

## **FOR IMMEDIATE RELEASE**

### **Federal Court Rejects As Leading To “Absurd” Results, David Semas’ Contention That CHEMEON Cannot Reference “Metalast”**

*Minden, NV. – In a March 15, 2017, order denying a motion for partial summary judgment by David Semas and Metalast International, Inc., U.S. District Court Judge Miranda Du ruled that an agreement to terminate use of the name Metalast did not “unambiguously impose an absolute ban” on use of the word “Metalast” by CHEMEON Surface Technology. In essence, Judge Du granted CHEMEON partial summary judgment on the topic.*

#### **CHEMEON’s Name Change:**

Metalast International, LLC, was a provider of Metalast brand chemical products for metal surface processing. From the founding of Metalast International, LLC, until April, 2013, the manager of that company, Metalast International, Inc., was run by David M. Semas. On April 3, 2013, Mr. Semas admitted that the company was unable to pay its debts as they became due. On April 25, 2013, a Receiver was appointed to, among other things, take possession of the property of Metalast International, LLC. After managing the company for a number of months, the Receiver reported that approximately 1,000 members of Metalast International, LLC, had invested more than \$95 million, the accumulated losses of the company exceeded \$119 million, and the accounts payable to its vendors, landlord, suppliers, and employees totaled nearly \$1 million.

With subsequent Court approval, the Receiver sold all assets of Metalast International, LLC, to the secured creditor, CHEMEON in November 2013. Included in the sale to CHEMEON was exclusive ownership of all of the company’s goodwill, contracts, licenses, and intellectual property. Chemeon then commenced operations under the name Metalast Surface Technology, LLC, and was the source of Metalast products and services, from late 2013 through June 9, 2015. In the meantime, Mr. Semas filed for bankruptcy. CHEMEON filed claims against Mr. Semas and Metalast International, Inc., in connection with the bankruptcy.

As part of a settlement that includes an obligation for Mr. Semas to pay \$286,000 to CHEMEON, CHEMEON agreed to discontinue use of “the name Metalast.” CHEMEON agreed to do so in order to eliminate confusion between CHEMEON’s leadership and values and those of the prior management of Metalast International, LLC. Ever since June 10, 2015, CHEMEON has provided, under the CHEMEON name and mark, the same products previously provided by Metalast International, LLC, and CHEMEON under the name Metalast Surface Technology, LLC.

In July 2015, CHEMEON filed a lawsuit against Mr. Semas, Metalast International, Inc., and other defendants in order to, among other things, stop Mr. Semas from his stated plan to compete with CHEMEON using its intellectual property such as its product specific trademarks and trade secrets. In response, Mr. Semas and his company filed counterclaims seeking to stop CHEMEON from making any use of the term Metalast, such as in truthfully reciting CHEMEON’s former association with the term (*e.g.*, “formerly Metalast” and “formerly known as Metalast”). In that proceeding, CHEMEON brought a motion against the defendants for a preliminary injunction preventing use of CHEMEON’s intellectual property. Mr. Semas and his company responded with a motion for a preliminary injunction seeking an order preventing CHEMEON from making any such use of the word Metalast.

Prior to the date set by the Court for hearing these motions, the defendants consented to entry of a preliminary injunction against them with regard to CHEMEON's intellectual property. At the conclusion of the hearing on Mr. Semas' preliminary injunction motion against CHEMEON, U.S. District Court Judge Du denied the motion, finding that Mr. Semas was making no use of the Metalast mark and did not show a likelihood of irreparable harm.

Mr. Semas then filed his motion for partial summary judgment that the settlement agreement barred CHEMEON from any use of the word Metalast. Judge Du ruled that Mr. Semas' interpretation of the settlement agreement would lead to absurd results and the agreement has no such meaning.

Further information about matter, including links to source documents, can be found at <http://www.chemeon.com/p/the-companys-name-change>.

**About CHEMEON Surface Technology**

CHEMEON Surface Technology is the only Woman Owned Small Business in the world that is licensed by the US Navy to manufacture and provide MIL-SPEC QPD/QPL Hex Free/Trivalent Chromate Conversion Technology. CHEMEON's patented and proprietary chemistries are internationally recognized for providing environmentally responsible hard material, surface engineering treatments and solutions.

Learn more at: [www.chemeon.com](http://www.chemeon.com)

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For more information about CHEMEON, visit [www.chemeon.com](http://www.chemeon.com) or call +1 775.782.8324.  
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