

## NOTICE OF MATERIAL EVENT



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### CECORS, INC.

#### Update on Status of Litigation

#### Notice of previously undisclosed material information with respect to an over 5% stockholder

#### Notice of potential material contingent liability

11 April 2025, CECORS, INC. (OTCMarkets PINK: CEOS) ("CeCors" or the "Company"), wishes to provide shareholders a comprehensive update on current operations, status of the Company and its subsidiaries, as well as certain ongoing legal actions. Management asks that shareholders refrain from speculation regarding operations of the Company and instead refer to information CeCors publishes in the public domain and information publicly available on the docket in the litigation referenced below. Further the Company wishes to provide additional material information with respect to one of its' 5% stockholders.

#### Litigation

The Company and its subsidiary, VETCOMM, are currently involved in legal action in Clark County, Nevada, case number A-25-909700-B, against Kate Monroe (AKA Katy Eatmon) and ROI Ventures, a California corporation ("Defendants"). On January 9, 2025, the Company and VETCOMM ("Plaintiffs") filed their Verified Complaint against Monroe and ROI Ventures ("Defendants") with claims for declaratory relief, injunctive relief, breach of contract, breach of fiduciary duty, and other tortious claims. As detailed in the Verified Complaint, the claims arose when the Company removed Monroe as CEO of CeCors, as a director of VETCOMM, and the CEO, Secretary and Treasurer of VETCOMM in December 2024. The Company was successful in securing a Temporary Restraining Order against Defendants in the Nevada action A-25-909700-B, which subsequently expired on January 21, 2025. On January 23, 2025, the Court entered an order denying Plaintiffs' Motion for Preliminary Injunction, holding, among other things, that "Monroe shall continue in her role as VetComm's CEO, Treasurer and Secretary of VetComm with all rights, entitlements, duties, and responsibilities afforded these titles....". The Court made additional orders restricting compensation bonuses and financial distributions regarding VETCOMM during the litigation. On March 18, 2025, Defendants filed their Amended Answer, Affirmative Defenses, and Counterclaims ("Answer"). In their filed Answer, Defendants contend, among other things, that Monroe was improperly terminated from her position with

VETCOMM, citing certain clauses from the March 2023 Acquisition Agreement and Exchange of Shares. Further, Defendants seek to unwind the Acquisition Agreement.

Counsel for Kate Monroe and ROI Ventures initiated other litigation against the Company and its officers and directors, Case A-25-910017-C. Counsel for Kate Monroe and ROI Ventures have, pursuant to an April 8, 2025, email, represented that they filed a Notice of Voluntary Dismissal Without Prejudice of this action, which states, in pertinent part, “[t]he reason for such voluntary dismissal is that the Complaint in this matter has been made redundant by the counterclaims of Kate Monroe and ROI Ventures in Case No. A-25-909700-B in the Eighth Judicial District Court of Clark County, Nevada.

Subsequently, on March 25, 2025, the Company filed an Emergency Motion To Compel And/Or Clarify Defendants’ Obligations To Provide Financial Information To Allow Cecors, Inc. To Prepare Its Annual Operating Report with an Ex Parte Application For An Order Shortening Time for a hearing. Defendants Monroe and ROI Ventures filed an opposition to Plaintiffs’ Emergency Motion. A hearing was held on April 1, 2025 and subsequently on, April 8, 2025, the Court entered an order that stated, in pertinent part, the following:

2. Defendants shall immediately begin the process of providing the following information to Plaintiffs, allowing Plaintiffs to complete and file their annual and quarterly reports:

- Item No. 1: Detailed Invoices (not payment receipts)
- Item No. 2: Expense Reports with supporting documentation
- Item No. 3: Documentation to support Fixed Asset Additions and Leasehold Improvements
- Item No. 4: Contracts/Agreements
- Item No. 5: Payroll Reports
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- Item No. 6: Recurring Charges and supporting documentation
- Item No. 7: Bank Account Access (view-only) for purposes of downloading data to financial accounting software and for recording financial transactions
- Item No. 8: PAP Post Affiliate System & GoHighLevel (and new CRM – Sales Mate) for purposes of analyzing affiliate commission earnings and associated costs
- Item No. 9: Additional Account Access (Stripe, PayPal, Amazon Business, [billing@vetcomm.us](mailto:billing@vetcomm.us)) for purposes of analyzing revenue and accurately reporting its recognition, as well as details of outgoing payments and corporate purchases and invoices received (both paid and unpaid).

3. To the extent Defendants are unable to immediately provide information and/or documentation regarding Item Nos. 8 and 9 upon entry of this Order, Defendants shall provide username and/or password-level access to Plaintiffs; ***provided, however,*** Plaintiffs shall not change or modify the username, passwords, and/or any data/information contained therein. Such limited username/password access shall be terminated upon Plaintiffs’ downloading or otherwise compiling the data necessary to report.

4. Plaintiffs shall review their compliance with all reporting obligations required of publicly traded companies on the OTC Markets and file disclosures, notices, or corrections, as necessary, to ensure compliance therewith.

5. Plaintiff shall file, amend, or otherwise update prior disclosures identified by Defendants as deficient to bring CeCors into compliance with reporting obligations, including but not limited to:

- (a) Disclosure of the criminal sentence of CeCors’ shareholder, Luca Sartini; and
- (b) Disclosure of three-year management/employment obligation for Ms. Monroe and key VetComm management and the contingent liabilities associated therewith.

6. A status hearing regarding this Order, and the parties’ compliance therewith and with the Court’s prior order (Dkt. No. 34), shall be held on April 15, 2025, at 8:30 a.m.

The Company has also become aware that a complaint on behalf of Katy Eaton dba Kate Monroe (“Monroe”) and purportedly on behalf of VETCOMM has been recently filed in the Superior Court for the State of California, County of San Diego – North County Division at Case No. 25CU014170N (“California Action”). The Board of VETCOMM has never approved, and does not ratify, the filing of the California Action on behalf of VETCOMM and has never approved, and does not ratify, the use of VETCOMM’s funds for this action. The Board of Directors of VETCOMM has made a demand that the filing attorneys inform the court in the California Action of the unauthorized representation and requested return of funds in this matter to VETCOMM.

On April 10, 2025, counsel for Monroe and ROI Ventures filed Defendants’ Status report and supplemental declaration with the Court in regard to the upcoming April 15, 2025 status hearing.

The Board of Directors of CeCors will provide ongoing updates to Shareholders related to ongoing legal matters as information becomes available and following the April 15, 2025 hearing date.

### **Luca Sartini**

It has recently come to management’s attention as part of certain legal proceedings discussed above that a legacy shareholder of CeCors, Mr. Luca Sartini (“Sartini”) who acquired shares of CeCors in 2016 and is included in **Item 6. All Officers, Directors, and Control Persons of the Company** in the Company’s Quarterly and Annual Information and Disclosure Statements as a shareholder with over 5% of the Company’s issued and outstanding common shares has been convicted of several criminal offenses in the United States.

Included in the OTCMarkets **Alternative Reporting Standard: Disclosure Guidelines for the Pink® Market**, is a section which requires the Company to report **Legal/Disciplinary History** for the following parties:

***“...officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own. In addition, list all individuals or entities controlling 5% or more of any class of the issuer’s securities.”***

Required disclosures of this section of the disclosure include the following:

- A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:
1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);
  2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person’s involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;
  3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;
  4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a “yes” answer to part 3 above; or

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.
6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

Management has recently become aware that in December 2023, Mr. Luca Sartini, (a person believed to be an over 5% shareholder of CeCors) and a co-conspirator were each sentenced to 10 years in U.S. Federal prison and 3 years of supervised release for their roles in a Racketeer Influenced and Corrupt Organization (RICO) conspiracy.

According to a December 14, 2023 article at <https://www.wate.com/news/crime/italian-nationals-sentenced-for-running-knoxville-area-pill-mills/> written by Mr. Gregory Raucoules, "Two Italian nationals on Thursday became the latest to be convicted for their roles in running pill mills in East Tennessee and Florida that illegally distributed millions of dollars worth of prescription drugs."

Further the article discloses that, "A 2018 federal indictment charged Sartini, Palma, and five others with owning and operating pill mills in the Knoxville area and South Florida from approximately April 2009 to March 2015.

The sweeping federal prosecution has resulted in approximately 140 convictions."

The Company's management was previously unaware of these charges or this conviction and as a result failed to disclose same in the **Legal/Disciplinary History** section of its historical Information and Disclosure Statements as filed with OTCMarkets. This disclosure was absent from our regulatory filings for the period from indictment of Sartini in 2018 and up to and including our most recently filed June 30, 2024 Quarterly Report.

Sartini acquired shares of CeCors prior to current management's appointment and is unknown to current management. Historical records of the Company indicate Sartini acquired his shares on November 11, 2016, pursuant to a Letter of Intent dated October 27, 2016, and that the Company was, at the time, actively seeking a civil complaint in the Miami, Florida Courts to terminate the 25,000,000 shares of common stock issued to Luca Sartini which were based on a prior merger with Independent Living Products, Inc. Following that disclosure a stop transfer was placed on shares issued to Sartini by the Company and remains in effect.

The Company will include information provided above in its Annual Information and Disclosure Statement which the Company hopes to file at the end of April 2025. Current management of the Company has not at any time had dealings with Sartini and Sartini has no influence over the operations of CeCors save the rights afforded him as a shareholder of record.

In order to ensure best practices and avoid any future discrepancies in its published quarterly and annual reporting, management will send a questionnaire to each party noted in **Item 6. All Officers, Directors, and Control Persons of the Company**, as of the reporting period for each disclosure statement requesting current responses to the questions included in **Item 7. Legal/Disciplinary History**. In addition the Company will complete a records search for any persons unknown to the Company but reflected in Item 6.

**Management/Employment obligations under the Acquisition Agreement between the Company, VETCOMM and Kate Monroe which closed on April 10, 2023**

The Acquisition Agreement and Exchange of Shares ("Acquisition Agreement") entered into by and between the Company, VETCOMM and Kate Monroe (aka Katy Eatmon) which closed on April 10, 2023 included the following clause:

**1.4.2 Management.** *Beginning on the date of the execution of this Agreement, and for the following three years, the current Chief Executive Officer, Secretary, Treasurer and key management of VTC, shall continue in their existing roles in running the operations of VTC, pursuant to a mutually acceptable management or employment agreement.*

With respect to the above clause, through June 30, 2024, Ms. Monroe, who was at the time the sole officer and director of VETCOMM, was party to a management contract expiring June 30, 2024, under which she was to receive compensation from VETCOMM of \$180,000 per annum. In March 2024, Monroe began compensating herself at a rate of \$20,000 per month without the approval of CeCors and outside the terms of her existing management contract. Subsequently, during May 2024, Monroe increased her monthly compensation to \$25,000, again without authorization and outside the terms of her management contract. Following expiry of the management contract on June 30, 2024, Monroe and the Company have not entered into a subsequent management or employment agreement. During each of June, July, August, September and October Monroe continued to pay herself \$30,000 per month. Thereafter, Monroe has paid herself \$60,000 during the month of November 2024, \$51,000 during the month of December 2024, \$51,000 during the month of January 2025 and \$45,000 during the month of February 2025.

At the time of the Acquisition Agreement, the Company was not apprised of any other key management of VETCOMM, nor a desire by Monroe to offer contracts to any other parties involved in the operation of VETCOMM, and as such no contracts were entered into by and between VETCOMM and any other parties. Ms. Monroe was the sole officer and director of VETCOMM from the date of acquisition by CeCors and up to her removal from the Board of Directors in December 2024.

In order to address concerns raised in the ongoing litigation disclosed above, whereby the Defendants believe CeCors is required to disclose potential contingent liabilities with respect to Clause 1.4.2 which forms a part of the Acquisition Agreement, the Company intends to reflect in its published disclosure documents, financial statements, books and records a contingent liability of \$15,000 per month (the last contractually agreed pay rate for Ms. Monroe) for the balance of the term in which Ms. Monroe may be entitled to compensation. As of December 31, 2024, management believes the total potential future liability owing to Ms. Monroe is \$240,000. CeCors is currently involved in litigation with Monroe which litigation includes the issue of her December 31 termination and Defendant's attempt to unwind the Acquisition Agreement.

The Company appreciates its Shareholders' concerns, including those related to the VETCOMM litigation, and is actively working to address those concerns. The Company will continue to provide updates in the coming weeks so that all Shareholders have regular, reliable information and is working to be able to upload financial reports by the end of the month of April. The Company thanks its Shareholders for their continued support.

For further information:

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Publicly traded company (OTCMarkets PINK: CEOS)