

# Cardiff Lexington Corp (CDIX) To Focus on Core Financial Services Sector

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July, 27 2020

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**FT. LAUDERDALE, FL / ACCESSWIRE / July 27, 2020** /Cardiff Lexington Corporation (OTC PINK:CDIX) announced today they have divested their holdings in the food services sector. They have reached accord in principal with Frank Repicci and Gene Romeo respectively whereby Repicci's Italian Ice and Gelato and Romeo's New York Style Pizza will spin out as private companies no longer operating as subsidiaries of Cardiff Lexington.

The companies restaurant franchise operations have been hard hit by the economic pressure of the Covid-19 pandemic and the subsequent directives and responses to this crisis taken by the federal, state, and local government. In light of current circumstances arising from the COVID-19 pandemic, Cardiff Lexington, as a public reporting company, must evaluate what we should and are obligated to do in order to protect shareholders from the negative effects of this pandemic. Cardiff Lexington Board of Directors has narrowed its forward focus to acquisitions in the financial services sector to build upon its tax subsidiaries with related debt, credit, billing, and real estate opportunities

On July 20<sup>th</sup>, 2020 CDIX executed a Buyback Agreement finalizing the sale of Repicci's Franchise Group, LLC (RFG) acquired by Cardiff, August 10, 2016. The buyer is Frank Repici (herein after Repici) effective June 1<sup>st</sup>, 2020. The signing took place upon confirmation of assets. At the time of closing, each Preferred "H" Share, had a par value \$0.001 per share and a Stated Value was \$4.00 per share. Repici exchanged 81,601 CDIX Preferred "H" Shares for the purchase price of \$652,808. This was a Tax-Free Share Exchange (the "Exchange") for the return to CLC of 81,601 CLC Preferred H Shares the "Exchange Shares" in order to consummate the Exchange pursuant to Section 368(a)(1)B of the United States Internal Revenue Code of 1986; and,

On July 23<sup>rd</sup>, 2020 CDIX executed a Buyback Agreement finalizing the sale of Romeo's Alpharetta, Inc., Fortuna Restaurant Group, Inc., R&T Restaurant Group, LLC (herein after Romeo's NY Pizza d/b/a "RNYP"s) acquired by Cardiff, June 30, 2014. The purchaser was Gene Romeo effective July 1<sup>st</sup>, 2020. The signing took place upon confirmation of assets. At the time of closing, each Preferred "D" Shares, had a par value of \$0.001 per share and a Stated Value of \$4.00 per share. Romeo exchanged 212,500 Preferred "D" Shares for the purchase price of \$1,700,000. This was a Tax-Free Share Exchange (the "Exchange") for the return to CLC of 212,500 CLC Preferred H Shares the "Exchange Shares" in order to consummate the Exchange pursuant to Section 368(a)(1)B of the United States Internal Revenue Code of 1986.

Alex Cunningham CEO of Cardiff Lexington stated, "Our "Buy and Build" strategy is targeting acquisition of middle market private niche financial service companies and real estate both mature, and, second stage with high growth potential. Repicci's and Romeo's no longer fit within our longer-term strategy and given their impact from COVID-19 for these companies to remain subsidiaries of a public entity exerts additional and unnecessary cost and pressure. This was a difficult decision to sell our food businesses but believe it to be in the best interest of our shareholders. For these reasons, we have agreed to Buy Back Agreements with their original ownership. We will be work closely with both Companies to ensure seamless, timeless, financial separation. Going forward it is fundamental to the Cardiff Lexington strategy that future acquisitions have synergies leveraging data and resources across similar target markets."

**About Cardiff Lexington Corporation:** Cardiff Lexington is a diversified financial services holding company primarily focusing on tax, debt, and real estate sectors. The Company is implementing a buy and build strategy leveraging proven management in private companies that become subsidiaries. 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, 2) an equity exit and liquidity strategy for the owner, heirs, and/or Investors, and 3) a proven experienced Cardiff Lexington management team to lead growth and expansion.

Cardiff Lexington is led by strong and talented team of executives and advisors providing expert acquisition, market guidance and added management value for subsidiaries and investors. For investors, Cardiff Lexington provides a diversified lower risk to protect and safely enhance their investment by continually adding assets and holdings.

**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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**SOURCE:** Cardiff Lexington Corporation