

**ACME COMMUNICATIONS, INC.
CODE OF CONDUCT AND ETHICS
FOR
DIRECTORS, OFFICERS AND EMPLOYEES**

SECTION I. COMPANY POLICIES

A. ETHICAL STANDARDS

This Code of Conduct and Ethics for Directors, Officers and Employees (this “Code”) has been adopted by the Board of Directors (the “Board”) of ACME Communications, Inc. (the “Company”). The honesty, integrity, sound judgment and professional and ethical conduct of our Directors, Officers and Employees (“Covered Persons”) is fundamental to the reputation, functioning and success of the Company. Accordingly, the Board has adopted this Code as a set of guidelines pursuant to which Covered Persons should perform their duties.

In carrying out their duties, each Covered Person must:

- Act with honesty and integrity, including the ethical handling of any actual or apparent conflict of interest between personal and professional relationships;
- Promote full, fair, accurate, timely and understandable disclosure in the reports and documents that the Company files with, or submits to, the Securities and Exchange Commission and in other public communications made by the Company;
- Encourage and reward professional integrity in all aspects of our organization and eliminate barriers to responsible behavior, such as coercion, fear of reprisal or alienation from the Company;
- Comply and take all reasonable actions to cause the Company to comply with applicable governmental laws, rules, and regulations;
- Promptly report violations of this Code, including any violations of governmental laws, rules or regulations to the Chair of the Audit Committee; and
- Promote ethical and honest behavior in the workplace.

In order to provide for the education of all Covered Persons, the Company will provide, as appropriate, information about federal, state, provincial and local laws, rules and regulations relevant to the performance of their duties.

B. WAIVERS

Any request for a waiver of any provision of this Code must be in writing and addressed to the Chairman of the Company's Audit Committee, who shall have the sole and absolute discretionary authority to approve any such waiver, unless the Covered Person is subject to the additional requirements for Directors, Executive Officers and Senior Financial Officers, as described below.

Any request for a waiver of any provision of this Code by a Director, Executive Officer or Senior Financial Officer must be in writing and addressed to the Audit Committee, which shall have the sole and absolute discretionary authority to approve any such waiver. Any waiver and the grounds for such waiver for a Director, Executive Officer or Senior Financial Officer shall be disclosed through a filing on SEC Form 8-K, or disclosed in accordance with the Form 8-K, within five business days.

SECTION II. COMPANY PROCEDURES

A. REPORTING

- A.1 Responsibility.** The Company's senior management is charged by the Board of Directors with ensuring that this Code will govern, without exception, all business activities of the Company.
- A.2 Conduct Outside This Code.** Conduct contrary to that specified in this Code is considered outside the scope of the Covered Person's duties or employment. Any illegal or unethical action, or the appearance of misconduct or impropriety by anyone acting on the Company's behalf, is unacceptable.
- A.3 Reporting Violations.** The Company is committed to establishing a culture that promotes prevention, detection and resolution of instances of conduct within the Company that do not conform to Company policies and applicable laws and regulations. Accordingly, the Company encourages all Covered Persons to bring violations of this Code to the attention of senior management through normal reporting channels or by reporting the violations through the procedures set forth in this Code. Any good faith communication of violations will be kept confidential to the extent practicable. There will be no retribution for making such a communication in good faith relating to the conduct of others.
- A.4 Administration.** This Code will be administered by the Company's Compliance Officer, or his/her designee, and will be overseen by the Audit Committee of the Company's Board of Directors.
- A.5 Compliance Officer.** The Company has appointed the Chairman of its Audit Committee, as its Compliance Officer. The Compliance Officer will consult in a confidential manner on specific issues and matters of policy covered by this Code. The Compliance Officer will maintain, to as great a degree as possible, the confidentiality of any person who reports in good faith a suspected violation. The Company's Compliance Officer will report periodically to the other members of the Company's Audit Committee.
- A.6 Compliance Telephone Line.** The Company has established a confidential toll-free Compliance Telephone Line that can be accessed 24 hours a day, as set forth in Section B.4 below.
- A.7 Audit Committee.** Any Covered Person that has a concern about the Company's accounting, internal accounting controls or auditing matters may also communicate that concern directly to the Audit Committee. Communications about these matters are confidential and can be made anonymously and may be sent by mail or fax to the location and number set forth in Section B.4 below.
- A.8 Certification.** All Covered Persons will be required, on an annual basis, to certify their understanding of and compliance with the requirements of this Code. Certification

requires signing and returning a Certificate of Compliance in a form supplied by the Company. Failure to do so will be deemed refusal to comply with this Code and may result in disciplinary action.

- A.9 Sanctions.** Covered Persons who fail to comply with this Code or to cooperate with any investigation will be subject to disciplinary action. In addition, any supervisor, manager, director or officer who directs, approves or condones infractions, or has knowledge of them and does not act promptly to report and correct them in accordance with this Code, will be subject to disciplinary action. Disciplinary action may include reassignment, demotion, suspension or, where appropriate, dismissal. Such a party might also be subject to legal proceedings to recover the amount of any other losses that the Company may have incurred as a result of such violation. Actions that violate this Code may also lead to prosecution of the individual under any applicable criminal statutes.
- A.10 Sarbanes-Oxley Matters.** This Code is intended to comply with the requirements of Section 406 of the Sarbanes-Oxley Act of 2002, the rules adopted by the Securities and Exchange Commission (“SEC”) to implement Section 406 of the Act, as well as the rules of the Nasdaq Stock Market, Inc. (“Nasdaq”).

B. COMPLIANCE PROCEDURES

- B.1 Company Policies.** The Company is committed to establishing a culture that promotes prevention, detection and resolution of instances of conduct within the Company that do not conform to our policies or state and federal laws and regulations. Every Covered Person has a responsibility to report any instances of misconduct as defined above to:

- His or her immediate supervisor;
- The Compliance Officer;
- Another member of the Audit Committee; or
- The Company’s Compliance Telephone Line.

Employees will not be subject to retaliation for reports, made in good faith, of suspected violations.

- B.2 Supervisor Responsibilities.**

- Supervisors who receive reports from employees that involve questions about the Company’s financial statements or financial reporting, or the behavior of any director or executive officer, should immediately report the information to the Compliance Officer.

Any reports that the supervisor believes to involve a breach of this Code of Conduct or other Company policies should be reported promptly to the Compliance Officer.

B.3 Employee Responsibilities. When an employee is faced with a situation that seems unethical or improper, he or she should discuss the problem with a supervisor. The supervisor will respond to any inquiry and/or refer the question to the appropriate personnel within the Company.

- ***Seek Help from Company Resources.*** In the rare case where it may not be appropriate to discuss an issue with a supervisor or where an employee does not feel comfortable approaching his or her supervisor, or the concern has already been raised and it has not been addressed to satisfaction, the employee should report the issue to the Compliance Officer as outlined in B.4 below

B.4 Reporting Potential Compliance Violations

- The Company Compliance Line can be reached toll-free at (800) 346-1816 and is accessible 24 hours a day. Reports can also be made by email at complianceofficer@acmecommunications.com or by mail by sending correspondence to the ACME Communications, Inc., 2101 E. Fourth St., Suite 202A, Santa Ana, CA 92705, Attention: Compliance Officer.
- The Compliance Officer will look into the information provided and will take action if it is needed.
- Any Covered Person reporting information may choose to remain anonymous. If the individual chooses to remain anonymous, he or she should call the Company Compliance Line and follow the directions set forth in the outgoing message. This will ensure complete anonymity. In addition, the Compliance Officer will maintain, to as great a degree as practical, the confidentiality of the identity of any Covered Person who reports in good faith a suspected violation.
- If the Covered Person chooses to identify himself or herself, that person's identity will not be revealed unless it is legally necessary. Note that there may be times when a person may give anonymous information and then is later contacted about it because he or she works in the department under review. In most cases, this will be a coincidence.
- The Covered Person should be prepared to describe the violations as completely as possible, including dates, names and departments. He or she may also be asked to provide the names of other persons who might be able to give further information.
- The Compliance Officer will insure that every call is documented, and when appropriate, will work with legal counsel to decide whether the problem requires a review by the Audit Committee or needs to be referred to management.

C. NON-RETALIATION AND NON-RETRIBUTION FOR REPORTING

The Company understands that individuals may not report concerns if they feel they will be subject to retaliation, retribution, or harassment for reporting their concerns. Therefore, Covered Persons, including Company supervisors, managers and employees, are not permitted to engage in retaliation, retribution, or any form of harassment directed against anyone who reports a compliance concern in good faith.

Any Covered Person who engages in retaliation, retribution or harassment (including discharge, demotion, suspension, threatening, harassing, or in any other manner discriminating against a reporting person because of any lawful act done by the reporting person) is subject to discipline, up to and including dismissal for a first offense.

All instances of retaliation, retribution, or harassment against reporting persons will be brought to the attention of the Compliance Officer who will, in conjunction with the Corporate office, investigate and determine the appropriate discipline, if any.

Prompt and forthright disclosure of an error by any Covered Person – even if the error constitutes inappropriate or inadequate performance – will be considered a positive and constructive action. If, however, any Covered Person reports a concern regarding the Covered Person’s own inappropriate or inadequate actions, reporting those concerns does not exempt that person from the consequences of those actions.

ANNUAL CERTIFICATE OF COMPLIANCE
with the
CODE OF CONDUCT AND ETHICS
FOR
DIRECTORS, OFFICERS AND EMPLOYEES

I certify that:

1. I have read and understand the Code of Conduct and Ethics for Directors, Officers and Employees (the "Code"). I understand that my supervisor or the Compliance Officer is available to answer any questions I have regarding the Code.

2. Since April 2, 2004, the date the Board adopted this Code, or such shorter period of time that I have been a director, officer or employee of the Company, I have complied with the Code, except as noted below.

3. I agree to comply fully with the standards contained in this Code and I will continue to comply with the Code for as long as I am a director, officer or employee of the Company.

4. I understand that the Code is a statement of certain fundamental principles, policies and guidelines that govern the Company's Covered Persons in the conduct of the Company's business. It is not intended to and does not create any rights in any employee, customer, supplier, competitor, stockholder or any other person or entity.

Signature: _____

Printed Name: _____

Date: _____

Title or Position: _____

Location: _____