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Cardiff Lexington Corp (CDIX) Acquires JMI Enterprises 1, Inc. (DBA) Key Tax Group

FT. LAUDERDALE, Fla., May 14, 2019 (GLOBE NEWSWIRE) -- Cardiff Lexington Corporation (OTC:CDIXBB) and JM Enterprises 1, INC. (DBA) Key Tax Group announced today that they signed a definitive purchase agreement under which Key Tax Group has been acquired by Cardiff Lexington Corporation as a wholly owned subsidiary in a stock for stock transaction.

About JM Enterprises 1, INC. (DBA) Key Tax Group

Key Tax Group (<https://mytaxlawyer.org/>) helps businesses and individuals around the country by solving their tax debt problems. The Key Tax Group team includes tax lawyers, enrolled agents, and support staff with more than 35 years of combined experience. They are subject-matter experts in complicated tax issues and regulations and auditing working hard to find a tax relief solution that's tailored to each unique situation.

The stock purchase will include all business assets of Key Tax Group, including all accounts, trade names, customers, fixed assets, and all intellectual property. The assets will also consist of all twelve team members of Key Tax Group including three attorneys. The total consideration shall be \$1,300,000.00; the details of which will appear in Company's 8-K filing. The consideration for the above was financed through a stock for stock acquisition under IRS Section 368(a)1(B) tax free exchange guidelines. There is a 54 month lock up leak out agreement.

Key Tax Group will continue to operate nationally from Jacksonville, FL as a wholly owned subsidiary of Cardiff Lexington. "This is the second acquisition for Cardiff Lexington in the Tax Resolution segment," stated Alex H. Cunningham, Cardiff Lexington CEO. "Key Tax Group complements our Platinum Tax Defenders Subsidiary on the West Coast and the synergies will greatly increase coast to coast coverage and customer support for both subsidiaries. This transaction offers both Key Tax Group and Platinum Tax Defenders the opportunity to move up the value chain with customers by offering expanded products and solutions at higher average transaction values and margins. The combination is also expected to allow Cardiff Lexington to utilize both teams to develop new products that could generate additional revenue in the coming years and attract additional acquisitions within the segment.

For the most recent two years, 2017 and 2018, Key Tax Group generated \$1.75 Million in average annual revenue and approximately and \$276,000 in annual operating profit. The transaction brings Cardiff Lexington \$358,000 in current assets. Cardiff Lexington continues to build assets having previously increased Assets from \$1.3 to \$3.3 million in 2018. Cardiff Lexington expects that the acquisition should result in a 20% increase of Cardiff's 2019 Revenue on a run rate basis.

Commenting on the acquisition, Sherri Gastelum, CEO of Platinum Tax Defenders, stated, "I have known and respected Ron and Kelly and their team at Key Tax Group for quite some time and am excited to enter a business channel partnership that will combine the talent of both organizations and our products to the benefit of our expanded customer base. In addition, the combination of our resources will allow us to release new products that our customers need, further driving the value proposition that we offer."

Kelly Gibson, Founder of Key Tax Group responded: "I have known and respected Sherri Gastelum and watched her build Platinum Tax Defenders into a major tax resolution company on the west coast. My partner Ron Clere and I feel confident in becoming part of Cardiff Lexington, allowing us the opportunity to provide superior products and services to new and long-standing customers. We believe the enlarged Financial Services Segment at Cardiff Lexington has a bright future and look forward to working with Alex and the Cardiff Lexington team to ensure the future growth and expansion of Key Tax Group as a Cardiff Lexington subsidiary company."

Cardiff Lexington's business model targets acquisition of middle market private niche companies both mature, and, second stage with high growth potential. The Cardiff Lexington umbrella enables business owners to exit personal equity and to take advantage of the capitalization power of a public company without losing independent management control. Fundamental to the Cardiff Lexington strategy, acquisitions become standalone autonomous subsidiaries gaining advantage of the power of a public company. Owners gain liquidity, diversification, pooled resources, leverage value, and mitigated risk. As a Cardiff Lexington subsidiary these companies gain both the enhanced ability to raise money for operations or expansion while also establishing a longer-term equity exit

strategy.

For Investors, Cardiff Lexington seeks to aggressively grow and hold assets that create a diversified lower risk environment that over the long term protects and safely enhances investment through a diversified continually growing niche holding 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 businesses 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.

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