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August 2, 2024

VIA CERTIFIED MAIL & ELECTRONIC DELIVERY

Vertex Systems, Inc.
Attn: Mr. Oliver Harrington, Chief Executive Officer
2250 Innovation Parkway, Suite 300
Silicon Glen, TX 78701

cc: General Counsel, Vertex Systems, Inc.

Reference Information

File No.: MLG-2024-CD-0047
Client: Nexa Corporation
Matter: IP Infringement / Breach
Deadline: September 1, 2024

CEASE AND DESIST NOTICE

Re: Unauthorized Use of Registered Intellectual Property & Breach of License Agreement No. NX-2022-LA-0091

Notice & Purpose

This letter constitutes formal legal notice from **Meridian Legal Group LLP** (**"Counsel"**), acting exclusively on behalf of our client, **Nexa Corporation**, a Delaware corporation with its principal place of business at 1 Nexa Plaza, San Francisco, CA 94105 (**"Nexa"**), to **Vertex Systems, Inc.** (**"Vertex"** or **"You"**).

Nexa demands that Vertex **immediately cease and desist** from:

- All unauthorized reproduction, distribution, and public display of Nexa's proprietary *Synapse™ Analytics Engine* source code, documentation, and derivative works;
- All continued operation of Vertex's *DataPulse Pro* product in any manner that incorporates, replicates, or is substantially derived from Nexa's protected software architecture; and
- Any further breach of the Software License Agreement dated March 14, 2022 (Agreement No. NX-2022-LA-0091), including sublicensing, reverse engineering, and competitive deployment restrictions set forth in Sections 4.2, 4.5, and 7.1 thereof.

IMPORTANT NOTICE: Failure to comply fully with the demands set forth herein within **thirty (30) calendar days** of the date of this letter will leave Nexa with no alternative but to

> pursue all available legal and equitable remedies, including injunctive relief, statutory and actual damages, and recovery of attorneys' fees under 17 U.S.C. § 505 and the express terms of the License Agreement.

This letter is written *without prejudice* to any and all rights, remedies, and defenses available to Nexa, all of which are expressly reserved.

Parties and Background

A. Nexa Corporation

Nexa Corporation was incorporated in Delaware in 2015 and is a leading provider of enterprise-grade analytics infrastructure. Since 2018, Nexa has marketed and commercially distributed the *Synapse™ Analytics Engine* (**"Synapse"**), a proprietary software platform for real-time data processing, machine-learning pipeline orchestration, and predictive-modeling deployment. Nexa has registered the following intellectual property with the United States Copyright Office and United States Patent and Trademark Office:

Registration No.	Type	Title / Mark	Date
TX 9-421-007	Copyright	Synapse Analytics Engine v2.4	Jan 12, 2022
TX 9-511-338	Copyright	Synapse API Documentation Suite	Jun 3, 2022
TX 9-604-112	Copyright	Synapse ML Pipeline Framework	Oct 19, 2022
US 7,104,891	Patent	Adaptive Data Routing Architecture	Mar 1, 2023
Reg. 6,812,004	Trademark	SYNAPSE (stylised)	Aug 9, 2021

B. Vertex Systems, Inc.

Vertex Systems, Inc. is a Texas corporation engaged in the development and commercial sale of enterprise software products. In March 2022, Vertex and Nexa executed License Agreement No. NX-2022-LA-0091 (**"Agreement"**), whereby Nexa granted Vertex a *limited, non-exclusive, non-transferable* licence to integrate a specified subset of the Synapse v2.4 API into Vertex's internal workflow tooling exclusively for Vertex's own internal operational use (**"Permitted Use"**).

C. Infringing Conduct

Notwithstanding the clear and express limitations of the Agreement, Nexa's technical and legal teams have identified, through a forensic code review conducted between June 10 and July 28, 2024, that Vertex has:

- Incorporated substantial portions of the Synapse source code—including the `NexaStream`, `AdaptiveRouter`, and `PipelineOrchestrator` modules—into a *commercially distributed* product called **DataPulse Pro**;
- Distributed DataPulse Pro to no fewer than **fourteen (14)** third-party enterprise clients, in direct breach of Section 4.2 ("No Sublicensing") of the Agreement;
- Removed or obscured Nexa's copyright notices and proprietary legends in violation of 17 U.S.C. § 1202 (Copyright Management Information); and

- Applied for a trademark registration for the term "SynapseCore" in Class 42, creating a likelihood of confusion with Nexa's registered Synapse mark.

Legal Basis for Demands

The conduct described in Section 2(C) gives rise to multiple independent causes of action under federal and state law.

A. Copyright Infringement — 17 U.S.C. § 501

Nexa is the registered owner of the copyrights identified above. Vertex's reproduction and distribution of the Synapse source code in DataPulse Pro without authorisation constitutes direct copyright infringement under 17 U.S.C. § 501. Nexa is entitled to:

- Statutory damages of up to **$150,000 per work** infringed in cases of wilful infringement (17 U.S.C. § 504(c)(2));
- A permanent injunction under 17 U.S.C. § 502;
- Impoundment and destruction of all infringing copies (17 U.S.C. § 503); and
- Recovery of Nexa's attorneys' fees and costs (17 U.S.C. § 505).

Given that Vertex had actual notice of Nexa's copyrights through the Agreement and its embedded copyright notices, infringement is *wilful* as a matter of law. *See Fitzgerald Publishing Co. v. Baylor Publishing Co.*, 807 F.2d 1110 (2d Cir. 1986).

B. Breach of Contract

The Agreement is a valid, binding contract supported by adequate consideration. Vertex's distribution of DataPulse Pro incorporating Nexa's proprietary code constitutes a material breach of at minimum:

- **Section 4.2** — prohibition on sublicensing or transfer of licence rights;
- **Section 4.5** — prohibition on competitive deployment; and
- **Section 7.1** — obligation to preserve all proprietary markings.

Nexa reserves the right to pursue expectation damages, consequential damages, and specific performance under California Commercial Code and applicable common law.

C. Trademark Infringement — 15 U.S.C. § 1114

Vertex's use of the designation SynapseCore in connection with competing software services is likely to cause confusion, mistake, or deception as to the source or affiliation of Vertex's product with Nexa's registered Synapse mark. This constitutes trademark infringement under the Lanham Act, 15 U.S.C. § 1114, and unfair competition under 15 U.S.C. § 1125(a).

D. Removal of Copyright Management Information — 17 U.S.C. § 1202

By stripping or altering Nexa's copyright notices embedded in the Synapse source code, Vertex has violated the Digital Millennium Copyright Act's provisions against removal of copyright management information, exposing Vertex to additional statutory damages of up to **$25,000** per violation under 17 U.S.C. § 1203(c)(3)(B).

Cause of Action	Min. Exposure (USD)	Max. Exposure (USD)
Copyright Infringement (3 works)	$2,250	$450,000
Wilful Enhancement (3 works)	$30,000	$450,000
Breach of Contract (damages)	$180,000	—
Trademark Infringement	$25,000	$2,000,000
CMI Removal (est. 12 files)	$12,000	$300,000
Aggregate Potential Liability	**Up to USD $3,200,000+**	

Note: Figures reflect statutory maxima under current federal law. Actual damages are subject to proof at trial and are not capped by the above estimates. This table is for illustrative purposes only and does not constitute a formal demand for a specific sum.

Summary of Evidence

Nexa's position is supported by a comprehensive body of documentary, forensic, and testimonial evidence gathered during the investigation period.

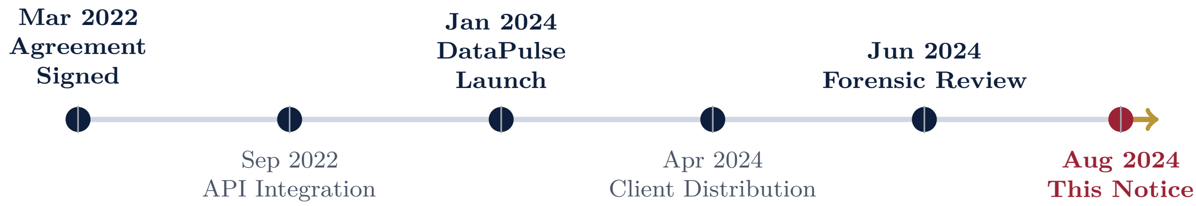

Figure 1. Chronology of material events in this matter.

The following categories of evidence have been preserved and are available for disclosure in any subsequent legal proceeding:

Exhibit	Description	Status
Exhibit A	Side-by-side code comparison of Synapse v2.4 `NexaStream` module and DataPulse Pro v1.2 `StreamCore` module	✔
Exhibit B	License Agreement No. NX-2022-LA-0091 (executed copy)	✔
Exhibit C	DataPulse Pro commercial product listings and end-user licence agreements retrieved from Vertex public website (archived July 30, 2024)	✔
Exhibit D	Affidavit of Dr. Clara Whitmore, Forensic Software Analyst, attesting to structural similarity metrics ($>$87% token-level match)	✔
Exhibit E	Correspondence chain between Vertex CTO Marcus Holden and three enterprise clients referencing DataPulse Pro integration of "Synapse components"	✔
Exhibit F	USPTO trademark application Serial No. 97/412,808 for "SynapseCore" filed by Vertex Systems, Inc., dated May 15, 2024	✔
Exhibit G	U.S. Copyright Office registration certificates TX 9-421-007, TX 9-511-338, TX 9-604-112	✔

All exhibits referenced herein will be produced upon initiation of formal discovery or upon request of Vertex's counsel of record.

Formal Demands

Nexa hereby demands that Vertex, its officers, directors, employees, agents, contractors, successors, and assigns, within **thirty (30) calendar days** of the date of this letter (i.e., no later than **September 1, 2024**), fully comply with each of the following:

1. **Immediate Cessation of Infringing Activity.** Vertex shall immediately cease all reproduction, modification, distribution, sale, sublicensing, and public display of any product, service, or work that incorporates or is derived from any portion of the Synapse Analytics Engine, including but not limited to DataPulse Pro in all its versions and editions.

2. **Product Recall and Decommissioning.** Within fifteen (15) days of this notice, Vertex shall (a) suspend all sales, licensing, and distribution of DataPulse Pro; (b) notify all current licensees of such suspension; and (c) provide Counsel with a complete written list of all entities to which DataPulse Pro has been distributed or licensed, including licence terms and fees received.

3. **Preservation of Evidence.** Vertex is hereby placed on formal legal hold. Vertex shall immediately preserve all documents, source code repositories, communications, contracts, and records relating to DataPulse Pro, the Synapse API, License Agreement NX-2022-

LA-0091, and the SynapseCore trademark application. Destruction of any such materials may constitute spoliation of evidence and will be brought to the attention of any presiding court.

4. **Withdrawal of Trademark Application.** Vertex shall within twenty (20) days file an express abandonment of USPTO trademark application Serial No. 97/412,808 and provide Counsel with a copy of the filing confirmation.

5. **Written Accounting and Certification.** Vertex's Chief Executive Officer or General Counsel shall provide, under oath, a written accounting identifying: (a) all products incorporating Synapse code or derivatives; (b) all revenues attributable to such products since January 1, 2024; and (c) the identity and contact information of all third-party customers or sublicensees.

6. **Agreement to Compensate.** Vertex shall, within thirty (30) days, enter into good-faith negotiations with Counsel regarding Nexa's damages, including lost profits, disgorgement of Vertex's profits, licensing fees foregone, and any other amounts to which Nexa may be entitled under applicable law.

> **Settlement Without Litigation:** Nexa recognises that swift voluntary compliance may be in the mutual interest of both parties. Counsel invites Vertex's legal representatives to contact our office within **ten (10) business days** to discuss resolution. Any communications made in this context will be treated as settlement discussions pursuant to Federal Rule of Evidence 408.

Closing & Governing Law

This notice is governed by the laws of the State of California, without regard to its conflict-of-laws principles. Nothing in this letter shall be construed as a waiver of any rights, remedies, or claims available to Nexa, whether at law or in equity, all of which are expressly reserved. The failure of Nexa to exercise any right granted hereunder shall not be deemed a waiver of such right.

Should this matter proceed to litigation, Nexa will seek, in addition to compensatory and statutory damages: (a) a preliminary and permanent injunction; (b) disgorgement of all profits derived from infringing activity; and (c) recovery of all legal costs and attorneys' fees incurred in connection with this matter.

We anticipate Vertex's prompt attention to this matter and urge you to retain qualified legal counsel immediately.

Respectfully submitted on behalf of **Nexa Corporation**,

Eleanor J. Castillo, Esq.
Partner, Meridian Legal Group LLP

James R. Fontaine, Esq.
Of Counsel — IP & Technology Practice

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No Legal Advice: Nothing in this letter constitutes legal advice to Vertex Systems, Inc. or its officers. Vertex is strongly encouraged to obtain independent legal counsel of its own choosing before responding to or acting upon the demands set forth herein.

Enclosures: Exhibits A through G (available upon request)
Distribution: File; Nexa Corporation (General Counsel); Nexa Corporation (CEO, Dr. Priya Okafor)