INDEX

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	October 31, 2013 (Unaudited)	April 30, 2013
Assets		
Current assets:		
Cash and cash equivalents	$ 1,096,690	$ 724,982
Restricted cash	265,444	

ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY)
FOR THE SIX MONTHS ENDED OCTOBER 31, 2013
(Unaudited)

	Common Stock		Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Total Stockholders' Equity (Deficiency)
	Shares	Amount				
Balance at April 30, 2013	58,573,222	$ 58,573	$ 13,345,888	$ (70,000)	$(12,740,086)	$ 594,375
Issuance of common shares for investor relation services	617,143	617	215,383	—	—	216,000
Offering cost for professional services from private placement	—	—	(48,240)	—	—	(48,240)
Stock-based compensation	—	—	297,330	—	—	297,330
Warrants issued in financing	—	—	483,881	—	—	483,881
Net loss, six months ended October 31, 2013	—	—	—	—	(2,500,998)	(2,500,998)
Balance at October 31, 2013	59,190,365	$ 59,190	$ 14,294,242	$ (70,000)	$(15,241,084)	$ (957,652)

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

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

As of October 31, 2013, there was $509,425 of total unrecognized compensation costs related to nonvested share-based compensation arrangements. That cost is expected to be recognized over a weighted-average period of 4 years.

Stock Option Grants to Non-Employees

There were no stock options granted to non-employees during the six months ended October 31, 2013. The Compan r n ended compensation an r3

Our 2013 Quarter and 2012 Quarter revenues were impacted by the 2011 (and previous years) pre-payment tuition plan, or the Legacy Tuition Plan, which was discontinued on July 15, 2011. The Legacy Tuition Plan had students pre-paying tuition for a degree program's first four courses ($675/course) and a steeply discounted tuition rate for the program's eight course balance ($112.50/course). Specifically, the Legacy Tuition Plan produced immediate cash flow, but unsustainably low gross profit margins over the length of the degree program. As of October 31, 2013, 628 of our full-time degree-seeking students were still enrolled under the Legacy Tuition Plan. However the contribution from Legacy Tuition Plan students to overall Aspen revenue and profits diminished steadily as the population of full-time degree-seeking students paying regular tuition rates increased to 71% of the population and the population of Legacy Tuition Plan students fell to 29%. Accordingly, future revenue should demonstrate a dramatically diminished effect from the Legacy Tuition Plan and a much greater contribution from the growing number of regular rate students. In fact, Aspen Group expects Legacy Tuition Plan students' contribution to financial results to be immaterial for the full year 2014 (ending April 30, 2014), and on a quarterly basis to be immaterial no later than the third quarter of fiscal 2014.

Cost of Revenues (exclusive of amortization)

The Company's cost of revenues consist of instructional costs and services and marketing and promotional costs.

Instructional Costs and Services

Instructional costs and services for the 2013 Quarter rose to $233,794 from $181,093 for the 2012 Quarter, an increase of $52,701 or 29%. As student enrollment levels increase, instructional costs and services should rise proportionately. However, as Aspen increases its full-time degree-seeking student enrollments and related class starts, the higher gross margins associated with such students should lead to the growth rate in instructional costs and services to significantly lag that of overall revenues growth.

Marketing and Promotional

Marketing and promotional costs for the 2013 Quarter was $260,510 compared to $205,959 for the 2012 Quarter, an increase of $54,551 or 27%. The primary component of marketing and promotional costs is Aspen's in-house internet advertising program, which generates the Company's prospective student leads. During fiscal year 2014, the internet advertising budget has been, and is planned to continue to be, approximately $80,000 per month.

New student full-time degree seeking enrollments for the 2013 Quarter set a Company record at 295. This equated to the average cost of enrollment dropping to $850 for the 2013 Quarter, another Company record. As indicated earlier, the 2013 Quarter ending October 31 is the sth, In addition, payroll increased approximately $55,000 due to hiring of employees during the period. Payments to faculty and deans increased $75,068 or 69%, mostly due to the year-over-year increase in class starts. Stock based compensation included in general and administration expense increased from $99,360 to $147,974, an increase of $48,614 or 49%, reflecting stock option grants under the 2012 Equity Incentive Plan.

Overall general and administrative costs are expected to experience moderate growth in fiscal 2014 compared to fiscal 2013 as the cost associated with regulatory compliance and DOE reporting requirements on topics such as gainful employment standards will continue to increase in the future.

Receivable Collateral Valuation Reserve

A non-cash valuation reserve of $193,198 was recorded for the quarter ended October 31, 2012 to reflect the drop in the collateral supporting the related accounts receivable. In the first quarter of 2012, a non-cash valuation of $309,118 was taken. No additional reserve has been required since that time.

Depreciation and Amortization

Depreciation and amortization costs for the 2013 Quarter rose to $119,651 from $105,707 for the 2012 Quarter, an increase of 13%. The increase is primarily attributable to higher levels of capitalized technology costs as Aspen continues the infrastructure build-out initiated in 2011.

Interest Income (Expense)

Interest income for the 2013 Quarter decreased to $326 from $453 in the 2012 Quarter, a decrease of $127. Interest expense decreased $116,654 or 47% primarily due to the amortization of debt issuance costs of $180,908 in the 2012 Quarter. This decrease was partially offset by the increase in the 2013 Quarter of the amortization of debt issue costs and debt discount. In the 2013 Quarter, there was also the addition of $8,333 of monthly interest expense on the loan payable to the CEO and starting with the financing on September 26, 2013, the accrual of monthly interest of $13,333.

Income Taxes

Income taxes expense (benefit) for the 2013 Quarter and 2012 Quarter was $0 as Aspen Group experienced operating losses in both periods. As management made a full valuation allowance against the deferred tax assets stemming from these losses, there was no tax benefit recorded in the statement of operations in both periods.

Net Loss

Net loss for the 2013 Quarter was ($1,395,422) as compared to ($1,271,122) for the 2012 Quarter, an increase in the loss of $124,300 or approximately 10%. The increase in the loss is primarily attributable to amortization of warrants granted as part of the debenture financing and additional one-time costs associated with investor relations, although partially mitigated by increased revenues in the 2013 Quarter. Included in these numbers are the Discontinued Operations results.

<u>For the Six Months Ended October 31, 2013 Compared with the Six Months Ended October 31, 2012</u>

Revenue

Revenue from continuing operations for the six months ended October 31, 2013 increased to $1,815,331 from $1,425,793 for the same period of 2012, an increase of 27%. The increase is primarily attributable to the growth in Aspen student enrollments and the increase in average tuition rates from approximately $500 to $750 for the comparable periods. Of particular note, revenues from Aspen’s Nursing degree program increased to $613,722 during the six months ended October 31, 2013 from $222,825 during the same period of 2012, an increase of 175%.

Our year to date revenues were impacted by the 2011 (and previous years) pre-payment tuition plan, or the Legacy Tuition Plan, which was discontinued on July 15, 2011. The Legacy Tuition Plan had students pre-paying tuition for a degree program's first four courses ($675/course) and a steeply discounted tuition rate for the program's eight course balance ($112.50/course). Specifically, the Legacy Tuition Plan produced immediate cash flow, but unsustainably low gross profit margins over the length of the degree program. As of October 31, 2013, 628 of our full-time degree-seeking students were still enrolled under the Legacy Tuition Plan. However the contribution from Legacy Tuition Plan students to overall Aspen revenue and profits diminished steadily as the population of full-time degree-seeking students paying regular tuition rates increased to 71% of the population and the population of Legacy Tuition Plan students fell to 29%. Accordingly, future revenue should demonstrate a dramatically diminished effect from the Legacy Tuition Plan and a much greater contribution from the growing number of regular rate students. In fact, Aspen Group expects Legacy Tuition Plan students' contribution to financial results to be immaterial for the full year 2014 (ending April 30, 2014), and on a quarterly basis to be immaterial no later than the third quarter of fiscal 2014.

Cost of Revenues (exclusive of amortization)

The Company's cost of revenues consist of instructional costs and services and marketing and promotional costs.

Instructional Costs and Services

Instructional costs and services for the six months ended October 31, 2013 rose to $449,375 from $429,981 for the comparable period of 2012, an increase of $19,394 or 5%. As student enrollment levels increase, instructional costs and services should rise proportionately. However, as Aspen increases its full-time degree-seeking student enrollments and related class starts, the higher gross margins associated with such students should lead to the growth rate in instructional costs and services to significantly lag that of overall revenues growth.

Marketing and Promotional

Marketing and promotional costs for the six months ended October 31, 2013 was $553,598 compared to $593,843 for the comparable period of 2012, a decrease of $40,245 or 7%. These expenses are primarily attributable to marketing efficiency. If Aspen accelerates its growth, it is highly likely that these expenditures will increase in future quarters as enrollment continues to grow. Factors that may mitigate the expected increase include the economies realized in cost per lead as well as the yield realized in terms of higher enrollments per unit of marketing and promotional spending and potential organic growth opportunities.

Costs and Expenses

General and Administrative

General and administrative costs for the six months ended October 31, 2013 were $3,000,942 compared to $2,437,325 for the same period of 2012, an increase of $563,617 or 23%. Professional services were approximately $270,000- higher in the six months ended October 31, 2013 than the previous period due to several non-recurring expenses, namely, the costs associated with completing a second full audit as part of our year-end fiscal year change, hiring of a Title IV consultant and incurring marketing consulting costs. All of these professional services costs are non-recurring.

Also, the six months ended October 31, 2013 was higher due to Aspen's biennial formal graduation ceremony that was held in July 2013 and costs for that ceremony were approximately $40,000. Payroll expenses were $100,000 higher due to the hire of several employees in the six months ended October 31, 2013. Stock based compensation included in general and administration expense increased from $152,061 to $297,330, an increase of $145,269 or 96%, reflecting stock option grants under the 2012 Equity Incentive Plan.

Overall general and administrative costs are expected to experience moderate growth in fiscal 2014 from fiscal 2013 as the cost associated with state regulatory compliance and DOE reporting requirements on topics such as gainful employment standards w ts }smo m onollte toθhincloan c

Receivable Collateral Valuation Reserve

A non-cash valuation reserve of $193,198 was recorded for the quarter ended October 31, 2012 to reflect the drop in the collateral supporting the related accounts receivable. In the first quarter of 2012, a non-cash valuation of $309,118 was taken. No additional reserve has been required since that time.

Depreciation and Amortization

Depreciation and amortization costs for the six months ended October 31, 2013 rose to $229,086 from $204,278 for the six months ended October 31, 2012, an increase of 12%. The increase is primarily attributable to higher levels of capitalized technology costs as Aspen continues the infrastructure build-out initiated in 2011.

Interest Income (Expense)

Interest income for six months ended October 31, 2013 as compared to the six months ended October 31, 2012 increased to $613 from $557, an increase of $56. Interest expense decreased $218,279 or 61% primarily due to the amortization of debt issuance costs of $266,473 and interest on notes payable of $23,857 in the six months ended October 31,2012, partially offset by interest charges for amortization of debt discount and the debt issuance costs associated with the debenture. Also, beginning in July 2013, there was the addition of $8,333 of monthly interest expense on the loan payable to the CEO.

Income Taxes

Income taxes expense (benefit) for the six months ended October 31, 2013 and 2012 was $0 as Aspen Group experienced operating losses in both periods. As management made a full valuation allowance against the deferred tax assets stemming from these losses, there was no tax benefit recorded in the statement of operations in both periods.

[illegible]

Net loss for the six months ended October 31, 2013 was ($2,500,998) as compared to ($3,023,350) for the six months ended October 31, 2012, a decrease in the loss of $522,352 or approximately 17%. The decrease in the loss or improvement is primarily attributable to the increase in revenue and a decrease in interest expense. Included in these numbers are the Discontinued Operations results.

Discontinued Ope[illegible]

The following table presents a reconciliation of Gross Profit (exclusive of amortization), a non-GAAP financial measure, to gross profit calculated in accordance with GAAP

	For the Three Months Ended October 31,		For the Six Months Ended October 31,	
	2013	2012	2013	2012
Revenues	$ 885,338	$ 727,640	$ 1,815,331	$ 1,425,793
Costs of revenues (exclusive of amortization	[illegible]	[illegible]	[illegible]	[illegible]

Net Cash Provided By Financing Activities

Net cash provided by financing activities during the six months ended October 31, 2013 totaled $2,585,540 which resulted primarily from the receipt of a $1,000,000 loan from the CEO and $1,639,298 from the proceeds from the issuance of convertible notes.

Net cash provided by financing activities during the six months ended October 31, 2012 totaled $3,342,305 and resulted primarily from proceeds from the issuance of convertible notes.

Historical Financings

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

From September 2012 through April 2013, we raised gross proceeds of approximately $4.6 million through the sale of 13,249,503 shares of common stock and 6,624,751 five-year warrants exercisable at $0.50 per share. On July 1, 2013, Mr. Michael Mathews, our Chief Executive Officer, loaned Aspen Group $1 million and was issued a $1 million promissory note due April 2, 2015. The promissory note bears 10% interest per annum, payable monthly in arrears. Mr. Mathews also holds two $300,000 convertible notes which are due on April 2, 2015, one of which is convertible at $0.35 per share and the other at $1.00 per share. Additionally, $200,000 in notes convertible at $1.00 per share come due in February of 2014.

In September 2013, the Company sold a $2,240,000 Original Issue Discount Secured Convertible Debenture (the "Debenture") and 6,736,842 five-year warrants (exercisable at $0.3325) in a private placement offering to an institutional investor for gross proceeds of $2,000,000. The Debenture pays 8% interest per annum, payable monthly on the first day of each calendar month beginning on November 1, 2013 and are convertible into shares of the Company's common stock at $0.3325 per share at any time at the option of the holder. The Company is required to redeem 25% of the Debenture on November 1, 2014 and January 1, 2015 and the remaining 50% on April 1, 2015. The Company has the option to pay the interest or principal in stock subject to the Company meeting certain equity conditions. The Company received proceeds of approximately $1.7 million which will be used to meet cash flow deficits and to accelerate the growth of the business.

Liquidity and Capital Resource Considerations

As of December 6, 2013, Aspen Group had borrowed approximately $245,000 under its line of credit and had approximately $1,280,000 in cash, of which $400,000 was restricted. The restricted cash is comprised of approximately $135,000 in Title IV accounts that may be disbursed to Aspen Group in the future if participating students complete their given courses, and approximately $265,000 pledged as security in the form of a letter of credit as required by the DOE. Assuming we continue to grow the business and continue to reduce operating costs, we of' inue t pril$4oge

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 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.

For accounts receivable from primary payors other than students, Aspen estimates its allowance for doubtful accounts by evaluating specific accounts where information indicates the customers may have an inability to meet financial obligations, such as bankruptcy proceedings and receivable amounts outstanding for an extended period beyond contractual terms. In these cases, Aspen uses assumptions }ntsuses s }nthe agineima

The results anticipated by any or all of these forward-looking statements might not occur. Important factors that could cause actual results to differ from those in the forward-looking statements include the failure to maintain regulatory approvals including our ability to obtain permanent certification from our accreditor, competition, ineffective media and/or marketing, failure to maintain growth in degree seeking students and the failure to generate sufficient revenue. Further information on our risk factors is contained in our filings with the SEC, including the Prospectus dated October 21, 2013. Any forward-looking statement made by us in this report speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update or revise any forward-looking statements, whether as the result of new information, future events or otherwise.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT 24UCG AN2Ġ U

PART II. OTHER INFORMATION

ITEM 1. 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 October 31, 2013, there were no 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 other than described below.

As previously disclosed, the former chairman of Aspen filed suit against the Company, Aspen, the Company's Board of Directors, Chief Executive and Financial Officers and an unrelated party in the New York Supreme Court located in Manhattan. On November 8, 2013, the state court in New York granted the Company's motion to dismiss all of the derivative claims and all of the fiduciary duty claims. The state court in New York also granted the Company's motion to dismiss the duplicative breach of good faith and fair dealing claim, as well as the defamation claim. The state court in New York denied the Company's motion to dismiss as to the defamation per se claim. The Company did not file a motion to dismiss the breach of contract claim, so that claim remains as well. A preliminary conference in state court of New York is scheduled for December 19, 2013 relative to the two remaining claims.

On November 21, 2013, HEMG and Mr. Spada filed a derivative suit on behalf of the Company against a certain former senior management member and our directors in state court in Delaware. The Company is a nominal defendant. The complaint is substantially similar to the complaint filed in state court of New York, except that if successful, the Company will receive the benefits. While the Company has been advised by its counsel that these lawsuits pce h owy l' oution pce o thhc ppt u pt laims.

EXHIBIT INDEX

Exhibit #	Exhibit Description	Incorporated by Reference			Filed or Furnished Herewith
		Form	Date	Number	
2.1	Certificate of Merger	8-K	3/19/12	2.1	
2.2	Agreement and Plan of Merger	8-K	3/19/12	2.2	
2.3	Agreement and Plan of Merger – DE Reincorporation	8-K	3/19/12	2.3	
2.4	Articles of Merger – DE Reincorporation	8-K	3/19/12	2.4	
2.5	Certificate of Merger – DE Reincorporation	8-K	3/19/12	2.5	
3.1	Certificate of Incorporation, as amended	8-K	3/19/12	2.6	
3.2	Bylaws	8-K	3/19/12	2.7	
3.3	Certificate of Incorporation – Acquisition Sub	8-K	3/19/12	2.8	
3.4	Articles of Amendment to FL Articles of Incorporation	8-K	3/19/12	2.9	
3.5	Articles of Amendment to FL Articles of Incorporation	8-K	6/20/11	3.3	
3.6	FL Articles of Incorporation	S-1/A	5/5/10	3.1	
10.1	Form of Securities Purchase Agreement	8-K	9/26/13	10.1	
10.2	Form of 8% Original Issue Discount Secured Convertible Debenture due April 1, 2015	8-K	9/26/13	10.2	
10.3	Form of Warrant	8-K	9/26/13 _	10.3	V
10.4	Form of Security Agreement	8-K	9/26/13	10.4	
10.5	Form of Registration Rights Agreement	8-K	9/26/13	10.5	
10.6	Form of Subsidiary Guarantee	8-K	9/26/13	10.6	
10.7	Form of Subordination ĎrìÞ				

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EXHIBI

then, or any time thereafter during the continuance of any of such events, any of these events shall cause this Note to be in default and the entire unpaid balance of this Note then outstanding, together with accrued interest thereon, if any, shall be and become immediately due and payable without notice of demand by the Holder.

All makers and endorsers now or hereafter becoming parties hereto jointly and severally waive demand, presentment, notice of non-payment and protest and, if this Note becomes in default and is placed into the hands of an attorney for collection, to pay attorney's fees and all other costs incurred in connection with such collection provided the Holder is the prevailing party. "Attorney's fees" are defined to include, but are not limited to, all fees incurred in all matters of collection and enforcement, construction and interpretation, before, during and after suit, proceedings and appeals, as well as appearances in and connected with any bankruptcy proceedings or creditors, reorganization, or similar proceedings. "Attorney's fees" shall also include paralegal and law clerk fees.

The Maker knowingly, voluntarily and intentionally waives for itself and its heirs, successors and assigns, any rights which any one of them might have to a trial by jury with respect to any litigation, action, suit, or proceeding (whether at law or in equity) based on or arising out of this Note or any course of conduct, course of dealing (oral or written) or actions of any party or their respective officers, principals, partners, employees, agents or representatives in connection with the loan contemplated by this Note whether arising in contract, tort or otherwise and whether asserted by way of complaint, answer, cross claim, counter claim, affirmative defense or otherwise. No party shall seek to consolidate any such litigation, action, suit, or proceeding in which a jury trial cannot be or has not been waived with any other action in which a jury trial has been waived.

This Note may not be changed or terminated orally, but only with an agreement in writing, signed by the parties against whom enforcement of any waiver, change, modification, or discharge is sought with such agreement being effective and binding only upon attachment hereto.

This Note and the rights and obligations of the Holder and of the undersigned shall be governed and construed in accordance with the laws of the State of New York.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Company has caused this Note to be executed as of the date aforesaid.

ASPEN GROUP, INC., a Delaware corporation

By:________________________________
Michael Matte, Chief Financial Officer

EXHIBIT 10.9

THE SHARES UNDERLYING THIS CONVERTIBLE NOTE AND THE CONVERTIBLE NOTE HAVE NOT BEEN REGISTERED UNDER THE FEDERAL OR ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED OR HYPOTHECATED IN ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH LAWS AS MAY BE APPLICA ă

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(a)

determination by the Company to prepay shall be made by the vote of a majority of the disinterested directors of the Company.

(b) Conversion Price. The outstanding balance to be converted pursuant to Section 2(a) shall be convertible into the number of shares of Common Stock, which results from dividing such outstanding balance to be converted by the Conversion Price. The "Conversion Price" shall initially be $1.00 per share of Common Stock. The Conversion Price shall be subject to adjustment pursuant to Section 3 from time to time. Following each adjustment, such adjusted Conversion Price shall remain in effect until a further adjustment hereunder.

(c) Fractional Shares. No fractional share of Common Stock shall be issued upon conversion of this Note. In lieu of a fractional share, the Holder shall be paid the value based upon Fair Market Value. Fair Market Value shall mean:

(i) if the Company's Common Stock is traded on a national securities exchange, then the closing price of the Common Stock on the date notice of conversion is given; or

(ii) if the Company's Common Stock is not traded on a national securities exchange, then the last reported sales price of the Common Stock on the principal trading market on the date notice of conversion is given.

Notwithstanding the foregoing, if there is no last reported sales price or, for the day in question, then Fair Market Value shall be determined as of the latest day prior to such day for which such last reported sales prices are available, unless such securities have not been traded any market in any of (i) through (ii) above for 30 or more days immediately prior to the day in question, in which case the Fair Market Value shall be determined in good faith by, and reflected in a formal resolution of, the board of directors of the Company.

(d) Mechanics of Conversion. Before the Holder shall be entitled to convert this Note into shares of Common Stock in connection with a conversion pursuant to Section 2(a), the Holder shall surrender this Note (or, if the Holder alleges that this Note has been lost, stolen or destroyed, an affidavit of loss and agreement reasonably acceptable to the Company to indemnify the Company against any claim that may be made against the Company on account of the alleged loss, theft or destruction of such original promissory note), at the office of the Company together with written notice that the Holder elects to convert all or any portion of this Note and, if applicable, any event on which such conversion is contingent. The notice shall state the Holder's name or the names of the nominees in which such Holder wishes the certificate ifte ficaveeeeiȞ l'avn i olsouch hich slsuchuolsouns Kof, this Nopeshder

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(d) Reorganizations, Mergers and Consolidations. If at any time or from time to time after the Original Issue Date there is a reorganization of the Company (other than a recapitalization, subdivision, combination, reclassification or exchange of shares provided for elsewhere in this Section 3) or a merger or consolidation of the Company with or into another corporation (except a Liquidation Event), then, as a part of such reorganization, merger or consolidation, provision shall be made so that the Holder thereafter shall be entitled to receive, upon conversion of this Note, the number of shares of stock or other securities or property of the Company, or of such successor corporation resulting from such reorganization, merger or consolidation, to which a holder of Common Stock deliverable upon conversion would have been entitled on such reorganization, merger or consolidation. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 3 with respect to the rights of the Holder after the reorganization, merger or consolidation to the end that the provisions of this Section 3 (including adjustment of the Conversion Price then in effect and number of shares issuable upon conversion of this Note) shall be applicable after that event and be as nearly equivalent to the provisions hereof as may be practicable. This Section 3 shall similarly apply to successive reorganizations, mergers and consolidations.

4. Event of Default.

(a) For purposes of this Note, an "Event of Default" means:

(i) the Company shall default in the payment of interest and/or principal on this Note within five business days after the Company's receipt of notice of default from the Holder;

(ii) the Company shall fail to materially perform any covenant, term, provision, condition, agreement or obligation of the Company under this Note (other than for non-payment) and such failure shall continue uncured for a period of 20 business days after notice from the Holder of such failure (or if such breach is not capable of being cured with such 20 business day period but the Company commences to cure and diligently and continuously acts to cure such breach, such longer period as may be necessary to cure such breach);

(iii) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (A) liquidation, reorganization or other relief in respect of the Company or any of their debts, or of a substantial part of its assets, under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (B) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or for a substantial part of any of its assets, and, in any such case, such proceeding or petition shall continue undismissed 30 days or an order or decree approving or ordering any of the foregoing shall be entered; or

(iv) the Company shall (A) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (B) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in Section 4(a)(iii), (C) apply for or consent to the appointment of a receiver, trustee, custodian, conservator or similar official for the Company or for a substantial part of its assets, (D) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (E) make a general assignment for the benefit of creditors or (F) take any action for the purpose of effecting any of the foregoing.

(b) Upon the occurrence of an Event of Default, the Holder shall have the right (but not the obligation) to declare the unpaid principal balance of this Note, and all interest and fees accrued thereon, immediately due and payable in full. Failure to exercise such option shall not constitute a waiver of the right to exercise the same in the event of any subsequent Event of Default.

5. Miscellaneous.

(a) Loss, Theft, Destruction or Mutilation of Note. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Note and, in the case of loss, theft or destruction, delivery of an indemnity agreement reasonably satisfactory in form and substance to the Company or, in the case of mutilation, on surrender and cancellation of this Note, the Company shall execute and deliver, in lieu of this Note, a new note executed in the same manner as this Note, in the same principal amount as the unpaid principal amount of this Note and dated the date to which interest shall have been paid on this Note or, if no interest shall have yet been so paid, dated the date of this Note.

(b) Waivers. The Company hereby waives notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor and all other notices or demands relative to this instrument.

(c) Usury. In the event that any interest paid on this Note is deemed to be in excess of the then legal maximum rate, then that portion of the interest payment representing an amount in excess of the then legal maximum rate shall be deemed a payment of principal and applied against the principal of this Note, and any surplus thereafter shall immediately be refunded to the Company.

(d) Waiver and Amendment. 3 pe Ĉa esn 2 N

(e)

(i) If to the Holder, to:

(ii) If to the Company, to: Aspen Group, Inc.
224 W. 30th Street Suite 604
New York, NY 10001
Michael.Matte@aspen.edu
Chief Financial Officer

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

(f) 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).

(g) Successors and Assigns. Upon any endorsement, assignment, or other transfer of this Note by the Holder or by operation of law, the term "Holder," as used herein, shall mean such endorsee, assignee, or other transferee or successor to the Holder, then becoming the holder of this Note. This Note shall inure to the benefit of the Holder and its successors and assigns and shall be binding upon the undersigned and their successors and assigns. The term "Company" as used herein, shall include the respective successors and assigns of the Company and any other obligor.

(h) Governing Law. This Note shall be governed by, and construed in accordance with, the internal laws of the State of New York without reference to principles of conflicts of laws. Any action, proceeding or claim against it arising out of, or relating in any way to, this Note must only be brought and enforced in the courts of the State of New York or of the United States of America located in the County of New York, State of New York, and Company and Holder irrevocably submit to such jurisdiction for such purpose. Company and Holder hereby irrevocably waive any objection to such exclusive jurisdiction or inconvenient forum.

[Signature Page to Follow]

Exhibit 31.1

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 13, 2013

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

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Michael Matte, 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

4.

a)

b)

c)

d)

5.

a)

b)

Exhibit 32.1

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, 2013, as filed with the Securities and Exchan)"Corteetions

1.

2.

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2.
