

Compensation Committee Charter

The following Compensation Committee Charter was adopted by the Board of Directors of Velocity Asset Management, Inc. (the "Company"):

1. Members. The Board of Directors appoints a Compensation Committee of at least two (2) members, consisting entirely of "outside" directors of the Board and designates one (1) member as chair. "Outside Director" means a director who meets the definition of "outside director" under the Regulations to Section 162(m) of the Internal Revenue Code, as determined by the Board of Directors. In addition, each member of the Compensation Committee must meet the definition of "independent director" within the rules and regulations of the Securities and Exchange Commission ("SEC") , and The American Stock Exchange or the Over The Counter Bulletin Board (as applicable), as determined by the Board of Directors. Each appointed member of the Compensation Committee will be subject to annual reconfirmation and may be removed by the Board of Directors at any time.

2. Purposes, Duties and Responsibilities. The Compensation Committee advises the Board of Directors with respect to the compensation of senior company employees and determines certain compensation awards for executives. Specifically, the Compensation Committee will:

- (a) Set the compensation for the Chairman of the Board and the Chief Executive Officer ("CEO").
- (b) Set the compensation of other executive officers based upon the recommendation of the CEO.
- (c) Make awards to executives under the 2004 Equity Incentive Program and other plans as approved by the Board of Directors.
- (d) Review and approve the design of other benefit plans pertaining to executives of the company.
- (e) Approve such reports on compensation as are necessary for filing with the SEC and other government bodies.
- (f) Review, recommend to the Board of Directors, and administer all plans that require "disinterested administration" under Rule 16b-3 under the Securities Exchange Act of 1934, as amended.
- (g) Approve the amendment or modification of any compensation or benefit plan pertaining to executives of the Company that does not require stockholder approval.

- (h) Review and recommend to the Board of Directors changes to the outside directors' compensation.
- (i) Retain outside consultants and obtain assistance from members of management as the Compensation Committee deems appropriate in the exercise of its authority.
- (j) Make reports and recommendations to the Board of Directors within the scope of its functions.
- (k) Approve all special perquisites, special cash payments and other special compensation and benefit arrangements for the Company's executive officers.
- (l) Review the Committee charter from time to time and recommend any changes thereto to the Board of Directors.

3. Meetings. The Compensation Committee will meet as often as it deems necessary or appropriate, in its judgment, either in person or telephonically, and at such times and places as the Committee determines. The majority of the members of the Compensation Committee constitutes a quorum and shall be empowered to act on behalf of the Compensation Committee. Minutes will be kept of each meeting of the Compensation Committee.