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**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

RED CAT HOLDINGS, INC. and TEAL
DRONES, INC.;

Plaintiffs,

v.

GEORGE MATUS and VECTOR DEFENSE
INC.;

Defendants.

**DEFENDANT GEORGE MATUS'S
OPPOSITION TO PLAINTIFFS'
MOTION FOR PRELIMINARY
INJUNCTION**

Case No. 2:25-cv-00646-TS-JCB

Judge Ted Stewart
Magistrate Judge Jared C. Bennett

Defendant George Matus (“Mr. Matus”) submits this Opposition to Plaintiff Red Cat Holdings, Inc. (“Red Cat”) and Teal Drones, Inc.’s (“Teal”) Motion for Preliminary Injunction (ECF No. 2) (“Motion”).

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INTRODUCTION

Parties seeking preliminary injunctions can't afford any evidentiary gaps. To get this “extraordinary remedy,” they have to show “clear proof” that they will win on the merits of their claims. But when it comes to the punchline of Plaintiffs’ claims, they catch an evidentiary case of the “must haves”:

- because Mr. Matus left Red Cat for Vector, he *must have* solicited others to do the same;
- because Vector developed a drone, Mr. Matus *must have* stolen Red Cat’s trade secrets;
- because Vector developed a drone, it *must be* a competitor to Red Cat’s drone; and
- because Red Cat and Orqa’s partnership didn’t happen, Mr. Matus *must have* ruined it.

Plaintiffs don’t offer any “proof”—clear or otherwise—to patch these gaping evidentiary holes. But there’s no need for cliffhangers. Mr. Matus can set the record straight:

- Mr. Matus didn’t solicit anyone. When Red Cat employees expressed interest in joining Vector, he referred them to Vector’s CEO and head of HR—and he even told Red Cat’s Chief Revenue Officer in March 2025 that Red Cat employees had contacted him;
- Mr. Matus didn’t take any trade secrets related to Red Cat’s FANG drone because there were none to take—the FANG drone was never designed or developed;
- Mr. Matus wasn’t involved in designing or developing Vector’s Hammer drone—a single-use, low-cost, “killer” drone made from components that anyone can order online—which is vastly different than Red Cat’s Black Widow drone—a multi-use, expensive, “hunter” drone made from custom parts that took a team of engineers years and millions of dollars to design;
- Red Cat’s Black Widow drone doesn’t compete with Vector’s Hammer drone because of these fundamental differences. Neither does Red Cat’s FANG drone, but for a different reason: because FANG has never existed in any physical form, has never been designed or developed, and has therefore never hit the marketplace; and

- Despite Mr. Matus’s best efforts, Orqa didn’t want to be Red Cat’s exclusive partner because Orqa had attracted sophisticated investors (that wanted control) and substantial interest from other drone companies that were more established than Red Cat. And Red Cat’s CEO, despite pushback from Mr. Matus, decided that Unusual Machines, a company the CEO founded and is substantially invested in, would be a better fit for a partnership than Orqa.

These cold-hard facts easily overcome Plaintiffs’ aspirational “must haves.”

Plus, Plaintiffs haven’t proven that they will suffer irreparable harm if their Motion is denied. They haven’t pointed to, for example, a contract they are about to miss out on because of Vector’s Hammer. In fact, Red Cat isn’t even trying to compete with Vector. Just a few weeks ago, the U.S. Army hosted a “flyoff” for first-person-view drone companies to showcase their drones’ capabilities. The U.S. Army relies on the results of this flyoff to determine which drones deserve its contract award. Vector showed up with the Hammer. Red Cat wasn’t even among the 100+ companies to apply, again, because the FANG doesn’t exist.

For the reasons below, and those in Vector’s opposition brief, which Mr. Matus incorporates in full, the Court should deny Plaintiffs’ Motion.

BACKGROUND

Mr. Matus founded Teal in 2014 as a sophomore in high school. Matus Decl. ¶ 4, attached hereto as **Exhibit 1**. Teal specializes in designing, developing, manufacturing, and selling drones that can execute short-range intelligence, surveillance, and reconnaissance (“ISR”) missions. *Id.*

A. The U.S. Army Announces its SRR Program for Drones.

In November 2018, the U.S. Army announced its Short-Range Reconnaissance program of record (“SRR Program”) to spur development of American Small Uncrewed Aircraft Systems (“sUAS”), *i.e.*, drones that can complete ISR missions. *Id.* ¶ 5.

The Army is executing the SSR Program in phased tranches to maintain flexibility to respond to advances in technology and user feedback. *Id.*

The SRR Program works like this:

- companies interested in pursuing the program apply and the Army selects a handful to participate in an in-person flying demonstration;
- from that group, the Army picks finalists and awards them with a prototype contract to compete against each other in the development of a drone to meet the program's requirements;
- following several program milestones and test events, the Army selects a winner to transition into production, ultimately providing a low-rate initial production contract award ("LRIP"); and
- if LRIP meets the Army's requirements, the Army may choose to award that company with a potentially much larger full-rate production contract award.

Id.

B. Teal Submits a Drone to Compete for the U.S. Army's SRR1 Contract.

For Tranche 1 of the SRR Program ("SRR1"), Teal submitted its Golden Eagle drone.

Id. ¶ 6. While the Golden Eagle wasn't selected as the winner for Tranche 1, it was one of only five drones chosen to be on the Blue UAS list, *i.e.*, approved by the Department of Defense for reconnaissance applications. *Id.*

C. Mr. Matus Joins Red Cat and Designs and Develops the Black Widow, a Highly Specialized ISR Drone; the Black Widow Wins the SRR2 Program.

Red Cat acquired Teal in September 2021. *Id.* ¶ 7. After the acquisition, Mr. Matus continued to serve as Teal's CEO. *Id.*

Mr. Matus's primary goal after the acquisition was to develop a drone that would win the SRR Tranche 2 program contract ("SRR2"). *Id.* ¶ 8. To that end, he led the design and development of the Black Widow drone. *Id.*

The Black Widow

- is a highly sophisticated ISR drone that took Mr. Matus’s entire team comprised of dozens of engineers three years and tens of millions of dollars to develop;
- uses a multitude of advanced technologies that were developed in-house at Teal, including custom and highly specialized subsystems such as an advanced gimballed sensor payload, fully integrated GPU and CPU, advanced autonomy, digital resilient datalink, custom propulsion system, and more, to “hunt” for targets;
- can sell for \$25,000 to \$50,000; and
- is designed to be operational for up to hundreds of ISR missions and maintained for several years.

Id. ¶ 9.

On November 19, 2024, Red Cat announced that the Army had selected the Black Widow as the winner of the SRR Tranche 2 program and would move toward transitioning it into production. *Id.* ¶ 10.

D. Red Cat Explores a Partnership with Orqa to Build “FANG,” an FPV Drone.

In March 2024, Red Cat’s marketing team and Jeff Thompson, Red Cat’s CEO, came up with an idea for a new family of drones called ARACHNID, which would include the existing Black Widow ISR drone, a longer range Vertical Take-Off and Landing (“VTOL”) drone called Trichon, and a new first-person view (“FPV”) drone called “FANG.” *Id.* ¶ 11.

At no point did Red Cat or Teal devote any resources, money, or engineers to the development of “FANG” or any other FPV drone. *Id.* ¶ 12. In fact, the “FANG” never existed in any physical form at any point during Mr. Matus’s time at Red Cat or Teal. *Id.* ¶ 27. Even when “FANG” was considered at the initial concept stage, Red Cat was expecting to fully outsource its development and production to a third-party provider. *Id.* ¶ 12.

In June 2024, Red Cat began exploring a potential partnership to develop “FANG” with Orqa, Ltd., an FPV drone and components manufacturing company headquartered in Croatia, to produce and distribute—not design or develop—an FPV drone for Orqa for the U.S. market. *Id.* ¶¶ 13–14.

By August 2024, Red Cat and Orqa agreed to the following general terms in a non-binding memorandum of understanding:

- Orqa would send Red Cat its FPV drone components;
- Red Cat would assemble Orqa’s FPV drones in the United States and sell them under Red Cat’s “FANG” brand; and
- Red Cat would be Orqa’s exclusive FPV drone provider in the United States.

Id. ¶ 15. In other words, Red Cat’s plan was to “white label” an Orqa drone.

Jason Gunter (Red Cat’s Vice President of Tech & Innovation of Special Programs), Geoff Hitchcock (Red Cat’s Chief Revenue Officer), Chris Rill (President of Teal), and Mr. Matus were equally involved in the negotiations. *Id.* ¶ 16.

As part of the negotiations, Red Cat offered to help Orqa obtain Blue UAS certification, which is required to sell drones to the U.S. military. *Id.* ¶ 18. But Orqa turned down any such assistance and told Red Cat that it could obtain that certification on its own and without Red Cat’s help. *Id.*

E. Negotiations Between Red Cat and Orqa Stall Due to Fundamental Disagreements, Despite Mr. Matus’s Best Efforts to Hold the Deal Together.

Mr. Matus pursued the Orqa deal to the best of his abilities. He

- was responsible for initially convincing Orqa to entertain a partnership with Red Cat;

- constantly updated the other Red Cat executives, including Geoff Hitchcock, Chris Rill, Jason Gunter, and Jeff Thompson, regarding the progress of the negotiations by phone, email, and text messages;
- traveled to Croatia to meet with Orqa; and
- met with Orqa when they traveled to Utah to meet with Red Cat.

Id. ¶ 17. Nevertheless, negotiations between Red Cat and Orqa slowed in Q4 2024 and Red Cat and Orqa did not execute their contemplated partnership because

- Orqa and its new investors did not want a fully exclusive provider in the United States;
- Orqa started getting significant partnership interest from well-established drone companies like Teledyne FLIR, Rocky Mountain Unmanned Systems, and Tough Stump Technologies, and wanted to “play the field”;
- Orqa was in the process of raising its first large round of capital and wanted to give its new investors and board members an opportunity to review the potential partnership before committing to such a large deal for their company;
- late in the process of negotiations, Orqa demanded Red Cat pay upfront several million dollars to satisfy their investors;
- Red Cat’s CEO, Jeff Thompson, said “there wasn’t any money in FPV” drones; and
- If Red Cat ever decided to sell FPV drones, Mr. Thompson wanted to partner with Unusual Machines, an FPV drone company that he founded, owns hundreds of thousands of its shares, and currently serves on its board of directors.

Id. ¶¶ 19–21.

Mr. Matus told the Red Cat board in September 2024 that Orqa was best in class and that Red Cat should pursue a partnership with Orqa. *Id.* ¶ 23. In response, CEO Jeff Thompson told the Red Cat board, “I disagree,” and fiercely advocated for a similar partnership with Unusual Machines. *Id.* Mr. Matus found this unusual, as Unusual Machines provides consumer drones

and components, not military grade drones, and particularly because he believed Orqa was a far better fit for Red Cat's FPV goals. *Id.* ¶ 22.

In December 2024, Mr. Matus told Orqa that he was leaving Red Cat for Vector. *Id.* ¶ 24. In that same conversation, Mr. Matus again encouraged Orqa to pursue its partnership with Red Cat despite his own departure. *Id.*

After Mr. Matus transitioned to his current position at Vector, he had conversations with Orqa about a possible relationship with Vector. *Id.* ¶ 25. But no agreement between Vector and Orqa ever materialized. *Id.* Orqa was interested in either a joint venture arrangement or an agreement where Orqa would be the prime-contractor and Vector the sub-contractor for any government contracts, *i.e.*, Orqa wanted full control over its go-to-market and manufacturing plans in the U.S, which was a non-starter for Vector. *Id.*

Vector also approached several other companies regarding possible business relationships, including Neros, Vyriy, and even Red Cat. *Id.* ¶ 26.

F. Mr. Matus Leaves Red Cat for Vector.

Mr. Matus was introduced to the CEO of Vector, Andy Yakulis, by an investor in May 2024. *Id.* ¶ 28. The investor asked Mr. Matus if he was interested in a new role, and he said yes. *Id.* At that time, he had accomplished what he came to Red Cat to do: he had developed the Black Widow, which he then thought was likely going to win Red Cat the SRR Tranche 2 contract award. *Id.* He also was concerned that the other members of the Red Cat executive team were prioritizing profits over the company's core mission. *Id.*

Also, Vector's "warfare-as-a-service" business model interested him. *Id.* ¶ 29. Under that model, Vector wasn't planning to create any of its own equipment. *Id.* Instead, Vector

planned to derive revenue from lucrative service contracts to train soldiers to tactically integrate technology into their operations and then sell technology and third-party equipment to them through those contract vehicles. *Id.* These service contracts involve far less red tape than the government procurement contacts he had pursued at Red Cat and Teal. *Id.*

Over the next several months, Mr. Matus continued exploring the possibility of joining Vector. *Id.* ¶ 30. Mr. Yakulis and other members of the Vector team came to meet with him at Red Cat's facility in Salt Lake City. *Id.* Mr. Yakulis also met with Red Cat personnel, including Geoff Hitchcock, Red Cat's Chief Revenue Officer, and explained that Vector would likely use Red Cat's drones in connection with its warfare-as-a-service business model. *Id.* Indeed, Vector has since purchased drones from Red Cat and even now is willing to continue buying them. *Id.* At that time, Mr. Hitchcock and others at Red Cat were aware that he was considering joining Vector but he hadn't made a decision. *Id.* ¶ 31.

In June 2024, Vector offered Mr. Matus a position as Chief Technology Officer, which he accepted on July 4, 2024. *Id.* ¶ 32. One of the terms of his acceptance was that he would not become a Vector employee until after Red Cat was officially selected as the winner of the SRR Tranche 2 program. *Id.* Mr. Matus thought that was going to happen in July or August, but red tape delayed the Army's official selection until November 2024. *Id.* Ultimately, Mr. Matus wanted to make sure he helped Red Cat close the deal for the Black Widow before he left.

Even after accepting the offer, Mr. Matus was on the fence about leaving Red Cat because his job was stable and a year's worth of his Red Cat shares were about to vest. *Id.* ¶ 33. Nevertheless, Mr. Matus officially told Red Cat that he was leaving the company on November

26, 2024. *Id.* ¶ 34. Mr. Thompson seemed excited that Mr. Matus was leaving and made no efforts to keep him at the company. *Id.*

Roughly a week later, Mr. Matus told his team that he was leaving the company to join Vector. *Id.* ¶ 35. He told them he was very proud of what they had built and assured them that Red Cat was in good hands. *Id.*

G. Mr. Matus Returns His Company-Issued Laptop to Red Cat After Resetting It.

December 26, 2024 was Mr. Matus’s last day at Red Cat. *Id.* ¶ 36. Mr. Matus was not paid anything by Vector until December 31, 2024, which was his first day at Vector. *Id.* ¶ 37.

Nobody at Red Cat or Teal gave Mr. Matus any instructions about how he was supposed to return his company issued Apple laptop or on exiting the company in general. *Id.* ¶ 41. When he was given the laptop five years prior, he signed into his personal Apple ID. *Id.* On his last day, he signed out of his Apple ID, reset the laptop, and returned it. *Id.* Mr. Matus testified, “I genuinely thought this was what I was supposed to do before leaving the company.” *Id.*

Mr. Matus did not delete any documents on the laptop. *Id.* ¶ 42.

The vast majority of the documents he used and created while at Red Cat were stored on a Red Cat Google Drive account (which transitioned to an internal local company server in 2024), and in his company email client, Slack, and Confluence. *Id.* None of those documents would have been affected by resetting his computer. *Id.*

When he signed into his Apple ID on his new computer, some Red Cat documents that were stored in his personal Apple iCloud cloud storage, including publicly available spec sheets of Red Cat products and operator manuals, carried over inadvertently. *Id.* ¶ 43. Mr. Matus informed Red Cat of this in July 2025 before the lawsuit was filed. *Id.* ¶ 44.

H. Mr. Matus Refers Red Cat and Teal Employees Who Are Interested in Joining Vector to Vector’s CEO and Head of HR.

At no point during or after his employment with Red Cat did Mr. Matus ask any Teal or Red Cat employees to join him at Vector. *Id.* ¶ 38. After Mr. Matus left Red Cat, some Teal or Red Cat employees reached out to him and said they were interested in learning more about Vector. *Id.* In short conversations, Mr. Matus told them that if they were interested in joining Vector, he would refer them to Mr. Yakulis or Seth Nasson, Vector’s Head of HR. *Id.*; Nasson Decl. ¶¶ 3, 8. Mr. Matus did not solicit any Red Cat employee, nor did he participate in their hiring. *Id.*

The employees who were hired by Vector from Teal and Red Cat did not receive better offers to join Vector, who matched their salaries and gave them fewer shares than Red Cat did. Yakulis Decl. ¶ 26. These employees joined Vector for the same reason Mr. Matus did: because they truly believed in Vector’s mission and the executive team’s vision. *Id.*

In March 2025, Mr. Matus told Geoff Hitchcock that a few people from Red Cat had reached out to him regarding employment at Vector and that Vector ultimately hired some of them. Matus Decl. ¶ 40. He replied that it was “all good,” that it was “business” and that he had “done it [him]self.” *Id.*

I. Vector Develops the Hammer, a Simple, Single-Use FPV drone.

From when Mr. Matus was introduced to Mr. Yakulis in May 2024 through April 2025, Vector maintained its warfare-as-a-service business model: under service contracts, Vector would train soldiers how to integrate and use technology, and would sell them third-party technology and equipment, e.g., Red Cat and other company drones. Matus Decl. ¶ 46.

But in April 2025, after exploring potential relationships with Orqa and other providers, Vector executives realized there was an underserved market for simple, low-cost, single-use, long-range, and expendable drones that destroy their intended targets. *Id.* ¶ 47. So, in April 2025, Vector started developing a FPV drone called the Hammer, which Vector officially announced in July 2025. *Id.* ¶ 48. At no point before this did Vector consider making its own drones. *Id.* ¶ 49.

Vector’s FPV drone, the Hammer, and Red Cat’s ISR drone, the Black Widow, are fundamentally different pieces of equipment, serving different purposes and missions, and do not compete with each other in any way:

	Red Cat’s Black Widow	Vector’s Hammer
Number of Uses	Hundreds	One
Purpose	Intelligence, reconnaissance, surveillance (hunter drone)	Eliminating a target (killer drone)
Cost per unit	~ \$25,000–\$50,000	~ \$2,000
R&D resources	Millions of dollars, years of development, 20+ subsystems and technologies, a full team of engineers, highly sophisticated and custom equipment.	95% of the Hammer is made from off-the-shelf parts that can be ordered online, and it can be assembled by anyone in a few days.
Scalability	Took years to develop and begin manufacturing.	Because of its simple design and widely available parts, the Hammer is easy to manufacture at massive scale.

Id. ¶ 50.

Mr. Matus did not use any of Red Cat’s trade secrets or IP in connection with Vector’s development of the Hammer or any other Vector product. *Id.* ¶ 51. Mr. Matus was not involved

with the Hammer’s design and development, which was spearheaded by Kaleb Ellis. *Id.* ¶ 52; Ellis Decl. ¶¶ 2, 9–11. During the Hammer’s development, Mr. Matus was busy fundraising for Vector and also welcomed his first child. Matus Decl. ¶ 52.

Nor would it have made any sense to use Red Cat’s IP in designing the Hammer; the Black Widow and the Hammer are fundamentally different drones with different purposes. *Id.* ¶ 51.

Because of this, the Hammer and Black Widow compete for different types of contracts. *Id.* For example, the Hammer would not have competed against the Black Widow for the SRR Tranche 2 program or future SRR programs because it’s not an ISR drone. *Id.* Neither would the Black Widow have competed against the Hammer for any FPV contract awards because the Black Widow isn’t an FPV drone. *Id.* Further, the Hammer is centered around very little IP—it is mostly made of off-the-shelf components. *Id.* ¶ 52.

J. Even Today, Red Cat and Teal Have Not Released an FPV Drone That Competes with the Hammer.

On August 11, 2025, Mr. Matus attended the Army’s FPV flyoff competition in Alabama, for the Purpose Built Attritable System (“PBAS”) program at the Clark Range Reserve Center. Matus Decl. ¶ 53. Vector was one of 15 vendors chosen for the competition out of 100+ applicants, and Mr. Matus was there to showcase the Hammer’s abilities to the Army. *Id.*

Craig Martin, Program Integrator supporting Project Management Small Uncrewed Aircraft Systems office (“PM UAS”) U.S. Army, also attended the fly off. *Id.* ¶ 54. Mr. Martin is employed by the government in support of the Army’s SRR Tranche 2 program and was one of Mr. Matus’s main points of contact for that program while he was at Red Cat. *Id.* He’s also involved in the Army’s FPV program, Purpose Built Attritable System (“PBAS”). *Id.*

At the flyoff, Mr. Martin told Mr. Matus that Red Cat didn't even apply as one of the 100+ respondents for the PBAS competition with "FANG" or any other FPV drone. *Id.* ¶ 55.

ARGUMENT

A preliminary injunction is an "extraordinary remedy." *Winter v. NRDC, Inc.*, 555 U.S. 7, 24 (2008). To get one, the moving party must show (1) it "is substantially likely to succeed on the merits," (2) it "will suffer irreparable injury if the injunction is denied," (3) its "threatened injury outweighs the injury the opposing party will suffer under the injunction," and (4) "the injunction would not be adverse to the public interest." *Colorado v. EPA*, 989 F.3d 874, 883 (10th Cir. 2021) (citation omitted). Its right to relief must be "clear and unequivocal." *First W. Capital Mgmt. Co. v. Malamed*, 874 F.3d 1136, 1141 (10th Cir. 2017).

A. Plaintiffs Have Failed to Show a Substantial Likelihood of Success on the Merits of Their Claims Against Mr. Matus.

Plaintiffs must show with "clear proof" that they "will probably prevail when the merits are tried." *Millbrook v. Matevousian*, 812 F. App'x 794, 796 (10th Cir. 2020) (quoting *Penn v. San Juan Hosp., Inc.*, 528 F.2d 1181, 1185 (10th Cir. 1975)). For each claim, Plaintiffs must make a "prima facie" case against Mr. Matus. *Harmon v. City of Norman*, 981 F.3d 1141, 1146 (10th Cir. 2020).

Plaintiffs argue that they are entitled to a preliminary injunction based on their breach of contract (Counts III and IV), tortious interference (Count VIII), and trade secret misappropriation (Counts I & II) claims. Mot. 14–24. For the following reasons, they have failed to make a prima facie showing with "clear proof" as to any of them. *Millbrook*, 812 F. App'x at 796.

1. Plaintiffs' breach of contract claims are not likely to succeed.

“The elements of a prima facie case for breach of contract are (1) a contract, (2) performance by the party seeking recovery, (3) breach of the contract by the other party, and (4) damages.” *Espenschied Transp. Corp. v. Fleetwood Servs.*, 2018 UT 32, ¶ 15.

Plaintiffs assert two breach of contract claims against Mr. Matus based on two alleged breaches of his employment agreement with Red Cat (“Agreement”). Compl. ¶¶ 225–71. Neither claim is likely to succeed on the merits because Plaintiffs haven’t offered clear proof that Mr. Matus breached the Agreement.

a. Mr. Matus didn’t breach the Agreement’s non-solicitation clause.

The Agreement prevents Mr. Matus from soliciting Red Cat employees to leave their employment. *Id.* ¶ 49. Plaintiffs allege up to 12 Red Cat employees left to join Vector within seven months of Mr. Matus’s departure. *Id.* ¶ 147. Plaintiffs speculate that this means Mr. Matus must have solicited Red Cat’s employees to join Vector. Mot. at 17.

Plaintiffs offer no more than this pure speculation. *See, e.g., Vendr, Inc. v. Tropic Techs., Inc.*, 2023 U.S. Dist. LEXIS 99567, at *30 (D. Utah June 6, 2023) (“A court should be wary of issuing an injunction based solely upon allegations and conclusory affidavits.”). There’s not an allegation or lick of evidence—much less clear proof—showing that Mr. Matus had anything to do with these employee departures. *See* Compl. ¶¶ 147, 260. By contrast, according to Mr. Matus, a handful of Red Cat employees reached out to *him* to learn more about Vector, and when they expressed interest in applying to the company, he would refer them to Vector’s CEO or Head of HR. Matus Decl. ¶ 38; Nasson Decl. ¶¶ 3, 8. That’s not solicitation, so there’s no breach. *SliceX, Inc. v. Aeroflex Colo. Springs, Inc.*, 2006 U.S. Dist. LEXIS 51000, at *18 (D.

Utah July 25, 2006) (finding no solicitation where “no one at Aeroflex told these individuals about this posting and . . . no one at Aeroflex solicited these individuals. Rather, each of these individuals responded to the posting on their own”).

Plaintiffs baldly claim that Mr. Matus/Vector solicited Red Cat employees by making them “superior offers of employment.” Mot. at 23. In reality, Vector offered compensation that was *inferior*; Vector matched their salaries but gave them fewer shares than Red Cat had. Yakulis Decl. ¶ 26.

The Agreement also prevents Mr. Matus from “solicit[ing] business from, or attempt[ing] to sell, license, or provide the same or similar products or services as are now provided to, any customer or client of the Company who was a customer or client of the Company at any time during [his] employment with the Company.” Compl. at Ex. A § 14.

The Motion devotes just a handful of words to this claim: Mr. Matus “has likely pursued Red Cat’s military customers for drone contracts.” Mot. at 17. But there are far too many gaps in this “argument” to take it seriously: who did Mr. Matus pursue, for what drone, for what contracts, why was it “likely,” and did it even happen? *See Vendr*, 2023 U.S. Dist. LEXIS 99567, at *20 (finding success on the merits wasn’t likely because the plaintiff had not “pointed to any current customer that . . . is likely to [be] draw[n] away”).

To the extent this claim is based on “FANG,” it also fails. Mr. Matus could have offered anyone a product similar to “FANG” because “FANG” never existed in any form at any time. Matus Decl. ¶ 27. On top of that, the idea of “FANG” wasn’t announced until June 2024,¹ *i.e.*, a

¹ <https://ir.redcatholdings.com/news-events/press-releases/detail/144/red-cat-introduces-new-family-of-low-cost-portable-unmanned-reconnaissance-and-precision-lethal-strike-systems>

month *after* Mr. Matus signed the Agreement. So, the non-solicitation clause, which applies only to “products . . . as are *now* provided,” doesn’t apply to “FANG.” Compl. at Ex. A § 14.

b. Mr. Matus didn’t breach the Agreement’s non-compete clause.

Plaintiff claims that Mr. Matus violated the Agreement’s non-compete clause by joining Vector (Compl. ¶ 233) because Vector is a “competitor” (Mot. at 17) and “manufacture[s] competitive drones” (Compl. ¶ 234). But labeling Vector and its drone, the Hammer, as “competitors” doesn’t make it so. Plaintiffs must show that they are competitors with clear proof. *Millbrook*, 812 F. App’x at 796. And they haven’t come close to carrying that substantial burden.

Nor could they. Vector isn’t Red Cat’s competitor because the Hammer isn’t similar to Teal’s Black Widow. Just as not all airplanes are the same, not all drones are the same. A surveillance plane isn’t an attack helicopter. Likewise, ISR drones aren’t FPV drones:

	Red Cat’s Black Widow	Vector’s Hammer
Number of Uses	Hundreds	One
Purpose	Intelligence, reconnaissance, surveillance (hunter drone)	Eliminating a target (killer drone)
Cost per unit	~ \$25,000–\$50,000	~ \$2,000
R&D resources	Millions of dollars, years of development, 20+ subsystems and technologies, a full team of engineers, highly sophisticated and custom equipment.	95% of the Hammer is made from off-the-shelf parts that can be ordered online, and it can be assembled by anyone in a few days.
Scalability	Took years to develop and begin manufacturing.	Because of its simple design and widely available parts, the Hammer is easy to manufacture at massive scale.

Matus Decl. ¶ 50.

Because of these fundamental differences in both purpose and capabilities, the Hammer and Black Widow don't compete for the same contracts. *Id.* ¶¶ 50–51; see *Xyngular Corp. v. Innutra, Ltd. Liab. Co.*, 2013 U.S. Dist. LEXIS 153629, at *13–14 (D. Utah Oct. 24, 2013) (denying motion for preliminary injunction where the employee “presented a declaration stating that he developed [the new employer’s] products on his own and did not use or duplicate any of [former employers’] proprietary information in doing so”).

That’s why Plaintiffs have failed to name a single contract the Hammer would compete with the Black Widow for; there isn’t one. *Nav Techs., Inc. v. Fugate*, 2021 U.S. Dist. LEXIS 132773, at *15 (D. Utah July 15, 2021) (denying motion for preliminary injunction because plaintiff “presented only sparse evidence” regarding whether the two businesses were substantially similar and competitors).

More broadly, Mr. Matus is not prohibited from competing with or soliciting from Teal. The two restrictive covenants at issue prohibit competition with and solicitation from the “Company.” Compl. at Ex. A § 14. “Company” is defined as Red Cat, *not* Red Cat *and* its subsidiaries. That was intentional; the parties knew how to sweep in subsidiaries. For example, the Agreement defines Confidential Information as including information regarding the “Company, its subsidiaries and their respective businesses.” *Id.* § 12(a). The Agreement further acknowledges in brackets: “[The Executive will also continue to serve, without additional compensation or benefits, as the Chief Executive Officer of the Company’s subsidiary Teal Drones, Inc.]” *Id.* § 1. Thus, consideration was for a non-compete with Red Cat, *not* Teal. So even if Vector and Teal were competitors (they are not), Mr. Matus is not prohibited from

competing with Teal (whose product is the Black Widow and the entity that holds the government contract).

As for “FANG,” the Hammer doesn’t compete with it because “FANG” doesn’t exist. And it never has. Matus Decl. ¶ 27. Logically—and legally—the Hammer can’t compete with a non-existent product. *Id.* Even if the “FANG” existed, Red Cat’s own conduct shows that it doesn’t have a product that competes with Hammer. Earlier this month, the U.S. Army held a flyoff for FPV drones to determine which company would move forward in its Purpose Built Attributable System (“PBAS”) program. *Id.* ¶ 53. Red Cat was not among the 100+ companies to even apply for PPAS with its non-existing “FANG” product—or any other drone—to participate at the flyoff. *Id.* ¶ 55.

2. Plaintiffs’ tortious interference claim isn’t likely to succeed.

Plaintiffs have failed to show with “clear proof” that they will likely succeed on their tortious interference claims against Mr. Matus.² *Millbrook*, 812 F. App’x at 796. “To succeed on a claim for tortious interference with contractual relations, the plaintiff must prove: ‘(1) that the defendant intentionally interfered with the plaintiff’s existing or potential economic relations, (2) by improper means, (3) causing injury to the plaintiff.’” *Commercial Club Bldg. LLC v. Glob. Rescue LLC*, 2023 UT App 37, ¶ 54 (quoting *Eldridge v. Johndrow*, 2015 UT 21, ¶ 70).

Plaintiffs allege that Red Cat’s potential partnership with Orqa fell apart when Mr. Matus gave Orqa “information about the Blue UAS certification process.” Mot. at 12. But that’s the full extent of Plaintiffs’ claim. There’s no evidence, for example, of what or when Mr. Matus

² Because the arguments set forth in Vector’s opposition brief apply equally to Mr. Matus, he joins and incorporates by reference Vector’s arguments.

told Orqa about the Blue UAS certification process. Far more meat on the bone is required to issue a preliminary injunction. *Millbrook*, 812 F. App'x at 796.

But even setting that aside, Plaintiffs are wrong on the facts. According to Mr. Matus, when Red Cat offered to help Orqa obtain Blue UAS certification, Orqa said that it didn't need any help from Red Cat, that it had hired someone in the United States specifically to obtain Blue UAS certification on Orqa's behalf, and that it could handle the certification process by itself. Matus Decl. ¶ 18. In other words, Red Cat's offer to help Orqa with Blue UAS certification wasn't "especially desirable." Mot. at 11. It was irrelevant. Plaintiffs' theory "is mere speculation at this point. Maybe [Plaintiffs] will be able to prove [their] assertions after discovery, but [they are] not entitled to obtain a preliminary injunction based on assertions [they] think [they] might be able to prove down the road." *Vendr*, 2023 U.S. Dist. LEXIS 99567 at *31. Mr. Matus and Vector "have presented sworn declarations from individuals with first-hand knowledge of their own actions. [Plaintiffs'] allegations cannot counter that testimony." *Id.* at *32.

But this claim fails for a different reason. Mr. Matus had nothing to do with Orqa and Red Cat's decision to not pursue a partnership together. Orqa and Red Cat did not execute their contemplated partnership because: (i) Orqa and its new investors did not want a fully exclusive provider in the United States; (ii) Orqa started getting significant partnership interest from well-established drone companies like Teledyne FLIR, and wanted to "play the field"; (iii) late in the process of negotiations, Orqa demanded Red Cat pay upfront several million dollars to satisfy their investors; (iv) Mr. Thompson said "there wasn't any money in FPV" drones; and (v) if Red

Cat ever decided to sell FPV drones, Mr. Thompson wanted to partner with Unusual Machines, an FPV drone company that he founded. Matus Decl. ¶¶ 20–21.

Far from interfering with Red Cat’s relationship with Orqa, Mr. Matus actively pursued it while he was CTO of Red Cat. *Id.* ¶ 17. Over Mr. Thompson’s objection, Mr. Matus told Red Cat’s board of directors that Orqa was the ideal choice for a partnership. *Id.* ¶ 23. Even after he told Orqa that he was leaving for Vector, he encouraged Orqa to make a deal with Red Cat. *Id.* ¶ 24.

Plaintiffs also claim that Mr. Matus interfered with Red Cat’s economic relations by soliciting its employees to join Vector. Mot. at 23. But as explained above, Mr. Matus never solicited a single Red Cat employee. *Id.* ¶ 38.

3. Plaintiffs’ trade secret misappropriation claims are not likely to succeed.

For the reasons stated in Vector’s opposition brief, which Mr. Matus fully incorporates herein, Plaintiffs’ misappropriation claim is not likely to succeed on the merits because it’s based only on speculation. Plaintiffs have “not specified how or why the unspecified confidential information is of competitive value such that [they] would be irreparably harmed. [Their] argument that the information ‘will diminish [their] competitive position in the marketplace’ is speculative and does not demonstrate that irreparable injury is likely in the absence of an injunction. Likewise, [Plaintiffs do] not explain how [Vector] will use this alleged information, only that it will occur.” *Vendr*, 2023 U.S. Dist. LEXIS 99567, at *32.

Mr. Matus didn’t misappropriate any trade secrets because he didn’t delete anything from his company-issued laptop. But even if he did, Plaintiffs have failed to identify a trade secret or that Mr. Matus misappropriated one by allegedly deleting files.

B. Plaintiffs Cannot Establish Irreparable Harm.

Plaintiffs have not met their burden to demonstrate “probable irreparable harm”—the “single most important prerequisite for the issuance of a preliminary injunction.” *DTC Energy Grp., Inc. v. Hirschfeld*, 912 F.3d 1263, 1270 (10th Cir. 2018). Mr. Matus joins and incorporates by reference the comprehensive irreparable harm arguments in Vector’s opposition brief, which apply equally to Mr. Matus, including Vector’s demonstration that Plaintiffs have failed to show imminent harm, have offered no competent evidence of non-speculative injury, and cannot establish that their alleged damages are incapable of monetary compensation.

For example, there can be no threat of imminent and irreparable harm here when Red Cat has known about its employees leaving for Vector since at least March 2025, when Mr. Matus alerted Geoff Hitchcock, Red Cat’s Chief Revenue Officer, that some Red Cat employees had joined Vector. Matus Decl. ¶ 40. Mr. Hitchcock said it was “all good,” that it’s all “business,” and that he had “done it [him]self.” *Id.*

C. The Balance of Harms Favors Denial.

The harms posed to Mr. Matus and Vector significantly outweigh any purported harm Plaintiffs claim they might face if their requested injunction is denied. Because the arguments apply equally to Mr. Matus, he joins and incorporates by reference Vector’s comprehensive argument that the balance of harms favors denial.

D. The Injunction Would be Adverse to the Public Interest.

Plaintiffs failed to satisfy their burden of demonstrating that the injunction, if issued, is not “adverse to the public interest.” *First W. Capital Mgmt. Co. v. Malamed*, 874 F.3d 1136, 1141 (10th Cir. 2017). Mr. Matus joins and incorporates by reference Vector’s argument that the

injunction would be adverse to the public interest. As Vector correctly notes, the extraordinary injunctive relief sought here would stifle competition and impede technological innovation in the critical national defense sector, contrary to established precedent favoring competitive markets.

This strong public interest is also enshrined in the Utah Constitution: “It is the policy of the state of Utah that a free market system shall govern trade and commerce in this state to promote the dispersion of economic and political power and the general welfare of all the people.” Utah Const. Art. XII, § 20. “Each contract . . . in restraint of trade or commerce is prohibited.” *Id.* Accordingly, the public has an undeniable interest in ensuring that citizens are not deprived of their business and employment because of speculative assertions of hypothetical harms.

CONCLUSION

For the foregoing reasons, the Court should deny Plaintiffs’ Motion. If the Court grants injunctive relief, it should require Plaintiffs to post a significant bond. Fed. R. Civ. P. 65 provides that “[t]he court may issue a preliminary injunction or a temporary restraining order *only if* the movant gives security in an amount that the court considers proper to pay the costs and damages sustained by any party found to have been wrongfully enjoined or restrained.”

DATED this 21st day of August 2025.

HOLLAND & HART LLP

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**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

RED CAT HOLDINGS, INC. and TEAL
DRONES, INC.;

Plaintiffs,

v.

GEORGE MATUS and VECTOR DEFENSE
INC.;

Defendants.

**DECLARATION OF DEFENDANT
GEORGE MATUS IN SUPPORT OF HIS
OPPOSITION TO PLAINTIFFS’
MOTION FOR PRELIMINARY
INJUNCTION**

Case No. 2:25-cv-00646-TS-JCB

Judge Ted Stewart
Magistrate Judge Jared C. Bennett

I, George Matus, state as follows:

1. I am over the age of 18. This Declaration is based upon my personal knowledge.

If called upon to testify, I would competently testify to the following.

2. I submit this Declaration in connection with the above-captioned matter, and in support of my Memorandum in Opposition to Plaintiffs’ Motion for Preliminary Injunction.

3. I am currently the Chief Technology Officer of Vector Defense, Inc. (“Vector”).



4. I founded Teal Drones (“Teal”) in 2014 when I was in high school. Teal specializes in designing, developing, manufacturing, and selling drones that can execute short-range intelligence, surveillance, and reconnaissance (“ISR”) missions.

The SRR Tranche 1 Program

5. In November 2018, the U.S. Army announced its Short-Range Reconnaissance program of record (“SRR Program”) to spur development of American Small Uncrewed Aircraft Systems (“sUAS”), *i.e.*, drones that can complete ISR missions. The Army is executing the SRR Program in phased tranches to maintain flexibility to respond to advances in technology and user feedback. The SRR Program works like this: Companies interested in pursuing the program apply for it and the Army selects a handful to participate in an in-person flying demonstration. From that group, the Army picks finalists and awards them with a prototype contract to compete against each other in the development of a drone to meet the program’s requirements. Following several program milestones and test events, the Army selects a winner to transition into production, ultimately providing a low-rate initial production contract award (“LRIP”). If LRIP meets the Army’s requirements, the Army may choose to award that company with a potentially much larger full-rate production contract award.

6. For Tranche 1 of the SRR Program, Teal submitted its Golden Eagle drone. While the Golden Eagle wasn’t selected as the winner for Tranche 1, it was one of only five drones chosen to be on the Blue UAS list, *i.e.*, approved by the Department of Defense for reconnaissance applications.

The SRR Tranche 2 Program

7. Red Cat Holdings, Inc. (“Red Cat”) acquired Teal in September 2021. After the acquisition, I continued to serve as Teal’s CEO.

8. My primary goal after the acquisition was to develop a drone that would win the SRR Tranche 2 program. To that end, I led the design and development of the Black Widow drone.

9. The Black Widow is a highly sophisticated ISR drone that took my entire team of dozens of engineers three years and tens of millions of dollars to develop. It uses a multitude of advanced technologies that were developed in-house at Teal. These included custom and highly specialized subsystems such as an advanced gimballed sensor payload, fully integrated GPU and CPU, advanced autonomy, digital resilient datalink, custom propulsion system, and more, to “hunt” for targets. A single Black Widow system can sell for \$25,000 to \$50,000, and it is designed to be operational for up to hundreds of ISR missions and maintained for several years.

10. On November 19, 2024, Red Cat announced that the Army had selected the Black Widow as the winner of the SRR Tranche 2 program and would move toward transitioning it into production.

Orqa and Red Cat’s “FANG” Drone

11. In March 2024, Mr. Jeff Thompson, Red Cat’s Chief Executive Officer, and Red Cat’s marketing team came up with an idea for a new family of drones called ARACHNID,

which would include the existing Black Widow drone, a longer range VTOL drone called Trichon, and a new first-person view¹ (“FPV”) drone called “FANG.”

12. At no point did Red Cat or Teal devote any resources, money, or engineers to the development of “FANG” or any other FPV drone. Further, even when FANG was considered at this initial concept stage, Red Cat was expecting to fully outsource its development and production to a third-party provider, such as Unusual Machines or Orqa Ltd. Red Cat, therefore, was not intending to design and build an FPV drone in house.

13. In June 2024, I traveled to Paris with several team members from Red Cat to attend the Paris Air Show, one of the largest trade fairs for military aircraft.

14. At the air show, we met with Orqa, an FPV drone and components manufacturing company headquartered in Croatia. In my opinion, Orqa is one of the top FPV drone companies in the world.

15. Following the Paris Air Show, Red Cat explored a potential partnership with Orqa to produce and distribute an FPV drone for the United States market. By August 2024, Red Cat and Orqa agreed to the following general terms in a memorandum of understanding: Orqa would send Red Cat its FPV drone components, Red Cat would assemble Orqa’s FPV drones in the United States and sell them under Red Cat’s “FANG” brand, and Red Cat would be Orqa’s exclusive FPV drone provider in the United States. In other words, the plan for FANG was to “white label” an Orqa drone.

¹ First-person view drones allow operators to fly the drone from the drone’s perspective in real time through a headset or mobile device.

16. I was involved in negotiating the Orqa partnership on behalf of Red Cat, but I wasn't the only one. Jason Gunter, Red Cat's Vice President of Tech & Innovation of Special Programs, as well as Geoff Hitchcock, Red Cat's Chief Revenue Officer, and Chris Rill, President of Teal, were equally involved.

17. I pursued the Orqa deal to the best of my abilities. I was the one who convinced Orqa to entertain a partnership with Red Cat in the first place. I didn't hide any of the negotiations with Orqa from anyone at Red Cat. Instead, I constantly updated the other Red Cat executives, including Geoff Hitchcock, Chris Rill, Jason Gunter, and Jeff Thompson, regarding the progress of the negotiations by phone, email, and text messages. I traveled to Croatia to meet with Orqa. And Orqa traveled to Utah to meet with the Red Cat team.

18. As part of those negotiations, Red Cat offered to help Orqa obtain Blue UAS certification, which is required to sell drones to the U.S. military. Orqa, however, turned down any such assistance, informing us that they could obtain that certification on their own and without Red Cat's help.

19. Negotiations slowed in Q4 2024 because Orqa was in the process of raising its first large round of capital and wanted to give its new investors and board members an opportunity to review the potential partnership before committing to such a large deal for their company. Orqa was not willing to commit to anything concrete during its fundraising phase.

20. Despite my best efforts, after months of discussions, Orqa and Red Cat did not execute their contemplated partnership because: (i) Orqa and its new investors did not want a fully exclusive provider in the United States; (ii) Orqa started getting significant partnership interest from well-established companies like Teledyne FLIR, Rocky Mountain Unmanned

Systems, and Tough Stump Technologies, and wanted to “play the field”; (iii) late in the process of negotiations, Orqa demanded Red Cat pay upfront several million dollars to satisfy their investors; and (iv) Red Cat’s CEO decided that pursuing the FPV drone market was not in its best interest.

21. On this last point, Mr. Thompson informed members of the Red Cat team that he did not believe there was any money in FPV drones and if Red Cat ever decided to sell FPV drones, Mr. Thompson wanted to partner with Unusual Machines, a separate drone company that he founded. Mr. Thompson owns hundreds of thousands of Unusual Machine shares,² and currently serves on its board of directors.

22. I thought Red Cat’s focus on Unusual Machines, which provides consumer drones and components—not military grade drones—was unusual, particularly because I believed Orqa was a far better fit for Red Cat’s FPV goals.

23. At a September 2024 Red Cat board meeting, I told the board that Orqa was best in class and that Red Cat should pursue a partnership with Orqa. In response, Mr. Thompson said, “I disagree,” and fiercely advocated for a similar partnership with Unusual Machines.

24. In December 2024, I told Orqa that I was joining Vector. In that same conversation, I encouraged Orqa to pursue its partnership with Red Cat even though I was leaving the company.

25. After I transitioned to my current position at Vector, I had conversations with Orqa about a possible relationship with Vector. But no agreement between Vector and Orqa ever

² <https://www.secform4.com/filings/1956955/0001683168-25-003916.htm>

materialized. Orqa was interested in either a joint venture arrangement or an agreement where Orqa would be the prime-contractor and Vector the sub-contractor for any government contracts, *i.e.*, Orqa wanted full control over its go-to-market and manufacturing plans in the U.S., which was a non-starter for Vector.

26. Vector also approached several other companies regarding possible business relationships, including Neros, Vyriy, and even Red Cat.

27. In the end, a “FANG” drone (or any other FPV drone for that matter) never existed in any form at any point during my time at Red Cat or Teal. While Red Cat explored the FANG as an FPV concept, it never went beyond that initial phase and even then, was explored as a potential partnership with a third party, not something that would have been designed and built by Red Cat. Consequently, there was no development, design, or manufacturing of an FPV drone by Red Cat during my time with Red Cat and, to my knowledge, Red Cat has not successfully developed FANG or any other FPV drone option, including through a third-party provider.

Vector

28. In May 2024, I was introduced to the CEO of Vector, Andy Yakulis, by an investor. The investor asked if I was interested in a new role, and I said yes. At that time, I had accomplished what I came to Red Cat to do: I had developed the Black Widow, which I then thought was likely going to win Red Cat the SRR Tranche 2 contract award. I also was concerned that the other members of the Red Cat executive team were prioritizing profits over the company’s core mission.

29. Also, Vector’s “warfare-as-a-service” business model interested me. Under that model, Vector wasn’t planning to create any of its own equipment. Instead, Vector planned to

derive revenue from lucrative service contracts to train soldiers to tactically integrate technology into their operations, and then Vector would sell third party technology and equipment to them through those contract vehicles. These service contracts involve far less red tape than the government procurement contacts I had pursued at Red Cat and Teal.

30. Over the next several months, I explored the possibility of joining Vector. Mr. Yakulis and other members of the Vector team came to meet with me at Red Cat's facility in Salt Lake City. Mr. Yakulis also met with Red Cat personnel, including Geoff Hitchcock, Red Cat's Chief Revenue Officer, and explained that Vector would want to use Red Cat's drones in connection with its warfare-as-a-service business model. Indeed, Vector has since purchased drones from Red Cat and even now is willing to continue buying them.

31. Mr. Hitchcock and others at Red Cat were aware that I was considering joining Vector but hadn't made a decision.

32. In June 2024, Vector offered me a position as Chief Technology Officer, which I accepted on July 4, 2024. One of the terms of my acceptance was that I wouldn't become a Vector employee until after Red Cat was officially selected as the winner of the SRR Tranche 2 program, which I thought was going to happen in July or August. But red tape delayed the Army's official selection until November 2024. Ultimately, I wanted to make sure I helped Red Cat close the deal for Black Widow before leaving the company.

33. Even after accepting the offer, I was on the fence about leaving Red Cat. My job was stable. And I had a year's worth of Red Cat shares that were about to vest.

34. Nevertheless, I officially told Red Cat that I was leaving the company on November 26, 2024. Mr. Thompson seemed excited that I was leaving Red Cat and made no efforts to keep me at the company.

35. Roughly a week later, I told my team that I was leaving the company to join Vector. I told them I was very proud of what we built and assured them that Red Cat was in good hands.

36. December 26, 2025 was my last day at Red Cat.

37. I was not paid anything by Vector until December 31, which was my first day at Vector.

38. At no point during or after my employment with Red Cat, did I ask any Teal or Red Cat employees to join me at Vector. However, after I left Red Cat, some of them reached out to me and said they were interested in learning more about Vector. In those short conversations, I let them know that if they were interested in joining Vector, I would refer them to Mr. Yakulis or Seth Nason, Vector's Chief of Staff and Head of Human Resources, and that I could not participate in any recruitment or hiring of Red Cat employees. Nor did I ultimately participate in the hiring of any such Red Cat employee. I also did not provide Vector with any information regarding these employee's salaries or other compensation at Red Cat to help with any recruiting efforts, as Red Cat seems to imply. Rather, as I understand it, these employees went through the normal hiring process at Vector, just like any other applicant.

39. The employees who were hired by Vector did so for the same reason I did: because they truly believed in Vector's mission and the executive team's vision.

40. In March 2025, I told Geoff Hitchcock that a few people from Red Cat had reached out to me regarding possible employment at Vector and that Vector ultimately hired some of them. He replied that it was “all good” and that it was “business” and that he had “done it [him]self.”

The Return of My Red Cat Laptop

41. Nobody at Red Cat or Teal gave me any instructions about how I was supposed to return my company-issued Apple laptop, nor on exiting the company in general. When I was given the laptop about five years prior, I signed into my personal Apple ID. So, on my last day, I signed out of my Apple ID, reset the laptop, and returned it. I genuinely thought this was what I was supposed to do before leaving the company. That approach also made sense to me given that I would also have personal information, such as personal photos, messages, and documents on that computer, none of which related to Teal or Red Cat business information, and any important Red Cat and Teal information would already be available to them on their systems and servers.

42. I didn't, therefore, delete any documents on my laptop nor did I reset my laptop to try hide any alleged bad behavior. With respect to Red Cat and Teal information, the vast majority of the documents I used and created while at Red Cat were stored on a Red Cat Google Drive account (which transitioned to an internal local company server in 2024), in my company email client, Slack, and Confluence. None of those documents would have been affected by me resetting my computer.

43. Some Red Cat documents that were stored in my personal Apple iCloud cloud storage, including publicly available spec sheets of Red Cat products and operator manuals, carried over inadvertently.

44. I informed Red Cat of this roughly a month ago, including a request for how to handle those documents. To date, neither Red Cat nor its counsel have responded.

45. To be clear, I take my obligations to Red Cat seriously, including the protection of its confidential, proprietary, and trade secret information as well as my non-solicitation obligations. I have and fully intend to comply with those obligations, and I have consistently made that clear to Red Cat.

Vector's FPV Hammer Drone

46. From when I was introduced to Mr. Yakulis in May 2024 through April 2025, Vector maintained its warfare-as-a-service business model: under service contracts, Vector would train soldiers how to integrate and use technology, and would sell them third-party technology and equipment, *e.g.*, Red Cat and other company drones.

47. But in April 2025, and after exploring potential relationships with Orqa and other providers, Vector executives realized there was an underserved market for simple, low-cost, single-use, long-range, and expendable FPV drones that destroy their intended targets.

48. So, in April 2025, Vector started developing an FPV drone called the Hammer, which Vector officially announced in July 2025.

49. At no point before this did Vector consider manufacturing its own drones.

50. While Vector’s FPV Hammer and Red Cat’s SRR Black Widow are both drones, they are fundamentally different pieces of equipment, serving different purposes and missions, and do not compete with each other in any way:

	Red Cat’s Black Widow	Vector’s Hammer
Number of Uses	Hundreds	Single use
Purpose	Intelligence, reconnaissance, surveillance (hunter drone)	Eliminating a target (killer drone)
Cost per unit	~ \$25,000-\$50,000	~ \$2,000
R&D resources	Millions of dollars, years of development, 20+ subsystems and technologies, a full team of engineers, highly sophisticated and custom equipment.	95% of the Hammer is made from off-the-shelf parts that can be ordered online, and it can be assembled by anyone in a few days.
Scalability	Took years to develop and begin manufacturing.	Because of its simple design and widely available parts, the Hammer is easy to manufacture at scale.

51. No Red Cat confidential or trade secret information was used to develop the Hammer or any other Vector product. Nor would it have made any sense to; the Black Widow and the Hammer are fundamentally different drones with different purposes. And they compete for different types of contracts. For example, the Hammer would not have competed against the Black Widow for the SRR Tranche 2 program or future SRR programs because it’s not an ISR drone. Neither would the Black Widow have competed against the Hammer for any FPV contract awards because the Black Widow isn’t an FPV drone. Additionally, as I mentioned above, Red Cat’s intention with FANG was to partner with an entirely separate third-party manufacturer to white label an existing FPV drone (*i.e.*, where the drone would be produced by a third party and Red Cat would later sell the drone under its label). Therefore, even if FANG had

come to fruition, there would be no Red Cat confidential or trade secret information involved in the design or drone technology since it would have been produced by a third party. Regardless, as mentioned, FANG never proceeded beyond the concept stage.

52. Further, the Hammer is centered around very little intellectual property—rather, it is mostly made of off-the-shelf components. Further, Kaleb Ellis led Vector’s engineering team on the development of the Hammer. Kaleb and his team designed and built the Hammer prototype in less than two weeks in our Colorado facility. I was not involved in the drone’s design and development. During this time, although I was copied on some emails about the Hammer, I was focusing on fundraising and later on leave for the birth of my first child. I did fly out to Colorado to briefly visit the team at the end of this design and development phase. But by that point, the Hammer prototype was complete. While I was in Colorado, my sole involvement in the Hammer was to congratulate the team and to participate in the test-flying of the prototype.

August 11, 2025 FPV Drone Fly Off Event

53. On August 11, 2025, I attended the Army’s FPV flyoff competition in Alabama, for the Purpose Built Attributable System (“PBAS”) program at the Clark Range Reserve Center. Vector was one of 15 vendors chosen for the competition out of 100+ applicants, and I was there to showcase the Hammer’s abilities to the Army.

54. Craig Martin, Program Integrator supporting Project Management Small Uncrewed Aircraft Systems office (“PM UAS”) U.S. Army, also attended the fly off. I know Craig well; he is employed by the government in support of the Army’s SRR Tranche 2 program and was one of my main points of contact for that program while I was at Red Cat. He’s also involved in the Army’s FPV program, Purpose Built Attributable System (“PBAS”).

55. At the flyoff, Craig told me that Red Cat didn't even apply as one of the 100+ respondents for the PBAS competition with "FANG" or any other FPV drone. This further confirms that, as of now, there is no Red Cat FPV product actively competing with the Hammer for any current government contracts, which is the specific market for such drones.

DATED this 21st day of August 2025.

/s/ George Matus
George Matus