

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES AND EXCHANGE ACT OF 1934

Commission file number 000-09908

TOMI ENVIRONMENTAL SOLUTIONS, INC.

(Exact name of registrant as specified in its charter)

Florida

59-1947988

(State of incorporation)

(I.R.S. Employer Identification No.)

9454 Wilshire Blvd., Penthouse, Beverly Hills, CA

90212

(Address of principal executive offices)

(Zip code)

Issuer's telephone number, including area code:

(800) 525-1698

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act: Common Stock,
par value \$.01

Indicate by check mark if the registrant is a well-known seasoned issuer,
as defined in Rule 405 of the Securities Act.

Indicate by check mark if the registrant is not required to file reports
pursuant to Section 13 or Section 15(d) of the Act.

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act
of 1934 during the preceding 12 months (or for such shorter period that
the registrant was required to file such reports), and (2) has been subject to
such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item
405 of Regulation S-K (229.405 of this chapter) is not contained herein,
and will not be contained, to the best of registrant's knowledge, in
definitive proxy or information statements incorporated by reference in
Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer,
an accelerated filer, a non-accelerated filer, or a smaller reporting
company. See definitions of "large accelerated filer," "accelerated filer"
and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer Small reporting company

Indicate by check mark whether the registrant is a shell company (as
defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the common stock held by non-affiliates of the
registrant as of the last business day of the Registrant's most recently
completed second fiscal quarter was approximately \$73,738,500 based upon the
closing price of registrant's common stock on that date.

As of April 1, 2010 the registrant had 35,277,480 shares of common stock
outstanding.

Documents incorporated by reference: None.

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In this registration statement references to "TOMI," "we," "us," and "our" refer to TOMI Environmental Solutions, Inc.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The Securities and Exchange Commission ("SEC") encourages companies to disclose forward-looking information so that investors can better understand future prospects and make informed investment decisions. This report contains these types of statements. Words such as "may," "will," "expect," "believe," "anticipate," "estimate," "project," or "continue" or comparable terminology used in connection with any discussion of future operating results or financial performance identify forward-looking statements. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this report. All forward-looking statements reflect our present expectation of future events and are subject to a number of important factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

PART I

Item 1. Business

Business

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The company provides global green environmental technology solutions for indoor air pollution and infectious disease control. The company's technicians and/or its licensees' technicians provide indoor air decontamination remediation and surface disinfection of all commercial and residential structures including medical facilities, hotel and motel rooms, prisons, airports, cruise ships and schools, including both single family homes and multi-unit residences. The Company has solutions for decontamination of air and surface disinfection of all indoor and enclosed structures.

Products

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Our products contain the latest technology using three dimensional application designed to decontaminate indoor air, surfaces and eliminate infections, including inactivation of viruses, removal of all allergens and asthma triggers, killing MRSA, C-Diff, mold spores, anthrax and all other bacteria and infectious pathogens.

The company's three main products use the world's second and third strongest oxidizers, hydroxyl radicals and UV ozone along with Ultra-Violet Germicidal Irradiation. Each product is specific to one of the three mentioned above.

The world's second strongest oxidizer is hydroxyl radicals and our patent pending Hydroxyl Ultra-D Disinfection product uses activated dry mist hydroxyl fog-killing >99.999% or 6 log of all harmful bacteria, viruses and spores-to decontaminate and combat the surging number of healthcare associated infections (HAI) and other infectious disease in hospitals, clinics, sports facilities, and other healthcare settings. Our procedure takes less than 15 minutes to complete along with approximately 30 additional minutes for air scrubbing in most situations. It is an excellent adjunct for the remediation industry when applied to all indoor structures.

We have also safely harnessed the world's third strongest oxidizer, ozone. Our proprietary byproduct free ultraviolet ozone generators produce the cleanest ozone without producing any harmful byproducts. Our state of the art ozone generators safely and effectively eliminate odor, bacteria, allergens, mold spores and all other contaminants.

TOMI's has recently written the first ever protocol to use UV produced ozone in a large LEED certified commercial building and has recently successfully completed the treatment of that building.

Our UV produced ozone generators are used by TOMI's certified professional technicians and /or our licensees' certified technicians.

Ozone is a pale blue, unstable gas molecule because it consists of 3 atoms, whereas oxygen is a molecule consisting of 2 oxygen atoms. This ozone molecule is so unstable that it quickly breaks away from the other oxygen atoms. These lone oxygen atoms go in search of other atoms to re-form into oxygen. If it finds a carbon or sulfur molecule, it will break into that molecule destroying it in the process. Free oxygen atoms are highly reactive and they will oxidize or inactivate almost anything including most viruses, bacteria, and organic and inorganic compounds they contact, making ozone an enormously powerful disinfectant and oxidizer. Since most indoor air pollutants are carbon and sulfur based, ozone will attack them, leaving only oxygen in their place.

Ozone is a much stronger oxidizer than common disinfectants such as chlorine and hypochlorite. The usage of chlorine in many countries has been decreased significantly due to the possible formation of carcinogenic by-products during the disinfections process. In contrast, ozone disinfections using the Company's methodology does not produce any harmful residues, all of our technicians wear safety equipment prior to reentry and all micro- carcasses are vacuumed with HEPA vacuum, all the residual ozone will be converted back to oxygen in a short time using fans along with open ventilation. No person, pet or plant is ever exposed to levels greater than EPA standards. Ozone produced using ultra-violet is considered an environmentally friendly disinfectant.

Ultraviolet technology uses ultraviolet light to produce ozone, by passing ambient air over an ultraviolet lamp, which splits oxygen molecules in the air stream. Since ozone gas is unstable (a property that gives ozone its exceptional oxidizing capabilities), ozone cannot be packaged or stored and must be generated on site.

For decades ozone has been used in wastewater treatment applications, an ozone generator combined with a compact air preparation unit is utilized to treat the water safely and effectively.

Ozone is a much more powerful oxidizer than chlorine, as ozone statistically disinfects quicker than chlorine. Ozone creates none of the trihalomethanes commonly associated with chlorine compounds, and if properly matched to the application, ozone will reduce most organic compounds to carbon dioxide, water and residual heat. Finally, ozone eventually returns to oxygen.

Ozone is not to be confused with smog, which is commonly referred to as ozone. Low level or surface ozone (smog) is formed when oxygen combines with volatile organic compounds (nitrogen oxides from motor vehicles and power plant emissions, solvents, etc.), which then chemically react in the presence of sunlight and warmth.

Our proprietary UV ozone generators produce nothing but ozone. Most other manufacturers of ozone equipment produce nitrous oxides, which when mixed with moisture become nitric acid, which is dangerous. The EPA has determined that the highest level of safe ozone is 0.05 ppm. Our high-powered generators produce ozone at lethal levels sometimes exceeding 15.0 ppm. This is why people, pets, or plants cannot remain in the property during our treatments that average 4 or more hours in length.

The company's third product is our custom UVGI & filtration system which is the long term maintenance solution to your indoor air and infectious disease control problems. Our system destroys up to 99.99% of contaminants traveling through the HVAC system and increases the efficiency of the system, resulting in less energy consumption and saving to the consumer. During clinical trials, these accessories were proven to reduce microbial and endotoxin concentrations in ventilation systems by 99%. This resulted in significant reduction of respiratory illnesses, both bacterial and viral.

Industry Summary - - - - -

Driven by rising demand for clean water, clean air and chemical-free treatment processes, the global market for ozone technology is projected to grow at an annual rate of 7.5% through 2012. The overall global water treatment market is experiencing rapid growth due to a number of factors including:

- . Rapid industrialization along with increases in infrastructure spending
- . Increased awareness and concern for quality water, long-term health and environmentally conscious manufacturing processes;
- . Poor water quality, particularly in developing nations such as China and India; and
- . Water shortages resulting from droughts and shifts in population to areas with insufficient water supplies.

Similarly, environmental concerns regarding indoor air quality and new emerging infectious disease strains are driving demand for air purification products in both the residential and commercial setting. While ozone technology has been in existence for decades, the rising popularity of "green" products and services is contributing to ozone's growing acceptance in air. Unlike chlorine and other disinfectants, ozone technology employs a chemical-free process that can be utilized to purify water and air and disinfect a variety of surfaces. Additionally, because ozone reduces the need for continued use of costly chemicals, companies are able to reduce expenses and generate a positive return on investment. The ability to utilize more environmentally friendly products and drive higher returns represents a compelling opportunity for many users of ozone-based products and services.

The Company provides environmentally conscious products to customers looking for cleaner, more effective solutions for their surface disinfection and air treatment needs. Demand is increasing for non-chemical disinfection technologies like ultraviolet ozone in markets such as wastewater, dairy, laundry, agriculture, food and beverage manufacturing, hospitality, medical, process water and pharmaceuticals, where companies are experiencing pressure to reduce chemical by-products caused by chlorine gas and liquid chlorine, along with significant energy savings.

Ozone technology, when used in air and water unlike chlorine and other chemical disinfectants, utilizes a chemical-free process, whereby ozone molecules are used to safely purify and disinfect the water and air with no chemical byproducts. Once the ozone treatment process is complete, only harmless oxygen is released back into the air and water. Ozone treatment also reduces and frequently eliminates the need for costly chemicals used as disinfectants.

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Recognition of indoor pollution, infectious airborne diseases and its health affects is growing. The AMA has indicated that at least 50% of all illnesses are caused or aggravated by indoor air pollution. The EPA made indoor pollution among its top five most urgent environmental issues. According to the California Air Resources Board, California alone lost 45 billion dollars due to direct and indirect effects of indoor air pollution in one year alone. The Journal of Pediatrics states that 39% of all asthma is caused by poor indoor air and that cleaning those pollutants would help reduce asthma. Further, the EPA states that today's homes contain an estimated 1,500 hazardous compounds from approximately 3,000 man-made products. Even low levels of pollutants emitted by these products can affect human health over a period of months or years. Ozone can also be used to kill, inactivate, reduce, and in some cases eliminate most of the broad causes of indoor pollution such as: allergens, dust mites, bacteria, residue from pesticides, construction by-products, inactivate viruses, and smoking and cooking odors.

In the U.S. 271 people die a day from hospital acquired infections. HAI kill more people than AIDS, breast cancer and auto accidents combined. HAI are the fourth leading cause of death in the U.S. About 1.7 million patients suffer from care related infections annually, and will kill over 99,000 people this year alone. Hospital acquired infections account for over \$30.5 billion in excess health costs per year.

The Hydroxyl Ultra-D disinfection process is a significant advance in the reduction and possible elimination of these HAI.

Accordingly, we seek to position TOMI Environmental Solution, Inc. as a green global leader in the commercial and residential air remediation and infectious disease control industry. We have developed and acquired a platform of green environmental friendly products and technologies. TOMI Environmental Solution, Inc. methodology is a process that purifies the air and decontaminates the indoor surfaces of buildings and homes. This process eliminates most germs, viruses, bacteria, mildew, allergens, asthma triggers and mold spores, in a multi-process one-day event. It also eliminates pet odors, cooking smells, smoking odors, VOC's and chemical smells (such as paint, glue, new carpets, etc.).

The Company certifies, licenses and sells indoor air quality and infectious disease control products that utilize ozone, hydroxyl radicals and ultraviolet technologies to deliver purified air in commercial, residential and mobile transportation environments. The Company's applications and systems provide a protection against the following: infectious diseases; airborne microbes, including bacteria, viruses, mold spores, mildew and fungus; organic compounds; and inorganic compounds.

The Company's products also address the consumer's growing concern over air quality and infectious disease and offers relief to individuals who suffer from allergies, asthma and lung disease when used in conjunction with the Company's UVGI and filtering systems.

Services

The Company presently has four service hubs complete with service vans and certified, trained personnel. The Company has an alliance partner that has been in the remediation industry for over 25 years and supports disaster relief in 40 states. Also the company has recently licensed, certified and sold its equipment to a large New York based environmental remediation company. TOMI Environmental Solutions offers a 16 hour air remediation and infectious control certification program to the remediation industry throughout the United States. In addition to 8 full time employees, the Company employees 15 part time independent contractors, some of whom are certified trained personnel.

On February 23, 2008 we purchased from S.C.O. Medallion Healthy Homes LTD all intellectual property for the Medallion methodology system and all marketing materials, studies and information required to operate the system including patents, trademarks, extensions, applications, copyrights, equipment and technology that specifically relate to the products and services of the business. On April 18, 2008 we purchased from Air Testing and Design, Inc. intellectual property in connection with our commercial generator system. This provides us with the ozone treatment system that is one of the cores of our business model.

In September 2009 the company purchased 19 percent of Advanced Disinfectant Technologies, LLC the company that supplies the Ultra-D fogger. It has also entered into a Letter of Intent to purchase the remaining 81 percent of the company.

We provide indoor pollution maintenance for all buildings. We call our system the "Terminator", and it involves installation of a UVGI system in the air ducts or air conditioning systems. This purifies the air before it enters the indoor environment and insures the client of a clean fresh air supply at all times. Our ozone air and surface remediation along with our hydroxyl mist is a remedy for most indoor pollution and infectious disease concerns. When extreme contamination problems exist, we may call in other professionals to assist in the remediation process and/or refer the client to another source for the solution.

Our air remediation and infectious disease control treatment involves placing TOMI's Environmental Solution, Inc products throughout an uninhabited home or building. Depending on the type of contamination, the equipment are left running for 15 minutes if using the Ultra-D fogger or 4 hours or longer if using our UV ozone generators. This is the essential time allotted for our products to oxidize, inactivate or kill all the contaminants in the indoor environment, leaving the space contaminant, infectious disease and odor free. This one step process kills and or eliminates most allergens, bacteria, mold spores and viruses.

Decontaminated space will remain as such, as long as you do not reintroduce the problem. Once our treatment is complete, the indoor environment is a healthy place to reside or work.

The cost per treatment depends on the size of the building, type of contamination and products used.

The Company intends to target the following three market segments:

The Remediation Industry. A professional certified remediation company waits until an emergency or disaster occurs before they can earn fees. TOMI has implemented and plans to expand its certification, license and equipment program throughout the United States. This program will allow these disaster professionals to earn fees doing routine air remediation and infectious disease control without the need of a disaster. It will also arm the professional with state of the art technology to be used in their everyday challengers' in treating indoor environments. TOMI will receive a percentage of all revenue from jobs completed using TOMI's equipment under TOMI's exclusive certification and licensing agreement. There are over 20,000 certified professional remediators in the United States.

Hospitality. Our products will primarily be used for air remediation and surface cleaning to make the hospitality-related companies (hotels, motels, etc.) greener and cleaner prior to the check-in of hotel guests. Also, as additional revenue, we will be able to apply the UVGI & filtration system to these hotels to maintain cleaner healthier air and save in energy costs.

Hospital. This should be the easiest to penetrate as we have a solution to healthcare facilities' biggest problem: the spread of airborne contaminants. Senate Bill 1058-MRSA became effective January 1, 2009. The enactment of this bill demonstrates the concern hospitals have for the spreading of MRSA as we already know that the hospital industry will be held responsible for any hospital-acquired infection prior to 2009. Using the Ultra-D fogger will eliminate HAI,s in patient rooms, infectious disease rooms and operatorly suites. Our UVGI/filtration product, enables us to reduce expenses for coil cleaning, which can range from \$500 - \$15,000, saving 25 - 30% of energy costs and reduce unit down time. Therefore, we will be able to enhance the well being of staff and patients by delivering clean, particulate-free air. We can reduce filtration cots by as much as 50% and will be able to offer a product that will decontaminate rooms identified with disease-causing elements. This is handled by our own infectious disease industrial hygienist and staff doctors selling to current hospital administrators and staff that we already know.

Competitors & Future Competition

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Although we are unaware of any direct public competition, we believe that we will be faced with competition from an array of household cleansers, pesticides, along with local mom and pop companies among others for our services. Many retailers market a variety of air purifiers. The ozone generation business may lead to multiple competitors and competition.

Employees

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We currently have 8 employees, all of which are full time.

Item 1A. Risk Factors

We operate in a rapidly changing environment that involves a number of risks, some of which are beyond our control. A number of these risks are listed below. These risks could affect actual future results and could cause them to differ materially from any forward-looking statements we have made in this Annual Report. You should carefully consider the risks described below, as well as the other information set forth in this Form 10-K. Should they materialize, any of the risks described below could significantly and adversely affect our business, prospects, financial condition or results of operations. In that case, the trading price of our common stock could fall and you may lose all or part of the money you paid to buy our securities.

Risk Related To Our Business

Our independent registered public accounting firm has issued a "going concern" opinion.

Our ability to continue as a going concern is dependent upon our ability to generate profitable operations in the future and/or to obtain the necessary financing to meet our obligations and repay our liabilities arising from normal business operations when they come due. We plan to continue to provide for our capital requirements by issuing additional equity. No assurance can be given that additional capital will be available when required or on terms acceptable to us. We also cannot give assurance that we will achieve sufficient revenues in the future to achieve profitability and cash flow positive operations. The outcome of these matters cannot be predicted at this time and there are no assurances that, if achieved, we will have sufficient funds to execute our business plan or to generate positive operating results. Our independent registered public accounting firm has indicated that these matters, among others, raise substantial doubt about our ability to continue as a going concern.

No assurance of sales or profitability.

The Company's business is dependent upon the acceptance of its products, licenses and services as an effective and reliable method to perform indoor air remediation and infectious disease control. The Company's business is also dependent on the effectiveness of its marketing program to convince potential clients, potential independent contractors and remediators to utilize its products and services so that the Company will become profitable. There can be no assurance that the public or industry participants will accept the Company's services, or that the Company will be successful or that its business will earn any profit. There can be no assurance that the Company will earn material revenues or that investors will not lose their entire investment. There is no assurance that the Company will operate its business successfully or that its common stock will have value. A failure of the Company's marketing campaign would have a material adverse impact on its operating results, financial condition and business performance.

Competition.

The remediation industry is extremely competitive. The Company's principal competitors will include other remediators and abatement companies. These competitors may have longer operating histories, greater name recognition, larger installed customer bases, and substantially greater financial and marketing resources than the Company. The Company believes that the principal factors affecting competition in this proposed market include name recognition, and the ability to receive referrals based on client confidence in the Company's

service. There are no significant barriers of entry that could keep potential competitors from opening similar facilities. The Company's ability to compete successfully in the industry will depend in large part upon its ability to market and sell its indoor air remediation and infectious disease control products and services. Be able to respond effectively to changing insurance industry standards and methodology. There can be no assurance that the Company will be able to compete successfully in the remediation industry, or that future competition will not have a material adverse effect on the business, operating results, and financial condition of the Company.

Dependence on key personnel.

The Company's success is substantially dependent on the performance of its executive officers and key employees. Given the Company's early stage of operation, the Company is dependent on its ability to retain and motivate high quality personnel. Although the Company believes it will be able to engage qualified personnel for such purposes, an inability to do so could materially adversely affect the Company's ability to market and perform its services. The loss of one or more of its key employees or the Company's inability to hire and retain other qualified employees could have a material adverse effect on the Company's business.

Inability to sell its license and equipment packages.

In the short-term, the success of the Company's business plan depends heavily on its ability to sell its certification, license and equipment packages, and in the longer term, on its ability to profitably integrate and operate those businesses. There is no assurance that the Company will be able to find and license the new businesses that it needs to successfully implement its business plan. The Company needs to sell its packages in order to grow at an attractive pace. A failure of the Company to sell its licenses and equipment packages will likely have an adverse impact on its operating results, financial condition and business performance.

We may not be able to manage our growth effectively, create operating efficiencies or achieve or sustain profitability.

The ability to manage and operate our business as we execute our growth strategy will require effective planning. Rapid growth could strain our internal resources, leading to a lower quality of customer service, reporting problems and delays in meeting important deadlines, resulting in loss of market share and other problems that could adversely affect our reputation and financial performance. Our efforts to grow have placed, and we expect will continue to place, a significant strain on our personnel, management systems, infrastructure and other resources. Our ability to manage future growth effectively will also require us to continue to update and improve our operational, financial and management controls and procedures. If we do not manage our growth effectively, we could be faced with slower growth and a failure to achieve or sustain profitability.

We may incur significant costs as a result of operating as a public company, and our management devotes substantial time to new compliance initiatives.

We may incur significant legal, accounting and other expenses as a public company, including costs resulting from regulations regarding corporate governance practices. Our management and other personnel devote a substantial amount of time to these compliance initiatives. Moreover, these rules and

regulations have increased our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, these rules and regulations could make it more difficult for us to attract and retain qualified persons to serve on our board of directors or as executive officers.

In addition, the Sarbanes-Oxley Act of 2002 ("SOX") requires, among other things, that we maintain effective internal control over financial reporting and disclosure controls and procedures. For the year ended December 31, 2009, we performed system and process evaluation and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act. Our testing, or the subsequent testing by our independent registered public accounting firm in the year ending December 31, 2010, may reveal deficiencies in our internal control over financial reporting that are deemed to be material weaknesses. Our compliance with Section 404 may require that we incur substantial expense and expend significant management time on compliance-related issues. Moreover, if our independent registered public accounting firm identify deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, the market price of our stock would likely decline and we could be subject to sanctions or investigations by the SEC or other regulatory authorities, which would require additional financial and management resources.

There are inherent limitations in all control systems, and misstatements due to

error or fraud may occur and may not be detected.

While we continue to take action to ensure compliance with the disclosure controls and other requirements of SOX, there are inherent limitations in our ability to control all circumstances. Our management, including our Chief Executive Officer, does not expect that any company's controls, including our own, will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. In addition, the design of a control system must reflect the fact that there are resource constraints and the benefit of controls must be evaluated in relation to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, in our Company have been detected. These inherent limitations include the realities that judgments in decision making can be faulty and that breakdowns can occur because of simple errors or mistakes. Further controls can be circumvented by individual acts of some persons, by collusion of two or more persons, or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, a control may be inadequate because of change in conditions or the degree of compliance with the policies or procedures may deteriorate. Because of inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Risk Related To Our Securities

Our stock price is volatile and there is a limited market for our shares.

The stock markets generally have experienced, and will probably continue to experience, extreme price and volume fluctuations that have affected the market price of the shares of many small capital companies. These fluctuations have often been unrelated to the operating results of such companies. Factors that may affect the volatility of our stock price include the following:

- . Our success, or lack of success, in developing and marketing our products and services;
- . Our ability to maintain compliance with OTCBB listing requirements;
- . Our ability to raise the required capital to fund our business;
- . The announcement of new products, services, or technological innovations by us or our competitors;
- . Changes in the executive leadership of the company;
- . Quarterly fluctuations of our operating results;
- . Changes in revenue or earning estimates; and
- . Competition.

Based on the factors described above, recent trends should not be considered reliable indicators of our future stock prices or financial results.

Our shares of common stock have been traded on the OTCBB. There has been limited trading in our common stock and we cannot give assurances that such a market will develop further or be maintained.

Investors should not expect the payment of dividends by us.

We do not expect to pay dividends on our common stock in the foreseeable future. Investors who require cash dividends from their investments should not purchase our common stock or warrants.

Item 2. Properties

The Company leases 1,300 sq ft at 9454 Wilshire Blvd., Beverly Hills, CA 90212 at \$72,000 annually, on a month-to-month tenancy, in a professional office building. We believe the current facilities are adequate for the immediate future.

Item 3. Legal Proceedings

We are not a party to any proceedings or threatened proceedings as of the date of this filing.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

The Company's common stock commenced trading on the OTC Bulletin Board ("OTCBB") on June 24, 2008. The following table sets forth, for the periods indicated, the last sale prices for the common stock as reported by the OTCBB.

Period	High	Low
Fiscal 2010		
1st Quarter	\$ 2.25	\$ 0.16
Fiscal 2009		
4th Quarter	\$ 7.00	\$ 1.55
3rd Quarter	\$ 9.00	\$ 1.95
2nd Quarter	\$ 4.99	\$ 1.70
1st Quarter	\$ 9.00	\$ 2.35

Holder and Dividends

As of March 15, 2010 we had 738 shareholders of record holding 35,227,480 common shares.

We have not paid cash or stock dividends on our common stock. We have no present plan to pay any dividends, but intend to reinvest our earnings, if any.

Recent Sales of Unregistered Securities

All sales of unregistered securities in fiscal 2009 have been previously reported.

Issuer Purchase of Securities

None.

Item 6. Selected Financial Data

(Not Required)

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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Overview of the Business

TOMI Environmental Solutions, Inc. (formerly "The Ozone Man, Inc.") (The "Company" or "TOMI") provides green, energy-efficient environmental solutions for infectious disease control and air remediation through inspection, air quality testing, training and treatment using our premier platform of UV Ozone generation services, products and technologies. Our focus to combat Hospital infection control was recently enhanced with the addition of (MRA) TM - Magnetic Resolution Activation product line as an additional cost effective method to control the spread of infectious disease and can also be used after a biological attack of our homeland.

Our products and services cover a broad spectrum of commercial structures including office buildings, medical facilities, hotel, single homes, multi-unit residences and schools. Our products and services have also been used in restaurants and dairies.

We commenced our operations in the fourth quarter of 2007 and since 2008 we began to implement our business plan by acquiring for cash both the intellectual property and methodology that forms the basis of our ozone treatment system that is at the core of our plan. We have also opened five service hubs around the country in California, New York/New Jersey, Florida and North Carolina with service vans and certified, trained personnel and we expect to continue the expansion of our facilities.

During the second quarter of 2009, we exited the status of development stage enterprise because we commenced our planned principal operations and because we earned revenues during the quarter ended June 30, 2009.

We purchased 19% of the outstanding interests of Advanced Disinfectant Technologies LLC ("Adtec") in October 2009 for 190,000 shares of our common stock and we have entered into a letter of intent to purchase the remaining interest of 81% in Adtec. Although Adtec has had minimal revenues to date, as it has essentially been a research and development company, we believe its hydroxal mist fogger will be an integral part of our product line. Adtec's advantage over its competitors rests in the efficiency of its fogger as it disinfects quicker and therefore cuts down labor costs. Further, its hydrogen peroxide concentration is four times less than others and is not caustic to electronic equipment.

On November 15, 2009, we executed a license/sales agreement with Degmor Industries, a leading environmental remediation firm based in New York City with expertise in facility restoration after disaster related and environmental contamination. Degmor has been servicing a broad array of clients in the New York metro area for more than twenty years. Under the terms of the agreement, we granted Degmor a license for our Ultraviolet byproduct free ozone generator, High Tech Hydroxyl Mist Ultra-D Disinfection Systems and our UVGI and Filtration Products to be used in the purification of indoor air, decontamination of surfaces and elimination of infectious diseases. We will receive 12.5% of all gross revenues earned by Degmor under the licensed technology. After the first year of license agreement, we will receive a license fee of 10% of gross revenues. We will also receive an annual recertification fee of \$7,500 per year after the first year of license agreement.

Business Outlook

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TOMI's business growth strategy is to be "Your Professional Infectious Disease Control & Air Remediation Company" We have developed and acquired premier platform of UV Ozone generators, the Ultra-D fogger and the UVGI "Terminator" Our strategy is continue to align our company with other premiere emergency disaster relief ,environmental remediators and other general certified remediators throughout the country. We will continue to train, certify and license our products with a recurring fee from work performed in the treatment of infectious disease control and air remediation. Our certification process will allow over 20,000 certified remediators to be put into a position to add revenue to their bottom line while waiting for an emergency or disaster to happen. With our quality customer base in Rolyn and Degmor, TOMI potentially has a great lead in the market. We have a sustainable competitive advantage because of our unique technology. TOMI is not in a sector already crowded by other venture backed companies, which leads us to the potential of material growth prospects. We are also creating a standard in the industry that will undoubtedly put the remediating industry in the forefront in the treatment of indoor air pollution and infectious disease control. We also strive to generate top-notch research on other air remediation solutions including hydroxyl radicals.

We continue to pursue complementary businesses in the manufacturing of other indoor air remediation products, testing labs and other indoor air maintenance products.

During the fourth quarter of 2009, the Company began generating revenue related to commercial projects, licensing fees and the sales from its equipment and product line. TOMI continues to pursue revenue from multiple sources and anticipates that our revenue stream will grow more diverse in the coming quarters.

Critical Accounting Policies and Estimates

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Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. The estimation process requires assumptions to be made about future events and conditions, and as such, is inherently subjective and uncertain. Actual results could differ materially from our estimates.

The SEC defines critical accounting policies as those that are, in management's view, most important to the portrayal of our financial condition and results of operations and most demanding of our judgment. We consider the following policies to be critical to an understanding of our consolidated financial statements and the uncertainties associated with the complex judgments made by us that could impact our results of operations, financial position and cash flows.

Income (Loss) Per Share

The computation of income (loss) per share is based on the weighted average number of common shares outstanding during the periods presented. Diluted income (loss) per common share is computed based on the weighted average number of common shares outstanding plus the dilutive effect of common stock equivalents.

Revenue Recognition

For revenue from services and product sales, the Company recognized revenue in accordance with Staff Accounting Bulletin No. 104, "Revenue Recognition" (SAB No. 104), which superseded Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" (SAB No. 101). SAB No. 104 requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) service has been rendered or delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectibility is reasonably assured. Determination of criteria (3) and (4) are based on management's judgment regarding the fixed nature of the selling prices of the services rendered or products delivered and the collectibility of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowance, and other adjustments will be provided for in the same period the related sales are recorded.

Intangible Assets

We report intangible assets in accordance with FASB Statement No. 142, Goodwill and Other Intangible Assets which requires than an intangible asset with indefinite useful economic life not be amortized, but instead be separately tested for impairment using a fair-value approach. The evaluation of possible impairment of intangible assets is affected by factors such as changes in economic conditions and changes in operating performance. These factors could cause us to recognize a material impairment charge as we assess the ongoing expected cash flows and carrying amounts of intangible assets.

Fair Value Measurement

Effective January 1, 2008, the Company adopted the provisions of ASC 820, "Fair Value Measurements". ASC 820 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosures about fair value measurements. The implementation of this standard did not have any impact on the Company's consolidated financial positions, results of operations, or cash flows. The carrying amounts of cash and cash equivalents, accounts payable and other accrued expenses approximate fair value because of the short maturity of these items. The carrying amounts of outstanding debt issued pursuant to credit agreements approximate fair value because interest rates over the term of these instruments approximate current market interest rates.

Stock-Based Compensation

We account for stock-based compensation in accordance with FASB ASC 718, Compensation - Stock Compensation. Under the provisions of FASB ASC 718, stock-based compensation cost is estimated at the grant date based on the award's fair value and is recognized as expense over the requisite service period. The Company currently has one active stock-based compensation plan, TOMI Environmental Solutions, Inc. Stock Option and Restricted Stock Plan (the "Plan"). The Plan calls for the Company through a committee of its Board of Directors, to issue up to 2,500,000 shares of restricted common stock or stock options. The Company generally issues grants to its employees, consultants, and board members. Stock options are granted with an exercise price equal to the closing price of its common stock on the date of grant with a term no greater than 10 years. Generally, stock options vest over two to four years. Incentive stock options granted to shareholders who own 10% or more of the Company's outstanding stock are granted at an exercise price that may not be less than 110% of the closing price of the Company's common stock on the date of grant and have a term no greater than five years. At the date of grant, the Company determines the fair value of the stock option award and recognizes compensation expense over the requisite service period, which is generally the vesting period of the award. The fair value of the stock option award is calculated using the Black-Scholes option-pricing model. As of December 31, 2009, there have been no grants made pursuant to the Plan.

Recent Accounting Pronouncements

In May 2009 FASB issued ASC 855 (formerly SFAS 165), Subsequent Events effective for interim and annual financial periods ending after June 15, 2009. The objective of this Statement is to establish general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. In particular, this Statement sets forth the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements. It requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date, that is, whether that date represents the date the financial statements were issued or were available to be issued. It also includes the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements. It addresses the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. This pronouncement had no material impact on the Company's financial statements.

On April 9, 2009 the FASB Issued ASC 825 (formerly Staff Position FAS 107-1 and APB 28-1), Interim Disclosures about Fair Value of Financial Instruments. This requires disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. This ASC also requires those disclosures in summarized financial information at interim reporting periods. This ASC shall be effective for interim reporting periods ending after June 15, 2009. This pronouncement had no material impact on the Company's financial statements.

In June 2009 FASB issued ASC 810 (formerly SFAS 167 which is an amendment to FASB Interpretation No. 46), Consolidation of Variable Interest Entities, to require an enterprise to perform an analysis to determine whether the enterprise's variable interest or interests give it a controlling financial interest in a variable interest entity. This Statement requires ongoing reassessments of whether an enterprise is the primary beneficiary of a variable interest entity. This Statement eliminates the quantitative-based risks and rewards calculation previously required for determining the primary beneficiary

of a variable interest entity with an approach focused on identifying which enterprise has the power to direct the activities of a variable interest entity that most significantly impact the entity's economic performance. This Statement shall be effective as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009. This pronouncement had no material impact on the Company's financial statements.

In June 2009 FASB issued ASC 105 (formerly SFAS 168), The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles. This ASC identifies the sources of accounting principles and the framework for selecting the principles used in preparing the financial statements of nongovernmental entities that are presented in conformity with GAAP. ASC 105 arranges these sources of GAAP in a hierarchy for users to apply accordingly. The GAAP hierarchy will include only two levels of GAAP: authoritative and non-authoritative. This Codification supersedes all existing non-SEC accounting and reporting standards. This Statement is effective for financial statements issued for interim and annual periods ending after September 15, 2009. In the Board's view, the adoption of this ASC will not change GAAP, and as a result, will not have a material impact on the company's financial statements.

In August 2009, the FASB issued a new accounting standard which provides additional guidance on the measurement of liabilities at fair value. Specifically, when a quoted price in an active market for the identical liability is not available, the new standard requires that the fair value of a liability be measured using one or more of the valuation techniques that should maximize the use of relevant observable inputs and minimize the use of unobservable inputs. In addition, an entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of a liability. We adopted this standard in the fourth quarter of 2009 and the adoption did not have a material impact on our consolidated financial statements.

In October 2009, the FASB issued a new accounting standard which provides guidance for arrangements with multiple deliverables. Specifically, the new standard requires an entity to allocate consideration at the inception of an arrangement to all of its deliverables based on their relative selling prices. In the absence of the vendor-specific objective evidence or third-party evidence of the selling prices, consideration must be allocated to the deliverables based on management's best estimate of the selling prices. In addition, the new standard eliminates the use of the residual method of allocation. In October 2009, the FASB also issued a new accounting standard which changes revenue recognition for tangible products containing software and hardware elements. Specifically, tangible products containing software and hardware that function together to deliver the tangible products' essential functionality are scoped out of the existing software revenue recognition guidance and will be accounted for under the multiple-element arrangements revenue recognition guidance discussed above. Both standards will be effective for us in the first quarter of 2011. Early adoption is permitted. The adoption of this standard did not have a material impact on our consolidated financial statements.

On April 13, 2010, the Company's Board of Directors rescinded the transaction entered into in February 2009 with Taurus Global Opportunity Fund, canceled the Series B stock and 350,000 common shares and paid the holders \$3,563,062 from the proceeds of the restricted investment.

Results of Operations for the Year Ended December 31, 2009 Compared to the Year

Ended December 31, 2008:

We began our planned principal operations during the second quarter of 2009. Revenue for the year ended December 31, 2009 and 2008 totaled \$499,172 and \$10,335, respectively. Revenue and operating results for the two periods are not comparable because the Company began its planned principal operations during the second quarter of 2009 and was in its development stage during the prior year.

Net (loss) income for the year ended December 31, 2009 totaled \$14,898,545. The net income for the year ended December 31, 2009 is primarily attributed to a non-cash compensatory credit element from equity issuances of \$18,312,558. On March 31, 2009, the Company and Tiger Management, LLC amended the management service agreement to establish the vesting period for the Series A Preferred Stock issued. The vesting period was established to be the period June 2007 through December 31, 2010 and until the Company had reached at least one million in annual gross revenue. Our Board of Directors' amended the Company's articles of incorporation to reduce the conversion rate to common stock for its Series A Preferred Stock from five shares to one share and to reduce the par value per Series A Preferred Stock to \$0.01 from \$25. As a result, the Company recorded \$18,312,558 in compensation credit for equity issuance during the first quarter of 2009. The Company had previously recorded \$20,400,000 in non-cash other general and administrative expenses during the year ended December 31, 2008. The fair value was determined using the price of the stock on the date the board approved the amendment to the agreement. Professional and consulting fees include legal, accounting and consulting expenses. General and administrative expenses primarily include payroll and payroll related expenses, rent and depreciation.

Liquidity and Capital Resources

We plan on funding operations and our liquidity needs from licensing arrangements, structured similarly to the Degmor Licensing Agreement that have profit margins from sale of equipment, licensing of equipment, recurring income from solution sales, along with a 12% income from annual gross sales for the utilization of the equipment licensed. We also intend to continue to raise equity capital through the sale of restricted stock. Furthermore, we are currently negotiating equity and/or debt financing in the amount of up to \$5 million dollars.

Off-Balance Sheet Arrangements

None.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

(Not Required)

Item 8. Financial Statements and Supplementary Data

See pages F-1 to F-16.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
TOMI Environmental Solutions, Inc. (A Florida Corporation)

We have audited the accompanying consolidated balance sheets of TOMI Environmental Solutions, Inc. and Subsidiary ("the Company") as of December 31, 2009 and 2008 and the related consolidated statements of operations, stockholders' equity (deficiency) and cash flows for each of the two years in the period ended December 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. Also, an audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TOMI Environmental Solutions, Inc. and Subsidiary at December 31, 2009 and 2008, and the results of their operations and their cash flows for each of the two years ended December 31, 2009 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has had limited revenues for the year ended December 31, 2009 and has not been able to generate positive cash from operations for the years ended December 31, 2009 and 2008. In addition, after giving effect to the rescission transaction (see Note 12), the Company has a working capital and stockholders' deficiency. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans regarding those matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

WOLINETZ, LAFAZAN & COMPANY, P.C.

Rockville Centre, New York
April 15, 2010

TOMI Environmental Solutions, Inc.

 CONSOLIDATED BALANCE SHEET

ASSETS -----	December 31, 2009	December 31, 2008
	-----	-----
Current Assets:		

Cash and Cash Equivalents	\$ 13,126	\$ 367,697
Investment - Restricted	3,563,062	-
Accounts Receivable	11,660	4,590
Notes Receivable	75,000	-
Deferred Cost	122,576	-
Prepaid Assets	2,751	18,710
	-----	-----
Total Current Assets	4,297,625	390,997
	-----	-----
Property and Equipment - net	306,633	372,990
	-----	-----
Other Assets:		

Intangible Assets, net	102,767	111,100
Security Deposits	5,416	6,620
	-----	-----
Total Other Assets	108,183	117,720
	-----	-----
TOTAL ASSETS	\$ 4,712,441	\$ 881,707
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		

Current Liabilities:		

Accounts Payable and Accrued Expenses	\$ 118,124	\$ 175,327
Accrued Officers Compensation	827,868	546,536
Notes Payable - Current Portion	45,896	43,976
Deferred Revenue	199,022	-
Obligations to be settled through issuance of common stock	268,500	-
Dividends Payable on Preferred Convertible Stock	205,685	90,667
	-----	-----
Total Current Liabilities	1,665,095	856,506
	-----	-----
Long-term Liabilities:		

Non-Current Portion of Notes Payable - Other	20,468	66,365
	-----	-----
Total Liabilities	1,685,563	922,871
	-----	-----
COMMITMENTS AND CONTINGENCIES	-	-
Stockholders' Equity (Deficit):		

Cumulative Convertible Series A Preferred Stock, \$0.01 par value, 1,000,000 shares authorized, 510,000 shares issued and outstanding at December 31, 2009 and December 31, 2008.	5,100	5,100
Cumulative Convertible Series B Preferred Stock, \$1,000 stated value, 7.5% cumulative dividend, 4,000 shares authorized, 3,250 shares issued and outstanding at December 31, 2009 and none at December 31, 2008.	3,250,000	-
Common Stock, \$0.01 par value, 75,000,000 shares authorized; 35,277,480 and 34,474,515 shares issued and outstanding at December 31, 2009 and December 31, 2008, respectively.	352,774	344,744
Additional Paid-in Capital	9,683,721	22,758,193
Accumulated Deficit	(9,489,312)	(23,149,201)
Deferred compensation	(1,284,855)	-
	-----	-----
Total Stockholders' Equity (Deficit)	3,026,878	(41,164)
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$ 4,712,441	\$ 881,707
	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

TOMI Environmental Solutions, Inc.

 CONSOLIDATED STATEMENT OF OPERATIONS

	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008
	-----	-----
Net Revenues	\$ 499,172	\$ 10,335
Cost of Sales	200,619	-
	-----	-----
Gross Profit	298,553	10,335
	-----	-----
Costs and Expenses:		

Professional Fees	577,869	1,090,021
Other General and Administrative Expenses	1,370,871	1,248,225
Impairment on Investment, Research and Development	902,500	-
Management and Consulting Fees	(18,312,558)	20,400,000
	-----	-----
Total Costs and Expenses	(14,607,365)	22,738,246
	-----	-----
Income (Loss) from Operations	14,905,918	(22,727,911)
	-----	-----
Other Income (Expenses):		

Financing Costs	-	(14,444)
Loss of investment- restricted	(1,238,656)	-
Investment Loss	729,206	-
Interest Income	2,109	-
Interest Expense	(9,482)	(3,224)
	-----	-----
Total Other Expense	(736,579)	(17,668)
	-----	-----
Net Income (Loss)	\$ 14,169,339	\$ (22,745,579)
	=====	=====
Income (Loss) attributable to common stockholders		
Net Income (Loss)	\$ 14,169,339	\$ (22,745,579)
Preferred stock dividend	205,685	90,667
	-----	-----
Income (Loss) attributable to common stockholders	\$ 13,963,654	\$ (22,836,246)
	=====	=====
Net Income (Loss) per Common Share - Basic	\$ 0.40	\$ (0.66)
	=====	=====
Net Income (Loss) per Common Share - Diluted	\$ 0.39	\$ (0.66)
	=====	=====
Weighted Average Common Shares Outstanding - Basic	34,864,011	34,391,534
	=====	=====
Weighted Average Common Shares Outstanding - Diluted	36,024,011	34,391,534
	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

TOMI Environmental Solutions, Inc.

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)

For the Years Ended December 31, 2009 and December 31, 2008

	SERIES A PREFERRED STOCK		SERIES B PREFERRED STOCK		COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	ACCUMULATED DEFICIT	DEFERRED STOCK COMPENSATION	TOTAL
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT				
Balance - 12/31/2007	- \$	-	- \$	-	34,940,437	\$349,404	\$ 29,900	\$ (403,622)	- \$	(24,318)
Return of Common Stock in Connection with Reverse Acquisition	-	-	-	-	(42,475)	(425)	425	-	-	-
Issuance of Common Stock Pursuant to a Private Placement @ \$.20 per share	-	-	-	-	3,060,000	30,600	581,400	-	-	612,000
Issuance of Common Stock Pursuant to a Private Placement @ \$.50 per share	-	-	-	-	100,000	1,000	49,000	-	-	50,000
Issuance of Common Stock Pursuant to a Private Placement @ \$.90 per share	-	-	-	-	971,553	9,715	864,685	-	-	874,400
Issuance of Common Stock Pursuant to a Private Placement @ \$1.00 per share	-	-	-	-	25,000	250	24,750	-	-	25,000
Issuance of Common Stock for services @ \$2.00 per share	-	-	-	-	420,000	4,200	835,800	-	-	840,000
Issuance of Common Stock upon Conversion of Convertible Debt @ \$.0125 per share	-	-	-	-	2,000,000	20,000	5,000	-	-	25,000
Issuance of Convertible Preferred Stock to Related Party for Services Rendered @ \$.01 per share	510,000	12,750,000	-	-	-	-	7,650,000	-	-	20,400,000
Repurchase and Retirement of Common Stock @ \$.001 per share	-	-	-	-	(7,000,000)	(70,000)	63,000	-	-	(7,000)
Dividends on Cumulative Convertible Preferred Stock as of 12/31/08	-	-	-	-	-	-	(90,667)	-	-	(90,667)
Net Loss for the Period January 1, 2008 to December 31, 2008	-	-	-	-	-	-	-	(22,745,579)	-	(22,745,579)
Balance - 12/31/2008	510,000	\$ 12,750,000	-	-	34,474,515	\$344,744	\$10,103,293	\$(23,149,201)	- \$	(41,164)
Issuance of Common Stock in Lieu of Cash Compensation	-	-	-	-	162,965	1,630	418,196	-	-	419,826

Issuance of Common Stock Pursuant to a Private Placement @ \$5.00 per share, net of offering cost	-	-	-	-	350,000	3,500	1,546,500	-	-	1,550,000
Issuance of Common Stock Pursuant to a Private Placement @ \$2.00 per share	-	-	-	-	100,000	1,000	199,000	-	-	200,000
Issuance of Convertible Series B Preferred Stock @ \$1,000 per share	-	-	3,250	3,250,000	-	-	-	-	-	3,250,000
Dividends on Cumulative Convertible Series B Preferred Stock	-	-	-	-	-	-	(205,685)	-	-	(205,685)
Reversal of dividends	-	-	-	-	-	-	90,667	-	-	90,667
Deferred Compensation	-	-	-	-	-	-	2,138,808	-	(2,138,808)	-
Amortization of Deferred Compensation	-	-	-	-	-	-	-	-	853,953	853,953
Forgiveness of Compensation	-	-	-	-	-	-	150,000	-	-	150,000
Common Stock Issued to Acquire LLC Interest	-	-	-	-	190,000	1,900	900,600	-	-	902,500
Change of Par Value for Series A Preferred stock from \$25 per share to \$.01 per share	-	(12,744,900)	-	-	-	-	(5,567,658)	-	-	(18,312,558)
Net Income	-	-	-	-	-	-	-	13,659,889	-	13,659,889
Balance - 12/31/2009	510,000	\$ 5,100	3,250	\$3,250,000	35,277,480	\$352,774	\$ 9,683,721	\$ (8,979,862)	\$(1,284,855)	\$ 3,026,878

The accompanying notes are an integral part of these consolidated financial statements.

TOMI Environmental Solutions, Inc.

 CONSOLIDATED STATEMENT OF CASH FLOWS

	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008
	-----	-----
OPERATING ACTIVITIES		
Net Income (Loss)	\$ 13,659,889	\$ (22,745,579)
Adjustments to reconcile net income (loss) to net cash (used) by operating activities:		
Depreciation and amortization	94,090	32,987
Amortization of Debt Discount	-	14,444
Common and Preferred Stock Issued for Services	373,155	21,302,000
Common Stock Issued for Acquisition	902,500	-
Amortization of Deferred Compensation	853,953	-
Management and Consulting Fees	(18,312,558)	-
Increase in deferred revenue	199,022	-
Loss on investment- restricted	1,238,656	-
Changes in Operating Assets and Liabilities:		
Decrease (Increase) in Security Deposits	1,204	(6,620)
(Increase) in Accounts Receivable	(7,070)	(4,590)
(Increase) in Prepaid and other current assets	(106,617)	(18,710)
Increase in Accounts Payable and Accrued Liabilities	689,299	705,007
Net Cash (Used) in Operating Activities	(414,477)	(721,061)
	-----	-----
INVESTING ACTIVITIES		
Purchase of Restricted Investments	(4,801,562)	-
Capital Expenditures	(19,556)	(405,977)
Purchase of Intangible Assets	-	(111,100)
Net Cash (Used) in Investing activities	(4,821,118)	(517,077)
	-----	-----
FINANCING ACTIVITIES		
Payment for Notes Receivables	(75,000)	-
Proceeds from the Sale of Common Stock	1,950,000	1,499,400
Expense of private placement	(200,000)	-
Purchase of Cancelled Common Stock	-	(7,000)
Proceeds from sale of Cumulative Convertible Series B Preferred Stock	3,250,000	-
(Payment) Proceeds of Note Payable - Other (Net)	(43,976)	110,340
Net Cash Provided by Financing Activities	4,881,024	1,602,740
	-----	-----
NET CHANGE IN CASH AND CASH EQUIVALENTS	(354,571)	364,602
	-----	-----
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	367,697	3,095
	-----	-----
CASH AND CASH EQUIVALENTS - END OF PERIOD	\$ 13,126	\$ 367,697
	=====	=====

SUPPLEMENTAL CASH FLOW INFORMATION:

Cash paid during the period for:

Interest expense	\$ 9,482	\$ 6,191
	=====	=====
Income taxes	\$ -	\$ -
	=====	=====

Supplemental Disclosures of Cash Flow Information:

Non Cash Financing Activities:

Issuance of Common Stock for payment of accounts payable	\$ 46,670	\$ -
	=====	=====
Forgiveness of Accrued Compensation to Related Party	\$ 150,000	\$ -
	=====	=====
Dividends payable on preferred stock	\$ 205,685	\$ 90,667
	=====	=====
Return of Overissuance of Shares Related to Recapitalization	\$ -	\$ 425
	=====	=====
Reversal of dividends payable on preferred stock - Series A	\$ (90,667)	\$ -
	=====	=====
Change in stated value on preferred stock - Series A	\$ (12,744,900)	\$ -
	=====	=====
Issuance of common stock for purchase of LLC interest	\$ 902,500	\$ -
	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1: DESCRIPTION OF BUSINESS

TOMI Environmental Solutions, Inc. (formerly "The Ozone Man, Inc.") (The "Company" or "TOMI") provides green, energy-efficient environmental solutions for infectious disease control and air remediation through inspection, air quality testing, training and treatment using our premier platform of UV Ozone generation services, products and technologies. Our focus to combat Hospital infection control was recently enhanced with the addition of (MRA) TM - Magnetic Resolution Activation product line as an additional cost effective method to control the spread of infectious disease and can also be used after a biological attack of our homeland security.

Our products and services cover a broad spectrum of commercial structures including office buildings, medical facilities, hotels, single homes, multi-unit residences and schools. Our products and services have also been used in restaurants and dairies.

During the second quarter of 2009, the Company exited the status of development stage enterprise. The Company commenced its planned principal operations and earned revenues during the quarter ended June 30, 2009. The Company changed its name to TOMI Environmental Solutions, Inc.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Going Concern

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The Company had limited revenues during the year ended December 31, 2009. The Company has not been able to generate positive cash from operations for the years ended December 31, 2009 and 2008. In addition, after giving effect to the rescission transaction (see Note 11), the Company has a negative working capital and stockholder deficiency. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The Company plans on funding operations and liquidity needs from licensing arrangements, equity and/or debt financing and continuing to raise funds through the sale of its common stock.

There can be no assurance that additional funds required during the next year or thereafter will be generated from operations. Should the Company seek additional funds from external sources such as debt or additional equity financings or other potential sources there can be no assurance that such funds will be available or available on terms acceptable to the Company or that they will not have a significant dilutive effect on the Company's existing stockholders. The lack of additional capital resulting from the inability to generate cash flow from operations or to raise capital from external sources would force the Company to substantially curtail or cease operations and would, therefore, have a material adverse effect on its business.

Accordingly, the Company's existence is dependent on management's ability to develop profitable operations and resolve its liquidity problems. The accompanying financial statements do not include any adjustments related to the recoverability or classification of asset-carrying amounts or the amounts and classification of liabilities that may result should the Company be unable to continue as a going concern.

Principles of Consolidation

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The accompanying financial statements include the accounts of TOMI (a Florida Corporation) (Parent) and its wholly owned subsidiary, The Ozone Man, Inc. (a Nevada Corporation). All significant intercompany accounts and transactions have been eliminated in consolidation.

Reclassification of Accounts

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Certain reclassifications have been made to prior-year comparative financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or financial position.

Restricted Investment

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The restricted investment in the amount of \$3,563,062 at December 31, 2009 is carried at net realizable value (See Note 12).

Property and Equipment

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Property and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which approximate three to five years.

Advertising Costs

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The Company's policy is to charge advertising costs to operations as incurred. The Company incurred advertising costs of \$22,295 and \$17,494 for the year ended December 31, 2009 and 2008, respectively.

Income (Loss) Per Share

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The computation of income (loss) per share is based on the weighted average number of common shares outstanding during the periods presented. Diluted income (loss) per common share is computed based on the weighted average number of common shares outstanding plus the dilutive effect of common stock equivalents. For the year ended December 31, 2009 and December 31, 2008, the Company had 510,000 shares of Convertible Series A Preferred Stock outstanding at a conversion rate of one common shares for every preferred share (510,000 common shares) and 3,250 Series B Convertible Preferred Stock at a conversion rate of two hundred common shares for every preferred share (650,000 common shares); these common stock equivalents were included in diluted earnings per common share for the year ended December 31, 2009. For the year ended December 31, 2008, diluted loss per common share is the same as basic loss per common share because the effect of any potentially dilutive securities outstanding would be anti-dilutive and has therefore, been excluded from the computation. The common stock issued and outstanding has been included for all presented periods with respect to the effect of the recapitalization.

Revenue Recognition

For revenue from services and product sales, the Company recognized revenue in accordance with Staff Accounting Bulletin No. 104, "Revenue Recognition" (SAB No. 104), which superseded Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" (SAB No. 101). SAB No. 104 requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) service has been rendered or delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectibility is reasonably assured. Determination of criteria (3) and (4) are based on management's judgment regarding the fixed nature of the selling prices of the services rendered or products delivered and the collectibility of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowance, and other adjustments will be provided for in the same period the related sales are recorded.

Fair Value of Financial Instruments

The Company uses the following methods and assumptions in estimating our fair value disclosures for financial instruments:

- . Accounts Payable and Accrued Liabilities

The carrying amount reported in the balance sheets for accounts payable approximates fair value because of relatively short payment terms.

- . Cash Equivalents

The carrying amounts reported in the balance sheets for cash equivalents approximate fair value because of the relatively short time to maturity.

- . Accounts Receivable

The carrying amount reported in the balance sheets for accounts receivable approximates fair value because of relatively short collection terms.

- . Investment Securities

FASB ASC 820, Fair Value Measurements and Disclosures, requires us to determine the fair value of financial assets and liabilities using a specified fair-value hierarchy. The objective of the fair-value measurement of our financial instruments is to reflect the hypothetical amounts at which we could sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date (exit price). FASB ASC 820 describes three levels of inputs that may be used to measure fair value, as follows:

- . Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

TOMI ENVIRONMENTAL SOLUTIONS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- . Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- . Level 3 inputs are unobservable inputs for the asset or liability that are supported by little or no market activity and that are significant to the fair value of the underlying asset or liability.

Our investments are classified within Level 2 of the fair-value hierarchy.

Long-Lived Assets

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We review property and equipment and intangible assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. We measure recoverability of these assets by comparing the carrying amounts to the future undiscounted cash flows the assets are expected to generate. If property and equipment and intangible assets are considered to be impaired, the impairment to be recognized equals the amount by which the carrying value of the asset exceeds its fair market value. We have made no material adjustments to our long-lived assets in any of the years presented.

Intangible assets with definite lives are amortized over their estimated useful lives. We amortize our acquired intangible assets on a straight-line basis over a 10 year period.

Income Taxes

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We account for income taxes in accordance with FASB ASC 740, Accounting for Income Taxes, which requires that deferred tax assets and liabilities be recognized using enacted tax rates for the effect of temporary differences between the book and tax bases of recorded assets and liabilities. ASC 740 also requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some or all of the deferred tax assets will not be realized.

Stock-Based Compensation

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We account for stock-based compensation in accordance with FASB ASC 718, Compensation - Stock Compensation. Under the provisions of FASB ASC 718, stock-based compensation cost is estimated at the grant date based on the award's fair value and is recognized as expense over the requisite service period. The Company currently has one active stock-based compensation plan, TOMI Environmental Solutions, Inc. Stock Option and Restricted Stock Plan (the "Plan"). The Plan calls for the Company through a committee of its Board of Directors, to issue up to 2,500,000 shares of restricted common stock or stock options. The Company generally issues grants to its employees, consultants, and board members. Stock options are granted with an exercise price equal to the closing price of its common stock on the date of grant with a term no greater than 10 years. Generally, stock options vest over two to four years. Incentive stock options granted to shareholders who own 10% or more of the Company's outstanding stock are granted at an exercise price that may not be less than 110% of the closing price of the Company's common stock on the date of grant and have a term no greater than five years. At the date of grant, the Company determines the fair value of the stock option award and recognizes compensation expense over the requisite service period, which is generally the vesting period of the award. The fair value of the stock option award is calculated using the Black-Scholes option-pricing model. As of December 31, 2009, there have been no grants made pursuant to the Plan.

Recent Accounting Pronouncements

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In May 2009 FASB issued ASC 855 (formerly SFAS 165), Subsequent Events effective for interim and annual financial periods ending after June 15, 2009. The objective of this Statement is to establish general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. In particular, this Statement sets forth the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements. It requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date, that is, whether that date represents the date the financial statements were issued or were available to be issued. It also includes the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements. It addresses the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. This pronouncement had no material impact on the Company's financial statements.

On April 9, 2009 the FASB Issued ASC 825 (formerly Staff Position FAS 107-1 and APB 28-1), Interim Disclosures about Fair Value of Financial Instruments. This requires disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. This ASC also requires those disclosures in summarized financial information at interim reporting periods. This ASC shall be effective for interim reporting periods ending after June 15, 2009. This pronouncement had no material impact on the Company's financial statements.

In June 2009 FASB issued ASC 810 (formerly SFAS 167 which is an amendment to FASB Interpretation No. 46), Consolidation of Variable Interest Entities, to require an enterprise to perform an analysis to determine whether the enterprise's variable interest or interests give it a controlling financial interest in a variable interest entity. This Statement requires ongoing reassessments of whether an enterprise is the primary beneficiary of a variable interest entity. This Statement eliminates the quantitative-based risks and rewards calculation previously required for determining the primary beneficiary of a variable interest entity with an approach focused on identifying which enterprise has the power to direct the activities of a variable interest entity that most significantly impact the entity's economic performance. This Statement shall be effective as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009. This pronouncement had no material impact on the Company's financial statements.

TOMI ENVIRONMENTAL SOLUTIONS, INC.
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In June 2009 FASB issued ASC 105 (formerly SFAS 168), The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles. This ASC identifies the sources of accounting principles and the framework for selecting the principles used in preparing the financial statements of nongovernmental entities that are presented in conformity with GAAP. ASC 105 arranges these sources of GAAP in a hierarchy for users to apply accordingly. The GAAP hierarchy will include only two levels of GAAP: authoritative and non-authoritative. This Codification supersedes all existing non-SEC accounting and reporting standards. This Statement is effective for financial statements issued for interim and annual periods ending after September 15, 2009. In the Board's view, the adoption of this ASC will not change GAAP, and as a result, will not have a material impact on the company's financial statements.

In August 2009, the FASB issued a new accounting standard which provides additional guidance on the measurement of liabilities at fair value. Specifically, when a quoted price in an active market for the identical liability is not available, the new standard requires that the fair value of a liability be measured using one or more of the valuation techniques that should maximize the use of relevant observable inputs and minimize the use of unobservable inputs. In addition, an entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of a liability. We adopted this standard in the fourth quarter of 2009 and the adoption did not have a material impact on our consolidated financial statements.

In October 2009, the FASB issued a new accounting standard which provides guidance for arrangements with multiple deliverables. Specifically, the new standard requires an entity to allocate consideration at the inception of an arrangement to all of its deliverables based on their relative selling prices. In the absence of the vendor-specific objective evidence or third-party evidence of the selling prices, consideration must be allocated to the deliverables based on management's best estimate of the selling prices. In addition, the new standard eliminates the use of the residual method of allocation. In October 2009, the FASB also issued a new accounting standard which changes revenue recognition for tangible products containing software and hardware elements. Specifically, tangible products containing software and hardware that function together to deliver the tangible products' essential functionality are scoped out of the existing software revenue recognition guidance and will be accounted for under the multiple-element arrangements revenue recognition guidance discussed above. Both standards will be effective for us in the first quarter of 2011. Early adoption is permitted. The adoption of this standard did not have a material impact on our consolidated financial statements.

TOMI ENVIRONMENTAL SOLUTIONS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	December 31, 2009	December 31, 2008
Furniture and fixture	\$ 16,877	\$ 13,339
Equipment	188,734	172,872
Vehicles	219,766	219,766
	425,377	405,977
Less: Accumulated depreciation	118,744	32,987
	\$ 306,633	\$ 372,990

Depreciation was \$85,757 and \$32,987 during the year ended December 31, 2009 and 2008, respectively.

NOTE 4: INTANGIBLE ASSETS

On February 23, 2008 the Company purchased from S.C.O. Medallion Healthy Homes LTD all intellectual property for the Medallion methodology system for \$60,000. On April 18, 2008 the Company purchased intellectual property from Air Testing and Design, Inc. for \$50,000. The property purchased includes patents, trademarks, literature, drawings, schematics, vendor lists and rights to purchase and resell equipment and other proprietary and intellectual property associated with the ozone generators manufactured by the seller.

The Company began amortizing the intangible assets during the second quarter of 2009 over the estimated useful life of ten years. The Company recorded amortization expense of \$8,333 during the year ended December 31, 2009. These assets are tested for impairment annually or if certain circumstances indicate a possible impairment may exist in accordance with ASC 350, Intangibles - Goodwill and Other. The carrying value of these assets is assessed at least annually and an impairment charge is recorded if appropriate. As of December 31, 2009 there was no impairment.

NOTE 5: LONG TERM DEBT

The Company finances five field service vehicles using notes with various terms that are recorded in the financial statements as notes payable. The notes expire at various times through March 2012 and have interest rates from 8.8% to 10.1% per annum and payable in monthly installments of \$4,448 including principal and interest and due by March, 2012. The remaining notes payable amount will mature through 2012 as follows: 2010 - \$45,896, 2011 - \$16,153, 2012 - \$4,316. Each note is secured by the vehicle acquired.

TOMI ENVIRONMENTAL SOLUTIONS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	December 31, 2009	December 31, 2008
	-----	-----
Total Vehicle Notes	\$ 66,364	\$ 110,341
Less: Current Portion	45,896	43,996
	-----	-----
Long term Portion	\$ 20,468	\$ 66,345
	=====	=====

NOTE 6: SHAREHOLDERS' EQUITY

The Company's Board of Directors may, without further action by the Company's stockholders, from time to time, direct the issuance of any authorized but unissued or unreserved shares of preferred stock in series and at the time of issuance, determine the rights, preferences and limitations of each series. The holders of preferred stock may be entitled to receive a preference payment in the event of any liquidation, dissolution or winding-up of the Company before any payment is made to the holders of the common stock. Furthermore, the board of directors could issue preferred stock with voting and other rights that could adversely affect the voting power of the holders of the common stock.

On February 27, 2009 the Company completed the sale of 350,000 shares of its common stock and 3,250 shares of Series B Convertible Preferred Stock for per share purchase prices of \$5.00 and \$1,000, respectively. Gross proceeds from the sale were \$5,000,000. The Company incurred costs of \$200,000 in connection with the sale.

Under the terms of the Subscription Agreement, the Company created a new class of preferred stock as Series B Convertible Preferred Stock ("Series B"). The Company is authorized to issue 4,000 shares of its new Series B preferred stock. The Series B stock is convertible into 200 shares of the Company's common stock for every share of Series B stock. The Series B preferred has a stated value of \$1,000 per share, carries an annual cumulative dividend of 7.5% and is senior in liquidation preference to all other classes of stock. As of December 31, 2009 the Company accrued \$205,685 for these dividends.

The Company Board of Directors amended the Company's articles of incorporation on March 31, 2009 to reduce the par value per share for its Cumulative Convertible Series A Preferred Stock ("Series A Preferred Stock") to \$0.01 from \$25 and to reduce the conversion rate to common stock to one from five. The effect of the change in par value has been reflected in the consolidated financial statements. All share and per share data have been retroactively adjusted to reflect the recapitalization.

On October 12, 2009, the Company purchased 19% of the issued and outstanding member interests of Advanced Disinfectant Technologies LLC ("Adtec"). Pursuant to the agreement the Company purchased the stated interest in Adtec for consideration of 190,000 shares of its common stock valued at \$902,500 based on the closing price of the Company's common stock of \$4.75 on October 12, 2009. Adtec has had minimal revenues since inception and is essentially engaged in research and development; as a result, the \$902,500 acquisition cost has been expensed.

On November 3, 2009, TOMI issued 100,000 common shares for \$200,000 to Degmor under a stock subscription agreement.

The Company issued 87,965 common shares valued at \$419,826 during the year ended December 31, 2009 as compensation for services rendered by consultants.

NOTE 7: RELATED PARTY

On November 16, 2008, the Company entered into an employment agreement with its President and CEO, Dr. Halden Shane, ("Employment Agreement"). As of December 31, 2009, the Company has accrued \$827,868 for unpaid wages under the employment agreement. On September 18, 2009, the Board of Directors accepted an offer by Dr. Halden Shane to forego \$150,000 in unpaid wages. The foregone compensation has been recorded as an increase to additional paid-in capital.

On September 18, 2009, the Board of Directors granted 75,000 Shares of the Company's common stock, valued at \$146,250, to Dr. Halden Shane. The common shares were valued based on the closing price per common share at the date of grant. The common shares vest after two years of employment from the date of grant. The fair market value of the unvested shares has been recorded as deferred compensation at December 31, 2009.

On December 15, 2008 the Board of Directors approved the issuance of 510,000 shares of the Company's Series A Preferred Stock to Tiger Management, LLC, a limited liability company wholly owned by the Company's CEO. The shares were issued for management services performed by Tiger Management, LLC in 2007 and 2008 and were convertible into five shares of the Company's common stock at the holder's option. The Company recorded a non-cash expense of \$20,400,000 in management and consulting fees during the year ended December 31, 2008, for services rendered based on the fair value of the underlying common stock. The fair value was determined using the price of the stock on the date the board approved the issuance.

On March 31, 2009, the Company and Tiger Management, LLC amended the management service agreement to include the vesting period for the Series A Preferred Stock issued. The vesting period was established as June 2007 through December 31, 2010 and until the Company had reached at least one million dollars in annual gross revenue. The Series A Preferred Stock issued to the CEO was also amended to remove dividends; therefore, dividends accrued of \$90,667 at December 31, 2008 were reversed during the three months ended March 31, 2009.

The Company's Board of Directors' amended its articles of incorporation on March 31, 2009 to reduce the conversion rate to common stock for its Series A Preferred Stock from five shares to one and to reduce the par value per share of Series A Preferred Stock to \$0.01 from \$25. As a result, of both the establishment of a vesting period and the change in conversion rate, the Company has recorded \$18,312,558 in compensation credit for equity issuance during the first quarter of 2009. The Company had previously recorded \$20,400,000 in other general and administrative expenses during the year ended December 31, 2008. At December 31, 2009, the Company has recorded \$1,138,605 in deferred compensation related to the vesting feature and this deferred amount will be amortized over the remaining 12 month period. Amortization of deferred compensation was \$853,953 for the year ended December 31, 2009. The fair value was determined using the price of the stock on the date the board approved the amendment to the agreement. All share and per share data have been retroactively adjusted to reflect the recapitalization.

NOTE 8: COMMITMENTS AND CONTINGENCIES

The Company is subject to a legal proceeding and claim which has arisen in the ordinary course of its business. This action, when finally concluded and determined, will not in the opinion of management, have a material adverse effect upon the financial position, liquidity and results of operations of the Company.

NOTE 9: DEFERRED REVENUE

On November 15, 2009, the company executed a license/sales agreement with Degmor Industries, an environmental remediation firm based in New York City. Under the terms of the agreement, the Company granted Degmor a license for its Ultraviolet byproduct free ozone generator, High Tech Hydroxyl Mist Ultra-D Disinfection Systems and its UVGI and Filtration Products to be used in the purification of indoor air, decontamination of surfaces and elimination of infectious diseases. Further, the Company will provide Certification Programs to Degmor Industries. The Company will receive an annual fee of 12.5% of all gross by Degmor under the license agreement. After one year from the date of agreement, the annual fee rate will drop to 10% sales by Degmor. Degmor will also pay the Company annual Recertification fee of \$7,500 after the first 12 month period; the initial Certification fee is \$0.

Under the license agreement, Degmor is required to purchase the necessary equipment and solutions which includes Ultra-violet byproducts free ozone generators, the High Tech Hydroxyl Mist Ultra D Disinfection System and the Advanced UVGI and Filtration Products and all OSHA required safety equipment and monitoring devices at a cost of \$270,000. At December 31, 2009, Degmor made a down payment of \$199,022 for the purchase of the equipment. The related equipment costing \$122,576 had not been shipped to Degmor by year end and therefore, at December 31, 2009, the related down payment and equipment cost has been recorded as deferred revenue and deferred cost, respectively. Subsequent to year end, Degmor paid the Company \$70,000 for the remaining amount due for the equipment purchase and the Company delivered the equipment to Degmor.

NOTE 10: NOTES RECEIVABLES

The Company executed a promissory note with Adtec in the amount of \$75,000 on November 23, 2009. The note is due on or before November 30, 2010. The note bears interest of 8% per annum. In the event of default, the Company is entitled to receive seven foggers at no charge or to deduct any unpaid amounts from the acquisition of the remaining 81% of Adtec.

TOMI ENVIRONMENTAL SOLUTIONS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11: INCOME TAXES

At December 31, 2009 the Company had a deferred tax asset of approximately \$1,399,000 representing the benefit of its net operating loss carry-forwards. The Company has not recognized any tax benefit or tax assets from these loss carry-forwards loss carry due to the fact that realization of the tax benefit is uncertain and therefore, a valuation allowance equal to 100% of the tax benefit has been applied against the value of any tax asset arising from these losses. The difference between the federal statutory tax rate of 34% and the Company's effective tax rate of 0% is due to an increase in the valuation allowance of approximately \$767,000 in 2009.

NOTE 12: SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 15, 2010.

On April 13, 2010, the Company's Board of Directors rescinded the transaction entered into in February 2009 with Taurus Global Opportunity Fund, canceled the Series B stock and 350,000 common shares and paid the holders \$3,563,062 from the proceeds of the restricted investment. (See Note 6)

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

During the two most recent fiscal years we have not had a change in, or disagreement with, our independent registered public accounting firm.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

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Our management, with the participation of our Principal Executive Officer who is also our Principal Financial Officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Annual Report (December 31, 2009, as is defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended. Our disclosure controls and procedures are intended to ensure that the information we are required to disclose in the reports that we file or submit under the Securities Exchange Act of 1934 is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and (ii) accumulated and communicated to our management, including the Principal Executive Officer and Principal Financial Officer to allow timely decisions regarding required disclosures.

Based on that evaluation, our Principal Executive Officer concluded that, as of the end of the period covered by this Annual Report, our disclosure controls and procedures were effective. Our management has concluded that the financial statements included in this Form 10-K present fairly, in all material respects our financial position, results of operations and cash flows for the periods presented in conformity with generally accepted accounting principles.

It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system will be met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events.

Management's Report on Internal Control Over Financial Reporting

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Management is responsible for establishing and maintaining adequate internal control over our financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management, with the participation of our Principal Executive Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our Principal Executive Officer concluded that, as of the end of the period covered by this Annual Report, our internal control over financial reporting was effective.

This Annual Report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our independent registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit us to provide only management's report in this Annual Report.

Changes in Internal Control Over Financial Reporting

During our most recent fiscal quarter, there have been no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Our executive officers and directors, their ages and biographical information are presented below. Our bylaws require three directors who serve until our next annual meeting or until each is succeeded by a qualified director. Our executive officers are appointed by our Board of Directors and serve at its discretion. There are no existing family relationships between or among any of our executive officers or directors.

Name	Age	Position Held	Director Since
Halden S. Shane	65	Chief Executive Officer, Chairman of the Board	October 2007
Richard L. Johnson	74	Secretary, Director	October 2007
Willie L. Brown, Jr.	75	Director	October 2007
Harold W. Paul	61	Director	June 2009

Halden S. Shane: Dr. Shane has been our Chairman since the Company's inception. For the past three years he has served as President and CEO of Tiger Management International, a private management company that deals in business management of private and public companies. Dr. Shane resigned all positions and closed Tiger Management International in 2009. Dr. Shane was founder and CEO of Integrated Healthcare Alliance, Inc. and also founder and General Partner of Doctors Hospital West Covina, California. Prior thereto, Dr. Shane practiced podiatric surgery specializing in ankle arthroscopy.

Richard L. Johnson: Since his admission to the California State Bar Association in 1961, Mr. Johnson has served as a business manager/attorney and consultant to a variety of individuals and companies. He is presently active in private practice in Los Angeles, California.

Willie Brown, Jr.: Mr. Brown has served two terms as the Mayor of the City and County of San Francisco (1996-2004). Prior to his service as Mayor, Mr. Brown served as speaker of the California State assembly from 1980 through 1995. Mr. Brown had also been a member of the state assembly since 1964 and has served on the Boards of California State University and Calpers.

Harold W. Paul: Mr. Paul has been a director since June 2009. He has been engaged in the private practice of law for thirty five years, primarily as a securities specialist. Mr. Paul has been company counsel to public companies listed on the Amex, Nasdaq and OTC exchanges. He has served as a director for six public companies in a variety of industries, including technology and financial services. He holds a BA degree from SUNY at Stony Brook and a JD from Brooklyn Law School and is admitted to practice in New York and Connecticut.

Audit Committee
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The Company's audit committee was established in June 2009 and is currently comprised of Willie L. Brown, Jr. and Harold W. Paul.

Our Board has determined that it does not have a member of its Audit Committee that qualifies as an "audit committee financial expert" as defined in Item 401(e) of Regulation S-B, and is "independent" as the term is used in Item 7(d)(3)(iv) of Schedule 14A under the Exchange Act.

We believe that retaining an independent director who would qualify as an "audit committee financial expert" would be overly costly and burdensome and is not warranted in our current circumstances.

Compliance with Section 16(a) of the Exchange Act
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Section 16(a) of the Securities Exchange Act of 1934 requires our directors, executive officers and persons who own more than ten percent of a registered class of our equity securities, to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of our common stock. Officers, directors and greater than ten-percent beneficial owners are required by SEC regulations to furnish us with copies of all Section 16(a) reports they file. We believe no reports were required to be filed during the past fiscal year.

Code of Ethics

The Board adopted a Code of Ethics in 2008 applies to, among other persons, Board members, officers including our Chief Executive Officer, contractors, consultants and advisors. Our Code of Ethics sets forth written standards designed to deter wrongdoing and to promote:

- 1) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- 2) full, fair, accurate, timely and understandable disclosure in reports and documents that we file with or submit to the SEC and in other public communications made by us;
- 3) compliance with applicable governmental laws, rules and regulations;
- 4) the prompt internal reporting of violations of the Code of Ethics to an appropriate person or persons identified in the Code of Ethics; and
- 5) accountability for adherence to the Code of Ethics.

Item 11. Executive Compensation

Executive Officer Compensation

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Non-qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Halden Shane, CEO, CFO	2009	20,000 (1)	-	146,250 (2)	-	-	-	-	166,250
	2008	25,000 (1)	-	-	-	-	-	-	25,000
	2007	-	-	-	-	-	-	-	-

(1) Does not include deferred compensation in the amounts of \$827,868 and \$546,536 as of December 31, 2009 and December 31, 2008 respectively.

(2) On September 18, 2009, Dr. Shane was issued 75,000 shares of common stock valued at \$146,250 based on the closing price on that date. The shares vest 2 years after issuance provided he is still employed by the company at that time. The fair market value of the shares has been recorded as deferred compensation as of September 30, 2009.

The following discussion addresses any and all compensation awarded to, earned by or paid to our named executive officers for the fiscal years ended December 31, 2009. We have not had a bonus, profit sharing, or deferred compensation plan for the benefit of employees, officers or directors.

We have not paid any salaries or other compensation to officers or directors for their service on the Board of Directors for the year ended December 31, 2009 and 2008. In September 2009 the board adopted a resolution to compensate outside directors 20,000 options per year and meeting fees payable annually payable on January 2 of each year. We have entered into an employment agreement with our CEO, Dr. Halden Shane, effective January 1, 2009. Dr. Shane was paid \$20,000 and \$25,000 during the year ended December 31, 2009 and 2008, respectively. At December 31, 2009 and 2008, Dr. Shane was owed \$827,868 and \$546,536, respectively, in unpaid salary. It is intended Dr. Shane will defer any compensation until such time as business operations provide sufficient cash flow to provide for salaries.

Retirement or Change of Control Arrangements

We do not offer retirement benefit plans to our executive officers, nor have we entered into any contract, agreement, plan or arrangement, whether written or unwritten, that provides for payments to a named executive officer at or in connection with the resignation, retirement or other termination of a named executive officer, or a change in control of the company or a change in the named executive officer's responsibilities following a change in control.

Compensation of Directors

A directors' compensation plan was adopted on September 18, 2009 and is comprised of 20,000 options for outside directors upon appointment or election to the board and 20,000 options issued annually the first day of each calendar year that the outside director is continuing in service, together with cash fees for each committee or subcommittee meeting attended. The options are to be issued from the company's stock option plan. Meeting fees are set at \$1,000 and \$500 for each committee or subcommittee meeting, respectively, attended in person, and \$750 and \$375 for each committee and subcommittee meeting, respectively, attended by telephone.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Securities Under Equity Compensation Plans

The Board of Directors adopted the 2008 Stock Option Plan comprised of 2,500,000 shares and the plan was approved by the shareholders on May 13, 2009.

In January 2010, Willie L. Brown, Jr. and Harold W. Paul were issued 20,000 options each.

Beneficial Ownership

The following table sets forth the beneficial ownership of our outstanding common stock by our management and each person or group known by us to own beneficially more than 5% of our outstanding common stock. Beneficial ownership is determined in accordance with SEC rules and regulations, which generally requires voting or investment power with respect to securities. Except as indicated by footnote, the persons named in the table below have sole voting power and investment power with respect to all shares of common stock shown as beneficially owned by them. The percentage of beneficial ownership is based on 35,227,480 shares of common stock outstanding as of March 15, 2010.

CERTAIN BENEFICIAL OWNERS

Name and address of beneficial owners	Amount and nature of beneficial owner	Percent of class
Shane Family Trust (1) 11710 Wetherby Lane Los Angeles, CA 90077	5,000,000	14.2%
Richard L. Johnson 9454 Wilshire Blvd., Penthouse Beverly Hills, CA 90212	2,300,000	6.5%
Willie Brown, Jr. (2) 9454 Wilshire Blvd., Penthouse Beverly Hills, CA 90212	120,000	*%
Harold W. Paul (2) 9454 Wilshire Blvd., Penthouse Beverly Hills, CA 90212	251,000	1%
Juliann Gold 9903 Santa Monica Blvd Beverly Hills, CA 90212	3,512,500	10.0%
Roar Investment LLC 9903 Santa Monica Blvd Beverly Hills, CA 90212	2,512,900	7.1%
Belinha Shane (3) 11710 Wetherby Lane Los Angeles, CA 90077	3,000,000	8.5%
Directors and Officers as a Group	7,671,000	21.8%

- (1) Halden Shane is a trustee of the Share Family Trust.
- (2) Includes 20,000 options currently exercisable.
- (3) Belinha Shane is the wife of Halden Shane. He disclaims beneficial ownership of any shares held in her name.

Item 13. Certain Relationships and Related Transactions, and
Director Independence

Transactions with Related Parties

We have not engaged in any transactions during the past fiscal year involving our executive officers, directors, more than 5% stockholders or immediate family members of such persons.

Director Independence

None of our directors are independent directors as defined by NASD Rule 4200(a)(15).

Item 14. Principal Accountant Fees and Services

Accountant Fees
- - - - -

The following table presents the aggregate fees billed for each of the last two fiscal years by our independent registered public accounting firm Wolinetz, Lafazan & Company, P.C., Certified Public Accountants, in connection with the audit of our financial statements and other professional services rendered by that accounting firm.

	2009	2008
	-----	-----
Audit fees	\$ 60,630	\$ 37,000
Audit-related fees	0	0
Tax fees	0	0
All other fees	\$ 0	\$ 0

Audit fees represent the professional services rendered for the audit of our annual financial statements and the review of our financial statements included in quarterly reports, along with services normally provided by the accounting firm in connection with statutory and regulatory filings or engagements. Audit-related fees represent professional services rendered for assurance and related services by the accounting firm that are reasonably related to the performance of the audit or review of our financial statements that are not reported under audit fees.

Tax fees represent professional services rendered by the accounting firm for tax compliance, tax advice, and tax planning. All other fees represent fees billed for products and services provided by the accounting firm other than the services reported for the other categories.

Pre-approval Policies
- - - - -

Our audit committee evaluates and approves the scope, cost and engagement of an auditor and has done so this year. The Company does not otherwise rely on pre-approval policies and procedures.

Item 15. Exhibits

No. Description
- - - - -

- 31.1 CEO's Certification Pursuant to Rule 13a-14 and 15d-14 Under The Securities Exchange Act of 1934, As Amended
- 31.2 CFO's Certification Pursuant to Rule 13a-14 and 15d-14 Under The Securities Exchange Act of 1934, As Amended
- 32.1 Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned who is duly authorized.

TOMI ENVIRONMENTAL SOLUTIONS, INC.

Date: April 15, 2010

By: /s/ Halden Shane

Halden Shane

Principal Executive Officer

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: April 15, 2010

By: /s/ Halden Shane

Halden Shane

Principal Executive Officer

Principal Financial and Accounting Officer

Date: April 15, 2010

By: /s/Richard Johnson

Richard Johnson

Secretary and Director

Date: April 15, 2010

By: /s/Willie Brown, Jr.

Willie Brown, Jr.

Director

Date: April 15, 2010

By: /s/Harold W. Paul

Harold W. Paul

Director

CERTIFICATION PURSUANT TO RULE 13a-14 AND 15d-14
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Halden Shane, Principal Executive Officer of the Registrant, TOMI Environmental Solutions, Inc., certify that:

1. I have reviewed this Form 10-K of the Registrant;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officer(s) and I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Dated: April 15, 2010

By: /s/ Halden Shane

Halden Shane
Principal Executive Officer

CERTIFICATION PURSUANT TO RULE 13a-14 AND 15d-14
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Halden Shane, Principal Financial Officer of the Registrant, TOMI Environmental Solutions, Inc., certify that:

1. I have reviewed this Form 10-K of the Registrant;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officer(s) and I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Dated: April 15, 2010

By: /s/ Halden Shane

Halden Shane
Principal Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of TOMI Environmental Solutions, Inc. (the "Company") on Form 10-K for the year ended December 31, 2009 as filed with the Securities and Exchange Commission (the "Report"), the undersigned, in the capacities and on the dates indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 15, 2010

By: /s/ Halden Shane

Halden Shane
Principal Executive Officer
Principal Financial and Accounting Officer