
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **October 31, 2018**.
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-38175

Aspen Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

27-1933597

(I.R.S. Employer Identification No.)

276 Fifth Avenue, Suite 306, New York, New York

(Address of principal executive offices)

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

	<u>October 31,</u> <u>2018</u>	<u>April 30,</u> <u>2018</u>
	<u>(Unaudited)</u>	
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 1,625,989	\$ 2,227,214
Accrued expenses	731,591	658,854
Deferred revenue	3,445,306	1,814,136
Refunds due students	1,181,939	815,841
Deferred rent, current portion	12,247	8,160
Convertible notes payable, current portion	1,050,000	1,050,000
Other current liabilities	375,749	203,371
Total current liabilities	<u>8,422,821</u>	<u>6,777,576</u>
Convertible note	1,000,000	1,000,000
Deferred rent	527,158	77,365
Total liabilities	<u>9,949,979</u>	<u>7,854,941</u>
Commitments and contingencies - See Note 6		
Stockholders' equity:		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized, 0 issued and outstanding at October 31, 2018 and April 30, 2018	—	—
Common stock, \$0.001 par value; 250,000,000 shares authorized, 18,391,092 issued and 18,374,425 outstanding at October 31, 2018 18,333,521 issued and 18,316,854 outstanding at April 30, 2018	18,391	18,334
Additional paid-in capital	67,102,509	66,557,005
Treasury stock (16,667 shares)	(70,000)	(70,000)
Accumulated deficit	(38,084,102)	(32,771,748)
Total stockholders' equity	<u>28,966,798</u>	<u>33,733,591</u>
Total liabilities and stockholders' equity	<u>\$ 38,916,777</u>	<u>\$ 41,588,532</u>

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

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ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED OCTOBER 31, 2018
(Unaudited)

	<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Treasury Stock</u>	<u>Accumulated Deficit</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Amount</u>				
Balance at April 30, 2018	18,333,521	\$ 18,334	\$ 66,557,005	\$ (70,000)	(62,571,748)	\$ 33,733,591
Stock-based compensation	—	—	515,291	—	—	515,291
Common stock issued from exercise of warrants						



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

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ASPEN GROUP, INC. AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
OCTOBER 31, 2018
(Unaudited)

B. Liquidity

At October 31, 2018, the Company had a cash balance of \$7,723,808 with an additional \$190,506 in restricted cash.

In April 2018, the Company raised \$23,023,000 in equity through the sale of 3,220,000 shares at \$7.15 per share. With the proceeds, the Company repaid a \$7.5 million senior secured term loan.

As discussed in more detail in Note 11, Subsequent Events, on November 5, 2018 the Company entered into a three year, senior unsecured revolving credit facility. There is currently no outstanding balance under that facility.

During the six months ending October 31, 2018 the Company used cash of \$6,888,751, which included using \$5,487,423 in operating activities. The Company expects revenue growth to continue, and expenses to grow at a slower pace. As a result, the Company expects cash used in operations to decline in future quarters as compared to the quarter ending October 31, 2018.

The Company paid \$1,160,000 of principal and accrued interest related to a convertible note on December 3, 2018, as explained in Note 11, Subsequent Events. The Company also anticipates ongoing investment spending, including an expected investment of approximately

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Goodwill and Intangibles

Goodwill represents the excess of the purchase price of USU over the fair market value of assets acquired and liabilities assumed from Educacion Significativa, LLC. Goodwill has an indefinite life and is not amortized. Goodwill is tested annually for impairment.

Intangible assets represent both indefinite lived and definite lived assets. Accreditation and regulatory approvals and trade name and trademarks are deemed to have indefinite useful lives and accordingly are not amortized but are tested annually for impairment. Student relationships and curriculums are deemed to have definite lives and are amortized accordingly.

Fair Value Measurements

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. The Company classifies assets and liabilities recorded at fair value under the fair value hierarchy based upon the observability of inputs used in valuation techniques. Observable inputs (highest level) reflect market data obtained from independent sources, while unobservable inputs (lowest level) reflect internally developed market assumptions. The fair value measurements are classified under the following hierarchy:

- Level 1—Observable inputs that reflect quoted market prices (unadjusted) for identical assets and liabilities in active markets;
- Level 2—Observable inputs, other than quoted market prices, that are either directly or indirectly observable in the marketplace for identical or similar assets and liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets and liabilities; and
- Level 3—Unobservable inputs that are supported by little or no market activity that are significant to the fair value of assets or liabilities.

The estimated fair value of certain financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued expenses are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instruments.

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 monthly payment plan represents approximately 72% of the payments that are made by students, making it the most common payment type. 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 each student's status. Aspen estimates the amounts to increase the allowance based upon the risk presented by the age of the receivables and student status. Aspen writes off accounts receivable balances at the time the balances are deemed uncollectible. Aspen continues to reflect accounts receivable with an offsetting allowance as long as management believes there is a reasonable possibility of collection.

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For accounts receivable from primary payors other than students, Aspen estimates its allowance for doubtf



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Long-Lived Assets

The Company assesses potential impairment to its intangible assets and property, plant, and equipment at the end of each reporting period. If the carrying amount of an asset exceeds its fair value, an impairment loss is recognized and recorded in the statement of operations. The fair value of an asset is determined based on the present value of the estimated future cash flows that the asset is expected to generate. The Company's estimate of fair value is based on management's judgment and is subject to change. The Company's estimate of fair value is based on management's judgment and is subject to change.



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Stock-Based Compensation

Stock-based compensation expense is measured at the grant date fair value of the award and is expensed over the requisite service period. For employee stock-based awards, the Company calculates the fair value of the award on the date of grant using the Black-Scholes option pricing model. Determining the fair value of stock-based awards at the grant date under this model requires judgment, including estimating volatility, employee stock option exercise behaviors and forfeiture rates. The assumptions used in calculating the fair value of stock-based awards represent the Company's best estimates, but these estimates involve inherent uncertainties and the application of management judgment. For non-employee stock-based awards, the Company calculates the fair value of the award on the date of grant in the same manner as employee awards, however, the awards are revalued at the end of each reporting period and the pro rata compensation expense is adjusted accordingly until such time the non-employee award is fully vested, at which time the total compensation recognized to date shall equal the fair value of the stock-based award as calculated on the measurement date, which is the date at which the award recipient's performance is complete. The estimation of stock-based awards that will ultimately vest requires judgment, and to the extent actual results or updated estimates differ from original estimates, such amounts are recorded as a cumulative adjustment in the period estimates are revised.

Business Combinations

We include the results of operations of businesses we acquire from the date of the respective acquisition. We allocate the purchase price of acquisitions to the assets acquired and liabilities assumed at fair value. The excess of the purchase price of an acquired business over the amount assigned to the assets acquired and liabilities assumed is recorded as goodwill. We expense transaction costs associated with business combinations as incurred.

Net Loss Per Share

Net loss per common share is based on the weighted average number of common shares outstanding during each period. Options to purchase 3,435,616 and 2,979,510 common shares, warrants to purchase 650,847 and 650,847 common shares, and \$50,000 and \$50,000 of convertible debt (convertible into 4,167 and 4,167 common shares) were outstanding at October 31, 2018 and April 30, 2018, respectively, but were not included in the computation of diluted net loss per share because their effects would have been anti-dilutive. Additionally, the Company has a \$2 million dollar convertible note with \$1 million convertible on December 1, 2018 and the remaining \$1 million convertible on December 1, 2019. Had the \$2 million been convertible on October 31, 2018, based on the conversion formula applied to pmpul 1

ASPEN GROUP, INC. AND SUBSIDIARIES
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Note 3. Property and Equipment

As property and equipment reach the end of their useful lives, the fully expired asset is written off against the associated accumulated depreciation. There is no expense impact for such write offs. Property and equipment consisted of the following at October 31, 2018 and April 30, 2018:

	October 31, 2018	April 30, 2018
Computer hardware	\$ 166,051	\$ 140,509
Computer and office equipment	294,419	230,810
Furniture and fixtures	1,271,536	932,454
Software	3,485,118	2,878,753
	<u>5,217,124</u>	<u>2,304,182,526</u>
Accumulated depreciation and amortization	(1,450,025)	(1,320,360)
Property and equipment at October 31, 2018; and April 30, 2018	<u>\$ 3,767,099</u>	<u>\$ 1,083,826</u>

ASPEN GROUP, INC. AND SUBSIDIARIES
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Note 4. Courseware and Accreditation

Courseware costs capitalized were \$28,721 for the six months ended October 31, 2018. As courseware reaches the end of its useful life, it is written off against the accumulated amortization. There is no expense impact for such write-offs.

Courseware consisted of the following at October 31, 2018 and April 30, 2018:

	October 31, 2018	April 30, 2018
Courseware	\$ 325,286	\$ 298,064
Accreditation	57,100	—
Accumulated amortization	(189,734)	(159,905)
Courseware, net	<u>\$ 192,652</u>	<u>\$ 138,159</u>

The Company incurred \$57,100 in accreditation costs associated with intangible assets which were capitalized during the six months ended October 31, 2018.

Amortization expense of courseware for the three and six months ended October 31, 2018 and 2017:

	For the Three Months Ended October 31,		For the Six Months Ended October 31,	
	2018	2017	2018	2017
Amortization Expense	\$ 15,960	\$ 13,686	\$ 31,331	\$ 27,323

The following is a schedule of estimated future amortization expense of courseware at October 31, 2018:

Year Ending April 30,	
2019	\$ 36,070
2020	62,470
2021	35,505
2022	27,632
2023	22,079
Thereafter	8,896
Total	<u>\$ 192,652</u>

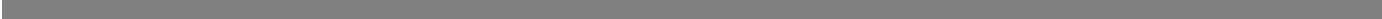
Note 5. Convertible Notes

On February 29, 2012, a loan payable of \$50,000 was converted into a two-year convertible promissory note, interest of 0.19% per annum. Beginning 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 (now a convertible promissory note) was originally due in February 2014. The amount due under this note has been reserved for payment upon the note being tendered to the Company by the note holder.

On December 1, 2017, the Company completed the acquisition of USU and, as part of the consideration, a \$2.0 million convertible note (the "Note") was issued, bearing 8% annual interest that matures over a two-year period after the closing. (See Note 8 and 11) At the option of the Note holder, on each of the first and second anniversaries of the closing date, \$1,000,000 of principal and accrued interest under the Note will be convertible into shares of the Company's common stock based on the volume weighted average price per share for the ten preceding trading days (subject to a floor of \$2.00 per share) or become payable in cash. There was no beneficial conversion feature on the note date and the conversion terms of the note exempt it from derivative accounting. Subsequently the note was assigned to a third party.

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Note 6. Commitments and Conting



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Return of Title IV Funds

An institution participating in Title IV Programs must correctly calculate the amount of unearned Title IV Program funds that have been disbursed to students who withdraw from their educational programs before completion and must return those unearned funds in a timely manner, no later than 45 days of the date the school determines that the student has withdrawn. Under Department regulations, failure to make timely returns of Title IV Program funds for 5% or more of students sampled on the institution's annual compliance audit in either of its two most recently completed fiscal years can result in the institution having to post a letter of credit in an amount equal to 25% of its required Title IV returns during its most recently completed fiscal year. If unearned funds are not properly calculated and returned in a timely manner, an institution is also subject to monetary liabilities or an action to impose a fine or to limit, suspend or terminate its participation in Title IV Programs.

Subsequent to a program review by the DOE during calendar year 2013, the Company recognized that it had not fully complied with all requirements for calculating and making timely returns of Title IV funds (R2T4). In November 2013, the Company returned a total of \$102,810 of Title IV funds to the DOE. In the two most recent fiscal years (2015 and 2016), Aspen's compliance audit reflected no material findings related to the 2013 program review findings.

On February 8, 2017, the DOE issued a Final Program Review Determination ("FPRD") letter related to the 2013 program review. The FRPD includes a summary of the non-compliance areas and calculations of amounts due for the 126 students that they reviewed. We had 45 days to appeal the amounts calculated and while we were reviewing their calculations, we recognized that we would owe some amount in the range from \$80,000 to \$360,000. In accordance with ASC 450-20, we recorded a minimum liability of \$80,000 at January 31, 2017. Of that amount, \$55,000 was recorded against the accounts receivable reserve and \$25,000 was expensed. In late March 2017, we agreed to not contest the calculations and paid the full amount of \$378,090. As a result, we recorded an additional expense of \$298,090 in the fiscal quarter ended A; +we reco

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On September 6, 2018, the Board approved 25,000 shares of restricted stock to the Chief Financial Officer. The stock vests over 36 months and the stock price was \$7.17 on the date of the grant. The value of the compensation was approximately \$180,000 and will be recognized over 36 months.

Treasury Stock, April 30, 2018

On July 19, 2018, AGI in simultaneous transactions repurchased 1,000,000 shares of common stock at \$7.40 per share and re-sold the shares to a large well-known institutional money manager at \$7.40 per share. The shares were purchased by the Company from ESL pursuant to a Securities Purchase Agreement dated July 18, 2018. The Purchaser paid \$30,000 to a broker-dealer in connection with the transaction. (See Note 9)

Warrants

A summary of the Company's warrant activity during the six months ended October 31, 2018 is presented below.

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ASPEN GROUP, INC. AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(Unaudited)

A summary of the Company's stock option activity for employees and directors during the six months ended October 31, 2018, is presented below:

Options	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Balance Outstanding, April 30, 2018	2,979,510	\$ 3.62	—	\$16,558,373
Granted	560,000	7.55	—	—
Exercised	(72,643)	2.43	—	—
Forfeited	(31,251)	—	—	—
Expired	—	—	—	—
Balance Outstanding, October 31, 2018	<u>3,435,616</u>	<u>\$ 4.25</u>	<u>3.06</u>	<u>\$10,765,680</u>
Exercisable, October 31, 2018	<u>1,752,034</u>	<u>\$ 2.62</u>	<u>2.23</u>	<u>\$ 8,533,721</u>

During the six months ended October 31, 2018, the Company issued 30,764 shares of common stock upon the cashless e[¶]

ASPEN GROUP, INC. AND SUBSIDIARIES
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Note 9. Related party

On July 19, 2018, AGI in simultaneous transactions repurchased 1,000,000 shares of common stock (the “Shares”) at \$7.40 per share and re-sold the Shares to a large well-known institutional money manager (the “Purchaser”) at \$7.40 per share. The Shares were purchased by the Company from ESL pursuant to a Securities Purchase Agreement. The Shares were sold to the Purchaser through Craig-Hallum Capital Group, LLC (“Craig Hallum”). Craig-Hallum acted as a dealer in this transaction and received an ordinary brokerage commission from the Purchaser.

The Purchaser initiated the transaction by contacting the Company seeking to buy a large block of common stock. The Company approached ESL which had acquired the Shares on December 1, 2017 when it sold United States University to the Company. Ms. Oksana Malysheva, the sole manager of ESL, became a director of the Company as part of the purchase of United States University and remains a director today.

Note 10. Revenue



ASPEN GROUP, INC. AND SUBSIDIARIES
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(Unaudited)

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 receivable balances at the time the balances are deemed uncollectible. Aspen continues to age

ASPEN GROUP, INC. AND SUBSIDIARIES
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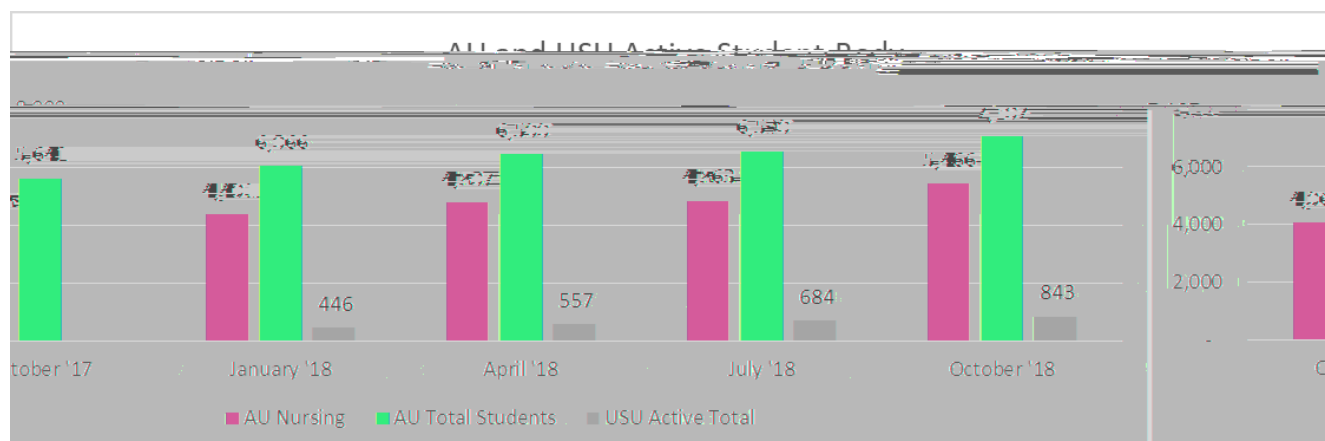
The Loan Agreement contains customary representations and warranties, events of default and covenants. Pursuant to the Loan Agreement and the Note, all future or contemporaneous indebtedness incurred by the Company, other than indebtedness expressly permitted by the Loan Agreement and the Note, will be subordinated to the Facility.

Pursuant to the Loan Agreement, on November 5, 2018 the Company issued to the Lender warrants to purchase 92,049 shares of the Company's common stock exercisable for five years from the date of issuance at the exercise price of \$5.85 per share.

Payment of Convertible Note

On December 3, 2018, the Company made a scheduled payment of \$1,000,000 of principal and \$160,000 of accrued interest under the convertible note in the initial principal amount of \$2,000,000 issued on December 1, 2017 (See Notes 5 and 8). The remaining \$1,000,000 of principal amount outstanding under the Note will mature on December 1, 2019.

USU’s total active degree-seeking student body grew sequentially from 684 to 843 students or a sequential increase of 23%.



* Note: “Active Degree-Seeking Students” are defined as degree-seeking students who were enrolled in a course during the quarter reported, or are registered for an upcoming course.

AGI New Student Enrollments

AGI delivered a company record of 1,565 new student enrollments for the fiscal 2019 second quarter, a 19% increase sequentially and a 50% increase year-over-year.

Aspen University accounted for 1,294 new student enrollments (includes 133 Doctoral enrollments and 57 Pre-licensure BSN AZ campus enrollments), while United States University (“USU”) accounted for 271 new student enrollments (primarily FNP enrollments).

Below is a table reflecting unconditional acceptance new student enrollments for the past five quarters:

	New Student Enrollments					EAs	Enrolls/ Month/EA
	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19		
Aspen (Nursing + Other)	1,044 ¹	972 ¹	980	882	1,104	50	7.4
Aspen (Doctoral)			116	118	133	6	7.4
Aspen (Pre-Licensure BSN, AZ Campus)				93	57 ²	3	6.3
USU (FNP + Other)			177	221	271	13	6.9
Total	1,044	972	1,273	1,314	1,565	72	

¹Included doctoral enrollments

²New enrollments in this program were intentionally limited due to the current wait list

Aspen University’s traditional fully-online degree programs (not including campus) delivered 1,237 enrollments (Nursing + Other and

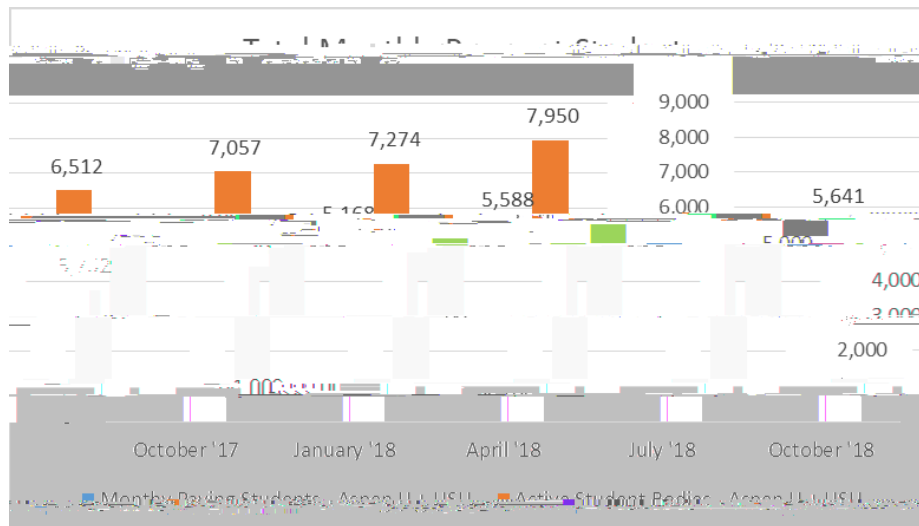
Monthly Payment Programs Overview

Aspen offers two monthly payment programs, a monthly payment plan in which students make payments every month over a fixed period depending on the degree program, and a monthly installment plan in which students pay three monthly installments (day 1, day 31 and day 61 after the start of each course).

Aspen University students paying tuition and fees through a monthly payment method grew by 35% year-over-year, from 3,752 to 5,074. Those 5,074 students paying through a monthly payment method represent 71% of Aspen University's total active student body.

USU students paying tuition and fees through a monthly payment method grew from 399 to 514 students sequentially. Those 514 students paying through a monthly payment method represent 61% of USU's total active student body.

In total, 5,588 active students or 70% of AGI's total active student body of 7,950 are paying through a monthly payment method.



The total contractual value of AGI's monthly payment plan students, assuming each student completes the degree program in which he or she has enrolled, now exceeds \$45 million which currently delivers monthly recurring tuition cash payments consistently exceeding \$1,300,000.

Marketing Efficiency Ratio (MER) Analysis

AGI has developed a marketing efficiency ratio to continually monitor the performance of its business model.

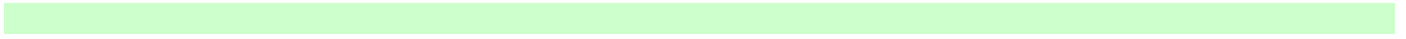
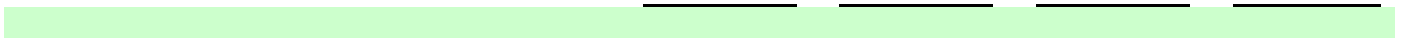
$$\text{Marketing Efficiency Ratio (MER)} = \frac{\text{Revenue per Enrollment (RPE)}}{\text{Cost per Enrollment (CPE)}}$$

Cost per Enrollment (CPE)

The Cost per Enrollment measures the advertising investment spent in a given six month period, divided by the number of new student enrollments achieved in that given six month period, in order to obtain an average CPE for the period measured.

Revenue per Enrollment (RPE)

The Revenue per Enrollment takes each quarterly cohort of new degree-seeking student enrollments, and measures the amount of earned revenue including tuition and fees to determine the average RPE for the cohort measured. For the later periods of a cohort, we have used reasonable projections based off of historical results to determine the amount of revenue we will earn in later periods of the cohort.



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Depreciation and Amortization

Depreciation and amortization costs for the 2018 Period increased to \$1,022,172 from \$284,074 for the 2017 Period, an increase of \$738,098 or 260%. The increase in depreciation expense is mainly due to the depreciation of intangible assets acquired with USU. AGI is making capital investments in the Phoenix campus and those investments will continue to become a bigger percentage of the overall depreciation expense. Similarly, AGI continues to invest in proprietary software for both universities which will contribute to future depreciation expense.

Other income, net M ~ M

Other income, net for the 2018 Period increased to \$15,619 from (\$144,205) in the 2017 Period, an increase of \$159,824 or 111%.

Incomed

Net cash used in investing activities during the 2017 Period totaled (\$565,973), reflecting primarily fixed asset and courseware purchases.

Net Cash Provided By Financing Activities

Net cash provided by financing activities during the 2018 Period totaled \$30,270 which reflects stock option exercise proceeds net of payment of offering costs.

Net cash provided by financing activities during the 2017 Period totaled \$4,862,508 reflecting the net proceeds of \$4,780,572 from the senior secured term loan.

Liquidity and Capital Resource Considerations

Historically, our primary source of liquidity is cash receipts from tuition and the sale securities. The primary uses of cash are payroll related expenses, professional expenses, and instructional and marketing expenses.

As of December 10, 2018, the Company had bank balances of approximately \$6.2 million. This amount does not reflect the reduction for outstanding checks. With i,ip\$5+



Cautionary Note Regarding Forward Looking Statements

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including statements regarding our future revenues and expenses, growth in student body, including future organic/referral enrollments, future investments including in our new pre-licensure BSN program and the expectations from that program, improvement in Adjusted EBITDA, and our liquidity. All statements other than statements of history



PART II. OTHER INFORMATION

~~ITEM 1~~ LITIGATION 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 in Note 6, we are not aware of any 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 litigation is pending.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Aspen Group, Inc.

December 10, 2018

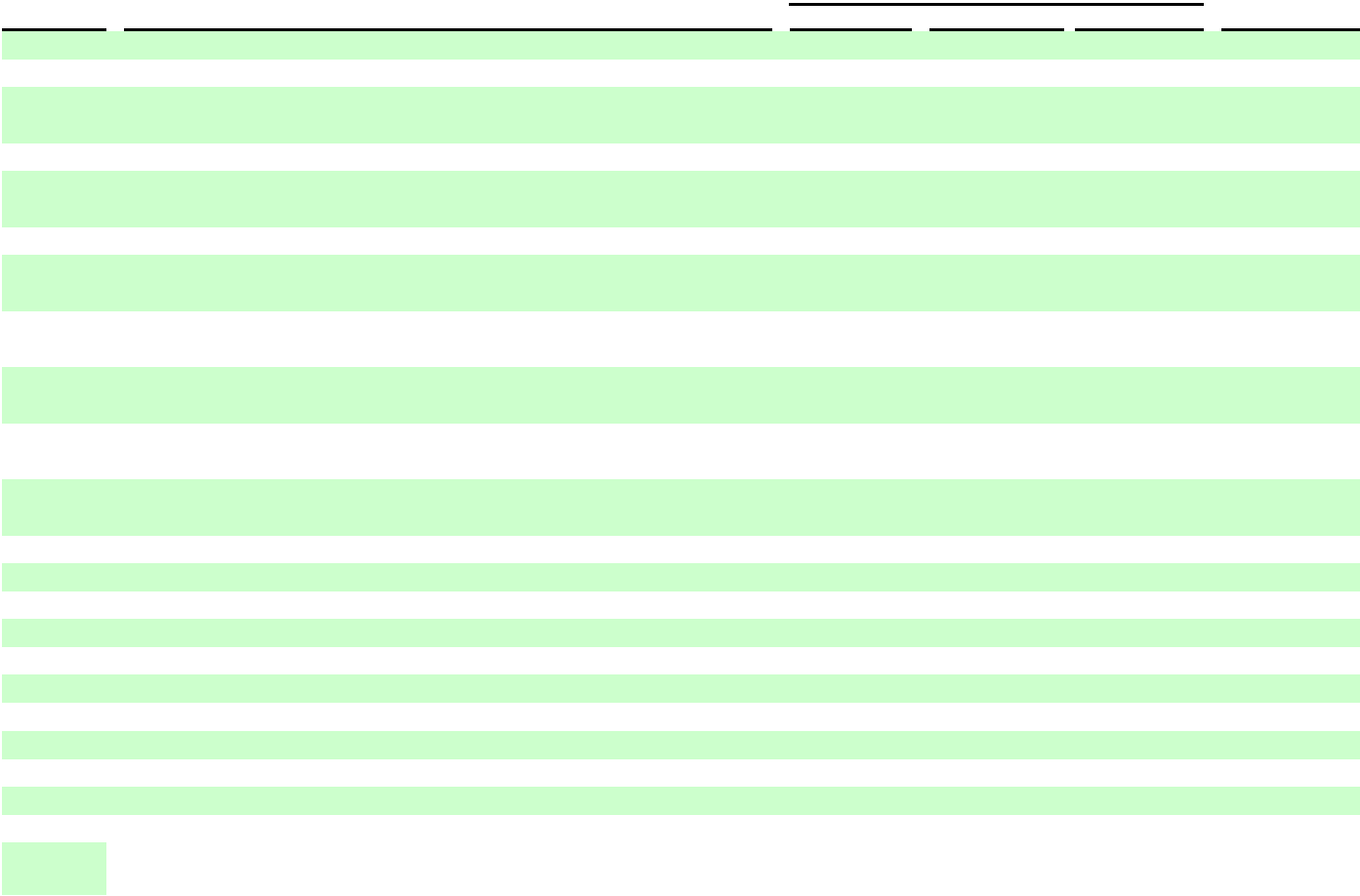
By: /s/ Michael Mathews
Michael Mathews
Chief Executive Officer
(Principal Executive Officer)

December 10, 2018

By: /s/ Joseph Sevely
Joseph Sevely
Chief Financial Officer
(Principal Financial Officer)

December 10, 2018

By: /s/ Janet Gill
Janet Gill
Chief Accounting Officer
(Principal Accounting Officer)



** This exhibit is being furnished rather than filed and shall not be deemed incorporated by reference into any filing, in accordance with Item 601 of Regulation S-K.

*** Management contract or compensatory plan or arrangement.

Copies of this report (including the financial statements) and any of the exhibits referred to above will be furnished at no cost to our shareholders who make a written request to Aspen Group, Inc., at the address on the cover page of this report, Attention: Corporate Secretary.

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Michael Mathews, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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 misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 10, 2018

/s/ Michael Mathews

Michael Mathews
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Aspen Group, Inc. (the "Company") on Form 10-Q for the quarter ended October 31, 2018, as filed with the Securities and Exchange Commission on the date hereof, I, Michael Mathews, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The quarterly report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and
2. The information contained in the quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael Mathews

Michael Mathews
Chief Executive Officer
(Principal Executive Officer)
Dated: December 10, 2018

In connection with the quarterly report of Aspen Group, Inc. (the "Company") on Form 10-Q for the quarter ended October 31, 2018, as filed with the Securities and Exchange Commission on the date hereof, I, Joseph Sevely, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The quarterly report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and
2. The information contained in the quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joseph Sevely

Joseph Sevely
Chief Financial Officer
(Principal Financial Officer)
Dated: December 10, 2018