

Complaint Procedures for Accounting and Auditing Matters JMAR Technologies, Inc.

The Company is committed to achieving compliance with all applicable securities laws and regulations, accounting standards, accounting controls and audit practices. The Audit Committee of JMAR's Board of Directors will oversee receipt of complaints or concerns in this area.

In order to facilitate the reporting of complaints regarding accounting or auditing matters, JMAR's Audit Committee has established the following procedures for (1) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, or auditing matters and (2) the confidential, anonymous submission by employees of complaints or concerns regarding questionable accounting or auditing matters.

Receipt of Complaints

1. Complaints received from a **non-employee** regarding JMAR's financial statement disclosures, accounting, internal accounting controls or auditing matters ("Accounting Matters") shall promptly be forwarded to JMAR's General Counsel.
2. **Employees** may submit, on a confidential, anonymous basis if the employee so desires, any concerns or complaints regarding Accounting Matters or violations of JMAR's "Code of Business Conduct and Ethics" or its "Code of Ethics for CEO and Senior Financial Officers". All such concerns shall be set forth in writing and sent in a sealed envelope to JMAR's General Counsel in an envelope marked CONFIDENTIAL and addressed as follows:

General Counsel
JMAR Technologies, Inc.
5800 Armada Drive
Carlsbad, CA 92008

If an employee is uncomfortable for any reason contacting JMAR's General Counsel, the employee may forward the complaint or concern regarding Accounting Matters to the Chairman of the Audit Committee in a sealed envelope marked CONFIDENTIAL and addressed as follows:

Chairman of the Audit Committee
JMAR Technologies, Inc.
5800 Armada Drive
Carlsbad, CA 92008

If the employee would like to discuss any matter with the General Counsel or the Chairman of the Audit Committee, the employee should indicate this in the submission and include a telephone number at which he or she might be contacted if the General Counsel or Audit Committee deems it appropriate. Employees who choose to identify themselves will receive a reply within ten (10) days of receipt of their communication.

Scope of Matters Covered by These Procedures

These procedures relate to complaints relating to any questionable accounting or auditing matters, including, without limitation, the following:

- fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of JMAR;

- fraud or deliberate error in the recording and maintaining of financial records of JMAR;
- deficiencies in or noncompliance with JMAR's internal accounting controls;
- misrepresentation or false statement to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports of JMAR; or
- deviation from full and fair reporting of JMAR's financial condition.

Treatment of Complaints

- Upon receipt of a complaint, the General Counsel will (i) determine whether the complaint actually pertains to Accounting Matters and (ii) when the complaint contains the name of the sender, acknowledge receipt of the complaint to the sender.
- Complaints relating to Accounting Matters will be reviewed under Audit Committee direction and oversight by the General Counsel or such other persons as the Audit Committee determines to be appropriate. The review will be conducted in a confidential manner to the fullest extent possible, consistent with the need to conduct an adequate review.
- Prompt and appropriate corrective action will be taken when and as warranted in the judgment of the Audit Committee.
- JMAR will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee in the terms and conditions of employment based upon any lawful actions of such employee with respect to good faith reporting of complaints regarding Accounting Matters or otherwise as specified in Section 806 of the Sarbanes-Oxley Act of 2002.

Reporting and Retention of Complaints and Investigations

- The General Counsel will maintain a log of all complaints, tracking their receipt, investigation and resolution and shall prepare a periodic summary report thereof for the Audit Committee at its meetings, or more frequently, if warranted. Copies of complaints and such log will be maintained for seven years.