

LAW ENFORCEMENT ASSOCIATES CORPORATION PROCEDURES FOR TRADING STOCKS

As a public company, there are inherent dangers when it comes to our officers, directors, and others purchasing and selling our stock. We have discussed this with securities counsel, and he provided us with some insights on this subject. As a result, this, we have formulated a policy and procedure which must be followed before anyone affiliated with us can either purchase or sell our stock. This applies to all officers, directors, employees and their families.

1. There are certain windows when trading in our stock is prohibited. No trading is permitted until 72 hours after the filing of our 10-K, 10-Q or any 8-K with the SEC. Each of these reports contains material information about the company and this gives the markets and the public adequate time to digest the information.
2. Prior to the filing of the 10-K or 10-Q, there can be no trading in our stock when we have preliminary financial statements or projections which have not been disseminated to the public. Once we begin to assemble the financials, no trading can occur until after the time period set forth above.
3. No trading can occur when we are negotiating a purchase of another business or the assets of a business. If the company enters into a Letter of Intent, we will announce it, but no trading can occur until 72 hours after the company files an 8-K reporting the acquisition or 72 hours after the company announces that it will not be moving forward with the acquisition.
4. There is also the issue of trading after the company makes announcements. This depends on the type of announcement made, but our general rule is if it is material, then no trading should occur until 72 hours have passed.
5. When you have access to material information, you are not to discuss such information with anybody outside the company as they might then illegally trade our stock on such information. If you are in doubt if something is "material" it probably is. When in doubt, don't give out information and don't trade. Prior to giving out any information, consult with senior management and our counsel.
6. Prior to making any trade in our stock, inform our president or his assistant and get an okay from our securities counsel. This is most important as our counsel can provide an objective viewpoint on not only 1-5 above, but also

other factors which might come into place when deciding whether to permit insiders to buy or sell our stock.