

VELOCITY

Asset Management, Inc.

News Announcement

FOR IMMEDIATE RELEASE

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VELOCITY ASSET MANAGEMENT Q2 NET INCOME RISES 222% ON 63% REVENUE INCREASE

- Cash Collections at Velocity Investments Subsidiary Grow 64% to \$4.5 Million -

WALL, NJ (August 9, 2007) – Velocity Asset Management, Inc. (AMEX: JVI and JVI-P) (“Velocity”), which purchases delinquent consumer receivables and uses a litigation model to collect them, today announced record operating results for the three and six-month periods ended June 30, 2007. Velocity also announced that its common shares, which were recently approved for listing on the American Stock Exchange (AMEX), commence trading today under the ticker symbol “JVI.”

Summary Financials

	Three Months Ended		%	Six Months Ended		%
	June 30, 2007	June 30, 2006		June 30, 2007	June 30, 2006	
Revenues	\$3,481,490	\$2,137,290	63%	\$6,652,230	\$3,993,445	67%
Operating Income	1,438,934	711,738	102%	2,768,936	1,125,060	146%
Net Income	645,732	200,682	222%	1,175,540	270,019	335%
Net Income (common holders)	300,732	39,677	658%	485,540	109,014	345%
EPS (basic and diluted)	0.02	0.00	N/A	0.03	0.01	200%
Diluted Shares Out.	17,719,398	17,417,920	N/A	17,802,517	17,406,774	N/A
VI* Receivables Under Mgmt.	433,000,000	198,000,000	119%	433,000,000	198,000,000	119%
VI* Gross Collections	4,534,102	2,759,322	64%	8,215,905	5,155,096	59%

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

"Q2 was a continuation of the growth and success we achieved in the first quarter of 2007 – across all key financial metrics," stated Velocity President and CEO Jack Kleinert. "During the second quarter we purchased six consumer receivable portfolios aggregating \$37.9 million in initial outstanding principal amount at a purchase price of \$3 million. In total, Velocity had \$433 million in initial outstanding principal amount of consumer receivables under management at quarter-end, approximately 119% above our aggregate receivables under management a year ago.

"We continue to focus on expanding our core distressed consumer receivables unit, Velocity Investments, and are actively exploring attractive alternatives for divesting our other two subsidiaries – J. Holder and VOM – as we believe Velocity can secure more attractive returns in Velocity Investments. As previously announced, at the end of Q2, we raised a total of \$2.35 million in a Convertible Subordinated Notes offering that had a final closing on July 27. The proceeds of this offering, combined with borrowings under our credit facility with Wells Fargo Foothill provide us with important liquidity with which to purchase additional pools of consumer loans."

Mr. Kleinert, concluded, "The environment remains vibrant for our business, with consumer debt continuing to grow at a record pace. We are constantly evaluating new opportunities to add additional receivables under management, and will remain disciplined by deploying our proven strategy – focusing on 'bettor debtors' and utilizing a national legal collection model."

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.

(balance sheets follow)

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

ASSETS	JUNE 30, 2007	DEC. 31, 2006
Cash and cash equivalents	\$ 2,089,469	\$ 2,444,356
Properties held for sale	7,197,299	6,314,346
Deposits on properties	130,000	240,000
Tax certif's held and accrued int. receiv.	333,542	472,071
Consumer receivables, net	42,879,889	38,327,926
Property and equip., net of accum'd depr.	64,228	68,619
Deferred income tax asset, net	265,300	306,900
Security deposit	33,724	30,100
Other assets	<u>498,340</u>	<u>229,841</u>
 Total assets	 <u>\$53,491,791</u>	 <u>\$48,434,159</u>
 LIABILITIES		
Accounts payable and accr'd exp's	\$ 1,423,078	\$ 873,507
Estimated court and media costs	7,485,249	8,446,319
Lines of credit	16,768,379	13,791,388
Notes payable to related parties	2,370,000	2,370,000
Notes and mortgage payable	1,015,000	780,000
Convertible subordinated notes	2,250,000	--
Income taxes payable	<u>51,324</u>	<u>600,974</u>
 Total liabilities	 <u>\$31,363,030</u>	 <u>\$26,862,188</u>
 STOCKHOLDERS' EQUITY		
Convertible preferred stock, \$0.001 par value, 10,000,000 shares authorized, 1,380,000 shares issued and outstanding, respectively	1,380	1,380
Common stock, \$0.001 par value, 40,000,000 shares authorized, 16,179,321 and 16,129,321 shares issued and outstanding, respectively	16,179	16,129
Additional paid-in capital	23,573,581	23,502,381
Accumulated deficit	<u>(1,462,379)</u>	<u>(1,947,919)</u>
 Total stockholders' equity	 <u>22,128,761</u>	 <u>21,571,971</u>
 Total liabilities and stockholders' equity	 <u>\$53,491,791</u>	 <u>\$48,434,159</u>

(statements of income follows)

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,	
	2007	2006	2007	2006
REVENUES				
Sale of real property	\$ 163,983	\$ 232,254	\$ 218,995	\$ 603,566
Income on consumer receivables	3,291,023	1,841,730	6,347,066	3,296,377
Interest income on tax certificates held	26,484	63,306	86,169	93,502
Total revenues	<u>3,481,490</u>	<u>2,137,290</u>	<u>6,652,230</u>	<u>3,993,445</u>
OPERATING EXPENSES				
Cost of real property	177,284	19,522	239,436	320,676
Professional fees (including fees paid to related parties of \$273,891 and \$326,838 and \$611,641 and \$665,790 and for the three and six month periods ended June 30, 2007 and 2006, respectively)	1,279,575	884,927	2,232,430	1,628,922
General and administrative expenses	585,697	521,103	1,411,428	918,787
Total operating expenses	<u>2,042,556</u>	<u>1,425,552</u>	<u>3,883,294</u>	<u>2,868,385</u>
Income from operations	1,438,934	711,738	2,768,936	1,125,060
OTHER EXPENSE				
Interest expense (including interest paid to related parties of \$58,353 and \$51,367 and \$116,103 and \$109,117 for the three and six month periods ended June 30, 2007 and 2006, respectively)	(471,717)	(311,021)	(890,785)	(631,585)
Income before provision for income taxes	967,217	400,717	1,878,151	493,475
Provision for income taxes	321,485	200,035	702,611	223,456
Net income	645,732	200,682	1,175,540	270,019
Preferred dividend	(345,000)	(161,005)	(690,000)	(161,005)
Net income attributable to common stockholders	\$ 300,732	\$ 39,677	\$ 485,540	\$ 109,014
Weighted average common shares - basic	<u>16,163,936</u>	<u>15,972,321</u>	<u>16,151,144</u>	<u>15,972,321</u>
Net income per common share - basic	<u>\$ 0.02</u>	<u>\$ 0.00</u>	<u>\$ 0.03</u>	<u>\$ 0.01</u>
Weighted average common shares - diluted	<u>17,719,398</u>	<u>17,417,920</u>	<u>17,802,517</u>	<u>17,405,774</u>
Net income per common share - diluted	<u>\$ 0.02</u>	<u>\$ 0.00</u>	<u>\$ 0.03</u>	<u>\$ 0.02</u>

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