

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, 2010

OR

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

For the transition period from _____ to _____

Commission file number 000-09908

TOMI ENVIRONMENTAL SOLUTIONS, INC.
(Exact name of registrant as specified in its charter)

FLORIDA
(State or other jurisdiction of
incorporation or organization)

59-1947988
(I.R.S. Employer
Identification No.)

9454 Wilshire Blvd., R-1,
Beverly Hills, CA
(Address of principal executive offices)

90212
(Zip code)

Registrant's telephone number, including area code: (800) 525-1698

Title of Each Class	Name of Each Exchange on Which Registered
-----	-----
Common Stock, \$0.01 Par Value	OTC Bulletin Board

Cumulative Series A Preferred Stock, \$0.01 Par Value

Cumulative Convertible Series B Preferred Stock,
\$1,000 Stated Value

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

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

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 \$3,805,187 based upon the
closing price of registrant's common stock on that date.

As of March 20, 2011 the registrant had 63,681,909 shares of common stock
outstanding.

DOCUMENTS INCORPORATED BY REFERENCE
None.

TOMI ENVIRONMENTAL SOLUTIONS, INC.
FORM 10-K ANNUAL REPORT
FISCAL YEAR ENDED DECEMBER 31, 2010
TABLE OF CONTENTS

Item =====	Page =====
PART I	
1. Business.....	1
1A. Risk Factors.....	2
1B. Unresolved Staff Comments.....	5
2. Properties.....	5
3. Legal Proceedings.....	5
4. Removed and Reserved.....	5
PART II	
5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.....	6
6. Selected Financial Data.....	6
7. Management's Discussion and Analysis of Financial Condition and Results of Operations.....	6
7A. Quantitative and Qualitative Disclosures About Market Risk.....	11
8. Financial Statements and Supplementary Data.....	11
9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.....	11
9A. Controls and Procedures.....	11
9B. Other Information.....	12
PART III	
10. Directors, Executive Officers and Corporate Governance.....	13
11. Executive Compensation.....	14
12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.....	15
13. Certain Relationships and Related Transactions, and Director Independence.....	16
14. Principal Accountant Fees and Services.....	16
PART IV	
15. Exhibits and Financial Statement Schedules.....	17
Signatures.....	18
Exhibit Index.....	19
Financial Statements.....	F-3

CAUTIONARY STATEMENT

This Annual Report on Form 10-K contains or incorporates by reference certain forward-looking statements within the meaning of Section 27A of the 1933 Act and Section 21E of the Securities Exchange Act of 1934, as amended, and, as such, may involve known and unknown risks, uncertainties and assumptions. Forward-looking statements are those that predict or describe future events or trends and that do not relate solely to historical matters. You can generally identify forward-looking statements as statements containing the words "will," "believe," "expect," "anticipate," "intend," "estimate," "assume" or other similar expressions. You should not rely on our forward-looking statements because the matters they describe are subject to assumptions, known and unknown risks, uncertainties and other unpredictable factors, many of which are beyond our control. Therefore, our actual results could differ materially and adversely from those expressed in any forward-looking statements as a result of various factors, some of which are listed under the section "Risk Factors," Item 1A of this Annual Report on Form 10-K.

As used in this Annual Report on Form 10-K, "company," "we," "us," "our" and "TOMI" refer to TOMI Environmental Solutions, Inc.

PART I

Item 1. BUSINESS

Overview

TOMI Environmental Solutions, Inc., a global surface and air decontamination and infectious disease control company, providing green energy-efficient environmental solutions for indoor air remediation and surface decontamination through sales and licensing of our premier platform of Hydrogen Peroxide misters, Ultra-Violet Ozone Generators and Ultra-Violet Germicidal Irradiation ("UVGI") products and technologies.

Our effort to combat bacterial and viral outbreaks along with hospital infection control was recently enhanced with the addition of a newly developed line of fixed and portable units that utilize hydrogen peroxide misting for a cost-effective method to control the spread of infectious diseases including neutralizing pathogens from bio-terrorism attacks.

Our products are designed to service a broad spectrum of commercial structures including office buildings, medical facilities, hotel and motel rooms, restaurants, meat and produce processing facilities, military barracks, athletic facilities and schools. Our products and services have also been used in single-family homes and multi-unit residences.

We also intend to generate and support research on other air remediation solutions including hydroxyl radicals and other Reactive Oxygen Species ("ROS") and to form business alliances with major remediation companies, construction companies and corporations specializing in disaster relief along with expanding our sales in North America, Europe, the Middle East and the Far East.

We continue to pursue complementary businesses in manufacturing ROS related products, testing labs and other indoor air treatment and maintenance products.

We commenced our planned principal operations in the second quarter of 2009 as we commenced the implementation of our business plan by acquiring the related intellectual property and/or the distribution rights for our Hydrogen Peroxide Mister, Ultra-Violet Ozone Generators and our UVGI system that is at the core of our plan.

During the first quarter of 2010, the Company completed the sale of its equipment to its licensee partner in New York City and its alliance partner, Rolyn, in Rockville, Maryland. The Company also successfully trained approximately 43 technicians for those respective companies.

The Company began sales to international locations during the third quarter of 2010. During the three months ended September 30, 2010, the Company had net revenue totaling \$7,708. In October 2010, the Company expanded its sales operations to the United Arab Emirates with sales totaling \$54,000.

We operate two service hubs in Southern California and New York/New Jersey.

Competition

The infectious disease and air remediation industry is extremely competitive. The Company's principal competitors for its Steramist Mister are BioQuell, Steris and Sterinis; for its UV Ozone generators are Air-Zone, BI-Ozone and Crystal Air; and for its UVGI products are Honeywell, Sannavox and Steril-Air. From a service end the competition are 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 and 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.

Employees

At December 31, 2010, we had five full-time employees.

Company Information

We were incorporated in Florida on September 18, 1979 and commenced our current principal operations on February 8, 2008. Our principal executive offices are located at 9454 Wilshire Blvd., R-1, Beverly Hills, California 90212.

Information on our Company Website

The Company maintains a website, <http://www.tomiesinc.com>. We make our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, or the Exchange Act, available, free of charge, on our website as soon as reasonably practicable after we file or furnish these reports with the United States Securities and Exchange Commission, or the SEC. In addition, we post the following information on our website (the Company does not intend to and does not hereby incorporate by reference the information on our website as a part of this Annual Report on Form 10-K):

- . our corporate code of conduct, which qualifies as a "code of ethics" as defined by Item 406 of Regulation S-K of the Exchange Act; and
- . charters for our Audit Committee and Compensation Committee.

All of the above information is also available in print upon request to our secretary at the address listed under the heading "Company Information" above.

Item 1A. RISK FACTORS.

Our business routinely encounters and attempts to address risks, some of which will cause our future results to differ, sometimes materially, from those originally anticipated. Below, we have described our present view of certain important risks. The risk factors set forth below are not the only risks that we may face or that could adversely affect us. If any of the risks discussed in this Annual Report on Form 10-K actually occur, our business, financial condition and results of operations could be materially adversely affected. If this were to occur, the trading price of our securities could decline significantly and you may lose all or part of your investment.

The following discussion of risk factors contains "forward-looking statements," which may be important to understanding any statement in this Annual Report on Form 10-K or elsewhere. The following information should be read in conjunction with Item 7- Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) and Item 8- Financial Statements and Supplementary Data of this Annual Report on Form 10-K.

Risks 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.

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.

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 infectious disease and air remediation industry is extremely competitive. The Company's principal competitors for its Steramist Mister are BioQuell, Steris and Sterinis; for its UV Ozone generators are Air-Zone, BI-Ozone and Crystal Air; and for its UVGI products are Honeywell, Sannavox and Steril-Air. From a service end the competition are 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, 2011, 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 earnings 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.

There is no assurance that we will on a permanent basis be able to continue to distribute the hydrogen peroxide mister.

During the quarter ended September 30, 2010, we were chosen by the hydrogen peroxide mister's manufacturer to facilitate the commercialization of this hydrogen peroxide mister. However, this right to be the exclusive distributor or the right to distribute the mister on a non-exclusive basis may be terminated by the manufacturer after two years if certain sales milestones are not met. Since it is presently our intention that distribution of the mister will become a materially important source of revenue for us, any termination of our ability to distribute the mister will have a material adverse effect on our future revenue.

Item 1B. UNRESOLVED STAFF COMMENTS

Not Applicable

Item 2. PROPERTIES

The Company rents 1,300 square feet of office space 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

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

(b) In December, 2010, the Company settled a lawsuit with a former consultant seeking \$60,000 and 200,000 common shares for an aggregate of 300,000 shares subject to certain restrictions and lockup provisions and no cash consideration. The Company has recorded the settlement at a value of \$18,000.

Item 4. REMOVED AND RESERVED

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 was approved for listing on the OTC Bulletin Board, under the symbol "TOMZ," on June 23, 2008. The following table sets forth, for the fiscal quarters indicated, high and low sale prices for the common stock on the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. (NASD). The information below reflects inter-dealer prices, without retail mark-up, markdown or commissions, and may not necessarily represent actual transactions. There was little trading in our common stock during the period(s) reflected. As of March 3, 2011, the Company had 63,681,909 common shares outstanding, of which 11,902,399 was free trading.

	2010		2009	
	High	Low	High	Low
First Quarter.....	\$ 2.15	\$ 0.24	\$ 9.00	\$ 6.50
Second Quarter.....	\$ 0.96	\$ 0.10	\$ 4.99	\$ 2.25
Third Quarter.....	\$ 0.11	\$ 0.04	\$ 8.75	\$ 1.95
Fourth Quarter.....	\$ 0.10	\$ 0.04	\$ 6.00	\$ 2.10

Stockholders

As of March 20, 2011, there were approximately 741 record holders of our common stock. On March 20, 2011, the last reported sale price of our common stock on the OTCBB was \$0.045 per share.

Recent Sales of Unregistered Securities

We have issued and sold securities of the Company as disclosed below within the last three years. Unless otherwise noted, the following sales of securities were effected in reliance on the exemption from registration contained in Section 4(2) of the Act and Regulation D promulgated there under, and such securities may not be reoffered or sold in the United States by the holders in the absence of an effective registration statement, or valid exemption from the registration requirements, under the Securities Act of 1933 (as amended, the "Act"):

During the period from January 1, 2010 through December 31, 2010 we sold a total of 1,875,000 common shares at a per share price of \$0.04 and 5,555,556 common shares at a per share price of \$0.045 shares to investors for aggregate proceeds of \$75,000 and \$250,000, respectively.

Item 6. SELECTED FINANCIAL DATA

Not Required.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Annual Report on Form 10-K contains or incorporates by reference certain forward-looking statements within the meaning of Section 27A of the 1933 Act and Section 21E of the Securities Exchange Act of 1934, as amended, and, as such, may involve known and unknown risks, uncertainties and assumptions. Forward-looking statements are those that predict or describe future events or trends and that do not relate solely to historical matters. You can generally identify forward-looking statements as statements containing the words "will," "believe," "expect," "anticipate," "intend," "estimate," "assume" or other similar expressions. You should not rely on our forward-looking statements because the matters they describe are subject to assumptions, known and unknown risks, uncertainties and other unpredictable factors, many of which are beyond our control. Therefore, our actual results could differ materially and adversely from those expressed in any forward-looking statements as a result of various factors, some of which are listed under the section "Risk Factors," Item 1A of this Annual Report on Form 10-K.

In this report 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.

General

TOMI Environmental Solutions, Inc., a global surface and air decontamination and infectious disease control company, providing green energy-efficient environmental solutions for indoor air remediation and surface decontamination through sales and licensing of our premier platform of Hydrogen Peroxide misters, Ultra-Violet Ozone generators and Ultra-Violet Germicidal Irradiation ("UVGI") products and technologies.

Our effort to combat bacterial and viral outbreaks along with hospital infection control was recently enhanced with the addition of a newly developed line of fixed and portable units that utilize hydrogen peroxide misting for the cost effective method to control the spread of infectious diseases including neutralizing pathogens from bio-terrorism attacks.

Our products are designed to service a broad spectrum of commercial structures including office buildings, medical facilities, hotel and motel rooms, restaurants, meat and produce processing facilities, military barracks, athletic facilities and schools. Our products and services have also been used in single-family homes and multi-unit residences.

We commenced our planned principal operations in the second quarter of 2009. Since 2008, we began to implement our business plan by acquiring the related intellectual property and/or the distribution rights for our Hydrogen Peroxide Mister, Ultra-Violet ozone Generators, and our UVGI (Ultra Violet Germicidal Irradiation) system that is at the core of our plan.

We have also opened two service hubs in Southern California and New York/New Jersey.

We also intend to generate and support research on other air remediation solutions including hydroxyl radicals and other Reactive Oxygen Species ("ROS") and to form business alliances with major remediation companies, construction companies and corporations specializing in disaster relief along with expanding our sales in North America, Europe, the Middle East and the Far East.

We continue to pursue complementary businesses in manufacturing ROS related products, testing labs and other indoor air treatment and maintenance products.

During the first quarter of 2010 the company completed the sale of its equipment to its licensee partner in New Your City and its alliance partner Rolyn in Rockville, Maryland. The company also successfully trained approximately 43 technicians for those respective companies.

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

The Company began sales to international locations during the third quarter of 2010. During the three months ended September 30, 2010 had net revenue totaling \$7,708. In October 2010, the Company expanded its sales operations to the United Arab Emirates with sales totaling \$54,000.

Business Outlook

TOMI's business growth objective is to be "The Global Leader in Surface - Air Decontamination and Infectious Disease Control" by developing and acquiring a premier platform of Hydrogen Peroxide Mistlers, UV Ozone Generators and other green UVGI products and technologies. We also intend to generate and support quality research on other air remediation solutions including hydroxyl radicals and other ROS (Reactive Oxygen Species) and to form business alliances with major remediation companies, construction companies and corporations specializing in disaster relief along with expanding our sales throughout Europe, the Middle East and the Far East.

We continue to pursue complementary businesses in manufacturing ROS (Reactive Oxygen Species)-related products, testing labs and other indoor air treatment and maintenance products.

During the 2nd quarter of 2009, TOMI began recognizing revenue related to a large LEEDS commercial project that was completed during the third quarter of 2009. This revenue relates to our commercial division and is a highly attractive business for the Company. TOMI continues to pursue revenue from multiple sources and anticipates that our revenue stream will grow more diverse in the future.

During the third quarter of 2010, TOMI formed its first foreign subsidiary in Singapore. TOMI Environmental Solutions-Singapore Pte, Ltd has received its first order recently from COSEM, which is a Safety & Security Services Pte. Ltd, a wholly owned subsidiary company of the Co-operative of SCDF Employees Ltd. It is managed and staffed by experienced ex-employees of the Singapore Civil Defense Force (SCDF). The new Singapore subsidiary, which is majority, owned by the Company, will feature an array of experienced individuals with specific knowledge of the customers, business climate, and state-owned industries that understand the urgent need to have clean air, rapid surface and air decontamination along with the ability to properly control any outbreaks of infectious disease.

Management believes that these contacts will foster critical relationships and convince more customers that TOMI Environmental Solutions will improve homeland security and infectious disease control within indoor environments.

Also during the third quarter of 2010, TOMI rescinded its stock purchase agreement with Adtec and reversed its 19% holding in Adtec due to a patent infringement law suit from L-3 Communications, a major U.S. defense contractor that raised serious legal issues as the ownership of the intellectual property upon which Adtec's product was based. TOMI has received its stock back.

On November 12, 2010, TOMI signed a term sheet with L-3 Communications setting forth the terms for a license /partnership agreement between L-3 Communications Holding, Inc., a Delaware corporation and its subsidiary Binary Ionization, Inc., a Delaware corporation, or any subsidiaries thereof ("BII") and TOMI Environmental Solutions, Inc. ("TOMI"), a Florida corporation for the sale of BII's product the SteraMist(TM) Mobile Control Unit with the detachable applicator (the "gun"), the SteraMist(TM) Room Decontamination Unit, and the associated consumables (the "Product").

The Term Sheet provides for an exclusive license to distribute the Product for all applications within the following foreign countries: Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates (also known the GCC countries), Singapore, Thailand and Hungary. This will include the right to sub-license, and the right to register others as the exclusive representatives of TOMI in the countries listed above. Along with the exclusive license TOMI will have an exclusive license to distribute the Product to certain businesses in the United States. This license is for up to two years providing certain sales milestones are reached. TOMI and L3 are in the process of negotiating two definitive license agreements, covering domestic and international sales, respectively. The parties intend to finalize the domestic sales and license agreement prior to April 1, 2011 and the international sales and license agreement shortly thereafter.

The Company's management believes that certain international markets present fertile opportunities for its products. With a view toward exploiting these markets, in January 2011, the Company's CEO, Halden Shane, visited three Middle East countries-the Kingdom of Saudi Arabia, the United Arab Emirates and Kuwait. Dr. Shane made numerous presentations to government officials, meeting in Saudi Arabia with the Ministers of Defense, Health, Education and Civil Defense, as well as private sector individuals, resulting in TOMI's first sale in the region and ongoing interest in its suite of products, particularly from the Saudis, with whom it is negotiating a joint venture.

Dr. Shane then went on to Singapore making presentations to both government officials and private sector businesses. As a result, TOMI entered into a joint venture with ZERA Investments, a private investment company comprised of respected local financial entrepreneurs that the Company believes will generate material new business opportunities. The Company has received orders for two of its major products and expects additional orders to follow.

Results of Operations

Years Ended December 31, 2010 and 2009

We began our planned principal operations during the second quarter of 2009. During the year ended December 31, 2010, we had total revenue of \$365,167, as compared to total revenue of \$499,172 for the year ended December 31, 2009. The decrease in revenue for the year ended December 31, 2010 when compared to the prior comparable period is due to a change in the Company's business strategy to licensing and selling our products to third parties and receiving royalty and recurring solution income rather than providing direct service.

The net loss attributable to the Company for the year ended December 31, 2010 totaled \$(1,543,179). The net loss for the year ended December 31, 2010 is due to various general and administrative expenses including salaries expense, share-based management and consulting fees, professional fees and outside service expenses in the amounts of \$452,401, \$1,193,447, \$247,470 and \$92,877, respectively. These general and administrative expenses were offset by a reversal to income of \$902,500 for the rescission of the Company's 19% interest in Adtec during the third quarter of 2009, which is comprised of research and development technology and a rescission of a liability to issue common stock in the amount of \$250,000.

The Company had net income attributable to common stockholders of \$13,454,204 for the year ended December 31, 2009. During the year ended December 31, 2009, the company recorded a non-cash compensatory credit from equity issuances of \$18,312,558. Excluding the non-cash compensatory credit element from equity issuances, the Company had a net loss of \$(4,652,669) during the year ended December 31, 2009.

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 management consulting expenses. General and administrative expenses primarily include payroll and payroll related expenses, rent and depreciation.

Liquidity and Capital Resources

The consolidated financial statements contained in this Annual Report have been prepared on a "going concern" basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. We have an immediate and urgent need for additional capital. For the reasons discussed herein, there is a significant risk that we will be unable to continue as a going concern, in which case, you would suffer a total loss of your investment in our company.

We plan on funding operations and our liquidity needs from licensing and sales arrangements, structured similarly to our current Licensing and Sales Agreement that have profit margins from sale of equipment, licensing of equipment, recurring income from solution sales.

We also intend to continue to raise equity capital through the sale of restricted stock and short-term notes convertible into common stock.

Our liquid assets generally consist of unpledged assets and cash and cash equivalents.

Contractual Obligations

None.

Off-Balance Sheet Arrangements

None.

Critical Accounting Policies and Estimates

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) collectability 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 collectability of those amounts. Provisions for discounts to customers, and allowance, and other adjustments will be provided for in the same period the related sales are recorded.

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, other accrued expenses and notes payables approximate fair value because of the short maturity of these items.

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, 2010, the Company issued 40,000 options under the Plan.

Recent Accounting Pronouncements

In June 2009, the Financial Accounting Standards Board ("FASB") established the FASB Accounting Standards Codification ("ASC") as the single source of authoritative GAAP to be applied by nongovernmental entities. The ASC is a new structure which took existing accounting and organized them by topic. Relevant authoritative literature issued by the Securities and Exchange Commission ("SEC") and selected SEC staff interpretations and administrative literature was also included in the ASC. All other accounting guidance not included in the ASC is non-authoritative. The ASC was effective for the Company's interim quarterly period beginning August 1, 2009. The adoption of the ASC did not have an impact on the Company's consolidated financial position, results of operations or cash flow.

Effective August 1, 2009, the Company adopted a provision in accordance with ASC guidance for earnings per share (originally issued as FASB Staff Position No. EITF 03-6-1, "Determining Whether Instruments Granted in Share-Based Transactions Are Participating Securities"). This guidance establishes that unvested share-based payment awards that contain non-forfeitable rights to dividends are participating securities and shall be included in the computation of earnings per share under the two-class method. The adoption of the ASC did not have a material effect on the Company's consolidated financial statements.

In January 2010, the FASB issued Accounting Standards Update 2010-06, Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements. This guidance amends the disclosure requirements related to recurring and nonrecurring fair value measurements and requires new disclosures on the transfers of assets and liabilities between Level 1 (quoted prices in active market for identical assets or liabilities) and Level 2 (significant other observable inputs) of the fair value measurement hierarchy, including the reasons and the timing of the transfers. Additionally, the guidance requires a roll forward of activities on purchases, sales, issuance and settlements of the assets and liabilities measured using significant unobservable inputs (Level 3 fair value measurements). The guidance became effective for the reporting period beginning January 1, 2010, except for the disclosure on the roll forward activities for Level 3 fair value measurements, which will become effective for the reporting period beginning January 1, 2011. The Company's adoption of this updated guidance was not significant to our consolidated financial statements.

In February 2010, the FASB issued updated guidance related to subsequent events. As a result of this updated guidance, public filers must still evaluate subsequent events through the issuance date of their financial statements; however, they are not required to disclose the date in which subsequent events were evaluated in their financial statements disclosures. This amended guidance became effective upon its issuance on February 24, 2010 at which time the Company adopted this updated guidance.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

The Company's financial statements for the fiscal year ended December 31, 2010 are included in this annual report, beginning on page F-1.

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

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, 2010, 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

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 and their 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.

Halden S. Shane: Dr. Shane has been our Chairman since the Company's inception. Up until 2009 Dr. Shane also 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.

Willie L. Brown, Jr.: Mr. Brown is currently a consultant for Fox News and a political lobbyist. He formerly 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.

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.

Audit Committee

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.

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, PEO, PFO	2010	64,000 (1)	-	275,000 (2)	-	-	-	-	339,000
	2009	20,000 (1)	-	146,250 (2)	-	-	-	-	166,250
	2008	25,000 (1)	-	-	-	-	-	-	25,000

(1) Does not include deferred compensation in the amounts of \$1,066,269 and \$827,868 as of December 31, 2010 and December 31, 2009, respectively.

(2) In September 2009, Dr. Shane was issued 75,000 shares of common stock valued at \$146,250 based on the closing price on that date in payment of accrued salaries of \$150,000. The shares vest two 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. In August 2010, Dr. Shane was issued 2,500,000 shares of common stock valued at \$275,000 based on the closing price on the date of grant for payment of accrued salaries of \$125,000.

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, 2010 and 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 years ended December 31, 2010 and 2009. In September 2009, the Board of Directors 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, and effective January 1, 2009. Dr. Shane was paid \$64,000 and \$20,000 during the year ended December 31, 2010 and 2009, respectively. At December 31, 2010 and 2009, Dr. Shane was owed \$1,066,269 and \$827,868, 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. See Subsequent Events Note No.11 to the financial statements.

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 and January 2011, 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 63,681,909 shares of common stock outstanding as of March 15, 2011.

CERTAIN BENEFICIAL OWNERS

Name and Address of Beneficial Owners -----	Amount and Nature of Beneficial Owner -----	Percent of Class -----
Halden Shane 11710 Wetherby Lane Los Angeles, CA 90077	14,076,923	22.1%
Shane Family Trust (1) 11710 Wetherby Lane Los Angeles, CA 90077	8,100,000	12.7%
Richard L. Johnson 9454 Wilshire Blvd., Penthouse Beverly Hills, CA 90212	1,940,000	3.0%
Willie Brown, Jr. (2) 9454 Wilshire Blvd., Penthouse Beverly Hills, CA 90212	140,000	*%
Harold W. Paul (3) 9454 Wilshire Blvd., Penthouse Beverly Hills, CA 90212	993,115	1.6%
Belinha Shane (4) 11710 Wetherby Lane Los Angeles, CA 90077	1,000,000	1.6%
Ah Kee Wee 112 Spring Leaf Avenue Singapore 788502	7,865,556	12.4%
All Directors and Officers as a Group	25,250,038	39.7%

- (1) Halden Shane is a trustee of the Share Family Trust.
- (2) Includes 40,000 options currently exercisable.
- (3) Includes 20,000 options presently exercisable.
- (4) Belinha Shane is the wife of Halden Shane. Mr. Shane 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.

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:

	December 31, 2010	December 31, 2009
	-----	-----
Audit fees	\$ 58,000	\$ 60,630
Audit-related fees	-	-
Tax fees	-	-
All other fees	-	-
	-----	-----
Total	\$ 58,000	\$ 60,630
	=====	=====

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.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this report:

(1) The following financial statements of the Company are included in Part II, Item 8 of this Annual Report on Form 10-K:

- . Report of Independent Registered Public Accounting Firm, Wolinetz, Lafazan & Company, P.C.;
- . Consolidated Balance Sheets as of December 31, 2010 and December 31, 2009;
- . Consolidated Statements of Income: For the Year Ended December 31, 2010, December 31, 2009 and December 31, 2008;
- . Consolidated Statements of Stockholders' Equity: Years Ended December 31, 2010, December 31, 2009 and December 31, 2008;
- . Consolidated Statements of Cash Flows: For the Year Ended December 31, 2010, December 31, 2009 and December 31, 2008; and
- . Notes to Consolidated Financial Statements.

(2) Schedules to financial statements:

All financial statement schedules have been omitted because they are either inapplicable or the information required is provided in the Company's Consolidated Financial Statements and Notes thereto, included in Part II, Item 8 of this Annual Report on Form 10-K.

(3) The exhibits listed on the accompanying Exhibit Index are filed as part of this Annual Report on Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DATED: March 30, 2011

TOMI ENVIRONMENTAL SOLUTIONS, INC.

By: /s/ Halden S. Shane

 Halden S. Shane
 Chairman of the Board and
 Chief Executive Officer
 (Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Halden S. Shane ----- Halden S. Shane	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	March 30, 2011
/s/ Halden S. Shane ----- Halden S. Shane	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 30, 2011
/s/ Richard L. Johnson ----- Richard L. Johnson	Director and Secretary	March 30, 2011
/s/ Willie L. Brown, Jr. ----- Willie L. Brown, Jr.	Director	March 30, 2011
/s/ Harold W. Paul ----- Harold W. Paul	Director	March 30, 2011

EXHIBIT INDEX

Exhibit Number	Description
10.1	Shane Employment Contract
10.2	Joint Venture Agreement with Zera Investments
31.1	Certification of the Principal Executive Officer, as required by Rule 13a-14(a) of the Securities Exchange Act of 1934
31.2	Certification of the Principal Financial Officer, as required by Rule 13a-14(a) of the Securities Exchange Act of 1934
32.1	Certifications of the Principal Executive Officer provided pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certifications of the Principal Financial Officer provided pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

TOMI ENVIRONMENTAL SOLUTIONS, INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
Report of Independent Registered Public Accounting Firm.....	F-2
Consolidated Balance Sheets as of December 31, 2010 and 2009.....	F-3
Consolidated Statements of Income for the Years Ended December 31, 2010 and 2009.....	F-4
Consolidated Statements of Stockholders' Equity for the Years Ended December 31, 2010 and 2009.....	F-5
Consolidated Statements of Cash Flows for the Years Ended December 31, 2010 and 2009.....	F-6
Consolidated Statements of Comprehensive Income (Loss) for the Years Ended December 31, 2010 and 2009.....	F-7
Notes to Consolidated Financial Statements.....	F-8

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 Subsidiaries ("the Company") as of December 31, 2010 and 2009 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, 2010. 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 Subsidiaries at December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2010 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 during the years ended December 31, 2010 and 2009, has incurred a net loss from the year ended December 31, 2010 and has not been able to generate positive cash from operations for the years ended December 31, 2010 and 2009. In addition, at December 31, 2010 the Company has a working capital deficiency 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
March 30, 2011

TOMI ENVIRONMENTAL SOLUTIONS, INC.
CONSOLIDATED BALANCE SHEETS

	December 31, 2010	December 31, 2009
	-----	-----
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 61,179	\$ 13,126
Investment-restricted	-	3,563,062
Accounts receivable	-	11,660
Notes receivable	-	75,000
Deferred costs	-	122,576
Prepaid expenses	2,862	2,751
	-----	-----
Total Current Assets:	64,041	3,788,175
	-----	-----
Property and equipment, net	153,638	306,633
Intangible assets, net	91,659	102,767
Security deposits	5,416	5,416
	-----	-----
Total Assets	\$ 314,754	\$ 4,202,991
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 169,475	\$ 118,124
Accrued officer's compensation	1,066,269	827,868
Notes payable - current portion	8,077	45,896
Loans Payable	23,158	-
Deferred revenue	-	199,022
Customer deposits	53,940	-
Obligations to be settled through the issuance of common stock	-	268,500
Dividends payable on Preferred Stock	-	205,685
	-----	-----
Total Current Liabilities:	1,320,919	1,665,095
	-----	-----
Long-Term Liabilities:		
Non-current portion of notes payable - other	2,157	20,468
	-----	-----
Total Liabilities:	1,323,076	1,685,563
	-----	-----
Stockholders' Equity (Deficiency):		
Cumulative Convertible Series A Preferred Stock; par value \$0.01; 1,000,000 shares authorized; 510,000 and 510,000 shares issued and outstanding at December 31, 2010 and December 31, 2009, respectively	5,100	5,100
Cumulative Convertible Series B Preferred Stock; \$1,000 stated value; 7.5 % cumulative dividend, 4,000 shares authorized; none and 3,250 shares issued and outstanding at December 31, 2010 and December 31, 2009, respectively	-	3,250,000
Common Stock; par value \$0.01; 75,000,000 shares authorized; 48,282,871 and 35,277,480 shares issued and outstanding at December 31, 2010 and December 31, 2009, respectively	482,829	352,774
Additional paid-in capital	9,584,424	9,683,721
Accumulated deficit	(11,032,491)	(9,489,312)
Deferred compensation	(52,788)	(1,284,855)
Accumulated Other Comprehensive Income	348	-
	-----	-----
Total TOMI Environmental Solutions, Inc. Shareholders' Equity (Deficiency)	(1,012,578)	2,517,428
Non-controlling Interest	4,256	-
	-----	-----
Total Stockholders' Equity (Deficiency)	(1,008,322)	2,517,428
	-----	-----
Total Liabilities and Stockholders' Equity (Deficiency)	\$ 314,754	\$ 4,202,991
	=====	=====

TOMI ENVIRONMENTAL SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	For the Year Ended December 31,	
	2010	2009
Net revenue	\$ 357,167	\$ 499,172
Cost of sales	145,296	200,619
Gross profit	211,871	298,553
Costs and Expenses:		
Professional fees	247,470	577,869
Other general and administrative expenses	1,054,562	1,370,871
(Recission) impairment of acquisition and related research and development expense	(902,500)	902,500
Compensation credit relating to modification of management agreement	-	(18,312,558)
Management and consulting fees- related party	1,193,447	853,953
Total Costs and Expenses	1,592,979	(14,607,365)
Income (loss) from operations	(1,381,108)	14,905,918
Other Income (Expense)		
Other Income, net	24,015	-
Loss of investment - restricted	-	(1,238,656)
Interest income	-	2,109
Change in fair market value of derivative liability	(50,269)	-
Amortization of debt discount	(95,000)	-
Foreign currency exchange loss	(2,286)	-
Interest expense	(34,275)	(9,482)
Total Other Expense	(157,815)	(1,246,029)
Net income (loss)	\$(1,538,923)	\$13,659,889
Income (loss) attributable to common stockholders		
Net income (loss)	\$(1,538,923)	\$13,659,889
Preferred stock dividend	-	205,685
Income (loss) attributable to common stockholders before non-controlling interest	(1,538,923)	13,454,204
Income attributable to non-controlling interest	(4,256)	-
Net income (loss) attributable to common stockholders	\$(1,543,179)	\$13,454,204
Basic earnings per common share	\$ (0.04)	\$ 0.39
Diluted earnings per common share	\$ (0.04)	\$ 0.37
Basic weighted average number of shares outstanding	38,194,157	34,864,011
Diluted weighted average number of shares outstanding	38,194,157	36,024,011

TOMI ENVIRONMENTAL SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIENCY)
YEARS ENDED DECEMBER 31, 2010 AND 2009

	Series A Preferred Stock Shares	Series B Preferred Stock Shares	Common Stock Shares	Series A Preferred Stock Par Value	Series B Preferred Stock Par Value	Common Stock Par Value
	-----	-----	-----	-----	-----	-----
Balance, December 31, 2008	510,000	-	34,474,515	\$ 12,750,000	\$ -	\$ 344,744
Issuance of Common Stock in lieu of cash compensation			162,965			1,630
Issuance of Common Stock pursuant to a Private Placement @ \$5.00 per share			350,000			3,500
Issuance of Common Stock pursuant to a Private Placement @ \$2.00 per share			100,000			1,000
Issuance of Convertible B Preferred Stock @ \$1,000 per share		3,250			3,250,000	
Dividends on Cumulative Convertible Series B Preferred Stock						
Reversal of dividends						
Deferred compensation						
Amortization of deferred compensation						
Forgiveness of compensation						
Issuance of Common Stock to acquire LLC interest			190,000			1,900
Change of Par Value for Series A Preferred Stock from \$25.00 per share to \$0.01 per share				(12,744,900)		
Net income						
Balance, December 31, 2009	510,000	3,250	35,277,480	5,100	3,250,000	352,774
Issuance of Common Stock for services			2,989,952			29,900
Issuance of Stock Options to Directors for services						
Sale of common stock			7,430,556			74,306
Cancellation of Series B Preferred Stock		(3,250)			(3,250,000)	
Dividends on Cumulative Convertible Series B Preferred Stock						
Cancellation of Dividends of Series B Preferred Stock						
Issuance of Common Stock for Settlement of Litigation			300,000			3,000
Deferred Compensation						
Amortization of Deferred Compensation						
Cancellation of Common Stock			(550,000)			(5,500)
Cancellation of Common Stock relating to Recission of Acquisition and Related Research and Development Expenses			(190,000)			(1,900)
Issuance of Common Stock as consideration of accrued officer's compensation			2,500,000			25,000
Debt Discount on Convertible Notes						
Reclassification of derivative liability						
Establishment of derivative liability						
Issuance of Common Stock upon conversion of convertible debt			374,883			3,749
Issuance of Common Stock as consideration for payment of loans			150,000			1,500
Foreign Currency Translation Adjustment						
Non-Controlling Interest						
Net Loss						
Balance, December 31, 2010	510,000	-	48,282,871	\$ 5,100	\$ -	\$ 482,829

TOMI ENVIRONMENTAL SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIENCY)
YEARS ENDED DECEMBER 31, 2010 AND 2009
(CONTINUED)

	Additional Paid-In Capital	Accum. (Deficit)	Deferred Stock Comp.	Non- Controlling Interest	Other Comprehensive Income	Total
	-----	-----	-----	-----	-----	-----
Balance, December 31, 2008	\$10,013,293	\$(23,149,201)	\$ -	\$ -	\$ -	\$ (41,164)
Issuance of Common Stock in lieu of cash compensation	418,196					419,826
Issuance of Common Stock pursuant to a Private Placement @ \$5.00 per share	1,546,500					1,550,000
Issuance of Common Stock pursuant to a Private Placement @ \$2.00 per share	199,000					200,000

Issuance of Convertible B Preferred Stock @ \$1,000 per share						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)			0
Amortization of deferred compensation			853,953			853,953
Forgiveness of compensation	150,000					150,000
Issuance of Common Stock to acquire LLC interest	900,600					902,500
Change of Par Value for Series A Preferred Stock from \$25.00 per share to \$0.01 per share	(5,567,658)					(18,312,558)
Net income		13,659,889				13,659,889
Balance, December 31, 2009	9,683,721	(9,489,312)	(1,284,855)	-	-	2,517,428
Issuance of Common Stock for services	181,812					211,712
Issuance of Stock Options to Directors for services	84,000					84,000
Sale of common stock	250,694					325,000
Cancellation of Series B Preferred Stock	1,236,938					(2,013,062)
Dividends on Cumulative Convertible Series B Preferred Stock	(60,103)					(60,103)
Cancellation of Dividends of Series B Preferred Stock	265,788					265,788
Issuance of Common Stock for Settlement of Litigation	15,000					18,000
Deferred Compensation			38,620			38,620
Amortization of Deferred Compensation			1,193,447			1,193,447
Cancellation of Common Stock	(1,584,500)					(1,590,000)
Cancellation of Common Stock relating to Recission of Acquisition and Related Research and Development Expenses	(900,600)					(902,500)
Issuance of Common Stock as consideration of accrued officer's compensation	250,000					275,000
Debt Discount on Convertible Notes	95,000					95,000
Reclassification of derivative liability	107,636					107,636
Establishment of derivative liability	(55,213)					(55,213)
Issuance of Common Stock upon conversion of convertible debt	8,251					12,000
Issuance of Common Stock as consideration for payment of loans	6,000					7,500
Foreign Currency Translation Adjustment					348	348
Non-Controlling Interest				4,256		4,256
Net Loss		(1,543,179)				(1,543,179)
Balance, December 31, 2010	\$ 9,584,424	\$(11,032,491)	\$ (52,788)	\$ 4,256	\$ 348	\$(1,008,322)

TOMI ENVIRONMENTAL SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,	
	2010	2009
Operating Activities:		
Net income (loss) attributable to the Company	\$(1,543,179)	\$13,659,889
Less: Net earnings attributable to non-controlling interest	4,256	-
Net income (loss)	(1,538,923)	13,659,889
Adjustments to reconcile net income (loss) to net cash (used in) operating activities:		
Depreciation and amortization	85,921	94,090
Bad debt expense	101,090	-
Amortization of debt discount	95,000	-
Common Stock and options issued for services	445,712	373,155
Common Stock issued for settlement of litigation	18,000	-
Common Stock issued (cancelled) for acquisition	(902,500)	902,500
Amortization of deferred compensation	1,232,068	853,953
Management and consulting fees- related party	-	(18,312,558)
Change in fair market value of derivative liability	50,269	-
Increase (Decrease) in deferred revenue	(199,022)	199,022
Loss on investment - restricted	-	1,238,656
Loss on sale of property and equipment	6,079	-
Changes in operating assets and liabilities:		
Decrease in security deposits	-	1,204
(Increase) Decrease in Accounts Receivable	5,570	(7,070)
(Increase) Decrease in prepaid and other current assets	122,466	(106,617)
Increase in Accounts Payable and Accrued Liabilities	146,250	689,299
Increase in customer deposits payable	53,940	-
Net cash (used in) operating activities	(278,080)	(414,477)
Investing Activities:		
Purchase of restricted investments	-	(4,801,562)
Proceeds from liquidation of investments	3,563,062	-
Capital expenditures	(46,248)	(19,556)
Proceeds from sale of property and equipment	120,505	-
Net cash (used in) investing activities	3,637,319	(4,821,118)
Financing Activities:		
Payment for Notes Receivable	(20,000)	(75,000)
Proceeds from the sale of Common Stock	325,000	1,950,000
Expense of Private Placement	-	(200,000)
Redemption of Series B preferred stock	(3,250,000)	-
Redemption of common stock	(353,062)	-
Proceeds from loan payables	73,992	-
Payments of loan payables	(43,334)	-
Proceeds from convertible notes payable	95,000	-
Payments of convertible notes payable	(83,000)	-
Proceeds from sale of cumulative convertible preferred stock - Series B	-	3,250,000
Payments of notes payable	(56,130)	(43,976)
Net cash provided by (used in) financing activities	(3,311,534)	4,881,024
Effect of exchange rate change	348	-
Net increase (decrease) in cash and cash equivalents	48,053	(354,571)
Cash and cash equivalents at beginning of period	13,126	367,697
Cash and cash equivalents at end of period	\$ 61,179	\$ 13,126
Cash paid during the period for:		
Interest expense	\$ 34,275	\$ 9,842
Income taxes	\$ -	\$ -

TOMI ENVIRONMENTAL SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Year Ended
December 31,

2010 2009

Supplemental Disclosure of Cash Flow Information:

Non-Cash Financing Activities:

Issuance of Common Stock for payment of Accounts Payable	\$ 6,000	\$ 46,670
Forgiveness of accrued compensation to related party	-	150,000
Common stock issued for payment of accrued compensation	125,000	-
Dividends payable on preferred stock - Series B	60,102	205,685
Discount on convertible notes payable	95,000	-
Reversal of dividends payable on preferred stock - Series A	-	90,667
Reversal of dividends payable on preferred stock - Series B	265,787	-
Change in stated value of Series A Preferred Stock	-	12,744,900
Conversion of notes payables to common stock	12,000	-
Conversion of loan payables to common stock	7,500	-

TOMI ENVIRONMENTAL SOLUTIONS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF BUSINESS

TOMI Environmental Solutions, Inc., (the "Company" or "TOMI") is a global surface and air decontamination and infectious disease control company, providing green energy-efficient environmental solutions for indoor air remediation and surface decontamination through sales and licensing of our premier platform of Hydrogen Peroxide misters, Ultra- Violet Ozone generators and Ultra-Violet Germicidal Irradiation ("UVGI") products and technologies.

Our effort to combat bacterial and viral outbreaks along with hospital infection control was recently enhanced with the addition of a newly developed line of fixed and portable units that utilize hydrogen peroxide misting for a cost-effective method to control the spread of infectious diseases including neutralizing pathogens from bio-terrorism attacks.

Our products are designed to service a broad spectrum of commercial structures including office buildings, medical facilities, hotel and motel rooms, restaurants, meat and produce processing facilities, military barracks, athletic facilities and schools. Our products and services have also been used in single-family homes and multi-unit residences.

We also intend to generate and support research on other air remediation solutions including hydroxyl radicals and other Reactive Oxygen Species ("ROS") and to form business alliances with major remediation companies, construction companies and corporations specializing in disaster relief along with expanding our sales in North America, Europe, the Middle East and the Far East.

In July 2010, the Company established TOMI Environmental Solutions-Singapore Pte, Ltd. ("TOMI-Singapore"), a subsidiary with an ownership interest of 55% and began operations in Singapore.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Going Concern

The Company had limited revenues during the years ended December 31, 2010 and 2009 and has incurred a net loss of \$1,543,179 for the year ended December 31, 2010. The Company has not been able to generate positive cash from operations for the years ended December 31, 2010 and 2009. In addition, at December 31, 2010 the Company has a negative working capital of \$1,256,790 and stockholders' deficiency of \$1,008,234. 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, debt financing and sales of its common stock and notes convertible into common stock. There can be no assurance that additional funds required for continued operations during the next year or thereafter will be generated from our 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 on terms acceptable to the Company or that they will not have a significant dilutive effect on the Company's existing stockholders. The inability to generate cash flow from operations or to raise sufficient 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

The accompanying financial statements include the accounts of TOMI (a Florida Corporation) (Parent), its wholly owned subsidiary, TOMI Environmental Solutions, Inc. (a Nevada Corporation) and its 55% owned subsidiary, TOMI-Singapore. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires us to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and the accompanying notes. Actual results could differ materially from these estimates. On an ongoing basis, we evaluate our estimates, including those related to the accounts receivable, fair values of financial instruments, intangible assets, useful lives of intangible assets and property and equipment, fair values of stock-based awards, income taxes, and contingent liabilities, among others. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

Reclassification of Accounts

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.

Fair Value Measurements

The authoritative guidance for fair value measurements defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or the most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Market participants are buyers and sellers in the principal market that are (i) independent, (ii) knowledgeable, (iii) able to transact, and (iv) willing to transact. The guidance describes a fair value hierarchy based on the levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value which are the following:

- Level 1 Quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active, or other inputs that are observable or corroborated by observable market data or substantially the full term of the assets or liabilities.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the value of the assets or liabilities.

The Company's financial instruments include cash and equivalents, accounts receivable, other current assets, accounts payable and accrued expenses. All these items were determined to be Level 1 fair value measurements.

The carrying amounts of cash and equivalents, accounts receivable, other current assets, accounts payable and accrued expenses approximated fair value because of the short maturity of these instruments. The recorded value of long-term debt approximates its fair value as the terms and rates approximate market rates.

Cash and cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents includes cash on hand held at financial institutions and other liquid investments with original maturities of three months or less. Amounts held at financial institutions did not exceed federally insured limits at December 31, 2010.

Property and Equipment

We account for property and equipment at cost less accumulated depreciation. We compute depreciation using the straight-line method over the estimated useful lives of the assets, generally three to five years. Depreciation for equipment, furniture and fixtures and vehicles commences once placed in service for its intended use.

Long-Lived Assets Including Goodwill and Other Acquired Intangible Assets

The Company reviews its 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 of 10 years.

Income (Loss) Per Share

The computation of basic 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, 2010, 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. For the year ended December 31, 2009, diluted earnings per common stock was calculated after consideration of common stock equivalents. For the year ended December 31, 2010, there were common stock equivalents of 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 40,000 options (exercisable into 40,000 common shares). For the year ended December 31, 2009, there were common stock equivalents of 510,000 shares of Convertible Series A Preferred Stock outstanding at a conversion rate of one common stock 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). 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 to customers, and allowance, and other adjustments will be provided for in the same period the related sales are recorded.

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 stocks 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, 2010, the Company issued 40,000 options and 750,000 common shares under the Plan.

Income Taxes

We recognize income taxes under the liability method. We recognize deferred income taxes for differences between the financial reporting and tax bases of assets and liabilities at enacted statutory tax rates in effect for the years in which differences are expected to reverse. We recognize the effect on deferred taxes of a change in tax rates in income in the period that includes the enactment date.

Comprehensive Income

Comprehensive income is calculated in accordance with ASC 220 "Comprehensive Income". ASC 220 requires the disclosure of all components of comprehensive income. As of December 31, 2010, comprehensive income relates to foreign currency translation adjustment relating to the Company's Singapore subsidiary.

Foreign Currency Translation

Assets and liabilities of the Company's Singapore subsidiary are translated to US dollars using the current exchange rate for assets and liabilities. Amounts on the statement of operations are translated at the average exchange rates during the year. Gains or losses resulting from foreign currency translation are included as a component of other comprehensive income (loss).

Advertising and Promotional Expenses

The Company expenses advertising costs in the period in which they are incurred. For the years ended December 31, 2010 and 2009, advertising expenses totaled approximately \$12,000 and \$22,000, respectively.

Recent Accounting Pronouncements

In June 2009, the Financial Accounting Standards Board ("FASB") established the FASB Accounting Standards Codification ("ASC") as the single source of authoritative GAAP to be applied by nongovernmental entities. The ASC is a new structure which took existing accounting and organized them by topic. Relevant authoritative literature issued by the Securities and Exchange Commission ("SEC") and selected SEC staff interpretations and administrative literature was also included in the ASC. All other accounting guidance not included in the ASC is non-authoritative. The ASC was effective for the Company's interim quarterly period beginning August 1, 2009. The adoption of the ASC did not have an impact on the Company's consolidated financial position, results of operations or cash flow.

Effective August 1, 2009, the Company adopted a provision in accordance with ASC guidance for earnings per share (originally issued as FASB Staff Position No. EITF 03-6-1, "Determining Whether Instruments Granted in Share-Based Transactions Are Participating Securities"). This guidance establishes that unvested share-based payment awards that contain non-forfeitable rights to dividends are participating securities and shall be included in the computation of earnings per share under the two-class method. The adoption of the ASC did not have a material effect on the Company's consolidated financial statements.

In January 2010, the FASB issued Accounting Standards Update 2010-06, Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements. This guidance amends the disclosure requirements related to recurring and nonrecurring fair value measurements and requires new disclosures on the transfers of assets and liabilities between Level 1 (quoted prices in active market for identical assets or liabilities) and Level 2 (significant other observable inputs) of the fair value measurement hierarchy, including the reasons and the timing of the transfers. Additionally, the guidance requires a roll forward of activities on purchases, sales, issuance and settlements of the assets and liabilities measured using significant unobservable inputs (Level 3 fair value measurements). The guidance became effective for the reporting period beginning January 1, 2010, except for the disclosure on the roll forward activities for Level 3 fair value measurements, which will become effective for the reporting period beginning January 1, 2011. The Company's adoption of this updated guidance was not significant to our consolidated financial statements.

In February 2010, the FASB issued updated guidance related to subsequent events. As a result of this updated guidance, public filers must still evaluate subsequent events through the issuance date of their financial statements; however, they are not required to disclose the date in which subsequent events were evaluated in their financial statements disclosures. This amended guidance became effective upon its issuance on February 24, 2010 at which time the Company adopted this updated guidance.

NOTE 3. PROPERTY AND EQUIPMENT

At December 31, 2010 and December 31, 2009, property and equipment consisted of the following:

	December 31, 2010	December 31, 2009
	-----	-----
Furniture and fixture	\$ 18,937	\$ 16,877
Equipment	147,049	188,734
Vehicles	132,055	219,766
	-----	-----
	298,041	425,377
Less: Accumulated depreciation	144,403	118,744
	-----	-----
	\$ 153,638	\$ 306,633
	=====	=====

Depreciation was \$74,814 and \$85,757 for the years ended December 31, 2010 and 2009, 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 intellectual property, 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 \$11,109 and \$8,333 for the years ended December 31, 2010 and 2009, respectively. 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, 2010 there was no impairment.

NOTE 5. NOTES AND LOANS PAYABLE

Notes Payables

The Company financed three field service vehicles in 2008 using notes payables with various terms. These notes are collateralized by the related field service vehicles. The notes expire at various times through March 2012 and have interest rates from 8.8% to 10.1% per annum and are payable in monthly installments of \$4,448 (including principal and interest) and due by March 2012. As of December 31, 2010, the notes payables relating to two of the three field service vehicles have been paid. The remaining notes payable will mature in 2012 as follows: 2011 - \$8,077; 2012 - \$2,157. The note is secured by the vehicle acquired.

	December 31, 2010	December 31, 2009
	-----	-----
Total vehicle notes	\$ 10,234	\$ 66,364
Less: current portion	8,077	45,896
	-----	-----
Long-term portion:	\$ 2,157	\$ 20,468
	=====	=====

Convertible Notes Payable

On April 26, 2010, the Company issued a convertible note payable in the amount of \$60,000 due nine months after issuance and bearing an interest rate of 8% per annum. The note was convertible to common stock at the option of the holder based on a variable conversion price specified as the 42% discount of the average three lowest trading prices of the Company's stock during the prior ten trading days ending prior to the day of conversion notice. In the event of default, interest becomes 22% annum and the note was immediately due at an amount of 150% of outstanding principal and unpaid interest. A discount of \$60,000 and a derivative liability of \$32,832 were recorded upon issuance of the note. Amortization of debt discount was \$60,000 for the year ended December 31, 2010. During the term of the convertible notes payable, the change in derivative liability totaling \$31,749 was charged to other expense in 2010. On October 29, 2010, \$6,000 of the convertible notes payable was converted to 177,515 common shares. On November 8, 2010, \$6,000 of the convertible notes payable was converted to 197,368 common shares. On November 21, 2010 the Company paid the remaining \$48,000 convertible notes payable plus interest of \$17,060. The derivative liability resulting from the change in the fair market value of the convertible note payable at the date of settlement totaling \$67,980 was recorded a reclassification to additional paid-in capital upon settlement of the convertible note payable.

On May 17, 2010, the Company negotiated a convertible note payable in the amount of \$35,000 due nine months after issuance and bearing an interest rate of 8% per annum. The note was convertible to common stock at the option of the holder based on a variable conversion price specified as the 42% discount of the average three lowest trading prices of the Company's stock during the prior ten trading days ending prior to the day of conversion notice. In the event of default, interest becomes 22% annum and the note was immediately due at an amount of 150% of outstanding principal and unpaid interest. A discount of \$35,000 and a derivative liability of \$24,532 were recorded upon issuance of the note. Amortization of debt discount was \$35,000 for the year ended December 31, 2010. During the term of the convertible notes payable, the change in derivative liability totaling \$18,520 was charged to other expense in 2010. On November 21, 2010 the Company repaid the full amount of the convertible notes payable of \$35,000 plus interest of \$12,440. The derivative liability resulting from the change in the fair market value of the convertible note payable at the date of settlement totaling \$39,656 was recorded as a reclassification to additional paid-in capital upon settlement of the convertible note payable.

The Company paid expenses totaling \$5,500 in connection with the two notes.

Loans Payable

Loans totaling \$73,992 (which includes loans in the amount of \$57,492 from the Company's CEO) were advanced to the Company during the year ended December 31, 2010 and are non-interest bearing and payable on demand. During the fourth quarter of 2010 the Company issued 100,000 shares of common stock as consideration for payment of \$5,000 principal of the loans payable to the CEO. The Company also issued 50,000 shares in payment of \$2,500 principal to another party. At December 31, 2010, the Company had loan payables totaling \$23,158 (which includes an amount of \$20,658 from the Company's CEO).

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.

Convertible Series A Preferred Stock

The Company has authorized 1,000,000 shares of Convertible Series A Preferred Stock, \$0.001 par value. At December 31, 2010 and 2009, there were 510,000 shares issued and outstanding.

Common Stock

The Company has authorized 75,000,000 shares of common stock, par value \$0.01. At December 31, 2010 and 2009, there were 48,282,871 and 35,277,480 shares issued and outstanding, respectively.

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 was essentially engaged in research and development; as a result, the \$902,500 acquisition cost has been expensed as research and development.

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

The Company issued 162,965 common shares valued at \$419,826 during the year ended December 31, 2009 as compensation for services rendered by consultants.

On April 13, 2010, the Company's Board of Directors rescinded the transaction entered into in February 2009 with Taurus Global Opportunity Fund, canceled 3,250 shares of the Series B stock and 350,000 common shares and paid the holders \$3,563,062 from the proceeds of the restricted investment. The accrued dividends on the Series B stopped upon the effective date of the cancellation of the agreement on April 13, 2010 and the accrued dividend of \$265,787 was reversed into additional paid in capital. In connection with this transaction, the Company recognized a loss on investment of \$1,238,652 for the year ended December 31, 2009.

In July 2010, the Company cancelled 190,000 shares valued at \$902,500 due to a recession of the Adtec agreement to acquire 19% of the issued and outstanding member interest of Adtec. Accordingly, the Company recognized a credit of \$902,500 which offset the \$902,500 research and development expense originally recognized in 2009. The Company is evaluating legal recourse.

In September 2010 and in a private placement transaction, the Company sold 1,875,000 restricted common shares to investors for \$75,000.

In October and November of 2010, a total of \$12,000 principal convertible notes payable were converted into 374,883 common shares.

In November 2010, and in a private placement transaction, the company sold 5,555,556 restricted common shares for \$250,000.

In September 2010, the Company issued 300,000 common shares valued at \$18,000 in settlement of a lawsuit.

During the year ended December 31, 2010, the Company issued 2,989,952 common shares valued at \$211,712 as compensation for consulting services.

During the year ended December 31, 2010, the Company cancelled 200,000 common shares valued at \$40,000 that was previously issued to a consultant due to cancellation of a consulting agreement. This amount was credited to professional fees. In addition, the Company reversed a liability to issue common stock amounting to \$250,000. This amount has been credited to other general and administrative expenses.

In December 2010, the Company issued 150,000 shares of common stock as consideration for payment of \$7,500 principal loans payable.

Stock Options

The Company issued a total of 40,000 options valued at \$84,000 to two directors in January 2010. The options have an exercise price of \$2.10 and a fair market value of \$2.10 per option. The options expire on January 2020. The options were valued using the black-scholes model using the following assumptions: volatility - 316%; dividend yield - 0%; zero coupon rate - 3.85% and a life of 10 years. As of December 30, 2010, 40,000 options remain issued and outstanding.

NOTE 7. RELATED PARTY

On November 16, 2008, the Company entered into an employment agreement with its President and CEO, Dr. Halden Shane. The agreement calls for annual base salary of \$390,000 plus incentive cash bonuses and certain benefits. The agreement terminates upon the death or disability of Dr. Shane.

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, 2011 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 net 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. During the year ended December 31, 2010 amortization expense totaled \$1,138,605 fully amortizing this compensation element. 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.

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. At December 31, 2010, deferred compensation associated with this transaction totaled \$52,788 and a total of \$93,462 has been amortized during the year ended December 31, 2010.

In August 2010, the Company issued to Dr. Shane 2,500,000 shares of common stock as consideration for payment of \$125,000 accrued compensation. These shares were valued at \$275,000 which was the quoted market value on the date of issuance. Accordingly, the Company recorded compensation expense of \$150,000 in connection with this transaction.

As of December 31, 2010, the Company has accrued \$1,066,269 for unpaid wages under the employment agreement.

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. NOTES RECEIVABLES

The Company is the holder of two promissory notes with Advanced Disinfectant Technologies ("Adtec") in the amount of \$75,000 and \$20,000 due on November 30, 2010 and February 2011, respectively. The notes bear interest of 8% per annum. In the event of default, the Company is entitled to receive seven foggers for the first note and two foggers for the second note at no charge. As of December 31, 2010, the Company fully reserved these notes receivables and recorded bad debt expense of \$95,000.

NOTE 10. INCOME TAXES

At December 31, 2010 the Company had available net-operating loss carryforwards for Federal tax purposes of approximately \$4,550,000, which may be applied against future taxable income, if any, from 2027 to 2030. Certain significant changes in ownership of the Company may restrict the future utilization of these tax loss carryforwards.

At December 31, 2010 the Company had a deferred tax asset of approximately \$1,547,000 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 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 \$148,000 in 2010.

NOTE 11. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through the date the financial statements were issued and up to the time of filing of the financial statements with the Securities and Exchange Commission.

On February 7, 2011, the Company entered into a joint venture agreement with Zera Investments, a Singapore private investment company. The agreement calls for Zera to perform marketing of the Company's products and the raising of capital.

In February 2011, the Company issued 572,115 common shares for payment of \$14,875 legal expenses.

In February 2011, the Company's entered into a new employment agreement with its CEO. The agreement calls for annual base compensation of \$20,000, subject to Consumer Price Index increases, incentive performance bonuses equal to 12% of the Company's annual GAAP earnings for the year 2011 to 2015 and discretionary bonuses, as well as expense reimbursements and certain employee benefits. The agreement terminates December 31, 2015.

In February 2011, the CEO was issued 14,076,923 shares of common stock as consideration for payment of \$366,000 accrued compensation. Further, the CEO forgave accrued compensation due him amounting to \$700,000. The compensation forgiven by the CEO has been treated as a capital contribution to the Company and therefore has been recorded as additional paid-in capital in February 2011.

In February 2011, the Company sold 750,000 shares of common stock for \$63,750.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement"), effective as of the 1st day of January 2011, is entered into by and between Dr. Halden Shane (the "Executive") and TOMI Environmental Solutions, a Florida corporation (the "Company").

The Company desires to establish its right to the continued services of the Executive, in the capacity described below, on the terms and conditions and subject to the rights of termination hereinafter set forth, and the Executive is willing to accept such employment on such terms and conditions.

In consideration of the mutual agreements hereinafter set forth, the Executive and the Company have agreed and do hereby agree as follows:

1. Employment. The Company does hereby employ the Executive as President, Chairman of the Board and Chief Executive Officer of the Company, and the Executive does hereby accept and agree to such employment. The Executive's duties as President, Chairman of the Board and Chief Executive Officer shall be such executive and managerial duties as the Board of Directors of the Company shall from time to time prescribe and as provided in the Bylaws of the Company. The Executive shall devote such time, energy and skill to the performance of his duties for the Company and for the benefit of the Company as may be necessary or required for the effective conduct and operation of the Company's business. Furthermore, the Executive shall exercise due diligence and care in the performance of his duties for the Company under this Agreement.

2. Term of Agreement. The term ("Term") of this Agreement shall commence as of the date hereof and shall continue through December 31, 2015, unless sooner terminated as provided herein or renewed pursuant to the terms of Section 7 hereof.

3. Appointment to Board of Directors. During the Executive's employment by the Company, the Executive shall serve as a member of the Board of Directors of the Company.

4. Compensation.

(a) Base Salary. The Company shall pay the Executive a base salary of Twenty Thousand Dollars (\$20,000) per year, subject to annual increases as set forth in the next sentence (the "Base Salary"). The Company shall review the Base Salary annually and shall increase (but not decrease) the Base Salary each calendar year beginning January 1, 2011, by the greater of (i) the percentage increase, if any, in the cost of living index by reference to the Consumer Price Index in the Los Angeles Metropolitan Area, as provided for the last day of such annual period by the Bureau of Labor Statistics of the United States Department of Labor, or (ii) a greater percentage increase than that set forth in subsection (i) above, as determined by the Company's Board of Directors. The Base Salary shall be payable in equal installments twice monthly consistent with the Company's regular business practice.

(b) Incentive Compensation. The Executive shall each year receive an incentive performance bonus equal to 12% of the GAAP earnings of the Company during each of the calendar years ending on December 31, 2011 through December 31, 2015. Such Incentive Compensation shall be paid as soon as is practical after the completion of the Company's filing of form 10-K with the Securities and Exchange Commission. The cumulative amounts payable under this formula for the years ending December 31, 2011 through December 31, 2015 shall be \$2,000,000.

(c) Discretionary Bonus. The Executive shall be eligible to receive an additional incentive performance bonus based upon a percentage of his Base Salary. Any such bonus awarded to the Executive shall be payable in the amount, in the manner, and at the time determined by the Company's Board of Directors in its sole and absolute discretion.

(d) Expense Reimbursement. The Company shall reimburse the Executive for reasonable and necessary business and entertainment expenses incurred by him in connection with the performance of his duties hereunder, including, but not limited to, expenses for business development, travel, meals and accommodations and related expenditures. The Company shall reimburse the Executive for all such expenses upon presentation by the Executive, from time to time, of an itemized written accounting of such expenditures.

(d) Benefits. The Company shall provide the Executive with the following benefits during the Term and any renewals thereof:

(i) Participation in Benefit Plans and Policies. The Executive shall be entitled to participate in any benefit plans relating to stock options, stock purchases, awards, pension, thrift, profit sharing, life insurance, medical coverage, education, or other retirement or employee benefits available to other executive employees of the Company, subject to any restrictions (including waiting periods) specified in such plans. The Company shall make commercially reasonable efforts to obtain medical and disability insurance, and such other forms of insurance as the Board of Directors shall from time to time determine, for its employees.

(ii) Vacation. The Executive shall be entitled to (i) four (4) weeks of paid vacation per calendar year for the first two years of service to the Company following the execution of this Agreement, and

(ii) five (5) weeks of paid vacation per calendar year for the next two years of service to the Company, with such vacation to be scheduled and taken in accordance with the Company's standard vacation policies. After four (4) years of service to the Company following execution of this Agreement, the Executive shall be entitled to such number of weeks of paid vacation per calendar year as determined by the Board of Directors of the Company after review of industry standards, but shall in no event be entitled to fewer than five (5) weeks of paid vacation per calendar year.

5. Termination of Employment.

(a) Termination Events. The Executive's employment shall terminate prior to the expiration of the Term (and any renewals thereof) upon the happening of any of the following events:

(i) Voluntary. Voluntary termination by the Executive at any time during the Term upon written notice to the Company not less than ninety (90) days in advance of such termination;

(ii) Death. The death of the Executive;

(iii) For Cause. For "cause" by the Company, defined as any of the following:

(a) The Executive is convicted of, or pleads nolo contendere to, a felony involving fraud, embezzlement or misappropriation;

(b) The Executive materially breaches the terms of this Agreement by failing to substantially perform the reasonable and lawful duties of his employment, which breach continues for a period of sixty (60) days following written notice thereof from the Company, specifying in detail the Executive's breach hereunder;

(c) The Executive has committed an act of recklessness or willful misconduct against the Company resulting in a substantial economic or financial harm to the Company.

Any determination of "cause" as used in this Section 5(a)(iii) shall be made only in good faith by an affirmative majority vote of the Board of Directors (not counting the Executive) of the Company.

(iv) Disability. The Executive has become so physically or mentally incapacitated or disabled as to be absent from the full-time performance of his duties hereunder for a period of one hundred eighty (180) consecutive calendar days and, within thirty (30) days after written notice is provided to him by the Company, he shall not have returned to the full-time performance of his duties. During any period prior to such termination during which the Executive is absent from the full-time performance of his duties with the Company due to disability, the Company shall continue to pay the Executive his Base Salary at the rate in effect at the commencement of such period of disability.

(v) Without Cause. Without cause by the Company at any time during the Term upon written notice to the Executive not less than thirty (30) days in advance of such termination; or

(vi) By The Executive For Good Reason. The Executive may terminate this Agreement pursuant to this subsection (vi) at any time upon written notice to the Company for "good reason" upon the occurrence of any of the following events without the express written consent of the Executive:

(a) the Company's material breach of any of the provisions of this Agreement;

(b) The relocation of the Company's headquarters to a location more than one hundred (100) miles from the Company's current headquarters in Santa Monica, California;

(c) A reduction in the Executive's compensation (including without limitation, Base Salary or the benefits set forth above);

(d) The assignment to the Executive of a lower position in the organization in terms of his title, responsibility, authority or status, or the level of management to which the Executive reports, unless agreed to in writing by the Executive.

(b) Obligations After Voluntary Termination; Death; Disability; For Cause Termination. Except as set forth in this Section 5(b), in the event that the Executive's employment is terminated pursuant to Sections 5.1(a)(i), 5.1(a)(ii), 5.1(a)(iii) or 5.1(a)(iv) herein, neither the Company nor the Executive shall have any remaining duties or obligations hereunder, except that on the date of termination of employment ("Termination Date"), the Company shall pay to the Executive or his representatives:

(i) all Base Salary compensation as is due pursuant to Section 4(a) herein, prorated through the Termination Date;

(ii) all discretionary bonus compensation as is due pursuant to Section 4(b) herein;

(iii) all expense reimbursements due and owing the Executive through the Termination Date under Section 4(c) herein,

including reimbursements for reasonable and necessary business expenses incurred prior to the Termination Date, as long as the Executive submits a written accounting of such expenses in accordance with Section 4(c) herein within forty-five (45) days of the Termination Date; and

(iv) all benefits due the Executive, including benefits under insurance, group health and retirement benefit plans pursuant to Section 4(d) hereof, and vacation cash-out, if any, in accordance with the Company's standard policy, through the Termination Date.

(c) Obligations After Termination Without Cause or Termination by The Executive For Good Reason; Non-Renewal. Except as set forth in Section 6 and as set forth in this Section 5(c), in the event that the Executive's employment is terminated pursuant to Section 5(a)(v) or 5(a)(vi) herein or this Agreement is not renewed pursuant to the provisions of Section 7 herein, neither the Company nor the Executive shall have any remaining duties or obligations hereunder, except that on the Termination Date, the Company shall pay to the Executive or his representatives:

(i) all Base Salary compensation as is due pursuant to Section 4(a) herein, prorated through the Termination Date;

(ii) all discretionary bonus as is due pursuant to Section 4(b) herein;

(iii) a lump sum payment of an amount equal to three (3) years of the Executive's then-current Base Salary;

(iv) payment of COBRA medical insurance coverage for the Executive and his immediate family for eighteen (18) months following the Termination Date;

(v) immediate vesting of all pension benefits;

(vi) all expense reimbursements due and owing the Executive through the Termination Date under Section 4(c) herein, including reimbursements for reasonable and necessary business expenses incurred prior to the Termination Date, as long as the Executive submits a written accounting of such expenses in accordance with Section 4(c) herein within forty-five (45) days of the Termination Date; and

(vii) all benefits due the Executive, including benefits under insurance, group health and retirement benefit plans pursuant to Section 4(d) hereof, and vacation cash-out, if any, in accordance with the Company's standard policy, through the Termination Date.

(d) No Mitigation; No Offset. The parties hereto agree that the Executive shall not be required to mitigate damages in respect of any termination benefit or payment due under this Agreement or in respect of any damage award as a result of the Company's breach of this Agreement, nor shall any such benefit or award be offset by any future compensation or income received by the Executive from any other source. The Company shall not have the right to offset against its obligations hereunder or against any such damage award any amounts payable by the Executive to Company for any reason.

(e) Provision of Benefits. Should the continuation of any benefits to be provided to the Executive following the termination of the Executive's employment hereunder be unavailable under the Company's benefit plans for any reason, the Company shall pay for the Executive to receive such benefits under substantially similar plans from similar third-party providers.

6. Dispute Relating To The Executive's Termination Of Employment For Good Reason. If the Executive resigns his employment with the Company alleging in good faith as the basis for such resignation any of the "Good Reasons" specified in Section 5(a)(vi), and if the Company disputes the Executive's right to the payment under Section 5(c), the Company shall continue to pay the Executive compensation (including, but not limited to, his Base Salary) in effect at the date the Executive provided notice of such resignation, and the Company shall continue the Executive as a participant in all compensation, benefit and insurance plans in which the Executive was then a participant, until the earlier of (i) the date that all payments due and owing under this Agreement have been paid, or (ii) the date the dispute is finally resolved, either by mutual written agreement of the parties or by arbitration in accordance with Section 8. For the purposes of this Section, the Company shall bear the burden of proving that the grounds for the Executive's resignation do not fall within the scope of Section 5(a)(vi), and there shall be a rebuttable presumption that the Executive alleged such grounds in good faith.

7. Renewal. If this Agreement has not terminated pursuant to the provisions of Section 5, the Term shall be automatically renewed for successive one-year periods commencing on each anniversary date of the original Term, unless either party provides the other with written notice of its intent to terminate the Agreement given not less than six (6) months prior to the end of the Term, or any renewals thereof as provided for herein. In the event of non-renewal of this Agreement by the Company, the Company shall pay the Executive the amounts set forth under Section 5(c) herein as if this Agreement had been terminated by the Company without cause.

8. Arbitration. The Company and the Executive agree that any controversy, dispute, or claim between them relating to or arising under this

Agreement or relating to or arising from the Executive's hiring, employment, or termination with the Company (including, without limitation, any claims for harassment, discrimination, or retaliation under Title VII of the United States Code, 29 U.S.C. 2002e, et. seq., the Americans With Disabilities Act, the Age Discrimination in Employment Act, or the California Fair Employment and Housing Act, or any equivalent provision of the statutory or common law of any state), shall be submitted to final and binding arbitration, to be held in the County of Los Angeles in accordance with and pursuant to the rules of the American Arbitration Association ("AAA") then in force or any successor rules except as set forth below. The award of the arbitrator shall be final and binding upon the parties and may be entered as a judgment in any California court of competent jurisdiction, and the parties hereby consent to the jurisdiction of the courts of the State of California. The prevailing party in any arbitration hereunder shall be entitled to an award of all reasonable fees and costs of counsel incurred by such party in connection with such arbitration.

9. Assignment. This Agreement is personal in nature and neither of the parties hereto shall, without the written consent of the other, assign or otherwise transfer this Agreement or its obligations, duties and rights under this Agreement; provided, however, that in the event of the merger, consolidation, transfer or sale of all or substantially all of the assets of the Company, this Agreement shall, subject to the provisions hereof, be binding upon and inure to the benefit of such successor and such successor shall discharge and perform all of the promises, covenants, duties and obligations of the Company hereunder.

10. Miscellaneous.

a. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California.

b. Notices. All notices and other communications under this Agreement shall be in writing and mailed, telecopied, or delivered by hand or by a nationally recognized courier service guaranteeing overnight delivery to a party, at the following address (or to such other address as such party may have specified by notice given to the other party pursuant to this provision):
If to the Executive, to:

Dr. Halden Shane
11710 Wetherby Lane
Los Angeles, California, 90077
Telephone: (310) 600-2229
Facsimile: (310) 275-2282

If to the Company, to:

TOMI Environmental Solutions, Inc.
Attention Legal Department
9454 Wilshire Blvd, Ph./G-1
Beverly Hills, California, 90212
Telephone: (310) 275-2255
Facsimile: (310) 275-2282

All such notices and communications shall, when mailed, telecopied, or delivered, be effective three days after deposit in the United States mail, telecopied with confirmation of receipt, or delivered by hand to the addressee or one day after delivery to the courier service.

c. Counterparts. This Agreement may be executed in more than one counterpart, each of which shall be deemed to be an original, and all such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Employment Agreement is executed as of the day and year first above written.

Executive TOMI Environmental Solutions

/s/ Halden Shane

By: /s/ Harold Paul

Name: Harold Paul, Esq
Title: Chairman of Compensation Committee
TOMI ENVIRONMENTAL SOLUTION

JOINT VENTURE AGREEMENT BETWEEN ZERA INVESTMENTS PTE LTD
AND
TOMI ENVIRONMENTAL SOLUTIONS INC

BETWEEN

ZERA INVESTMENTS PTE LTD

AND

TOMI ENVIRONMENTAL SOLUTIONS INC

WHEREAS:

THIS JOINT VENTURE AGREEMENT is entered into the 17th day of January, 2011, by and between TOMI Environmental Solutions, Inc, a corporation organized and existing under the Laws of Florida with its principal place of business at 9454 Wilshire boulevard, Suite G1, Beverly Hills, California 90212, hereinafter referred to as "TOMI-US" and ZERA INVESTMENT PTE LTD, a Singapore private Investment/Holding Company, located at 33 Ubi Avenue 3 #04-27 Vertex Singapore 408868;

a) the parties are joint owners of TOMI Environmental Solutions- Singapore Pte. Ltd (Co.Reg.No.:201014937M) with TOMI-US being a majority partner. , TOMI Environmental Solutions- Singapore Pte, Ltd is a Singapore incorporated private limited company, for the purpose of business hereinafter defines.

b) TOMI is a corporation duly organized, validly existing and in good standing under The Laws of the State of Florida with corporate power to carry on its business as it is now being conducted.

c) ZERA INVESTMENT PTE, LTD is a private limited investment/holding company duly organized, validly existing. And in good standing under the laws of the Country of Singapore.

d) TOMI-US is a Global Green Indoor Air Remediation Company providing equipment, technology, know how, methodologies, licenses, R&D, Marketing and advertizing materials and concepts, training programs, training and application protocols, and in good standing with the Indoor Air Quality Association, The International Ozone Association , The United States Green Building Council.

e) ZERA Investment is a investment / holding company with the background and expertise in the Indoor environmental field and members of certain Associations within the country of Singapore. ZERA as has at its discretion varies amounts of capital that it will make available to TOMI-US along with many professional connections in the Asia-Pacific Rim for future business. ZERA declares that is possesses the resources to promote, set up meetings for the sale and use of the Services and products of TOMI technology and Methodology and is desirous of selling such services and products as authorized herein

f) Term of this Joint Venture

This Joint Venture shall commence on execution of This Agreement by the parties and shall continue until dissolved by mutual consent of the parties or Terminated as provided for in this Agreement.

The parties are desirous of entering into this agreement to regulate the affairs among them with regard to the Company, TOMI Environmental Solutions- Singapore Pte. Ltd and the relationship among them as parties and or shareholders. In consideration of the promises made between the parties herein and intending to be legally bound agree as follows:

1. DEFINITIONS AND INTERPRETATIONS

1.1 In this agreement unless the context otherwise requires the following expressions shall have the meaning set out against them:

- 1.1.1 "Agreed portion" means portion of the shareholders shareholdings in the issued capital of the Company as set out in clause 5.1 or such other portion as will reflect shareholders respective shareholdings from the time being in the share capital of the company
- 1.1.2 "Article" means Article of Association of the Company
- 1.1.3 "Board" means Board of Directors of the Company
- 1.1.4 "Business" means the business of the company as referred to Clause 3.
- 1.1.5 Company means "TOMI Environmental Solutions - Singapore Pte. Ltd." a joint venture company as referred in Clause 2.
- 1.1.6 "Directors" means each or all of the Members of the Board as the context may require
- 1.1.7 "Holding Company" has the same meaning as set out in

Section 5 of the Companies Act (Chapter 50)

- 1.1.8 "Parties" means the Shareholders and "Party" refers to any shareholder as the case may be
- 1.1.9 "Persons" means a firm, company or other a body of persons
- 1.1.10 "Shareholders" means TOMI Environmental Solutions Inc and ZERA Investments Pte. Ltd.
- 1.1.11 "Shares" means ordinary share of One Singapore Dollar only each in the capital of the Company
- 1.1.12 "Subsidiary" has the same meaning as set out in the Companies Act (Chapter 50)

- 1.2 Any reference in this agreement to Parties or the Company shall include their respective representatives.
- 1.3 Any reference to one gender includes the other gender and the singular includes plural and vice versa.
- 1.4 The headings in this agreement are intended solely for convenience of reference and shall not be taken read or construed as essential parts of this agreement.

2. FORMATION

- 2.1 The parties shall forthwith upon the execution of this agreement procure the shares in the Company in such a manner as to enable TOMI Environmental Solutions. Inc to have majority shares. The procurement of the Company's shares by the respective parties shall be as follows:
 - 2.1.1 TOMI Environmental Solutions, Inc....55%
 - 2.1.2 ZERA Private Limited45%
- 2.2 Based on the Company's authorize and paid up capital of Singapore dollars ten thousand only (\$S\$10,000) the parties will procure the shares in the following manner:
 - 2.2.1 TOMI Environmental Solutions U.S.A., Inc.....\$S\$5,500
 - 2.2.2 ZERA Private Limited.....\$S\$4,500
- 2.3 The Memorandum and Article of Association is set out at Annex A.

3. BUSINESS OF THE COMPANY

- 3.1 The object of the Company is to carry on the business of
 - 3.1.1 Procurement and sale of environmental engineering products developed, introduced, presented and Licensed by TOMI Environmental Solutions, Inc, along with certain technology owned or protected under trademark laws from L-3 Communications and others for distribution in markets in the Asia-Pacific Region.
 - 3.1.2 Research and Development on environment and clean technologies.
 - 3.1.3 Procurement, sale and distribution, order fulfillment, supply chain management, logistic support of TOMI Environmental Solutions,, Inc's products and licensed products.
 - 3.1.4 Conducting and organizing training programs and seminars for operators, supervisors ,and management staff on environmental services and building environmental management
 - 3.1.5 Developing consultancy expertise in the management and audit of performances or standards for indoor air quality
- 3.2 The business shall be conducted in the best interest of the Company based on sound commercial profit making principles so as to generate sound maintainable profits available for distribution.
- 3.3 The Company may from time to time extend the nature area of its business and/or carry on such other business with the prior written approval of its Board of Directors.
- 3.4 Any dealings with the Company and the Parties or any associates of such person in relation to the business shall be on normal arm's length terms negotiated between the relevant parties and no such person shall claim or be entitled to any preferential treatment in relation thereto by reason of relationship of such persons under this Agreement or any Parties in connection with the Company.

4. BOARD RESOLUTIONS

As soon as practical, the Shareholders shall procure the holding of a Meeting of the Board and shall thereat pass the following resolutions:

- 4.1 The appointment of the Wee Ah Kee and Michael Lim as Directors of the Company
- 4.2 The appointment of TKS Management Services as the Company Secretary
- 4.3 Adopting 31st December 2010 as the close of the first accounting period for the Company and 31 December each year thereafter as the closing date of the subsequent accounting period
- 4.4 Appointing Overseas Chinese Banking Corporation as bankers of the Company
- 4.5 Designating the registered office of the Company and
- 4.6 Conducting such other business as may be agreed between the shareholders or as may be usual at a meeting of the Board

5. BOARD OF DIRECTORS

- 5.1 The Board shall comprise up to five (5) Directors who shall be appointed in a manner specified in this agreement and the Articles.
- 5.2 The Shareholders agree that:
 - 5.2.1 the right of appointment of the Directors shall include the right at any time to remove from office any such persons appointed by the Appointer and appoint another person in his place and from time to time determine the period such persons shall hold office as Director. However at no time shall TOMI Environmental Solutions, Inc be represented by less than three (3) board members.
 - 5.2.2 where one (1) person reasonably requests for the replacement of a Director appointed by any other Shareholder the other shareholder shall not unreasonably refuse to remove that Director from the Board and replace him with another Director;
 - 5.2.3 any appointment or removal of a Director as aforesaid shall be made in writing and be signed by the appointer or the duly authorized officer of the appointer and shall take effect as from the date of its receipt at the office at the Company or on the date of the appointment specified in the notice , whichever is later. Any other mode of appointment or removal of Director shall not be valid.
 - 5.2.4 A Director, May at any time with the written consent of his appointer, appoint any other person (including another Director) to be his alternate and to remove such alternate Director. All appointments and removal of alternate Directors made by any Director shall be in writing under the hand of the Director making the same and shall take effect as of the receipt at the registered office of the Company or on the date of the appointment specified in the notice whichever is later. The appointment of an alternate Director shall determine ipso facto if his appointee ceases for any reason to be a Director
- 5.3 Additional Directors identified from the following areas may also be appointed to the Board provided that such Directors shall at any time be limited to five (5) :
 - 5.3.1 academics from tertiary institutions
 - 5.3.2 government officers
 - 5.3.3 industry partners in the environmental services industry
 - 5.3.4 training institutions
 - 5.3.5 National Trade Union Congress
 - 5.3.6 Representatives from relevant trade associations and/ or
 - 5.3.7 Building owners
- 5.4 The quorum for all meetings of the Board shall be two (2) Directors with at least one of those Directors being from TOMI Environmental Solutions, Inc each present by telephonic means or personally or by his appointed alternate. For the purpose of determining whether there exist a quorum, there shall be counted in the case of a resolution agreed by the Directors in telephone communications, all such directors and, in the case of meeting of Directors , in addition to the Directors present at the meeting, any Director in telephone communication with the meeting.
- 5.5 Each Director shall have one (1) vote. If the alternate Director shall be himself a Director his voting rights shall be cumulative but he shall count himself only as one (1) for the purpose of determining if a quorum is present.
- 5.6 A Director shall not be prohibited from voting or being counted

in a quorum at any meeting of the Board in respect of any contract or arrangement in which he is or may be interested provided he has disclosed the nature of his interest.

5.7 A resolution to be carried by the Board must be approved by the majority of the votes cast. In case of an equality of votes, the Chairman shall have a casting vote. A resolution signed by the majority of the Directors for the time being shall be valid and effectual as if it had been a resolution passed at a meeting of the Board duly convened and held. . For the purpose of this clause 'IN WRITING "AND SIGNED" include facsimile communication.

5.8 A meeting of the Board shall be held at least once every three (3) months. At least 14 working days' notice in writing of each meeting of the Board shall be given to each Director of the Company at the address from time to time provided by him to the Company for such purposes and such notice shall be accompanied by an agenda of the matters to be considered at the meeting. No decision shall be taken on any matter at a meeting of the Board unless of notice of such matter shall have been given in the manner aforesaid or waiver of such notice has been given in respect of such matters by all the members of the Board.

6. MANAGEMENT OF THE COMPANY

6.1 The management of the Company shall be vested in the Executive Director who shall at all times be responsible and subject to the control of the Board.

6.2 The Executive Director shall enter into a service contract with the Company. The terms and conditions of such a contract must be approved by the Board.

6.3 The Company may also establish technical and management committees and delegate to such committees the power and authority to formulate policies, guidelines and directions for the harmonious and successful management of the Company. Any Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the Board.

7. CONDUCT OF THE COMPANY AFFAIRS

7.1 The Parties shall exercise all rights available to them in relation to the Company to procure (so far as they are able to do so) during the term of this agreement:

7.1.1 the business of the Company and its subsidiaries consists of the Business

7.1.2 the Parties shall be given full opportunity to examine the books and the accounts kept by the Company and its subsidiaries and are supplied with all relative information including management accounts, operating statistics, and such other trading and financial information in such form as they reasonably require to keep each of them properly informed about the business of the Company and its subsidiaries and generally to protect their interests;

7.1.3 the Company complies with the provisions of its Memorandum and Articles of Association;

7.1.4 the Memorandum and Articles of Association of the Company are not altered and not further articles or resolutions inconsistent with them are adopted or passed unless the Parties agree in writing;

7.1.5 any Company which becomes a Subsidiary in the Asian-Pacific market of the Company adopts new articles of association in a form approved by the Parties in writing; The Company may not form any subsidiary outside of the Asian-Pacific market.

7.1.6 all cheques drawn by the Company in excess of Singapore dollars ten thousand (S\$10,000) are signed jointly by the Executive Director and any one of the other Directors;

7.1.7 Board meetings of the Company and each of its subsidiaries are convened , at regular intervals, not exceeding three (3) months , by not less than fourteen (14) days notice in writing accompanied by an agenda specifying the business to be transacted ; and

7.1.8 The Board determines the general policies of the Company and each of its subsidiaries (subject to the express provision of this agreement) , including the scope of their respective activities and operations and the Board reserves to itself all matters involving major and unusual decisions.

8. MATTERS REQUIRING THE CONSENT OF ALLPARTIES

8.1 The Shareholders shall exercise available to them in relation to the Company so as to procure that neither the Company nor any of its subsidiaries without the prior written consent of all Parties:

- 8.1.1 creates any fixed or floating charge , lien (other than a lien arising by an operation of law) or other encumbrance over the whole or any part of its undertaking , property or asset, , except for the purpose of securing indebtedness to its bankers for the sums borrowed in the ordinary and proper course of the Business;
- 8.1.2 makes a loan or advance of any amount or gives credit (other than the normal trade credit) to any Persons, apart from the deposit with bankers;
- 8.1.3 sells, transfers, lease, assigns or otherwise disposes of a material part of its undertaking, property or assets (or any interest in them) , or contracts to do so otherwise than in the ordinary and proper course of business ;
- 8.1.4 enters into a contract , arrangement or commitment involving expenditure on capital account or the realization of capital assets if the amount or the aggregate amount of the expenditure or the realization of the company and all of its subsidiaries would exceed Singapore dollars fifty thousand (\$\$50,000) in one (1) year or in relation to any one project ; for the purpose of this paragraph the aggregate amount payable under an agreement for hire, hire purchase or purchase on credit sale or conditional sale terms is to be treated as capital expenditure in the year in which the agreement is entered into;
- 8.1.5 appoints or dismiss a Director except in accordance with the rights conferred on the shareholders under Clause 5 to appoint and remove Directors;
- 8.1.6 appoints a Committee of Directors or delegates any powers of the Directors to a Committee;
- 8.1.7 takes or agrees to take a lease hold interest in or license over a land;
- 8.1.8 issues any shares or creates any new shares , except as expressly permitted under this agreement or by the Company's Articles of Association;
- 8.1.9 consolidates , sub divide or converts any of the Company's share capital ;
- 8.1.10 issues renounceable allotment letters or permits any Person entitled to receive an allotment of the shares to nominate another Person to receive the allotment except on terms that no renunciation or nomination shall be registered unless the renounee or Person nominated is approved by the Board;
- 8.1.11 creates or acquires a subsidiary or dispose of any shares in a subsidiary;
- 8.1.12 enters into partnership or profit sharing agreement;
- 8.1.13 does or permit to be done any act or thing whereby the Company may be wound up (whether voluntarily or compulsorily) , in accordance with the terms of this agreement;
- 8.1.14 issues security convertible into shares or debentures , or share warrants or options in respect of Shares;
- 8.1.15 enters into a contract or transaction except in the ordinary and proper course of businesses on arm's length terms;
- 8.1.16 acquires , purchase or subscribe for shares, debentures , mortgages or securities (or any interest in any of them) in any Person;
- 8.1.17 creates a contract or obligations or renews or varies the terms of an existing contract or obligation , to pay money or money's worth to any member of the Company or to the Holding Company of a member or to any other subsidiary of a Holding Company or to any Person as nominee of a member or a relevant Holding Company or Subsidiary;
- 8.1.18 holds a meeting of the Parties or purports to transact any business at a meeting unless there are present duly authorized representatives or proxies for each of the Parties.

9. FINANCE

9.1 Subject to the Articles or the decisions of the Board , the Shareholders agree that any capital required by the Company for the Business and new projects of the Company shall be provided by :

9.1.1 firstly , by application for grant and/ or subsidies from the relevant governmental or statutory bodies and agencies; and

9.1.2 secondly , by credit facilities from banks and other financial institutions on the strength of the Company's assets and profitability; and

9.1.3 thirdly, by way of loans from Parties or Shareholders in proportions which reflects their respective shareholdings in the Company at the date on which such loans are to be made; and

9.1.4 fourthly , by the Shareholders by way of further capital contributions in proportions which reflect their respective shareholdings in the Company at the date on which such contributions are to be made.

9.2 Save as provided in Clause 9.1 , none of the Shareholders undertakes to provide any loan or share capital to the Company nor to give any guarantee or indemnity in respect of any of the Company's liabilities or obligations.

10. DIVIDEND POLICY

10.1 profits shall be available for distribution as dividend by the Company on a quarterly basis based on management accounting, However TOMI-US may elect to allow 25 percent of its quarterly profits to be held back for additional operating expenses within the first financial year of the commencement of Business;

10.2 Subsequent financial years after the commencement of Business, where there are profits available in any such financial year the Parties shall procure that in the absence of agreement to the contrary, that at least twenty-five percent from ZERA and twenty-five percent (25)from TOMI-US(25) of such profits subject to a maximum of two hundred thousand Singapore dollars (\$200,000) shall be retained by the Company for the purpose of the Business. The balance of such profits available for distribution and shall be distributed by way of cash dividends by the Company.

10.3 Any Dividend shall be distributed ten days after the close of the quarter. In deciding whether in respect of any financial year the Company has any profits available for distribution the Parties shall procure that the auditors of TOMI-US shall certify whether such profits are available or not and the amount thereof (if any) . In giving such certificate the auditors shall act as experts and not as arbitrators and their determination shall be binding on the Parties.

11. EXERCISE OF VOTING RIGHTS

11.1 Each Shareholder shall :

11.1.1 exercise all voting rights and powers available to it in relation to the Company so as to give full effect to the terms of this Agreement , where appropriate , the carrying into effect of the terms as if they were embodied in the memorandum and articles of association;

11.1.2 procure that the Directors nominated by it support and implement all reasonable proposals put forward at Board and other meetings of the Company for the proper development and conduct of the Business as contemplated in this Agreement;

11.1.3 procure that all third (3rd) parties directly or indirectly under its control refrain from acting in a manner which hinders or prevents the Company from carrying on the Business in a proper and reasonable manner; and

11.1.4 generally use its best endeavors to promote the Business and the interest of the Company and its Subsidiaries

12. SALE AND TRANSFER OF SHARES

Save as otherwise expressly provided in this agreement , none of the Parties shall be entitled during the term of this agreement to sell, transfer, charge, encumber, grant options over or otherwise dispose of any of the Shares or any beneficial interest in any of the shares now owned or to be acquired after the date of this Agreement by it in the Company under or pursuant to this Agreement or by virtue of its shareholdings in

the Company except with the prior written consent of the other parties and in compliance with the provision of the Articles unless TOMI-US is mandated by banking or regulatory rules or laws.

13. TERMINATION

13.1 This agreement shall continue in full force and effect until the termination in accordance with the provision of this clause. Termination shall not affect any provision of this agreement expressed to have effect after such termination or any rights which any party may have against another party subsisting at the time of termination.

13.2 Any of the parties shall be entitled to terminate this agreement forthwith by notice in writing (but not after thirty (30) days of the event in question first coming to the attention of the party entitled to give notice) if any of the events set out below shall occur. Such notice shall be served upon the party to which the event or events related and copies of such notice shall be given to all other parties to this Agreement. The effect of the notice shall be to terminate this Agreement as between the defaulting party and the remaining parties, but this Agreement shall continue in full force and effect as between such remaining parties (if more than one (1) but not otherwise. The relevant events are, if :

13.2.1 one party shall commit any material breach of any of its/ his obligations under this Agreement and shall to remedy the breach (if capable of remedy) within forty-five (45) days after being given notice by any of the other parties to do so; or

13.2.2 any party, being a company, shall go into liquidation whether compulsory or voluntary (except for the purpose of a bona fide reconstruction or amalgamation with the consent of the other party or parties , such consent not to be unreasonably withheld) or any party shall have an administrator appointed or shall have a receiver , administrative receiver or manager appointed over any part of its assets or undertaking; or

13.2.3 any party , being an individual, shall be adjudged bankrupt or shall die or become a patient for the purpose of any statute relating to mental health ; or

13.2.4 There shall be any change in the control of any party.

13.3 This Agreement shall terminate in respect of any party (but shall continue with the other parties if more than one (1) but not otherwise) , if , at any time as a result of a transfer of shares made in accordance with this Agreement (including, without limit, compliance with the provision of Clause 12) that party holds no shares in the capital of the company.

ARBITRATION

Any controversy or claim arising out of or related to this Agreement, any addenda hereto, or any breach thereof, shall be settled by mandatory binding arbitration in accordance with the rules and procedures of the American Arbitration Association ("AAA") in California. The award for the arbitrator may be enforced by any court having proper jurisdiction thereof. The award of the arbitrator shall be final and binding upon the Parties. The costs of such arbitration (excluding the attorneys' fees and costs of each of the Parties) shall be shared equally by the Parties. To the extent permitted by the Law, the Parties hereby jointly and severally waive any and all right to trial by jury in any action or proceeding arising out of or relating to this Agreement, or the obligations hereunder. The Parties each represent to the other that his Waiver is knowingly, willingly and voluntarily given.

14. CONSEQUENCES OF NOTICE UNDER CLAUSE 13

14.1.1 Upon the service of the notice of termination under clause 13.2.1 to 13.2.4 the person on whom it is served shall be required to sell all of its ordinary shares in the Company to the other parties hereto upon the following terms:

14.1.2 the Directors shall appoint the auditors for the time being of the Company to certify the fair value of the shares being so offered for sale on the basis specified in Clause 14.4 (and on the basis that their fees and expenses in so certifying shall be borne by the recipient {or as required});

14.1.3 Upon receipt of the auditor's certificate the Directors shall circulate a copy of it to TOMI-US who has right of first refusal, providing TOMI-US is not the breaching

company. If TOMI-US refuses to accept the offering then it will offered to other parties, as agent for the Transferor (as it hereby irrevocably authorizes) and specifying a period (not being less than 14 days) during which such offer must be accepted;

14.1.4 in the case of competition for the shares being offered between the parties to whom they are being offered, the shares so offered shall be sold to acceptors in proportion (as nearly as maybe without involving fractions or increasing the number to any shareholder beyond that applied for by him) to their existing holding of shares;

14.1.5 upon receipt by accepting shareholders of their acceptance to purchase all or any of the shares being so offered the Transferor on the one part and the accepting shareholder on the other part shall in respect of the shares agreed to be taken up be bound to sell and buy the same respectively and completion of such sale and purchase shall take place within thirty (30) days thereof

14.2 If there shall be insufficient acceptors of the offer made under clause 14.1 to ensure the sale of all the Transferor's share in the Company the Transferor may , within fourteen (14) days of the date upon which the said offer closed, serve a notice on all the other parties requiring each of them to sell to the Transferor or such third (3rd) party as the Transferor shall nominate all the shares in the Company at a fair value and on service of such notice the other party shall become bound to sell and the Transferor shall become bound to buy the same respectively and completion of such sale and purchase shall take place within thirty (30) days thereof.

14.3 If the Transferor shall serve no notice under clause 14.2 by the expiration of the said period of fourteen days the parties shall refer such matter to an arbitrator.

14.4 In certifying a fair value of the shares to be sold and purchased under this clause , the auditors are irrevocably instructed to value the shares to be bought and sold at the same proportion of the market value of the Company as a whole on that date as the relevant shareholding bears to the whole issued ordinary share capital of the Company on that date but otherwise they shall take into account all circumstances that seem them relevant, including that of the breach of any provision of this Agreement by the Transferor. In so acting , the auditors are instructed to act as expects and not as arbitrators at their decision shall (save in respect of manifest error) be final and binding on the parties to the sale and purchase for all purpose.

15. EFFECTS OF TRANSFER

15.1.1 In the case of a transfer of the shares by any of the Parties to a third (3rd) party as provided in Clauses 12 and 14 , the transfer shall , unless otherwise agreed by the other Parties, be subject to this agreement and take effect upon:

15.1.2 the execution of a ratification by the transferee in favour of the other shareholders by which the transferee agrees to be bound by terms identical , mutatis mutandis, to the terms of this Agreement (including the terms of this clause as regards any subsequent transfer of shares) ; and

15.1.3 the transferee taking over the financial assistance provided by the transferor to the Company

16. DEADLOCK

16.1 If at any Board meeting, the Directors are unable to obtain consent of all the parties for any matters specified in Clause 8 and brought up at such meeting, such matters shall be referred to the Parties for their consideration.

16.2 Where a matter is referred to the Parties and the Parties are unable for any reason whatsoever to resolve the matter within one (1) month from the date of the referral, The Board of Directors of TOMI US as the controlling party shall make the final decision in that matter.

16.3

17. NON COMPETITION RESTRICTIONS

17.1 None of the Parties shall , while it is beneficiary interested in any Shares or for a period of three (3) years , do or permit any of the following without the prior consent of the Majority Party and or Parent Company TOMI-US:

- 17.1.1 either solely or jointly with or on behalf of any other person directly or indirectly carry on or be engaged or interested (except as the holder , for investment, of securities dealt in on a recognized stock exchange) in any business competing in the Business of TOMI;
- 17.1.2 solicit the custom of any person who is or has been at any times been interested in any of the Business of TOMI or its subsidiaries Shares a customer of the Business for the purpose of offering to that Person goods or services similar to or competing with those of the Business of TOMI;
- 17.1.3 solicit or entice away , or endeavor to solicit or entice away , any Director or employee of the Company or of any subsidiary of the Company , but without prejudice to the right of the Parties to terminate arrangements under which any of its employee is seconded to the Company or subsidiary;
- 17.1.4 cause or permit any Person directly or indirectly under its control to do any of the acts or things specified above.
- 17.2 Each of the undertaking in clause 17.1 shall be treated as independent of the other undertakings so that, if one (1) or more is held to be invalid as an unreasonable restraint of trade or for any other reason, the remaining undertakings shall be valid to the extent that they are not affected.
- 17.3 Whilst the undertaking in Clause 17.1 are considered by the parties to be unreasonable in all the circumstances, if one (1) or more is held invalid as an unreasonable restraint of trade or for any other reason but would have been held valid if part of the wording has been deleted, the period reduced or the range of activities or area dealt with reduced in scope, the undertaking shall apply with such modifications as may be necessary to make them valid.

18. PROTECTION OF NAME

None of the Parties shall, while the Company or its subsidiaries carry on the Business or during the three (3) year protected time after the dissolution of the company or its subsidiaries , use or permit the use of the name TOMI Environmental Solutions, The Ozone Man, or TOMI- Singapore, or any similar trading name.

19. NOTICES

- 19.1 Any notice to be given for the purpose of this Agreement shall be given in writing and shall either be delivered personally or send by registered post or telefax to the respective addresses of the Parties set forth in this agreement or their respected registered offices at the time of such notice or at any other address which any of the Parties hereto may have notified the others in writing.
- 19.2 A notice shall be deemed to have been served as follows:
- 19.2.1 is personally delivered at the time of delivery
- 19.2.2 if sent by registered post , at the expiration of forty eight (48) hours after the same was delivered into the custody of the postal authorities; and
- 19.2.3 if sent by telefax , at the expiry of 12 hours after dispatch.
- 19.3 In providing such service, it shall be sufficient to prove that personal delivery was made or that the envelope containing such notice was properly addressed and delivered into the custody of the postal authorities as a registered letter or that the telefax was properly addressed and dispatched.
- 19.4 Notice to ZERA shall be sent to:
Mr. Wee Ah Kee
112 Springleaf Avenue, Dalla Vela
Singapore, 8788502
- Notice to TOMI Environmental Solutions, Inc shall be sent to:
Legal Department
TOMI Environmental Solutions
9454 Wilshire Blvd
R-1
Beverly Hills, California, 90212
- With a copy to:
Harold Paul, Esq
2 North Brisa Fresca Drive
Santa Fe, New Mexico.87506

20. GOVERNING LAWS AND JURISDICTION

This agreement shall be construed in accordance with the laws of Singapore. The Parties hereby submit that this agreement be governed by and construed in accordance with the laws of the State of California, in the United States of America.

21. PERFORMANCE OF ACTS

21.1 The Parties shall do all acts and things, sign and execute, procure all other necessary persons to execute and do all such further deed assurances acts and things as may be reasonably required so that full effect may be given to the terms and conditions of this Agreement.

21.2 The parties shall undertake with each other to do all things reasonably within their power which are necessary and desirable to give effect to the spirit and intent of this agreement.

22. ASSIGNMENT AND TRANSFER

In the event of any conflict between the provisions of this Agreement and the Articles by a court or competent jurisdiction to be invalid, void or unenforceable the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way. This Agreement shall prevail and the Parties shall wherever necessary procure the Articles to be amended to reflect the provisions of this agreement.

23. CONFIDENTIALITY

(A) All of the parties attest that they have signed a Non-Disclosure and Non-Compete agreement (attached as exhibit B) the parties also acknowledge and agree that during the term of this agreement the parties of ZERA and its present and future representatives shall have access to and become acquainted with financial, personnel, sales, proprietary information, technical and other information regarding compilations, programs, devices, techniques, operations, plans and process that are owned by TOMI, actually or potentially used in the operation of TOMI's business, or obtained from third parties under an agreement of confidentiality, and that such information constitutes TOMI's "trade secrets".

(B) ZERA and its representatives specifically agree not to misuse, misappropriate, or disclose in writing, orally or by electronic means, any trade secrets or proprietary information directly or indirectly, to any other person or use them in any way, either during the term of this agreement or at any other time thereafter, except as is required in the course of business.

(C) ZERA and its representatives acknowledge and agree that the sale or unauthorized use or disclosure in writing, orally or by electronic means, of TOMI's trade secrets obtained by ZERA under this agreement, including information concerning TOMI's actual or potential work, TOMI's methodology, its services, or products, the facts that any such work, services, or products are planned, under consideration, or in production, as well as any description thereof, constitute unfair competition. ZERA and its representatives promise and agree not to engage in any competition with TOMI, either during the term of this agreement or at any other time thereafter for a period of three (3) years in its geographic location or any other location in the world.

(a) ZERA and its representatives further agree that all files, records, documents, specifications, equipment, software, and similar items whether maintained in the hard copy or on-line relating to TOMI's business, whether prepared by TOMI, ZERA or others, are and shall remain exclusively the property of TOMI and that they shall not be removed from the premises of its offices or TOMI-Singapore's offices or, if kept on-line, from the computer systems of TOMI only with the express prior written consent of TOMI's Board of Directors.

ZERA and its representatives acknowledge and agree that the names and addresses of TOMI's and TOMI's Singapore's customers constitute trade secrets of TOMI and that the sale or unauthorized use or disclosure of any of TOMI's trade secrets obtained by ZERA or its representatives constitutes unfair competition.

ZERA and its representatives promise and agree not to engage in any unfair competition with TOMI. None of the parties shall divulge to any Persons (other than those whose province is to know it or with proper authority) or use for any purpose of the trade secrets or confidential information or any financial or trading information relating to the other parties or company or any of its subsidiaries which it acquires as a result of entering into this agreement. Each of the parties shall endeavor to prevent its employees from doing anything which, if done by a party, would be a breach of this clause. This restriction shall continue to apply after the expiration or termination of this agreement without limit

in point of time but shall cease to apply to secret or information which comes into the public domain through no fault of the parties concern.

24. Ownership of Customer Records

(A) All records documented in any form i.e. digitally, electronically recorded, written or any other form that contains the accounts of customers, route books, and any other records and books relating in any manner whatsoever to the customers of TOMI, whether prepared by TOMI-SINGAPORE personnel or otherwise, shall be the exclusive property of TOMI regardless of who actually possesses the original book or record.

(B) All such books and records shall be immediately returned to TOMI-US by TOM-Singapore on termination of this Joint Venture.

24. EXCLUSION OF PARTNERSHIP

Nothing herein shall be deemed to constitute any partnership or agency between the parties and none of the parties shall have any authority to act or assume any obligations or responsibilities on behalf of the other parties.

25. WHOLE or SOLE AGREEMENT

This agreement contains the whole agreement between the Shareholders with respect to the subject matter hereof and supersedes any prior expression of intention or understanding with respect to this transaction and all previous agreements, specifically the agreement between TOMI-US and TOMI-Singapore ,Dated November 21,2010 is null and void. The parties in respect of such matters and each of the parties to this Agreement acknowledges that in agreeing to enter into this Agreement they have not relied on any representation or warranties except for those contained in this agreement.

26. SEVERABILITY

In the event of any provision or part thereof of this Agreement is declared by any judicial or other competent authority to be void voidable illegal or otherwise unenforceable in any respect , it shall be deemed to be deleted from this agreement and shall be of no force or effect as if such provision or part thereof had not originally been contained in this Agreement PROVIDED THAT this clause shall not apply where the provision in question or part thereof which is declared to be void voidable or illegal or otherwise unenforceable is fundamental to the performance of this Agreement and the effect of such declaration is to defeat the original intention of the Shareholders. The remaining provisions shall never less continue in full force without being impaired or invalidated in any way

27. AMENDMENTS EXTENSIONS AND WAIVERS

This Agreement shall not be varied in any respect except by instrument in writing stating the amendment or modification signed by all the parties.

IN WITNESS THEREOF this Agreement has been entered into the day and year first above written.

SIGNED BY:
DR.HALDEN S. SHANE)
CEO and Chairman)
For and on behalf of)
TOMI Environmental Solutions)

SIGNED BY:
Mr. WEE AH KEE and)
Mr. ANDREW LEONG TZIN MIN)
Mr. MICHAEL LIM TIONG HOE)
For and on behalf of)
ZERA Investments Pte Ltd)
(a holding company))
In the presence of)

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Halden S. Shane, certify that:

1. I have reviewed this Annual Report on Form 10-K of TOMI Environmental Solutions, Inc.;

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 registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant 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;

5. The registrant's other certifying officer and 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 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: March 30, 2011

By: /s/ Halden S. Shane

 Halden S. Shane
 Chairman of the Board and
 Chief Executive Officer
 (Principal Executive Officer)
 (Authorized Officer of Registrant)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Halden S. Shane, certify that:

1. I have reviewed this Annual Report on Form 10-K of TOMI Environmental Solutions, Inc.;

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 registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant 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;

5. The registrant's other certifying officer and 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 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: March 30, 2011

By: /s/ Halden S. Shane

Halden S. Shane
Chief Financial Officer
(Principal Financial Officer)
(Principal Accounting 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, 2010, as filed with the Securities and Exchange Commission on March 30, 2011 (the "Report"), I, Halden S. Shane, Chairman of the Board and Chief Executive Officer (Principal Executive Officer) of the Company, certify, 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, as amended; 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: March 30, 2011

By: /s/ Halden S. Shane

Halden S. Shane
Chairman of the Board and
Chief Executive Officer
(Principal Executive 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, 2010, as filed with the Securities and Exchange Commission on March 30, 2011 (the "Report"), I, Halden S. Shane, Chief Financial Officer (Principal Financial Officer) of the Company, certify, 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, as amended; 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: March 30, 2011

By: /s/ Halden S. Shane

Halden S. Shane
Chief Financial Officer
(Principal Financial Officer)