

Cardiff Lexington Corp (CDIX) Updates Shareholders on Debt Restructure and Future Acquisitions

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Cardiff Lexington Corporation (the "Company") (OTCQB:CDIX) wishes to update shareholders regarding the historical operational debt the company incurred, what it is doing to retire or restructure the debt and status of its pending acquisitions.

The Company is well aware of the damaging effect on the share price that the current convertible debt conversions are having, and Cardiff Lexington is anxious to rid itself of any and all debt resulting in these aggressive conversions. This has been further impacted by false rumor and innuendos from uninformed sources, which the Company is compelled to set the record straight. The Company is not selling shares. Management has not and is not selling shares. The \$1M acquisition debt referenced in our recent Form D filing was solely acquisition financing. This debt will be primarily serviced from the cash flow of the acquired subsidiary in monthly principal and interest payments which historically is sufficient to service the loan. This debt is further secured by Cardiff Lexington shares which cannot be sold for at least 6 months and are further regulated by a strict 30-month Lock-Up/Leak-Out agreement. CDIX firmly believes in having an open and trusting relationship with its shareholders, as well as doing everything within it means to preserve and grow shareholder value. Management feels the company is very undervalued at its current market capitalization and is taking steps to rectify the situation so that the conversions might be greatly curtailed, if not stopped.

A disturbing short selling trend over the past several weeks is of deep concern to Cardiff Lexington's management as well as its current shareholders. Unknown market makers are shorting CDIX stock to a degree that strongly suggests market manipulation. Cardiff Lexington and its current shareholders are and have been greatly harmed by the apparent market manipulation. Manipulation of the QB market should be of grave concern to the OTC and to FINRA as it affects the reliability and credibility of the OTC market. As a result, CDIX is requesting that both OTC and FINRA open an investigation into the possible market manipulation of CDIX stock. The high percentage of volume shorted reflects unknown market makers who appear to be coordinating their efforts to intentionally manipulate the CDIX stock by artificially forcing the stock down and capping any rally. The sharp stock price drop after our recently announced acquisition, resulting in an increase of Cardiff Lexington's annualized revenue by 280% and historically adding \$457,000 EBITDA to CDIX's bottom line is not and was not reflective of CDIX's current value and extremely low market capitalization.

As of today, the company continues discussions with multiple investment banks and various investor groups that would take over the remaining company debt on terms that are more favorable to Cardiff Lexington. These various entities have seen Cardiff Lexington's financials and current asset holdings, met with management, and aware of the impact our recent acquisitions and pending mergers will have on the Company. As a result, these entities share the Company's perception that valuation deserves to be substantially higher and appear eager to help the Company emerge financially stronger, enabling Cardiff Lexington potentially to become a future uplisting candidate to NASDAQ or the NYSE. The Company is working to have a debt restructuring in place shortly with one of these entities which will slow and hopefully

stop the current dilution to the share structure and end the shorters' manipulating damage to our share price, while at the same time allowing investment companies to work with Cardiff as our partners who are interested in our long-term success. Once in place, the new financial guidelines for debt that the company is enacting will be the means by which future Company acquisitions and company operations will be structured, thereby protecting shareholder value.

In regard to pending M&A's (mergers and acquisitions), several months ago the Company implemented a policy to stop announcing LOI's. The Company no longer discusses ongoing M&A activity in its pipeline but rather announces closed transactions. We strongly feel this policy to be in the best interest of our shareholders over the long term. Negotiations continue, and the company is anxious to add exciting additions to its holdings portfolio. Due to SEC (Security Exchange Commission) compliance stipulations and our new internal Company policy, we are limited to what we can say publicly. We just ask you to stay tuned for future press releases and filings.

Finally, Company management would like to thank shareholders for their continued patience while the Company rids itself of the toxic debt and market manipulation that is currently hampering our growth. CEO Alex Cunningham stated, "We sincerely appreciate the patience that shareholders have exhibited towards Cardiff Lexington. Creating and running a multi-million-dollar company on the OTC has not been easy and at times stressful. Not everything has gone according to form and we have had to fight unknown predators, but I can assure you as your CEO, with the utmost confidence, that the long-term goals for the company are on track and advancing as originally expected, albeit with some hiccups along the way. I continue to believe fundamentally over time, the market will recognize performance. I welcome and look forward to sharing the details of future accomplishments with you in the coming weeks and months as well as hosting investor forums in the future to highlight the exciting events within the company."

About Cardiff Lexington Corporation: Cardiff Lexington is a public holding company, much like a cooperative, leveraging proven management in private companies that become subsidiaries. Our focus is not industry or geographic-specific, but rather proven management, market, and margin. Cardiff Lexington targets acquisitions of mature, high growth, niche companies. Cardiff Lexington's strategy identifies and empowers select income-producing middle market private companies and commercial real estate properties. Cardiff Lexington provides these companies both 1) the enhanced ability to raise money for operations or expansion, and 2) an equity exit and liquidity strategy for the owner, heirs, and/or Investors. For investors, Cardiff Lexington provides a diversified lower risk to protect and safely enhance their investment by continually adding assets and holdings. Cardiff Lexington is led by strong and talented team of executives and advisors providing expert acquisition, market guidance and added value for subsidiaries and investors.

FORWARD LOOKING STATEMENT: This news release contains forward looking statements within the meaning of the Securities Litigation Reform Act. The statements reflect the Company's current views with respect to future events that involve risks and uncertainties. These risks include the failure to meet schedule or performance requirements of the Company's contracts, the Company's liquidity position, the Company's ability to obtain new contracts, the emergence of competitors with greater financial resources, and the impact of competitive pricing. In the light of these uncertainties the forward-looking events referred to in this release might not occur.

