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PART I

ITEM 1. BUSINESS.

Aspen Group, Inc., or Aspen Group, owns 100% of Aspen University Inc., a Delaware corporation, or Aspen or Aspen University. All references to the "Company," "we," "our" and "us" refer to Aspen Group, unless the context otherwise indicates.

Description of Business

Aspen Group, Inc. ("Aspen Group") is a post-secondary education company with an overarching vision of making higher education affordable again in America. To date, Aspen Group's sole operating subsidiary has been Aspen University, Inc., doing business as Aspen University. On May 18, 2017, Aspen Group announced it peAsp

Since 2008, Aspen's Master of Science in Nursing Program has held CCNE accreditation. The Master of Science in Nursing program most recently underwent accreditation review by CCNE in March 2011. At that time, the program's accreditation was reaffirmed, with a new accreditation term to expire December 30, 2021. We currently offer a variety of nursing degrees including: Master of Science in Nursing, Master of Science in Nursing - Nursing Education, Master of Science in Nursing – Nursing Administration and Management, Master of Science in Nursing – Forensic Nursing, Master of Science in Nursing –Public Health, Master of Science in Nursing – Informatics, and Bachelor of Science in Nursing.

Aspen's School of Nursing is responsible for the vast majority of the new student enrollment and overall active student body growth. Specifically, Aspen's School of Nursing is now on pace to grow on an annualized basis by approximately 1,500 Active Nursing students – net of student graduations and withdrawals (or ~125/month). Aspen's BSN program accounts for 72% of that growth, as that program is on pace to increase on an annualized basis by approximately 1,080 students – net (or ~90/month).

Aspen University expects its total active degree-seeking student body to continue its rapid growth and reach approximately 7,000 students by the end of the fiscal year, April 30, 2018. Therefore, the university is on pace to increase its active student body by ~2,300 students on an annualized basis in fiscal year 2018 versus the previous pace of ~1,750 active students a year ago, an improvement of 30% year-over-year.

In addition to the specialized CCNE programmatic accreditation, since 1993 Aspen University has been accredited by the Distance Education Accrediting Commission ("DEAC"), a national institutional accrediting agency recognized by the U.S. Department of Education ("DOE"). Accreditation by an accrediting commission recognized by the DOE is required for an institution to become and remain eligible to participate in the federal programs of student financial assistance administered pursuant to Title IV of the Higher Education Act of 1965, as amended (the "Title IV Programs"). On February 25, 2015, the DEAC informed Aspen University that it had renewed its accreditation for five years through January 2019. Aspen University's accreditation is further discussed in the Accreditation Section of this Form 10-K.

Aspen University also maintains approvals from professional associations, such as its approval as a Global Charter Education Provider from the Project Management Institute ("PMI"), and as a Registered Education Provider (R.E.P.) of the PMI. The PMI recognizes select Aspen Project Management Courses as Professional Development Units. These courses help prepare individuals to sit for the Project Management Professional ("PMP"), certification examination. PMP certification is the project management profession's most recognized and respected certification credential. Project management professionals may take the PMI approved Aspen courses to fulfill continuing education requirements for maintaining their PMP certification.

Similarly, in connection with our Bachelor and Master degrees in Psychology of Addiction and Counseling, the National Association of Alcoholism and Drug Abuse Counselors, ("NAADAC"), has approved Aspen as an "academic education provider." NAADAC-approved education providers offer training and education for those who are seeking to become certified, and those who want to maintain their certification, as alcohol and drug counselors. In connection with the approval process, NAADAC reviews all educational training programs for content applicability to state and national certification standards.

Aspen also is a participant in the Title IV Programs. At the federal level, the Higher Education Act of 1965, as amended (the "HEA") and the regulations promulgated under the HEA by the DOE set forth numerous, complex standards that institutions must satisfy in order to participate in the Title IV Programs.

Competitive Strengths - We believe that we have the following competitive strengths:

Exclusively Online Education - We have designed our courses and programs specifically for online delivery, and we recruit and train faculty exclusively for online instruction. We provide students the flexibility to study and interact at times that suits their schedules. We design our online sessions and materials to be interactive, dynamic and user friendly.

Debt Minimization - We are committed to offering among the lowest tuition rates in the sector, which to date has alleviated the need for a significant majority of our students to borrow money to fund Aspen's tuition requirements. tuitiodankeon

The primary mission of most traditional accredited four-year universities is to serve full-time students and conduct research. Most online universities serve working adults. Aspen acknowledges the differences in the educational needs between working and full-time students at "brick and mortar" schools and provides programs and services that allow our students to earn their degrees without major disruption to their personal and professional lives.

We also compete with public and private degree-granting regionally and nationally accredited universities. An increasing number of universities enroll working students in addition to the traditional 18 to 24 year-old students, and we expect that these universities will continue to modify their existing programs to serve working learners more effectively, including by offering more distance learning programs. We believe that the primary factors on which we compete are the following:

- Active and relevant curriculum development that considers the needs of employers;
- The ability to provide flexible and convenient access to programs and classes;
- High-quality courses and services;
- Comprehensive student support services;
- Breadth of programs offered;
- The time necessary to earn a degree;
- Qualified and experienced faculty;
- Reputation of the institution and its programs;
- The variety of geographic locations of campuses;
- Regulatory approvals;
- Cost of the program;
- Name recognition; and
- Convenience.

Curricula

Certificates
Certificate in Project Management
Certificate in eLearning Pedagogy

Associates Degrees
Associate of Applied Science Early Childhood Education

Bachelor's Degrees
Bachelor of Arts in Psychology and Addiction Counseling
Bachelor of Science in Business Administration
Bachelor of Science in Business Administration, (Completion Program)
Bachelor of Science in Criminal Justice
Bachelor of Science in Criminal Justice, (Completion Program)
Bachelor of Science in Criminal Justice with specializations in Criminal Justice Administration and
Major Crime Scene Investigation Procedure
Bachelor of Science in Early Childhood Education
Bachelor of Science in Early Childhood Education, (Completion Program)
Bachelor of Science in Medical Management
Bachelor of Science in Nursing (Completion Program)

Master's Degrees
Master of Arts Psychology and Addiction Counseling
Master of Science in Criminal Justice
Master of Science in Criminal Justice with specializations in Forensic Sciences, Law Enforcement Management, and
Terrorism and Homeland Security
Master of Science in Information Management
Master of Science in Information Systems with specializations in Enterprise Application Development and
Web Development
Master of Science in Information Technology
Master of Science in Information Technology and Innovation
Master of Science in Nursing with a specialization in Administration and Management
Master of Science in Nursing (RN to MSN Bridge Program) with a specialization in Administration and Management

Master of Science in Nursing with a specialization in Nursing Education
Master of Science in Nursing (RN to MSN Bridge Program) with a specialization in Nursing Education
Master of Science in Nursing (RN to MSN Bridge Program) with a specialization in Forensic Nursing
Master of Science in Nursing with a specialization in Forensic Nursing
Master of Science in Nursing with a specialization in Public Health
Master of Science in Nursing (RN to MSN Bridge Program) with a specialization in Public Health
Master of Science in Nursing with a specialization in Informatics
Master of Science in Nursing (RN to MSN Bridge Program) with a specialization in Informatics
Master in Business Administration
Master in Business Administration with specializations in Entrepreneurship, Finance, Information Management, Pharmaceutical Marketing and Management, and Project Management
Master in Education with specializations in Curriculum Development and Outcomes Assessment, Education Technology, Transformational Leadership, and eLearning Pedagogy

Doctorate Degrees
Doctorate of Science in Computer Science
Doctorate in Education Leadership and Learning with specializations in K-12, Higher Education, Organizational Leadership, Organizational Psychology, and Health Care

Regulation

Students attending Aspen finance their education through a combination of individual resources, corporate reimbursement programs and federal student financial assistance funds available through Aspen's participation in the Title IV Programs. The discussion which follows outlines the extensive regulations that affect our business. Complying with these regulations entails significant effort from our executives and other employees. Further, regulatory compliance is also expensive. Beyond the internal costs, compliance with the extensive regulatory requirements also involves engagement of outside regulatory professionals.

For the fiscal year ended April 30, 2017, approximately 21% of our cash-basis revenues for eligible tuition and fees were derived from the Title IV Programs. To participate in Title IV Programs, a school must, among other things, be:

- Authorized to offer its programs of instruction by the applicable state education agencies in the states in which it is physically located (in our case, Colorado);
- Accredited by an accrediting agency recognized by the Secretary of the DOE; and
- Certified as an eligible institution by the DOE.

State Authorization

Based on regulations issued by the DOE in 2011, Title IV Program institutions, like ours, that offer postsecondary education through distance education to students in a state in which the institution is not physically located or in which it is otherwise subject to state jurisdiction as determined by that state, must meet any state requirements to offer postsecondary education to students in that state. The institution must be able to document state approval for distance education if requested by the DOE. This regulation was considered a significant departure from the state authorization procedures followed by most, if not all, institutions before its enactment. On July 12, 2011, a federal judge for the U.S. District Court for the District of Columbia vacated the portion of the DOE's state authorization regulation that requires online education providers to obtain any required authorization from all states in which their students reside, finding that the DOE had failed to provide sufficient notice and opportunity to comment on the requirement. An appellate court affirmed that ruling on June 5, 2012 and therefore this regulation is currently invalid.

However, on July 25, 2016, the DOE issued a Notice of Proposed Rulemaking ("NPRM") concerning new regulations governing the requirements for state authorization for distance education**.** Similar to the 2011 Rules, the proposed regulations required institutions to meet all state requirements for legally offering distance education in any state in which they are offering distance education courses as a condition of institutional eligibility to participate in the Title IV Programs. If an institution does not hold authorization in a state that requires it to do so, students in that state would not be eligible to receive Title IV Program funds for enrollment in distance education programs offered by the institution in the state. The NPRM also proposed that Title IV Program eligibility and funding be contingent upon an institution being able to demonstrate that it is subject to an adequate state student complaint procedure. To date, the DOE has not indicated which state complaint procedures, if any, it considers to be inadequate. In addition, the NPRM required institutions to make a significant number of consumer disclosures regarding their distance education programs including disclosures regarding licensure and certification requirements, state authorization, student complaints, adverse actions by state and accreditation agencies, and refund policies. On December 16, 2016, DOE issued the final rule related to this NPRM. Although the final rule is similar to what DOE proposed on July 25, 2016, it surprisingly provides that the State Authorization Reciprocity Agreement ("SARA") would not satisfy the basic authorization requirements of the rule. SARA is an agreement among member states, districts and territories that establishes comparable national standards for interstate offering of postsecondary distance education courses and programs. When the NPRM was released, there appeared to be broad consensus that the regulations would support the multi-state SARA arrangement as satisfying the requirement that institutions obtain authorization in each state where they are required to be authorized. However, the final rule effectively removes SARA from the definition of a "State authorization reciprocity agreement" for the purpose of complying with the new regulations. This is significant because we are an approved SARA institution.

The rest of the final rule remains largely unchanged from the NPRM. As in the proposed rule, the final rule requires institutions to meet all state requirements for legally offering distance education in any state in which institutions are offering distance education courses, but only to the extent the state has any such requirements. Also, while the language of the rule appears to make state authorization for distance learning a condition of institutional eligibility in the Title IV Programs, the preamble to the final rule clarifies that failure to hold a required authorization in a state will only result in inability to disburse Title IV Program funds to eligible students who are enrolled in distance learning programs while present in that state, rather than institution-wide. In addition, a state may impose penalties on an institution for failure to comply with state requirements related to an institution's activities in a state, including the delivery of distance education to persons in that state.

Because we are subject to extensive regulations by the states in which we become authorizEa ˝ d

Regulation of Federal Student Financial Aid Programs

The substantial amount of federal funds disbursed through Title IV Programs, the large number of students and institutions participating in these programs, and allegations of fraud and abuse by certain for-profit institutions have prompted the DOE to exercise considerable regulatory oversight over for-profit institutions of higher learning. Accrediting agencies and state education agencies also have responsibilities for overseeing compliance of institutions in connection with Title IV Program requirements. As a result, our institution is subject to extensive oversight and review. Because the DOE periodically revises its regulations and changes its interpretations of existing laws and regulations, we cannot predict with certainty how the Title IV Program requirements will be applied in all circumstances. See the “Risk Factors” contained herein which disclose comprehensive regulatory risks.

In addition to the state authorization requirements and other regulatory requirements described herein, other significant factors relating to Title IV Programs that could adversely affect us include the following legislative action and regulatory changes:

Congress reauthorizes the Higher Education Act approximately every five to eight years. Congress most recently reauthorized the Higher Education Act in August 2008. We cannot predict with certainty whether or when Congress might act to amend further the Higher Education Act. The elimination of additional Title IV Programs, material changes in the requirements for participation in such programs, or the substitution of materially different programs could increase our costs of compliance and could reduce the ability of certain students to finance their education at our institutions.

<ins>Administrative Capability</ins>

- Commence a proceeding to impose a fine or to limit, suspend or terminate the participation of the institution in Title IV Programs.

If we are found not to have satisfied the DOE's "administrative capability" requirements, we could lose, or be limited in our access to, Title IV Program funding.

Distance Education. We offer all of our existing degree and certificate programs via Internet-based telecommunications from our headquarters in Colorado. Under the Higher Education Opportunity Act, or HEOA, an accreditor that evaluates institutions offering distance education must require such institutions to have processes through which the institution establishes that a student who registers for a distance education program is the same student who participates in and receives credit for the program.

On December 16, 2016, DOE issued a final rule that requires institutions to meet all state requirements for legally offering distance education in any state in which the institution is offering distance education courses. The rule will be effective on July 1, 2018.

Financial Responsibility. The Higher Education Act and DOE regulations establish extensive standards of financial responsibility that institutions such as Aspen must satisfy to participate in the Title IV Programs. These standards generally require that an institution provide the resources necessary to comply with Title IV Program requirements and meet all of its financial obligations, including required refunds and any repayments to the DOE for liabilities incurred in programs administered by the DOE.

The DOE evaluates institutions on an annual basis for compliance with specified financial responsibility standards that include a complex formula that uses line items from the institution's audited financial statements. In addition, the financial responsibility standards require an institution to receive an unqualified opinion from its accountants on its audited financial statements, maintain sufficient cash reserves to satisfy refund requirements, meet all of its financial obligations, and remain current on its debt payments. The formula focuses on three financial ratios: (1) equity ratio (which measures the institution's capital resources, financial viability, and ability to borrow); (2) primary reserve ratio (which measures the institution's viability and liquidity); and (3) net income ratio (which measures the institution's profitability or ability to operate within its means). An institution's financial ratios must yield a composite score of at least 1.5 for the institution to be deemed financially responsible without the need for further federal oversight. The DOE may also apply such measures of financial responsibility to the operating company and ownership entities of an eligible institution.

For fiscal year 2014 (ending April 30, 2014), Aspen did not meet the financial responsibility standards due to a failure to meet the minimum composite score of 1.5. Consequently, in order for Aspen to continue to participate in the Title IV Programs, we were required to choose one of two alternatives. The first alternative was to qualify as a financially responsible institution by submitting an irrevocable letter of credit in favor of the DOE in the amount of $2,244,971, which represented 50% of the Title IV Program funds received by the institution during the most recently completed fiscal year. The second alternative was to post a letter of credit in the amount of $1,122,485 and be provisionally certified for a period of up to three complete award years. That amount represented 25% of the Title IV Program funds received by the institution during the most recently completed fiscal year. Aspen selected the second alternative and posted the required letter of credit in the amount of $1,122,485 on April 29, 2015. In November of 2015, the DOE informed Aspen that it no longer needed to maintain a letter of credit based on the institution's fiscal year 2015 results and released the letter of credit. As a part of the April 29, 2015 decision, Aspen is currently subject to Heightened Cash Monitoring 1 (HCM1) status, which requires the institution to first make disbursements of Title IV Program funds to eligible students and parents before it requests or receives funds for the amount of those disbursements from the DOE. In addition, Aspen continues to be provisionally certified. A provisionally certified institution, such as Aspen, must apply for and receive DOE approval of substantial changes and must comply with any additional conditions included in its program participation agreement, which is Aspen's agreement with the DOE. If the DOE determines that a provisionally certified institution is unable to meet its responsibilities under its program participation agreement, the DOE may seek to revoke the institution's certification to participate in Title IV Programs with fewer due process protections for the institution than if it were fully certified.

Code of Conduct Related to Student Loans. As part of an institution's program participation agreement with the DOE, HEOA requires that institutions that participate in Title IV Programs adopt a code of conduct pertinent to student loans. For financial aid office or other employees who have responsibility related to education loans, the code must forbid, with limited exceptions, gifts, consulting arrangements with lenders, and advisory board compensation other than reasonable expense reimbursement. The code also must ban revenue-sharing arrangements, "opportunity pools" that lenders offer in exchange for certain promises, and staffing assistance from lenders. The institution must post the code prominenthri t perrf n other ther ther ansr

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If the DOE notifies an institution that a program could become ineligible based on its final D/E rates for the next award year:

- The institution must provide a warning with respect to the program to students and prospective students indicating that students may not be able to use Title IV funds to attend or continue in the program; and
- The institution must not enroll, register or enter into a financial commitment with a prospective student until a specified time after providing the warning to the prospective student.

However, an institution that timely filed a Notice of Intent to submit an alternate earnings appeal is not required to issue the student warnings until after the DOE has reviewed the appeal and issued a final rates determination. The earnings appeal element of the rule was intended to become effective immediately following the issuance of rates in January 2017, but was delayed once in March, and again in June, 2017. On June 30th, the DOE issued a Notice in the Federal Register indicating that it would delay the July 1st deadline for submitting an alternate earnings appeal until new processes are established for those appeals. The DOE stated that it would provide additional guidance within 30 days. In the meantime, programs that filed an intent to appeal are not required to issue the student warnings and were granted additional time to complete the appeals process.

The GE Regulations also include certain disclosure requirements, which were scheduled to become effective on January 1st, 2017. The GE Rule's disclosure provisions require institution to provide disclosures to students on their websites about each of their GE programs using a template developed by the DOE for this purpose. Each GE program's disclosure must include information such as the occupations that the program prepares students to enter, total program cost, on-time completion rate, job placement rate (if the institution is required to calculate the rate by their state or accreditation agency), and median loan debt of students who complete the program, among other items. The new disclosure template was published in January 2017, but the deadline for publishing the templates was extended until July 1st. However, in conjunction with the delay issued on June 30th, the requirement to issue the disclosure template was also delayed, in part. The disclosure requirement consists of three forms of disclosure: 1) inclusion of the template, or a prominent link to the template, on any web page containing academic, cost, financial aid, or admissions information about a GE program maintained by or on behalf of an institution; 2) inclusion of the template, or a prominent link to it, in all GE program promotional materials; and 3) personalized delivery (whether in person or by email) to any prospective student prior to signing an enrollment agreement with an institution. While the June 30th notice delayed the latter two requirements until July 1, 2018, the requirement to post the template or link on the institution's webpage became effective on July 1st. Aspen has published the disclosure templates on the required webpages, prior to the July 1 deadline.

Further, institutions are required to annually report student and program level data to the DOE for each Title IV student enrolled in a GE program. The deadlines to report GE data thus far were in July and October 2015 and October 2016. Annual reporting is scheduled for October 1st, and as of now, the DOE has not indicated any planned delay to the 2017 reporting deadline. We have reported all required student data by these submission deadlines.

By December 31, 2015, institutions were required to certify that eligible GE programs are programmatically accredited if required by a federal governmental entity or a state governmental entity of a state in which it is located or is otherwise required to obtain state approval, and that each eligible program satisfies the applicable educational prerequisites for professional licensure or certification requirements in each state in which it is located or is otherwise required to obtain state approval, so that a student who completes the program and seeks employment in that state qualifies to take any licensure or certification exam that is needed for the student to practice or find employment in an occupation that the program prepares students to enter. We submitted these certifications in a timely manner. As discussed previously, the DOE requires institutions to update these certifications regarding any new programs they wish to add as well.

The new GE requirements will likely substantially increase our administrative burdens, particularly during the implementation phase. These reporting and the other procedural changes in the new rules could affect student enrollment, persistence and retention in ways that we cannot now predict. For example, if our reported program information compares unfavorably with other reporting education institutions, it could adversely affect demand for our programs.

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The BDTR rule was scheduled to become effective on July 1, 2017, but as noted above, on June 16th, the DOE issued a Notice of Proposed Rulemaking expressing its intent to rewrite the BDTR rule. In conjunction with that Notice, DOE also indicated it was postponing implementation of the new BDTR rules until legal challenges to the rule are resolved, and to allow for a "reset" of the regulation through negotiated rulemaking. There was no new effective date proposed, so as of now, the rule has been delayed indefinitely. However, in response to these actions, the DOE is now being sued by a large group of Attorneys General, as well as a number of students. It is unclear if the Courts will intercede and force the Department to set a new implementation date. In the meantime, aggrieved borrowers are still able to seek a defense to repayment through the existing rule which has been effective since 1994.

Change in Ownership Resulting in a Change of Control. In addition to school acquisitions, other types of transactions can also cause a change of control. The DOE, most state education agencies, and DEAC all have standards pertaining to the change of control of schools, but those standards are not uniform. vis se s er transactifed intercede t 3t ily 1,so cause a

- Potential USU students may not react favorably to our marketing and advertising campaigns, including our monthly payment plan.

If our monthly payment plan business model does not continue to be favorably received, our revenues may not increase.

If the demand for the nursing workforce decreases or the educational requirements for nurses were relaxed, our business will be adversely affected.

Aspen's recent focus has been the continued growth of enrollment in its School of Nursing. As of April 30, 2017, approximately 72% of our active degree-seeking were enrolled in Aspen's School of Nursing. If the demand for nurses does not continue to grow (or declines) or there are changes within the healthcare industry that make the nursing occupation less attractive to learners or reduce the benefits of a bachelors or an advanced degree, our enrollment and results of operations will be adversely affected.

If we incur system disruptions to our online computer networks, it could impact our ability to generate revenue and damage our reputation, limiting our ability to attract and retain students.

Since early 2011, Aspen Universi

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Because the personal information that we or our vendors collect may be vulnerable e iotn that wo e ioťn that

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If our competitors are subject to further regulatory claims and adverse publicity, it may affect our industry and reduce our future enrollment.

We are one of a number of for-profit institutions serving the postsecondary education market. In recent years, regulatory investigations and civil litigation have been commenced against several companies that own for-profit educational institutions. These investigations and lawsuits have alleged, among other things, deceptive trade practices and non-compliance with DOE regulations. These allegations have attracted adverse media coverage and have been the subjecthatobje

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If our institutional accrediting agency loses recognition by the U.S. Secretary of Education or we fail to maintain our institutional accreditation, we may lose our ability to participate in Title IV Programs.

Increased regulatory scrutiny of accrediting agencies and their accreditation of universities is likely to continue. While Aspen is accredited by the DEAC, a DOE-recognized accrediting body, if the DOE were to limit, suspend, or terminate the DEAC's recognition, we could lose our ability to participa [illegible]

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ITEM 3. LEGAL PROCEEDINGS.

From time to time, we may be involved in litigation relating to claims arising out of our operations in the normal course of business. As of the date of this report, except as discussed below, we are not aware of any other pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of our operations and there are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

On February 11, 2013, HEMG and Mr. Spada sued the Company, certain senior management members and our directors in state court in New York seeking damages arising principally from (i) allegedly false and misleading statements in the filings with the SEC and the DOE where the Company disclosed that HEMG and Mr. Spada borrowed $2.2 million without board authority, (ii) the alleged breach of an April 2012 agreement whereby the Company had agreed, subject to numerous conditions and time limitations, to purchase certain shares of the Company from HEMG, and (iii) alleged diminution to the value of HEMG's shares of the Company due to Mr. Spada's disagreement with certain business transactions the Company engaged in, all with Board approval. On November 8, 2013, the state court in New York granted the Company's motion to dismiss all of the claims. On December 10, 2013, the Company filed a series of counterclaims against HEMG and Mr. Spada in state court of New York. By decision and order dated August 4, 2014, the New York court denied HEMG and Spada's motion to dismiss the fraud counterclaim the Company asserted against them.

While the Company has been advised by its counsel that HEMG's and Spada's claims in the New York lawsuit is baseless, the Company cannot provide any assurance as to the ultimate outcome of the case. Defending the lawsuit will be expensive and will require the expenditure of time which could otherwise be spent on the Company's business. While unlikely, if Mr. Spada's and HEMG's claims in the New York litigation were to be successful, the damages the Company could pay could potentially be material.

In November 2014, the Company and Aspen University sued HEMG seeking to recover sums due under two 2008 Agreements where Aspen University sold course materials to HEMG in exchange for long-term future payments. On September 29, 2015, the Company and Aspen University obtained a default judgment in the amount of $772,793. This default judgment precipitated the bankruptcy petition discussed in the next paragraph.

On October 15, 2015, HEMG filed bankruptcy pursuant to Chapter 7. As a result, the remaining claims and Aspen's counterclaims in the New York lawsuit are currently stayed.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT’

ACCOUNTS RECEIVABLES AND MONTHLY PAYMENT PLAN

Since the inception of the monthly payment plan in the spring of 2014, the accounts receivable balance, both short-term and long-term, has grown from a net number of $649,890 at April 30, 2014 to a net number of $5,092,404 at April 30, 2017. This growth could be portrayed as the engine of the monthly payment plan. The attractive aspect of being able to pay for a degree over a fixed period of time has fueled the growth of this plan and, as a result, the increase of the accounts receivable balance.

Each student's receivable account is different depending on how many classes a student takes each period. If a student takes two classes each eight week period while paying $250, $325 or $375 a month, that student's account receivable balance will rise accordingly. The converse is true also. A student who takes courses at a slower pace, even taking time off between 8-week terms, could have a balance due to them. It is much more likely however that a student participating in the monthly payment plan will off d²vt partic ver ˝ ²

The Introduction of Long-Term Accounts Receivables

When a student signs up for the monthly payment plan, there is a contractual amount that the Company can expect to earn over the life of the student's program. This contractual amount cannot be recorded as the student does have the option to stop attending. As a student takes a class, revenue is earned over that eight week class. Some students accelerate their program, taking two classes every eight week period, and as we discussed, that increases the student's accounts receivable balance. If any portion of that balance will be paid in a period greater than 12 months, that portion is reflected as long-term accounts receivable. At April 30, 2017 and 2016, those balances are $657,542 and $127,099, respectively.

Here is a graphic of both short-term and long-term receivables, as well as contractual value:

A	B	C
Classes Taken less monthly payments received	Payments for classes taken that are greater than 12 months	Expected classes to be taken over balance of program.
Short-Term Accounts Receivable	Long-term Accounts Receivable	Not recorded in financial statements

The Sum of A, B and C will equal the total cost of the program.

Seasonality Briefing

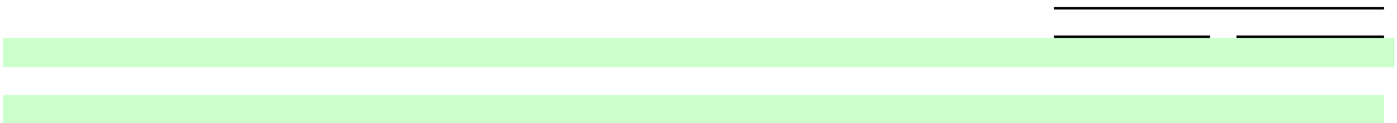
As Aspen University continues to scale its student body, seasonality has become more pronounced. Last fiscal year (FY'2016), the Company explained that its first fiscal quarter (May – July) is the seasonal low point because it falls during the summer months and therefore students tend to take less courses during that quarter relative to the other three fiscal quarters. Conversely, the second fiscal quarter (August – October) is the seasonal high point given students' ingrained 'start of the school year' mentality.

In reviewing revenues for fiscal year 2017, note that in the first quarter revenues rose sequentially less than $100,000, while revenues increased sequentially at least $250,000 each of the remaining three quarters, with the second quarter rising over $700,000. The Company [illegible] year and in future fiscal years. Specifically, the Company expects revenues to be flat or slightly down from Q4'2017 to Q1'2018 this fiscal year and in future fiscal years. The opposite effect is forecasted to occur in Q2'2018 as revenues are projected to rise into the $5 million range.

Results of Operations

For the Year Ended April 30, 2017 Compared with the Year Ended April 30, 2016

Revenu[illegible]



Accounts Receivable and Allowance for Doubtful Accounts Receivable

All students are required to select both a primary and secondary payment option with respect to amounts due to Aspen for tuition, fees and other expenses. The most common payment option for Aspen's students is personal funds or payment made on their behalf by an employer. The monthly payment plan represents 60% of the payments that are made by students. In instances where a student selects financial aid as the primary payment option, he or she often selects personal cash as the secondary option. If a student who has selected financial aid as his or her primary payment option withdraws prior to the end of a course but after the date that Aspen's institutional refund period has expired, the student will have incurred the obligation to pay the full cost of the course. If the withdrawal occurs before the date at which the student has earned 100% of his or her financial aid, Aspen will have to return all or a portion of the Title IV funds to the DOE and the student will owe Aspen all amounts incurred that are in excess of the amount of financial aid that the student earned and that Aspen is entitled to retain. In this case, Aspen must collect the receivable using the student's second payment option.

For accounts receivable from students, Aspen records an allowance for doubtful accounts for estimated losses resulting from the inability, failure or refusal of its students to make required payments, which includes the recovery of financial aid funds advanced to a student for amounts in excess of the student's cost of tuition and related fees. Aspen determines the adequacy of its allowance for doubtful accounts using a general reserve method based on an analysis of its historical bad debt experience, current economic trends, and the aging of the accounts receivable and student status. Aspen applies reserves to its receivables based upon an estimate of the risk presented by the age of the receivables and student status. Aspen writes off accounts recet Aspe

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

(a) Documents filed as part of the report.

(1) Financial Statements. See Index to Consolidated Financial Statements, which appears on page F-1 hereof. The financial statements listed in the accompanying Index to Consolidated Financial Statements are filed herewith in response to this Item.

(2) Financial Statements Schedules. All schedules are omitted because they are not applicable or because the required information is contained in the consolidated financial statements or notes included in this report.

(3) Exhibits. See the Exhibit Index.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Aspen Group, Inc.

Date: July 25, 2017

By: /s/ Michael Mathews
Michael Mathews
Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Michael Mathews Michael Mathews	Principal Executive Officer and Director	July 25, 2017
/s/ Janet Gill Janet Gill	Chief Financial Officer (Principal Financial Officer)	July 25, 2017
/s/ Dr. Michael D'Anton m Dr. Michael D'Anton	Director	July 25, 2017
Norman Dicks	Director	
C. James Jensen	Director	
/s/ Andrew Kaplan Andrew Kaplan	Director	July 25, 2017
/s/ Malcolm MacLean Malcolm MacLean IV	Director	July 25, 2017
Sanford Rich	Director	

Aspen Group, Inc. and Subsidiaries
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Consolidated Balance Sheets as of April 30, 2017 and 2016	F-3
Consolidated Statements of Operations for the years ended April 30, 2017 and 2016	F-5
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Consolidated Statements of Cash Flows for the years ended April 30, 2017 and 2016	F-7
Notes to Consolidated Financial Statements	F-9

Report of Independent Registered Public Accounting Firm

to asm asso o oldgeao v of r6, anmleda of April 30 G

To the Board of Directors and Stockholders of:
Aspen Group, Inc.

We have audited the accompanying consolidated balance sheets of Aspen Group, Inc. and Subsidiaries as of April 30, 2017 and 2016, and the related consolidated statements of operations, changes in stockholders’ ted s ″ ·

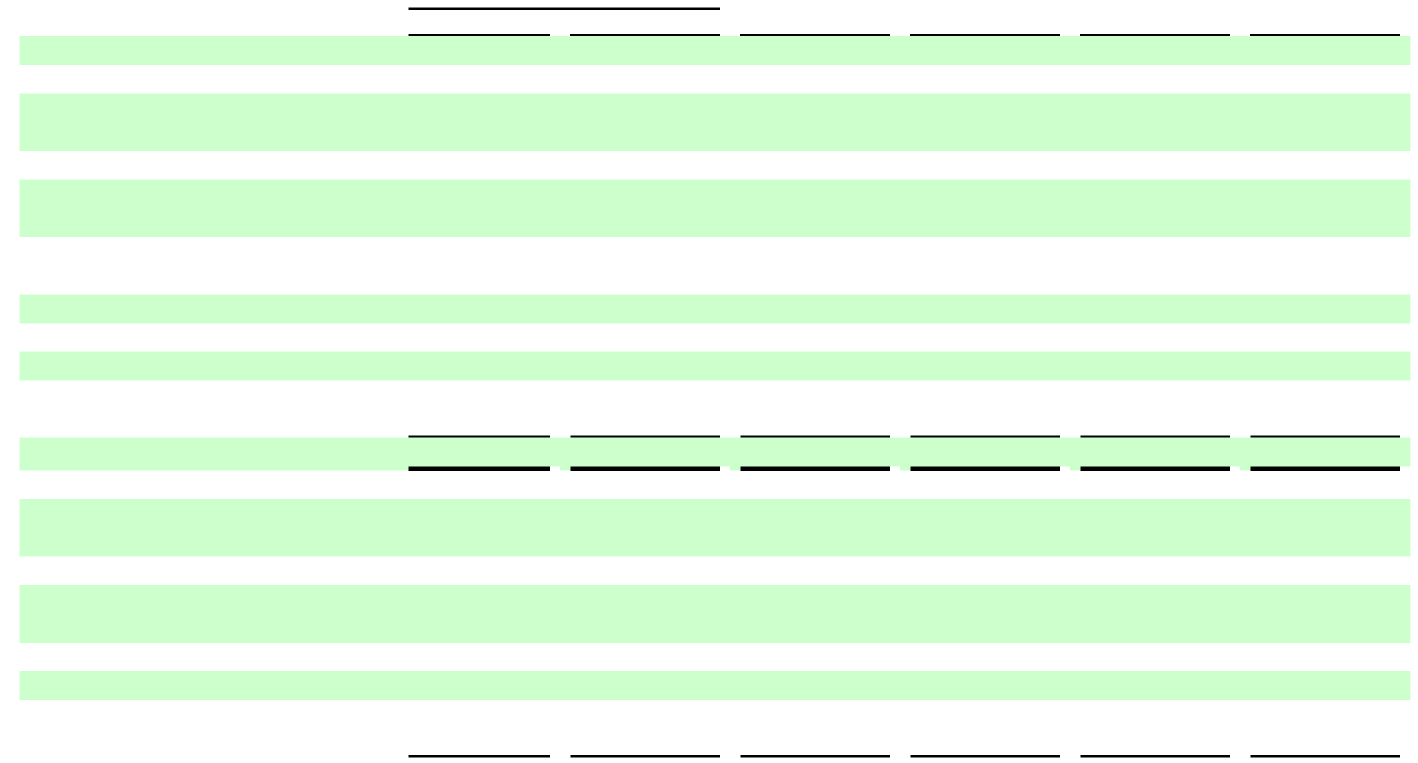
ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)

	Apr	

ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Years Ended April 30,	
	2017	2016
Revenues	$ 14,246,696	$ 8,453,669
Operating expenses		
Cost of revenues (exclusive of depreciation and amortization shown separately below)	5,061,222	3,587,028
General and administrative	9,087,740	6,403,708
Program review settlement expense	323,090	—
Depreciation and amortization	556,730	598,303
Total operating expenses	15,028,782	10,589,039
Operating loss	(782,086)	(2,135,370)
Other income (expense):		
Other income	14,336	9,985
Interest expense	(337,510)	(121,320)
Total other expense, net	(323,174)	(111,335)
Loss before income taxes	(1,105,260)	(2,246,705)
Income tax expense (benefit)	—	—
Net loss	$ (1,105,260)	$ (2,246,705)
Net loss per share allocable to common stockholders – basic and diluted	$ (0.10)	$ (0.21)
Weighted average number of common shares outstanding: basic and diluted	11,558,112	10,703,733

The accompanying notes are an integral part of these consolidated financial statements.



ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

	For the Years ended April 30,	
	2017	**2016**
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 297,151	$ 104,326
Cash paid for income taxes	$ —	$ —
Supplemental disclosure of non-cash investing and financing activities		
Common stock issued for services	$ 52,502	$ 50,400
Wr s		

Note 1. Nature of Operations and Liquidity

Overview

Aspen Group, Inc. (together with its subsidiary, the “Company” or “Aspen”) is a holding company. Its subsidiary Aspen University Inc. (“Aspen University”) was organized in 1987. On March 13, 2012, the Company was recapitalized in a reverse merger. All references to the Company or Aspen before March 13, 2012 are to Aspen University.

Aspen’s mission is to offer any motivated college-worthy student the opportunity to receive a high quality, responsibly priced distance-learning education for the purpose of achieving sustainable economic and social benefits for themselves and their families. Aspen is dedicated to providing the highest quality education experiences taught by top-tier professors - 54% of our adjunct professors hold doctorate degrees.

Because we believe higher education should be a catalyst to our students’ long-term economic success, we exert financial prudence by offering affordable tuition that is one of the greatest values in online higher education. In 2014, Aspen University unveiled a monthly payment plan aimed at reversing the college debt-sentence plaguing working-class Americans. The monthly payment plan offers bachelor students (except RN to BSN) the opportunity to pay their tuition at $250/month for 72 months ($18,000), nursing bachelor students (RN to BSN) $250/month for 39 months ($9,750), master students $325/month for 36 months ($11,700) and doctoral students $375/month for 72 months ($27,000), interest free, thereby giving students a monthly payment tuition payment option versus taking out a federal financial aid loan.

On November 10, 2014, Aspen University announced the Commission on Collegiate Nursing Education (“CCNE”) has granted accreditation to its Bachelor of Science in Nursing program (RN to BSN) until December 31, 2019.

Since 1993, we have been nationally accredited by the Distance Education and Accrediting Council (“DEAC”), a national accrediting agency recognized by the U.S. Department of Education (the “DOE”). On February 25, 2015, the DEAC informed Aspen University that it had renewed its accreditation for five years to January, 2019.

Liquidity

At April 30, 2017, the Company had a cash balance of $2,756,217.

On April 22, 2016, the Company issued 404,624 shares of common stock to two of its warrant holders in exchange for their early exercise of warrants at a reduced exercise price of $1.86 per share. The Company received gross proceeds of $752,500 from these exercises. As a condition of the warrant holders exercising their warrants, Mr. Michael Mathews, the Company’s Chairman of the Board and Chief Executive Officer, converted a $300,000 note and in connection with this conversion, Mr. Mathews was issued 132,588 shares of common stock. (See Note 11)

In August 2016, the Company closed on a $3 million credit line with its largest shareholder. The credit line, whose terms include a 12% per annum interest rate on drawn funds and a 2% per annum interest rate on undrawn funds, will extend through August 2019. The Company initially drew down $750,000 under the line, of which approximately $248,000 was used to repay a secured line of credit with a bank and then drew down $500,000 in January 2017. In March 2017 the company drew an additional $900,000. The entire balance of $2,150,000 plus interest was paid off and the letter of credit was terminated on April 7, 2017. (See Note 10)

On April 7, 2017, the Company raised $7,500,000 through the issuance of 2,000,000 common shares. The net proceeds of $6,996,000 were used to retire the third party line of credit, the loan payable and convertible loan and support working capital needs. (See Note 11).

Note 2. Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Aspen Group, Inc. and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the unaudited consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts in the unaudited consolidated financial statements. Actual results could differ from those estimates. Significant estimates in the accompanying unaudited consolidated financial statements include the allowance for doubtful accounts and other receivables, the valuation of collateral on certain receivables, amortization periods and valuation of courseware and software development costs, valuation of beneficial conversion features in convertible debt, valuation of derivative instruments, valuation of loss contingencies, valuation of stock-based compensation and the valuation allowance on deferred tax assets.

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Revenue Recognition and Deferred Revenue

Revenues consist primarily of tuition and fees derived from courses tau

Segment Information

The Company operates in one reportable segment as a single educational delivery operation using a core infrastructure that serves the curriculum and educational delivery needs of its online students regardless of geography. The Company's chief operating decision makers, its CEO and Chief Academic Officer, manage the Company's operations as a whole, and no revenue, expense or operating income information is evaluated by the chief operating decision makers on any component level.

Reclassifications

Certain amounts in the FY2016 balance sheet have been reclassified from Accounts Receivable, Net to Long Term Accounts Receivable to conform to the FY2017 presentation. This reclassification increased Long Term Receivable, in non-current assets by $127,099 and decreased Accounts Receivable in current assets by the same amount in FY2016.

Recent Accounting Pronouncements

Financial Accounting Standards Board, Accounting Standard Updates which are not effective until after April 30, 2017, are not expected to have a significant effect on the Company’s consolidated financial position or results of operations.

ASU 2014 – 09:

In June 2014, FASB issued Accounting Standards Update (“ASU”) No. 2014-09, “Revenue from Contracts with Customers”. The update gives entities a single comprehensive model to use in reporting information about the amount and timing of revenue resulting from contracts to provide goods or services to customers. The proposed ASU, which would apply to any entity that enters into contracts to provide goods or services, would supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance throughout the Industry Topics of the Codification. Additionally, the update would supersede some cost guidance included in Subtopic 605-35, Revenue Recognition – Construction-Type and Production-Type Contracts. The update removes inconsistencies and weaknesses in revenue requirements and provides a more robust framework for addressing revenue issues and more useful information to users of financial statements through improved disclosure requirements. In addition, the update improves comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets and simplifies the preparation of financial statements by reducing the number of requirements to which an entity must refer. The update is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. This updated guidance did not have a material impact on our results of operations, cash flows or financial condition.

ASU 2015-03

In April 2015, the Financial Accounting Standards Board issued Accounting Standards Update No. 2015-03, which changes the presentation of debt issuance costs in financial statements. Under this guidance such costs would be presented as a direct deduction from the related debt liability rather than as an asset. This guidance is effective for interim and annual reporting periods beginning after December 15, 2015. This ASU did not have a material impact on its consolidated financial statements.

ASU 2015-08

In May 2015, the FASB issued ASU 2015-08, ” which conforms the FASB’s guidance on pushdown accounting with the SEC’s guidance. ASU 2015-08 is effective for annual periods beginning after December 15, 2015. This ASU did not have a material impact on the consolidated financial statements.

ASU 2016-15

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update No. 2016-15, This guidance addresses eight specific cash flow issues with the objective of reducing diversity in practice regarding how certain cash receipts and cash payments are presented in the statement of cash flows. The standard provides guidance on the classification of the following items: (1) debt prepayment or debt extinguishment costs, (2) settlement of zero-coupon debt instruments, (3) contingent consideration payments made after a business combination, (4) proceeds from the settlement of insurance claims, (5) proceeds from the settlement of corporate-owned life insurance policies, (6) distributions received from equity method investments, (7) beneficial interests in securitization transactions, and (8 [illegible]

Note 9. Convertible Notes, Convertible Notes – Related Party and Debenture Payable

On February 29, 2012, a loan payable of $50,000 was converted into a two-year convertible promissory note, bearing interest of 0.19% per annum. [illegible] March 31, 2012, the note was convertible into common shares of the Company at the rate of $12.00 per share. The Company evaluated the convertible note and determined that, for the embedded conversion option, there was no beneficial conversion value to record as the conversion price is considered to be the fair market value of the common shares on the note issue date. This loan ([illegible] promissory note) was originally due in February 2014. The amount due under this note has been [illegible] conversion

Note 10. Commitments and Contingencies

Line of Credit

The Company maintained a line of credit with a bank, up to a maximum credit line of $250,000. The line of credit bore interest equal to the prime rate plus 0.50% (overall interest rate of 4.00% at April 30, 2016). The line of credit required minimum monthly payments consisting of interest only. The line of credit was secured by all business assets, inventory, equipment, accounts, general intangibles, chattel paper, documents, instruments and letter of credit rights of the Company. The line of credit was for an unspecified time until the bank notifies the Company of the Final Availability Date, at which time monthly payments on the line of credit would have been the sum of: (a) accrued interest and (b) 1/60th of the unpaid principal balance immediately following the Final Availability Date, which equates to a five-year payment period. The balance due on the line of credit as of April 30, 2016 was $1,783. Since the earliest the line of credit could have been due and payable was over a five year period and the Company believed that it could obtain a comparable replacement line of credit elsewhere, the entire line of credit was included in long-term liabilities. The unused amount under the line of credit available to the Company at April 30, 2016 was $248,217. In September 2016, the line of credit with the bank was paid and terminated.

In August 2016, the Company closed on a $3 million credit line with its largest shareholder. The credit line, whose terms included a 12% per annum interest rate on drawn funds and a 2% per annum interest rate on undrawn funds. The Company initially drew down $750,000 under the line, of which approximately $248,000 was used to repay a secured line of credit with a bank as noted above. Additionally, the Company paid a 2% origination fee of $60,000 and issued 62,500 common-stock warrants at an exercise price of $2.40 per share, which are redeemable by the Company if the closing price of its common stock averages at least $3.00 per share for 10 consecutive trading days. The origination fee and $52,500 value of the 62,500 warrants (see Note 11) were recorded as debt discounts to be amortized over the term of the line. In January of 2017, the company drew an additional $500,000 and drew another $900,000 in March 2017 to use as a down payment for the USU acquisition (See Note 16.). The entire balance of $2,150,000 plus interest was paid and the letter of credit was terminated on April 7, 2017 as part of the $7,500,000 equity raise. The unamortized balance of the origination fees were expensed at that time. (See Note 11 and 16.)

Operating Leases

The Company recently signed an 18 month lease for its corporate headquarters in New York, New York, commencing June 7, 2016. The monthly rent is $7,667.

The Company leases office space for its developers in Dieppe, NB, Canada under a three year agreement commencing March 1, 2017. The monthly rent payment is $2,049 Canadian which is approximately $1,872 US.

The Company leases office space for its Denver, Colorado location under a two year lease commencing January 1, 2017. The monthly rent payment is $10,483.

On February 1, 2016, the Company entered into a 64-month lease agreement for its call center in Phoenix, Arizona. The operating lease granted four initial months of free rent and had a base monthly rent of $10,718 and then increases 2% per year after.

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of April 30, 2017:

Year Ending April 30,		
2018	$	379,691
2019		242,725
2020		155,859
2021		140,060
2022		11,692
2023		—
Total minimum payments required	$	930,027

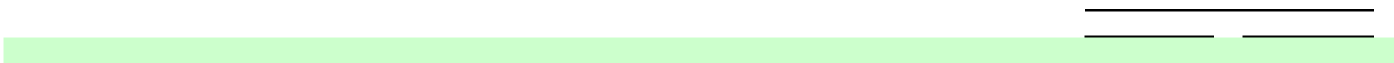
Rent expense for the years ended April 30, 2017 and 2016 were $338,196 and $239,658, respectively.

Employment Agreements

From time to time, the Company enters into employment agreements with certain of its employees. These agreements typically include bonuses, some of which are performance-based in nature. As of April 30, 2017, no performance bonuses have been earned.

Legal Matters

From time to time, we may be involved in litigation relating to claims arising out of our operations in the normal course t -arising ingrmaimelin



On August 5, 2015, 41,667 options

Stock Option Grants to Non-Employees

There were no stock options granted to non-employees during the year April 30, 2017 and 2016. The Company recorded no compensation expense for the years ended April 30, 2017, and 2016 in connection with non-employee stock options. There was no unrecognized compensation cost at April 30, 2017.

A summary of the Company's stock option activity for non-employees during the year ended April 30, 2017 is presented below:

Options	Number of Shares	Weighted Average Exercise Price	Average Remaining Contractual Term	Aggregate Intrinsic Value
Balance Outstanding, April 30, 2016	16,250	$ 3.48	0.9	$ —
Granted	—	—	—	—
Exercised	—	—	—	—
Forfeited	—	—	—	—
Expired	(16,250)	—	—	—
Balance Outstanding, April 30, 2017	—	$ —	—	—
Exercisable, April 30, 2017	—	$ —	—	—

Note 12. Income Taxes

The components of income tax expense (benefit) are as follows:

	For the Years Ended April 30,	

ASPEN GROUP, INC. AND

Note 14. Related Party Transactions

See Note 4 for discussion of secured note and account receivable to related parties and see Notes 8 and 9 for discussion of loans payable and convertible notes payable to related parties.

Note 15. Fair Value Measurements – Warrant Derivative liability

The accounting standard for fair value measurements provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements. Fair value is defined as the price that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The accounting standard established a fair value hierarchy which requires an entity to maximize the use of observable inputs, where available. This hierarchy prioritizes the inputs into three broad levels as follows. Level 1 input are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based on the Company’s own assumptions used to measure assets and liabilities at fair value. An asset or liability’s classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

Assets and liabilities measured at fair value on a recurring and non-recurring basis consisted of the following at April 30, 2017 which related to 62,500 warrants which contained price [illegible]

Exhibit 10.1

PROMISSORY NOTE

Principal Amount:
$900,000.00

New York, New York
Issue Date: March __, 2017

For value received, the undersigned, Linden Finance LLC, a Delaware limited liability company, (the "Borrower") hereby unconditionally promises to pay to the order of Aspen Group, Inc., a Delaware corporation having its principal place of business at 46 East 21st Street, Third Floor, New York, NY 10010 (the "Lender"), the principal amount of Nine Hundred Thousand and 00/100 U.S. Dollars ($900,000.00) (the "Principal Amount"), together with 8% per annum interest thereon (computed on the basis of a 360-day year for the actual number of days elapsed) according to the terms of this promissory note (this "Note").

This Note is delivered pursuant to the terms of that certain letter of intent of even date herewith, by and among Educaci n Significat va, LLC (the "Company"), Linden Education Partners, LLC ("Linden"), and the Lender (the "Letter"). Capitalized terms used but not defined in this Note shall have the meanings ascribed to them in the Letter.

1. Repayment of the Note. The Principal Amount outstanding hereunder shall be payable upon the Maturity Date (as defined below). The entire Principal Amount and all accrued and unpaid interest shall be due and payable on the earlier to occur of (i) the Maturity Date, and (ii) an Event of Default (as defined below).

(a) **Optional Prepayments**. The Borrower may prepay any amounts owing under this Note, in whole or in part, at any time and from time to time, without premium or penalty.

(b) **Method of Payment**. The Borrower will make all payments of principal and interest under this Note by wire transfer of immediately available funds to the bank account specified by the Lender in written notice delivered to the Borrower at least three (3) business days before the applicable payment date.

(c) **Maturity Date**. The Principal Amount, together with any accrued and unpaid interest, shall become due and payable on: (i) the date that is 60 days after the date of the execution of this Note (or if such day is a Saturday, Sunday, or federally recognized holiday, on the next business day thereafter), if a Definitive Agreement has not been executed by the Lender and the Company; (ii) January 15, 2018, if the Closing of the Transaction has not occurred (as such terms are defined in the Letter); or (iii) the date upon which the Definitive Agreement is terminated in a manner expressly permitted therein (any, the "Maturity Date").

(d) **Closing of the Transaction**. In the event that the Closing of the Transaction occurs before January 15, 2018, the Principal Amount of this Note and accrued interest shall be credited against the cash portion of the Merger Consideration payable by the

4. Miscellaneous.

(a) **Notices**. All notices, offers, acceptance and any other acts under this Note (except payment) shall be in writing, and shall be sufficiently given if delivered to the addresses in person, by Federal Express or similar overnight next business day delivery or by email delivery followed by overnight next business day delivery, as follows:

To the Borrower:
Linden Finance LLC
c/o Educaci n Significat va, LLC
301 Congress Avenue
Austin, TX 78701
Attention: Oksana Malysheva
Email: oksana@lindeneducation.com

With a Copy to:
David Lewis, Esq.
DLA Piper LLP (US)
2525 E. Camelback Road, Suite 1000
Phoenix, Arizona 85016
Email: david.lewis@dlapiper.com

To the Lender:
Aspen Group, Inc.,
46 East 21st Street, Third Floor,
NewAsYork, NY 10010
Attention: Michael Mathews, CEO
Email: michael.mathews@aspen.edu

With a Copy to:
Nason Yeager Gerson White & Lioce, P.A.
3001 PGA Boulevard, Suite 305
Palm Beach Gardens, FL 33410
Attention: Michael D. Harris, Esq.
Email: mharris@nasonyeager.com

or to such other address as any of them, by notice to the other may designate from time to time. Time shall be counted from the date of transmission.

(b) **Successors and Assigns**. eThis Note and the obligations hereunder shall inure to the benefit of and be binding upon the respective successors and assigns of the parties; provided, however, that neither party may assign any of its rights or obligations hereunder without the prior written consent of the other, except that the Lender may assign all or any portion of its rights hereunder to an affiliate of the Lender without such consent by giving written notice of such assignment to the Borrower. Assignment of all or any portion of this Note in violaNotte in o

(c)

The Borrower hereby signs this Note as of the date first written above.

BORROWER:

LINDEN FINANCE LLC

By: ______________________________
Name: ______________________________
Title: ______________________________

NOW, THEREFORE, in consideration of the premises and the mutual covenants set forth in this Agreement, and intending to be legally bound, the Company and the Executive agree as follows:

1. Representations and Warranties. The Executive hereby represents and warrants to the Company that she (i) is not subject to any non-solicitation or non-competition agreement affecting her employment with the Company (other than any prior agreement with the Company or an affiliate of the Company), (ii) is not subject to any confidentiality or nonuse/nondisclosure agreement affecting her employment with the Company (other than any prior agreement with the Company or an affiliate of the Company), and (iii) has brought to the Company no trade secrets, confidential business information, documents, or other personal property of a prior employer. The recitals above are incorporated in this Agreement as representations and covenants. Each party covenants to act in good faith in the discharge of this Agreement. This Agreement replaces the Employment Agreement, as amended, between Aspen University Inc. and the Executive.

2. Term of Employment.

(a) Term. The Company hereby employs the Executive, and the Executive hereby accepts employment with the Company for a period of three years commencing as of the Effective Date (such period, as it may be extended or renewed, the "Term"), unless sooner terminated in accordance with the provisions of Section 6. The Term shall be automatically renewed for successive one-year terms unless notice of non-renewal is given by either party at least 30 days before the end of the Term.

(b) Continuing Effect. Notwithstanding any termination of this Agreement, at the end of the Term or otherwise, the provisions of Sections 6(e), 7, 8, 9, 10, 12, 15, 18, 19, and 22 shall remain in full force and effect and the provisions of Section 9 shall be binding upon the legal representatives, successors and assigns of the Executive.

3. Duties.

(a) General Duties. The Executive shall serve as the Chief Academic Officer of the Company, with duties and responsibilities that are customary for such an executive. The Executive shall report to the Company's Chief Executive Officer. The Executive shall also perform services for subsidiaries and affiliates of the Company as may be necessary. The Executive shall use her best efforts to perform her duties and discharge her responsibilities pursuant to this Agreement competently, carefully and faithfully. In determining whether or not the Executive has used her best efforts hereunder, the Executive's and the Company's delegation of authority and all surrounding circumstances shall be taken into account and the best efforts of the Executive shall not be judged solely on the Company's earnings or other results of the Executive's performance, except as specifically provided to the contrary by this Agreement, and the determination shall in any event be reasonable and shall not be made arbitrarily or capriciously by Company. The Executive shall, if requested, serve as an officer of any subsidiaries of the Company.

(b) <u>Devotion of Time</u>. Subject to the last sentence of this Section 3(b), the Executive shall devote her full time, attention and energies to the affairs of the Company and its subsidiaries and affiliates as are necessary to perform her duties and responsibilities pursuant to this Agreement. The Executive shall have reasonable off-hours and off-duty times for personal use. The Executive shall not enter the employ of or serve as a consultant to, or in any way perform any services with or without compensation to, any other persons, business, or organization, without the prior consent of the Board of Directors of the Company (the "Board"). Notwithstanding the above, the Executive shall be permitted to devote a limited amount of her time, to rest and to Executive's personal, professional, charitable or similar pursuits and interests and to organizations, including serving as a non-executive director or an advisor to a board of directors, committee of any company or organization and the Executive shall have the right to continue the following personal pursuits to complete currently colenenD itps b,,,,

(c)

(d)

4.

(a)

(b)

Equity Bonus”). In addition, the Executive shall be eligible to receive an additional percentage of her then Base Salary as a cash bonus (the “Discretionary Cash Bonus”) and an additional grant of fully vested shares of the Company’s common stock having an aggregate Fair Market Value equal to a percentage of the Executive’s then Base Salary (the “Discretionary Equity Bonus”) based on the Board’s determination that the Executive has achieved certain annual performance objectives established by the Board, based on the mutual agreement of the Chief Executive Off

membership fees in professional organizations. The Company will also provide health insurance covering the Executive and family dependents. The benefits provided to the Executive may not be less than the Company provides to any of its executive employees.

6. Termination.

(a) Death or Disability. Except as otherwise provided in this Agreement, this Agreement shall automatically terminate upon the death or disability of the Executive. For purposes of this Section 6(a), "disability" shall mean

(b)

Court enjoining the Executive from violating any securities law administered or regulated by the Securities and Exchange Commission; (viii) the Executive becomes subject to a cease and desist order or other order issued by the Securities and Exchange Commission after an opportunity for a hearing; (ix) the Executive refuses to carry out a resolution adopted by the Company's Board at a meeting in which the Executive was offered a reasonable opportunity to argue that the resolution should not be adopted, provided that the resolution did not direct the Executive to act or refrain from acting in a manner which is contrary to this Agreement, is unlawful or would expose the Executive to regulatory, civil or criminal liability; or (x) the Executive abuses alcohol or drugs in a manner that interferes with the successful performance of her duties. Any termination made by the Company under this Agreement shall be approved by the Board.

(c) Other Termination.

(1) This Agreement may be terminated: (i) by the Executive for Good Reason (as defined below), (ii) by the Company without Cause, (iii) upon any Change of Control event as defined in Treasury Regulation Section 1.409A-3(i)(5) provided, that within 12 months of the Change of Control event (A) the Company terminates the Executive's employment or changes her title as Chief Academic Officer, or (B) the Executive terminate her employment or (iv) at the end of a Term after the Company provides the Executive

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the Code subsequent to the "applicable 2 ½ month period" (as such term is defined under Treasury Regulation Section 1.409A-1(b)(4)(i)(A)).

(3) In the event of a Change of Control during the Term subject to the termination of employment as outlined in section 61ined 6

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shall be made in the second taxable year. Upon any C

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Company (which for the purpose of this Agreement also includes any of its subsidiaries or affiliates) by acting as an employee or officer yeeficer

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(e) No Payment. The Executive acknowledges and agrees that no separate or additional payment will be required to be made to her in consideration of her undertakings in this Section 8, and confirms she has received adequate consideration for such undertakings, provided the Company has not breached this Agreement.

(f) References. References to the Company in this Section 8 shall include the Company's subsidiaries and affiliates [illegible] the Exec[illegible] [illegible]

9. Non-Disclosure of Confidential Information.

(a) For purposes of this Agreement, "Confidential Information" excludes the skills, experience, education and abilities the Executive brings to this employment with her, but includes, but is not limited to, trade secrets, processes, policies, procedures, techniques, designs, drawings, show-how, technical information, specifications, computer software and source code, information and data relating to the development, research, testing, costs, marketing, and uses of the Services (as defined herein), the Company's budgets and strategic plans, and the identity and special needs of Students, vendors, and suppliers, subjects and databases, data, and all technology relating to [illegible]

(b)

future action necessary to submit to the jurisdiction of such courts. The Executive and the Company irrevocably waive any objection that they now have or hereafter may have to the laying of venue of any suit, action or proceeding brought in any such court and further irrevocably waive any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Final judgment against the Executive or the Company in any such suit shall be conclusive and may be enforced in other jurisdictions by suit on the judgment, a certified or true copy of which shall be conclusive evidence of the fact and the amount of any liability of the Executive or the Company therein described, or by appropriate proceedings under any applicable treaty or otherwise.

11. Conflicts of Interest. While employed by the Company, the Executive shall not, unless approved by the Compensation Committee, directly or indirectly:

(a) participate as an individual in any way in the benefits of transactions with any of the Company's vendors or Students, including, without limitation, having a financial interest in the Company's vendors or Students, or making loans to, or receiving loans, from, the Company's vendors or Students, or subjects;

(b) realize a personal gain or advantage from a transaction in which the Company has an interest or use information obtained in connection with the Executive's employment with the Company for the Executive's personal advantage or gain; or

(c) accept any offer to serve as an officer, director, partner, consultant, manager with, or to be employed in a professional, technical, or managerial capacity by, a person or entity which does business with the Company.

12. Inventions, Ideas, Processes, and Designs. Except for the scope of pre-existing knowledge which the Executive has prior to commencement of employment with the Company, all inventions, ideas, processes, programs, software, and designs (including all improvements) (i) conceived or made by the Executive during the course of her employment with the Company (whether or not actually conceived during regular business hours) and for a period of six months subsequent to the termination (whether by expiration of the Term or otherwise) of such employment with the Company, and (ii) related to the business of the Company, shall be disclosed in writing promptly to the Company and shall be the sole and exclusive property of the Company, and the Executive hereby assigns any such inventions to the Company. An invention, idea, process, program, software, or design (including an improvement) shall be deemed related to the business of the Company if (a) it was made with the Company's funds, personnel, equipment, supplies, facilities, or Confidential Information, (b) results from work performed by the Executive for the Company, or (c) pertains to the current business or demonstrably anticipated research or development work of the Company. The Executive shall cooperate with the Company and its attorneys in the preparation of patent and copyright applications for such developments and, upon request, shall promptly assign all such inventions, ideas, processes, and designs to the Company. The decision to file for patent or copyright protection or to maintain such development as a trade secret, or otherwise, shall be in the sole discretion of the Company, and the Executive shall be bound by such decision. The Executive hereby irrevocably assigns to the Company, for no additional consideration, the Executive's entire right, title and interest in and to all work product and intellectual property rights, including the right to sue, counterclaim

16. Notices and Addresses. All notices, offers, acceptance and any other acts under this Agreement (except payment) shall be in writing, and shall be sufficiently given if delivered to the addressees in person, by FedEx or similar receipted delivery, or next business day delivery to the addresses detailed below (or to such other address, as either of them, by notice to the other may designate from time to time), or by e-mail delivery (in which event a copy shall immediately be sent by FedEx or similar receipted delivery), as follows:

To the Company: Michael Mathews
Chief Executive Officer
Aspen Group, Inc.
46 East 21st Street, 3rd Floor
New York, NY 10010
Email: michael.mathews@aspen.edu

With a copy to: Nason, Yeager, Gerson White & Lioce, P.A.
Attn: Michael D. Harris, Esq.
3001 PGA Blvd., Suite 305
Palm Beach Gardens, Florida 33410
Email: mharris@nasonyeager.com

To the Executive: Cheri St. Arnauld
11811 N Tatum Blvd. #4000
Phoenix, AZ 85028
Email: carnauld@cox.net

17. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. The execution of this Agreement may be by actual or facsimile signature.

18. Attorneys' Fees. In the event that there is any controversy or claim arising out of or relating to this Agreement, or to the interpretation, breach or enforcement thereof, and any action or proceeding is commenced to enforce the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and expenses (including such fees and costs on appeal).

19. Governing Law. This Agreement shall be governed or interpreted according to the internal laws of the State of Delaware without regard to choice of law considerations and all claims relating to or arising out of this Agreement, or the breach thereof, whether sounding in contract, tort, or otherwise, shall also be governed by the laws of the State of Arizona without regard to choice of law considerations.

20. Entire Agreement. This Agreement constitutes the entire Agreement between the parties and supersedes all prior oral and written agreements between the parties hereto with respect to the subject matter hereof. Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated orally, except by a statement in writing signed by the party or parties against which enforcement or the change, waiver discharge or termination is sought.

21. Section and Paragraph Headings. The section and paragraph headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

22. Section 409A Compliance.

(a) This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A")

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(ii) any reimbursement of an eligible expense shall be paid to the Executive on or before the last day of the calendar year following the calendar year in which the expense was incurred; and

(iii) any right to reimbursements or in-kind benefits under this Agreement shall not be subject to liquidation or exchange for another benefit.

(d) In the event the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code at the time of the Executive's separation from service, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement on account of the Executive's separation from service would be considered deferred compensation subject to Section 409A as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (i) six months and one day after the Executive's separation from service, or (ii) the Executive's death (the "Six Month Delay Rule").

(i) For purposes of this subparagraph, amounts payable under the Agreement should not provide for a deferral of compensation subject to Section 409A to the extent provided in Treasury Regulation Section 1.409A-1(b)(4) (e.g., short-term deferrals), Treasury Regulation Section 1.409A-1(b)(9) (e.g., separation pay plans, including the exception under subparagraph (iii)), and other applicable provisions of the Treasury Regulations.

(ii) To the extent that the Six Month Delay Rule applies to payments otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of the Six Month Delay Rule, and the balance of the installments shall be payable in accordance with their original schedule.

(iii) To the extent that the Six Month Delay Rule applies to the provision of benefits (including, but not limited to, life insurance and medical insurance), such benefit coverage shall nonetheless be provided to the Executive during the first six months following her separation from service (the "Six Month Period"), provided that, during such Six-Month Period, the Executive pays to the Company, on a monthly basis in advance, an amount equal to the Monthly Cost (as defined below) of such benefit coverage. The Company shall reimburse the Executive for any such payments made by the Executive in a lump sum not later than 30 days following the six-month anniversary of the Executive's separation from service. For purposes of this subparagraph, "Monthly Cost" means the minimum dollar amount which, if paid by the Executive on a monthly basis in advance, results in the Executive not being required to recognize any federal income tax on receipt of the benefit coverage during the Six Month Period.

(e) The parties intend that this Agreement will be administered in accordance with Section 409A. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A. The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section

409A and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(f) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A but do not satisfy an exemption from, or the conditions of, such Section.

IN WITNESS WHEREOF, the Company and the Executive have executed this Agreement as of the date and year first above written.

Aspen Group, Inc.

By: ______________________________
Michael

____

EXHIBIT 21.1

SUBSIDIARIES

Aspen University, Inc., a Delaware corporation

EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 previously filed on December 13, 2016, of our report dated July 25, 2017 on the consolidated financial statements of Aspen Group, Inc. [illegible] as of and for the years ende[illegible]

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Michael Mathews, certify that:

1. I have reviewed this annual report on Form 10-K of Aspen Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a mlof lof

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Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Janet Gill, certify that:

1. I have reviewed this annual report on Form 10-K of Aspen Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not m e˝taiissiis dwef ot

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