

DR. TATTOFF, INC.

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Organization

There shall be a standing committee of the board of directors (the “Board”) of Dr. Tattoff, Inc. (the “*Company*”) known as the Audit Committee (the “Committee”). This charter shall govern the operations of the Committee.

Membership and Qualifications

The membership of the Committee shall be appointed by the Board and shall consist of at least three directors. Each member of the Committee shall be, at all times while a member of the Committee, free of any relationship that, in the opinion of the Board, would interfere with the member’s individual exercise of independent judgment and shall otherwise meet the independence requirements for serving on audit committees as set forth in the corporate governance requirements of such exchange on which the Company’s securities are listed or quoted for trading, or, if the Company’s common stock is not listed on any national securities exchange, the independence requirements applicable to companies listed on The Nasdaq Stock Market; provided however, that one member who is not independent may be appointed to the Committee if and to the extent permitted by the rules of such exchange and the U.S. Securities and Exchange Commission (the “SEC”). Each member shall also be considered independent under the federal securities laws and the rules and regulations of the SEC, as the same may be amended from time to time.

Each member of the Committee shall be, at all times while a member of the Committee, generally knowledgeable in financial and auditing matters, specifically possessing the ability to read and understand fundamental financial statements, including the Company’s balance sheet, statement of operations and statement of cash flows and shall meet the experience and financial literacy requirements for serving on audit committees as set forth in the corporate governance requirements of such exchange or self-regulatory organization on which the Company’s shares are listed or quoted for trading, or, if the Company’s common stock is not listed on any national securities exchange, the experience and financial literacy requirements applicable to companies listed on The Nasdaq Stock Market; as may be amended from time to time. At least one member of the Committee shall be an “audit committee financial expert,” as defined under the federal securities laws and rules and regulations of the SEC, as may be amended from time to time.

No member of the Committee may serve on the audit committee of more than three public companies, including the Company, unless the Board has determined that such simultaneous service would not impair the ability of such member to effectively serve on the Committee.

Each member of the Committee shall serve for such term or terms as the Board may determine or until earlier resignation or death. Any member may be removed from the Committee by the Board, with or without cause, at any time.

The Board shall be responsible for determining “independence” of Committee members and qualification of a member as an “audit committee financial expert.” The Board shall appoint one member of the Committee as chair. The chair shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings, making committee assignments, supervising the preparation of minutes and reporting to the Board. The chair will also maintain regular liaison with the lead independent audit partner of the Company’s independent auditor.

Meetings

The Committee shall meet on a regularly-scheduled basis at least four times per year and additionally as circumstances dictate. At least semi-annually, the Committee shall meet, separately, with senior financial management (without the independent auditor present), with a member of the internal audit function (without any other member of management present) and with the independent auditor (without any member of management present), so as to enhance the opportunity for the identification and discussion of all issues warranting Committee attention. The Committee shall otherwise establish its own schedule of meetings. The Committee may also act by unanimous written consent of its members.

The Committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings, action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

Purpose

The Committee assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the Company’s financial statements, the quarterly reviews and the annual independent audit of the Company’s financial statements, the Company’s accounting, auditing and financial reporting practices, systems of internal control over financial reporting, disclosure controls and procedures, compliance with legal and regulatory requirements and ethical standards adopted by the Company. In fulfilling this role, the Committee is expected to maintain free and open communications with the independent auditor and the management of the Company.

While the Committee has the responsibilities and powers set forth below in this charter under the headings “Authority” and “Responsibilities and Processes”, it is not the duty of the Committee to conduct audits or to determine that the Company’s financial statements are fairly presented and are in accordance with generally accepted accounting principles (“GAAP”). Management is responsible for the preparation of financial statements in accordance with GAAP. It is the role of the independent auditor to review the quarterly financial statements and to audit the annual financial statements.

Authority

The Committee is granted the authority to investigate any matter brought to its attention, with full access to all books, records, facilities and personnel of the Company. The Committee has the power and authority to engage and determine funding for outside counsel or other experts or advisors as the Committee deems necessary for these purposes and as otherwise necessary or appropriate to carry out its duties and responsibilities. The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to any independent auditing firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company and for any advisors employed by the Committee, as well as for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Delegation to Subcommittees

The Committee shall have the power and authority to delegate any of its duties and responsibilities to subcommittees as the Committee may deem appropriate in its sole discretion. Notice of such delegation shall be provided to the Board.

Responsibilities and Processes

The Committee's primary responsibilities include:

- Overseeing the Company's accounting and financial reporting processes, systems of internal control over financial reporting and disclosure controls and procedures on behalf of the Board and reporting the results or findings of its oversight activities to the Board.
- Having sole authority to appoint, retain and oversee the work of the Company's independent auditor, overseeing the independence and performance of such independent auditor, establishing the compensation to be paid to the independent auditor, and if appropriate terminating the independent auditor. The Company's independent auditor shall report directly to the Committee.
- Establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls and/or or auditing matters and for the confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters.
- Reviewing and pre-approving (which may be pursuant to pre-approval policies and procedures) all audit services and permissible non-audit services to be performed for the Company by the Company's independent auditor, subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Securities Exchange Act of 1934, as provided under the federal securities laws and rules and regulations of the SEC, as may be amended from time to time.
- Overseeing the Company's system to monitor and manage risk and its legal and ethical compliance programs, including the establishment and administration of (including the grant of any waiver from) a written code of ethics applicable to each of the Company's

principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions.

- Overseeing the application of the Company's related person transaction policy, as established by the Board.

The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible in order to react more effectively to changing conditions and circumstances. The Committee shall take the appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practices and ethical behavior.

The following shall be the principal recurring processes of the Committee relating to its oversight responsibilities. These processes are set forth as a guide, with the understanding that the Committee may supplement them as appropriate, and are not intended to be a comprehensive list of all of the actions that the Committee will take in discharging its duties. These processes are:

- Discussing with the independent auditor the objectivity and independence of the auditor and any relationships the auditor has with the Company and services the auditor provides to the Company that may impact the auditor's objectivity or independence and receiving from the independent auditor disclosures regarding its independence required by the Public Company Accounting Oversight Board Rule 3256 or any successor rule, as either may be amended from time to time, and written affirmation that the independent auditor is in fact independent, and taking any action, or recommending that the Board take, appropriate action to oversee the independence of the independent auditor.
- Overseeing the independent auditor relationship by discussing with the auditor the nature and scope of the audit process, approving any audit-related and permitted non-audit related services (including the fees and material terms thereof) to be provided by the independent auditor, receiving and reviewing audit reports, and providing the auditor full access to the Committee to report on any and all appropriate matters. The Committee has the sole authority to resolve disagreements, if any, between management and the independent auditor.
- Reviewing and discussing with management and the independent auditor, together and in separate sessions, the adequacy and effectiveness of the Company's internal control over financial reporting (including any significant deficiencies or material weaknesses and any significant changes in the Company's internal control over financial reporting reported to the Committee by the independent auditors or management), any special steps adopted in light of any control deficiencies, the adequacy of disclosures about the effectiveness of and any significant changes in the Company's internal control over financial reporting, and any recommendations for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures may be desirable.
- Reviewing any disclosures made to the Committee by the Company's principal executive officer and principal financial officer during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies and material weaknesses in the design or operation of the Company's internal control over financial reporting and any fraud

involving management or other employees who have a significant role in the Company's internal control over financial reporting.

- Providing sufficient opportunity for the independent auditor to meet with the members of the Committee without members of management present. Among the items to be discussed in these meetings are the independent auditor's evaluation of the Company's financial and accounting personnel and the cooperation that the independent auditor received during the course of the audit and quarterly reviews.
- Discussing with management their review of the adequacy of the Company's disclosure controls and procedures, the effectiveness of such controls and procedures and any findings following such review.
- Reviewing the Company's policies and systems to monitor, assess and manage risk and any significant risk exposures to which the Company's business is subject, and assess the steps management has taken to monitor and control such risks
- Reviewing and discussing with management the Company's legal and ethical compliance program, and discuss with the Company's legal counsel as needed
- Discussing with the independent auditor the matters required to be discussed by the Statement on Auditing Standards No. 61 or any successor standard, as either may be amended from time to time.
- Reviewing and discussing with management and the independent auditor prior to the filing of the Company's Annual Report on Form 10-K:
 1. The Company's annual financial statements and related footnotes and other financial information, including the information in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of such report.
 2. The selection, application and effects of the Company's critical accounting policies practices and the reasonableness of significant judgments and estimates made by management.
 3. Alternative and preferred treatment of financial information under GAAP.
 4. All material arrangements, off-balance sheet transactions and relationships with any unconsolidated entities or any other persons that may have a material current or future effect on the financial condition of the Company and are required to be reported under the rules and regulations of the SEC.
 5. Any material written communications between the independent auditor and management, including the management letter and schedule of unadjusted differences.
 6. The independent auditor's audit of the financial statements and its report thereon.
 7. The independent auditor's attestation and report on management's internal control report.
 8. Any significant findings and recommendations of the independent auditor and management's responses thereto.

9. Any significant changes in the independent auditor's audit plan.
 10. Any serious difficulties or disputes with management encountered during the course of the audit.
 11. Other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards.
- If deemed appropriate after such discussion, recommending to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the last fiscal year for filing with the SEC.
 - Preparing any report required to be included in the Company's proxy statement in connection with its annual meeting of stockholders.
 - Reviewing and discussing with management and the independent auditor prior to the filing of the Company's Quarterly Report on Form 10-Q:
 1. The Company's interim financial statements and related footnotes and other financial information, including the information in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of such report.
 2. The selection, application and effects of the Company's critical accounting policies practices and the reasonableness of significant judgments and estimates made by management.
 3. Alternative and preferred treatment of financial information under GAAP.
 4. All material arrangements, off-balance sheet transactions and relationships with any unconsolidated entities or any other persons which may have a material current or future effect on the financial condition of the Company and are required to be reported under the rules and regulations of the SEC.
 - Reviewing and either approving or disapproving all related party transactions.
 - Reporting to the Board any material violations of the Company's code of ethics that have been brought to the attention of the Committee or any member thereof.
 - Overseeing the preparation and approval of all reports required or appropriate in the conduct of the Committee's responsibilities, including the report in the Company's annual meeting proxy statement or annual report required by SEC rules.
 - Conducting an annual self-evaluation or the performance of the Committee, including the adequacy of this charter annually and recommending any proposed changes to the Board for its approval.

The Chairman of the Committee, or another Committee member designated by the Chairman, is authorized to act on behalf of the Committee with respect to required Committee responsibilities that arise between regularly scheduled Committee meetings, particularly those responsibilities related to pre-filing discussions (other than with respect to the Company's annual report on Form 10-K and quarterly reports on Form 10-Q) with the independent auditors and management, as well as the pre-approval of nonaudit services provided by the independent auditors, as necessary,

as contemplated by the Committee's policies and in accordance with the SEC's regulations related to non-audit services. Any such pre-filing discussions and pre-approvals shall be reported to the Committee at a subsequent meeting.