

Cardiff Lexington Corporation Summary of Insider Trading Policy

This document is a summary of Cardiff Lexington Corporation's (the "**Company**") Insider Trading Policy (the "**Policy**"). It is not meant to replace or supplement the Policy. You should read the Policy in its entirety.

The purpose of the Policy is to promote compliance with the federal and state securities laws that prohibit those in the possession of information which has not been made public from (i) trading in "Securities" of the Company or (ii) providing such nonpublic information to other persons, of whom may trade securities on the basis of that information. "Securities" as used the Policy means the Company's common stock, restricted stock, options to purchase common stock, or any other type of security the Company may issue. The Policy applies to every director, officer and employee of the Company as well as their family members or entities controlled by such person. The Policy also applies to contractors or consultants in the possession of nonpublic information. Insider Trading violations are pursued vigorously by the Securities and Exchange Commission, and can be met with severe fines or imprisonment.

The "Administrator" of the Policy is the Company's Chief Financial Officer, or such other person as designated by the Company's Board of Directors. Any and all transactions of Company Securities made by those identified as "Restricted Persons" in the Policy must receive pre-clearance by the Administrator through completing Exhibit A of the Policy at least two business in advance of the proposed transaction, of which the Administrator has no obligation to approve. Precleared transactions should be effectuated promptly.

Restricted Persons may conduct transactions involving the Company's Securities only during an Open Trading Window, which is the period commencing on the second business day after public release of quarterly (or annual) earnings and ending 15 calendar days prior to the end of the current quarter. Therefore, transactions may only be made during the following periods (beginning dates below represent due general dates for the Form 10-Q):

- Q2: @ May 15 – June 15*
- Q3: @ August 15 – September 15
- Q4: @ November 15 – December 16

*There is no trading window for Q1 because the Form 10-K is generally not filed until after March 16, when the trading window for Q1 would close.

Furthermore, from time to time there may be an event which is material to the Company but is only known by a select few individuals. As long as such an event remains material and nonpublic, the such persons as designated by the Administrator may not trade Company Securities.

A majority of the Policy relates to the prohibition of trading Company Securities when in the possession of "material information." Information is considered "material" if a reasonable investor would consider that information important in making a decision to buy, hold or sell Securities. Any information that could be expected to impact the Company's stock price, whether it is positive or negative, is considered material. Examples are provided under Section 7 of the Policy. Those who are subject to the Policy are prohibited from buying or selling Company Securities while in the possession of such material information or from sharing such material information with others, and are further prohibited from purchasing the securities of other companies after learning material information about another company with which the Company does or with which the Company intends to do business.

Other prohibited transactions include short sales or hedging transactions because such trades demonstrate either an expectation the Company will decline in value or differing objectives from the Company's other stockholders. Publicly traded options, Company Securities held in a margin account, as well as standing and limit orders of Company Securities are also all prohibited.

The Policy provides for certain exceptions, including for: (i) option exercises; (ii) Rule 10b5-1 Plans established for specific persons; and (iii) purchases in the Company's 401(k) plan resulting from periodic contributions (although it does apply to certain elections); and (iv) gifts (although the quarterly trading windows above apply).