



News Announcement

For Immediate Release

VELOCITY Q2 REVENUES ROSE 11% TO \$3.7 MILLION AND INCOME FROM CONTINUING OPERATIONS ROSE 2% TO \$751,000

WALL, NJ (August 14, 2008) – Velocity Asset Management, Inc. (AMEX: JVI) (“Velocity”), which collects delinquent consumer receivables using an outsourced litigation model, today announced operating results for the three- and six-month periods ended June 30, 2008.

2008 Q2 Conference Call/Webcast Information:

Conference Call:	Monday, August 18, 2008 at 11:00 a.m. ET
Dial-in Number:	800/735-5968
Replay Number:	800/633-8284, code 21391071; until 1:00 p.m. ET, Aug 20 th
Webcast:	www.velocitycollect.com , available for 30 days

Summary Financials

	Three Months Ended		%	Six Months Ended		%
	June 30,			June 30,		
	2008	2007		2008	2007	
Revenues	\$3,661,913	\$3,296,214	11%	\$7,498,122	\$6,371,089	18%
Operating Income	1,603,795	1,502,044	7%	3,729,033	2,840,592	31%
Income from continuing operations	750,509	738,173	2%	1,798,427	1,304,450	38%
Loss from discontinued operations	(452,095)	(92,441)	389%	(843,297)	(128,910)	554%
Net Income	298,414	645,732	(54%)	955,130	1,175,540	(19%)
Net (Loss) income attributable to common holders	(46,586)	300,732	NA	265,130	485,540	(45%)
EPS (fully diluted)	(0.01)	0.02	NA	0.01	0.03	(67%)
EPS (continuing ops.)	0.02	0.02	0%	0.06	0.03	100%
Diluted Shares Out.	17,604,453	17,719,398	(1%)	17,355,102	17,802,517	(3%)
VI* Receivables Under Management	500,000,000	433,000,000	15%	500,000,000	433,000,000	15%
VI* Gross Collections	4,739,198	4,534,102	5%	9,160,316	8,215,905	11%

*Velocity Investments – a wholly owned subsidiary in the distressed consumer receivables business

Velocity's Q2 2008 revenue grew 11 percent as the Company's outsourced litigation collection model continued to perform on-plan. Velocity reported Q2 '08 operating income increased 7% to \$1.6 million and income from continuing operations rose 2% to \$751,000, versus Q2 2007. Reflecting a higher tax provision of \$580,000 (43.6%) in Q2 '08 vs. \$370,000 (33.4%) in Q2 '07 and a loss from discontinued operations of \$452,000, primarily due to a \$400,000 impairment charge in connection with a Florida investment property, Velocity reported a Q2 net loss attributable to common shareholders of \$47,000, or \$0.01 per diluted share, compared to net income of \$301,000, or \$0.02 per diluted share, in the prior year period.

"In the face of challenging capital markets and concern about the consumer economy, Velocity's disciplined collections model continued to perform according to expectations during the 2008 second quarter," stated Velocity President and CEO Jack Kleinert. "Despite an improved operating performance in our core Velocity Investments business, our Q2 results were adversely impacted by a loss from discontinued operations as a result of an impairment charge on a Florida investment property and a higher income tax provision.

"As we have indicated in recent quarters, it continues to be a very attractive environment for acquiring charged-off receivables. In order to pursue these opportunities and support the growth of our portfolio, we issued Subordinated Notes in the aggregate principal amount of \$700,000 in a private placement offering, and secured approximately \$794,000 in net proceeds from a private placement of Units during the period.

"We deployed some of the aforementioned proceeds by purchasing five new charged-off consumer receivables portfolios aggregating approximately \$13.9 million of initial outstanding amount. In aggregate, Velocity has acquired 89 portfolios with an initial outstanding amount of approximately \$500 million since inception," concluded Mr. Kleinert.

As of June 30, 2008, the Company had \$11.6 million outstanding, and \$10.9 million in availability on its \$22.5 million senior credit facility with Wells Fargo Foothill, Inc.

Velocity Asset Management continues to wind-down the discontinued operations of its J. Holder and VOM subsidiaries and expects to complete this process by the end of 2008. These divestitures should free up additional capital and allow management to focus exclusively on its core, consumer receivables business, Velocity Investments.

About Velocity Asset Management, Inc.

Velocity Asset Management, Inc., through its wholly owned subsidiary, Velocity Investments, LLC, is focused on the purchase and collection of distressed consumer receivables, principally through an outsourced litigation model. The Company purchases consumer receivable portfolios that are of "litigation quality." By focusing on the quality of the portfolio prior to purchase, Velocity aims to diminish its risk and improve its overall collection rate as a percentage of principal balance. For more information, visit www.velocitycollect.com.

This Press Release contains or may contain forward looking statements and information that are based upon beliefs of and information currently available to the Company's management as well as estimates and assumptions made by the Company's management. When used herein the words "anticipate", "believe", "estimate", "expect", "future", "intend", "plan" and similar expressions as they relate to the Company or the Company's management identify forward looking statements. Such statements reflect the current view of the Company with respect to future events and are subject to risks, uncertainties and assumptions relating to the Company's operations and results of operations and any businesses that may be acquired by the Company, including future collections, increased revenue, increased operating income and consumer receivables under management at the Company's Velocity Investments subsidiary. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, intended or planned.

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(Condensed Consolidated Balance Sheets follow)

VELOCITY ASSET MANAGEMENT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS	JUNE. 30, 2008 (Unaudited)	DEC. 31, 2007
Cash and cash equivalents	\$ 167,166	\$ 162,180
Consumer receivables, net	46,826,499	46,971,014
Property and equipment, net of accumulated depr.	52,984	64,420
Deferred income tax asset, net	78,000	98,600
Security deposits	30,224	30,224
Other assets (including \$0 and \$115,146 employee loan to a related party at 6/30/08 and 12/31/07, respectively)	395,316	487,071
Assets of discontinued operations	<u>5,868,656</u>	<u>6,793,319</u>
Total assets	<u>\$53,418,845</u>	<u>\$54,606,828</u>
 LIABILITIES		
Accounts payable and accrued expenses	\$ 359,652	\$ 552,269
Estimated court and media costs	6,218,590	7,374,212
Lines of credit	11,627,437	14,429,138
Notes payable	200,000	-
Notes payable to related parties	700,000	200,000
Convertible subordinated notes	2,350,000	2,350,000
Income taxes payable	1,093,609	820,222
Liabilities from discontinued operations (including notes payable to related parties of \$2.3 mm at 6/30/08 and 12/31/07)	<u>5,419,377</u>	<u>4,374,441</u>
Total liabilities	<u>\$27,968,665</u>	<u>\$ 30,100,282</u>
 STOCKHOLDERS' EQUITY		
Series A 10% convertible preferred stock, \$0.001 par value, 10,000,000 shares authorized, 1,380,000 shares issued and outstanding (liquidation preference of \$13,800,000)	1,380	1,380
Common stock, \$0.001 par value, 40,000,000 shares authorized, 17,875,987 and 17,066,821 shares issued and outstanding, respectively	17,875	17,066
Additional paid-in capital	25,921,639	25,243,944
Accumulated deficit	<u>(490,714)</u>	<u>(755,844)</u>
Total stockholders' equity	<u>25,450,180</u>	<u>24,506,546</u>
Total liabilities and stockholders' equity	<u>\$53,418,845</u>	<u>\$54,606,828</u>

(Condensed Consolidated Statements of Income follow)

VELOCITY ASSET MANAGEMENT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2008	2007	2008	2007
REVENUES				
Income on consumer receivables	3,660,073	3,291,023	7,494,926	6,347,066
Other income	1,840	5,191	3,196	24,023
Total revenues	3,661,913	3,296,214	7,498,122	6,371,089
OPERATING EXPENSES				
Professional fees (including fees paid to related parties of \$226,104 and \$273,866 and \$436,645 and \$611,450 for the periods ended June 30, 2008 and 2007, respectively)	1,401,163	1,209,140	2,570,707	2,124,864
General and administrative expenses	656,955	585,030	1,198,382	1,405,633
Total operating expenses	2,058,118	1,794,170	3,769,089	3,530,497
Income from operations	1,603,795	1,502,044	3,729,033	2,840,592
OTHER EXPENSE				
Interest expense (including interest incurred to related parties of \$3,500 and \$3,500 and \$7,000 and \$7,000 for the three and six month periods ended June 30, 2008 and 2007, respectively)	(273,708)	(394,049)	(608,778)	(739,367)
Income from continuing operations before provision for income taxes	1,330,087	1,107,995	3,120,255	2,101,225
Provision for income taxes	579,578	369,822	1,321,828	796,775
Income from continuing operations	750,509	738,173	1,798,427	1,304,450
Loss from discontinued operations (including fees paid and interest incurred to related parties of \$0 and \$25 and \$0 and \$192 and \$58,139 and \$54,853 and \$116,278 and \$109,103, respectively, for the three and six month ended at 6/30/08 and 6/30/07, and net of tax benefit of \$231,390 and \$48,337 and \$295,554 and \$94,164 for the three and six months ended June 30, 2008 and 2007)	(452,095)	(92,441)	(843,297)	(128,910)
Net income	298,414	645,732	955,130	1,175,540
Preferred dividend	(345,000)	(345,000)	(690,000)	(690,000)
Net income (loss) attributable to common shareholders	\$ (46,586)	\$ 300,732	\$ 265,130	\$ 485,540
Earnings Per Share:				
Income from continuing operations:				
Basic	\$ 0.02	\$ 0.02	\$ 0.06	\$ 0.04
Diluted	\$ 0.02	\$ 0.02	\$ 0.06	\$ 0.03
Discontinued operations:				
Basic	\$ (0.03)	\$ 0.00	\$ (0.05)	\$ (0.01)
Diluted	\$ (0.03)	\$ 0.00	\$ (0.05)	\$ 0.00
Net income:				
Basic	\$ (0.01)	\$ 0.02	\$ 0.01	\$ 0.03
Diluted	\$ (0.01)	\$ 0.02	\$ 0.01	\$ 0.03
Average Common Shares - Basic	17,488,534	16,163,936	17,267,963	16,151,144
Average Common Shares - Diluted	17,604,453	17,719,398	17,355,102	17,802,517

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