



GRANTED

EFiled: Mar 29 2018 09:07AM EDT
Transaction ID 61853617
Case No. 12524-VCL



N THE COURT OF CHANCERY OF THE STATE OF DELAWARE

COMPOSECURE, L.L.C.,

Plaintiff/
Counterclaim Defendant,

v.

CARDUX, LLC f/k/a AFFLUENT
CARD, LLC,

Defendant/
Counterclaim Plaintiff.

C.A. No. 12524-VCL

[PROPOSED] FINAL ORDER AND JUDGMENT

WHEREAS, on June 29, 2016, Plaintiff CompoSecure, L.L.C. (together with any successors, “CompoSecure”) filed a Verified Complaint (the “Complaint”) against Defendant CardUX, LLC f/k/a Affluent Card, LLC (together with any successors, “CardUX”);

WHEREAS, on July 26, 2016, CardUX filed an Answer to the Complaint and Verified Counterclaims (the “Verified Counterclaims”) against CompoSecure;

WHEREAS; on August 29, 2016, CompoSecure filed an Amended Complaint and Answer to the Verified Counterclaims (the “Amended Complaint”);

WHEREAS, on September 26, 2016, CardUX filed an Answer to the Amended Complaint;

WHEREAS, trial on all claims and counterclaims took place on May 22, 2017, through May 25, 2017;

WHEREAS, on February 1, 2018 the Court issued its post-trial Memorandum Opinion (the “Opinion”);

WHEREAS, at the conclusion of the Opinion, the Court directed the parties to “confer regarding the specific amount of commissions that are due,” as well as “CardUX’s attorneys’ fees and expenses”; and

WHEREAS, based upon the foregoing, the parties have agreed to the entry of judgment herein in the form set forth below;

IT IS HEREBY ORDERED AS FOLLOWS:

1. Judgment in favor of CardUX is entered declaring:
 - a. The Sales Representative Agreement (the “SRA”) entered into between CompoSecure and CardUX, dated as of November 6, 2015, is a valid obligation of CompoSecure, enforceable in accordance with its terms;
 - b. Pursuant to the SRA and subject to the time frames set forth therein, CardUX is entitled to Commissions of 15% of the “Net Sale Price” for all sales of “Products” to any person or entity meeting the criteria of §6.1 of the SRA as interpreted in the Opinion;

- c. CompoSecure breached the SRA by failing to pay to CardUX commissions due and owing pursuant to the SRA;
- d. CompoSecure breached obligations in the SRA to provide support for and cooperation with CardUX's performance;
- e. CardUX is entitled to compensatory damages for past-due commissions, including pre-judgment and post-judgment interest calculated at the Delaware statutory rate;
- f. CardUX is entitled to an award of nominal damages on its claim that CompoSecure failed to use reasonable efforts to support CardUX, including pre-judgment and post-judgment interest calculated at the Delaware statutory rate; and
- g. CardUX is entitled to an award of reasonable legal fees and expenses it incurred in connection with this dispute and litigation.

2. CardUX is entitled to compensatory damages for past-due commissions on all sales by CompoSecure of Products to Approved Prospects (as those terms are defined in the SRA) through the end of 2017 in the amount of \$14,387,427.24, comprised of the following amounts, which have been certified by CompoSecure under oath prior to the entry of this Final Order and Judgment (the "Certified Commission"):

- a. \$1,118,387.51 for sales during 2016; and
- b. \$13,269,039.73 for sales during 2017.

- c. Damages of \$1.00 for breaches of the obligation to support and cooperate with CardUX;
- d. Reasonable legal fees of \$1,838,498.75 and reasonable expenses of \$159,056.91 (having been certified under oath by CardUX as the actual legal fees and expenses incurred by it);
- e. Pre-judgment interest on the Certified Commission through March 29, 2018 in the amount of \$599,943 (the “Pre-Judgment Interest”); and
- f. Post-judgment interest shall accrue and be paid at the Delaware statutory rate provided in 6 *DEL. C.* § 2301(a), a rate of 5% over the Federal discount rate including any surcharge as of the time from which the interest is due, compounded quarterly until the Judgment is paid in full.

3. Nothing in this Order shall affect (a) the right of CardUX (i) to seek, pursuant to Court of Chancery Rule 60(b), to reopen this Final Order and Judgment if it discovers evidence that the Certified Commission is inaccurate or (ii) to commence a new action asserting claims for failure to pay Commissions due and owing on sales of “Products” during periods after December 31, 2017, or during the balance of term of the SRA; or (b) the appellate rights of any party to this proceeding.

4. For purposes of this Order, the terms “Net Sales Price,” “Products” and Excluded Customer” shall have the meanings ascribed to those terms in the SRA, subject to the declarations set for in Paragraph 1, above.

IT IS SO ORDERED this ____ day of _____, 2018.

Vice Chancellor J. Travis Laster

This document constitutes a ruling of the court and should be treated as such.

Court: DE Court of Chancery Civil Action

Judge: J Travis Laster

File & Serve

Transaction ID: 61851836

Current Date: Mar 29, 2018

Case Number: 12524-VCL

Case Name: CONF ORD - CompoSecure, L.L.C., Plaintiff, v. CardUX, LLC f/k/a/ Affluent Card, LLC, Defendant.

Court Authorizer: Laster, J Travis

Court Authorizer

Comments:

I appreciate the parties working together to implement the post-trial decision by preparing this final order, including by resolving the issues left open by the opinion without need for further application to the court.

/s/ Judge Laster, J Travis