responsibility is full management accountability to the Board of Directors.
 2. The Sec/Counsel's employment under this agreement shall commence on September 1, 2000 and shall terminate on August 31, 2005. The Sec/Counsel's contract of employment may otherwise terminate upon occurrence of any of the following events: (a) death or disability of the Sec/Counsel; (b) failure of the Sec/Counsel to perform his duties satisfactorily due to ill health; or (c) voluntary withdrawal from office after nomination of a duly qualified successor. In the event of (a) death or disability, the Company will have provided for insurance or other funding source to pay to the spouse or the Sec/Counsel a minimum of \$200,000 or an amount equal to twice the Sec/Counsel's annual salary, including allowances and/or bonuses; (b) failure to perform due to ill health, the Company will have provided for disability insurance or other funding sources to pay the disabled Sec/Counsel 65% of his salary, including allowances and/or bonuses, that were in effect at the time of his disability through the remaining term of this contract; and (c) voluntary withdrawal, the Company will have provided a retirement benefit equal to 55% of the Sec/Counsel's cumulative salary, including allowances and/or bonuses, which shall be payable upon withdrawal from office.
 3. Compensation of the Sec/Counsel shall be by salary payable biweekly, by bonuses consistent with certain thresholds of performance and through a stock option plan to be established by the Board of Directors. For the period September 1, 2000 through November 30, 2000 the Sec/Counsel is to be paid a base salary of \$3,000 per month. In consideration of the minimal salary agreement the Sec/Counsel will receive a bonus compensation payment of \$5,000 upon conclusion of the second offering of Cyberlux securities during the Fall of 2000. For the period November 1, 2000 through December 31, 2000, the Sec/Counsel is to be paid a base salary of \$3,500 per month. Upon the installation of the Director of Operations in Sarasota, FL and the successful conclusion of the second offering of Cyberlux securities, the Sec/Counsel will receive a bonus compensation payment of \$4,000 payable on or after January 1, 2001. For the period January 1, 2001 through June 30, 2001, the Sec/Counsel will be paid a salary of \$5,000 per
- Telephone (910) 235-0066 Email cyberlux@utinet.net Facsimile (910) 235-0933
- /1/
- Cyberlux Corporation, 50 Orange Road. PO Box 2010, Pinehurst, North Carolina, USA 28370-2010
- month. Bonus compensation, based upon the performance of Cyberlux Corporation, and salary adjustments to be reviewed during the third quarter of each year. The Sec/Counsel is to receive full health plan coverage which extends to his spouse, an automobile allowance of \$500 per month; term life and disability insurance.
4. The Sec/Counsel, John W. Ringo, will not at any time during the tenure of this agreement, or for a period of three years subsequent to the termination of this agreement, engage in any business competitive to that of Cyberlux Corporation unless such engagement may be on behalf of or inure to the benefit of the Company.
 5. Any dispute that may arise concerning fulfillment of the terms and conditions of this contract will be resolved by binding arbitration of the parties hereto. Each party shall select one arbitrator and both such arbitrators shall select a third. The arbitration will be governed by the rules of the American Arbitration Association then in force.
 6. The terms and conditions of this contract will continue to any successor ownership of Cyberlux Corporation that may occur through reorganization, merger with or acquisition by another entity or entities. This agreement constitutes the complete understanding between the Company and John W. Ringo unless amended by a subsequent written instrument signed by both parties.

By /s/ Don Evans

Its Chief Executive Officer

/s/ John W. Ringo

Title: Secretary/Corporate Counsel

Attest:

By /s/ Al Ninneman

Its SRVP

Telephone (910) 235-0066 Email cyberlux@utinet.net Facsimile (910) 235-0933

/2/

G. BRAD BECKSTEAD

Certified Public Accountant

330 E. Warm Springs Las Vegas, NV 89119 702.257.1984 702.362.0540 fax

November 28, 2001

To Whom It May Concern:

The firm of G. Brad Beckstead, CPA, consents to the inclusion of my report of November 28, 2001, on the Financial Statements of Cyberlux Corporation from the inception date of May 17, 2000 through September 30, 2001 and December 31, 2000, in any filings which are necessary now or in the near future to be filed with the US Securities and Exchange Commission.

Signed,

/s/ G. Brad Beckstead

G. Brad Beckstead, CPA

End of Filing

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