PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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ASPEN GROUP, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	For the Three Months Ended March 31, 2012	For the Three Months Ended March 31, 2011
	(As Restated)	(As Restated)
Cash flows from operating activities:		
Net loss	$ (1,789,766)	$ (42,142)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Provision for bad debts	32,955	36,832
Gain on disposal of property and equipment	(5,879)	-
Depreciation and amortization	89,749	52,446
Issuance of convertible notes in exchange for services rendered	-	21,000
Stock-based compensation	66,104	-
Changes in operating assets and liabilities, net of effects of acquisition:		
Accounts receivable	(348,101)	(15,749)
Accounts receivable, secured - related party	-	8,876
Prepaid expenses and other current assets	(22,372)	2,255
Accounts payable	631,932	(1,796)
Accrued expenses	277,637	(69,656)
Deferred rent	(1,073)	(581)
Deferred revenue	201,417	45,455
Net cash (used in) provided by operating activities	(867,397)	36,940
Cash flows from investing activities:		
Cash acquired as part of merger	337	-
Purchases of property and equipment	-	(59,168)
Purchases of intangible assets	(141,383)	(51,750)
Increase in restricted cash	(105,865)	-
Proceeds received from officer loan repayments	150,000	[illegible]
Net cash (used in) investing activities	(96,911)	(110,918)
Cash flows from financing activities:		
Proceeds from (repayments on) line of credit, net	(5,769)	(2,513)
Principal payments on notes payable	-	(1,422)
Proceeds received from issuance of convertible notes	450,000	126,000
Repayments of convertible notes	-	(10,000)
Net cash provided by financing activities	444,231	112,065
Net (decrease) increase in cash and cash equivalents	(520,077)	38,087
Cash and cash equivalents at beginning of period	766,602	294,838
Cash and cash equivalents at end of period	$ [illegible]	

ASPEN GROUP, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012
(Unaudited)

Note 1. Nature of Operations and Going Concern

Overview

Aspen Group, Inc. (together with its subsidiaries, the "Company", "Aspen" or the "University") was founded in Colorado in 1987 as the International School of Information Management. On September 30, 2004, the University was acquired by Higher Education Management Group, Inc. ("HEMG") and changed its name to Aspen University Inc. On May 13, 2011, the Company formed in Colorado a subsidiary, Aspen University Marketing, LLC, which is currently inactive. On March 13, 2012, the Company was recapitalized through an acquisition by Aspen Group, Inc., an inactive publicly-held company (See Note 9).

Aspen's mission is to become an institution of choice for adult learners by offering cost-effective, comprehensive, and relevant online education. One of the key differences between Aspen and other publicly-traded, exclusively online, for-profit universities is that approximately 88% of our degree-seeking students (as of March 31, 2012) were enrolled in graduate degree programs (Master or Doctorate degree program). Since 1993, we have been nationally accredited by the Distance Education and Training Council ("DETC"), a national accrediting agency recognized by the U.S. Department of Education (the "DOE").

Basis of Presentation

The interim condensed consolidated financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). In the opinion of the Company's management, all adjustments (consisting of normal recurring adjustments and reclassifications and non-recurring adjustments) necessary to present fairly our results of operations and cash flows for the three months ended March 31, 2012 and 2011 and our financial position as of March 31, 2012 have been made. The results of operations for such ibae beebDolit, ev in gjnons n. oreêative of the operating results to be ehpected for the full vear.

Instructional Costs and Services

Instructional costs and services consist primarily of costs related to the administration and delivery of the Company's educational programs. This expense category includes compensation for faculty and administrative personnel, costs associated with online faculty, curriculum and new program development costs, bad debt expense related to accounts receivable, technology license costs and costs associated with other support groups that provide services directly to the students.

General and Administrative

General and administrative expenses include compensation of employees engaged in corporate management, finance, human resources, information technology, compliance and other corporate functions. General and administrative expenses also include consulting fees, financial aid processing costs, professional services fees, travel and entertainment expenses and facility costs.

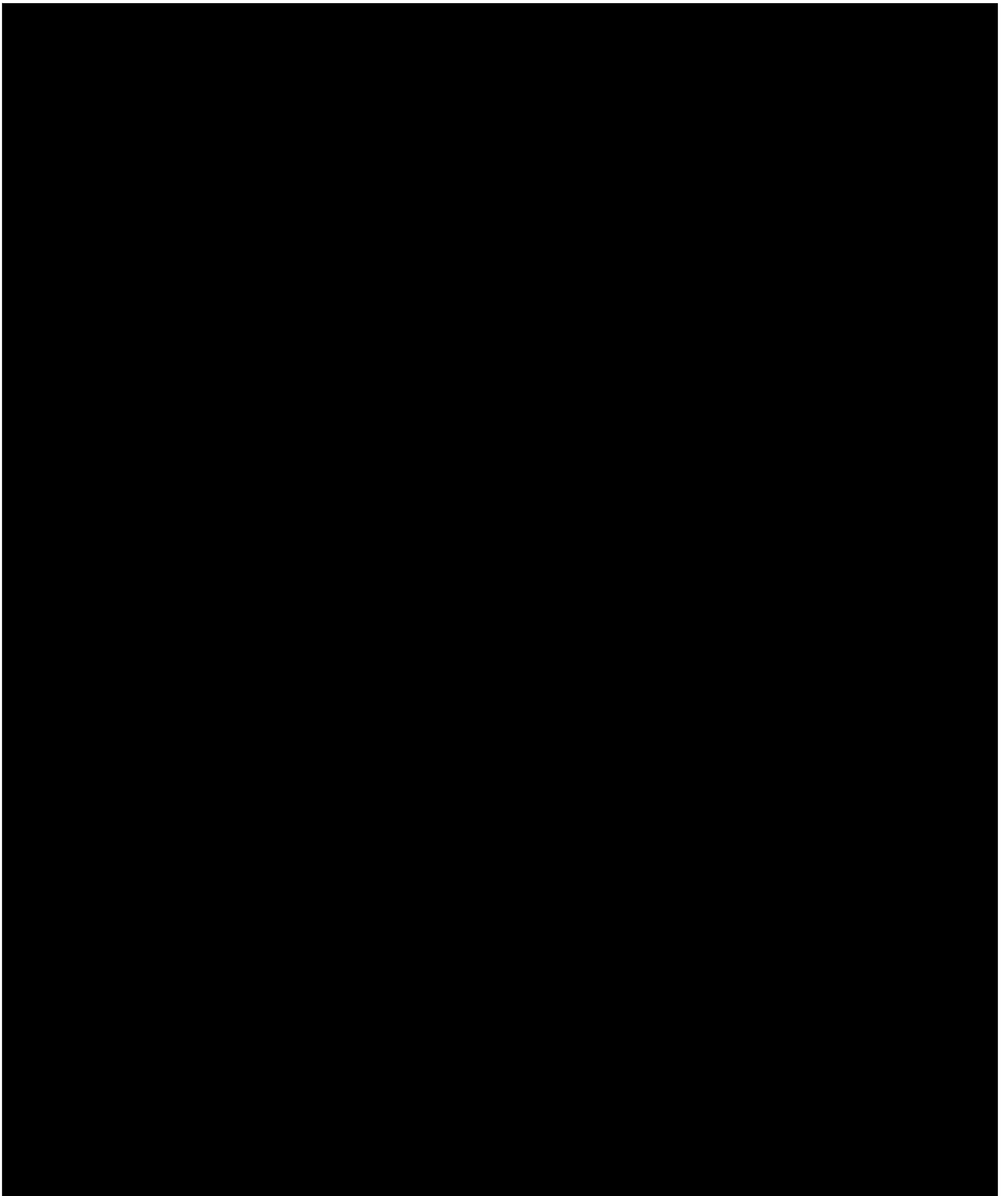
Net Loss Per Share

Net loss per common share is based on the weighted average number of shares of common stock outstanding during each period. Common stock equivalents, including 2,070,000 and 0 stock options, 493,500 and 0 stock warrants, and a variable amount of shares underlying $670,000 (a minimum of 670,000 common shares as of March 31, 2012) and $162,000 of convertible notes payable for the three months ended March 31, 2012 and 2011, respectively, are not considered in diluted loss per share because the effect would be anti-dilutive.

Reclassifications

Certain amounts in the accompanying financial statements have been reclassified as compared to how they were originally reported. In particular, consulting expenses have been reclassified from marketing and promotional costs to general and administrative costs. Call center expenses and Title IV student processing expenses have been reclassified from instructional costs and services to general and administrative costs. The following table shows the reclassifications to the condensed consolidated statement of operations for the three months ended March 31, 2012 and 2011.

	For the Three Months Ended March 31, 2012						
		Reclassifications					
	As Previously Reported	Consulting Expense	Call Center Expenses	Title IV Student Processing Expenses	As Reclassified	Correction of an Error (See Note 13)	As Restated
Costs and expenses:							
Instructional costs and services	$ [illegible]		$ (60,850)	$ (6,900)	$ ″ 0	a	q



Notes payable consisted of the following at March 31, 2012:

	March 31, 2012
Note payable - acquired as part of recapitalization; originating September 26, 2011; no monthly payments required; bearing interest at 10%; in default since maturity at December 26, 2011 [A]	$ 10,000
Note payable - acquired as part of recapitalization; originating December 12, 2011; no monthly payments required; bearing interest at 10%; in default since maturity at February 12, 2012 [A]	10,000
Note payable - originating March 15, 2012; no monthly payments required; bearing interest at 10%; maturing at June 30, 2012	50,000
Note payable - originating March 23, 2012; no monthly payments required; bearing interest at 10%; maturing at June 30, 2012	100,000
Note payable - related party originating March 13, 2012; no monthly payments required; bearing interest at 0.19%; maturing at March 31, 2013	300,000
Note payable - originating February 25, 2012; no monthly payments required; bearing interest at 0.19%; maturing at February 25, 2014	100,000
Note payable - originating February 27, 2012; no monthly payments required; bearing interest at 0.19%; maturing at February 27, 2014	50,000
Note payable - related party originating February 29, 2012; no monthly payments required; bearing interest at 0.19%; maturing at February 29, 2014	50,000
Total	670,000
Less: Current maturities (includes $300,000 to related parties)	(470,000)
Amount due after one year (includes $50,000 to related parties)	$ 200,000

[A] - in default as of March 31, 2012 (See Note 12).

Future maturities of the notes payable are as follows:

Year Ending December 31,	
2012	$ 170,000
2013	300,000
2014	200,000
	$ 670,000

Note 7. Commitments and Contingencies

Line of Credit

The Company maintains a line of credit with a bank, up to a maximum credit line of $250,000. The line of credit bears interest equal to the prime rate plus 0.50% (overall interest rate of 3.75% at March 31, 2012). The line of credit requires minimum monthly payments consisting of interest only. The line of credit is 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 is for an unspecified time until the bank notifies the Company of the Final Availability Date, at which time payments on the line of credit become the sum of: (a) accrued interest and (b) 1/60th of the unpaid principal balance immediately following the Final Availability Date. The balance due on the line of credit as of March 31, 2012 was $227,446. Since the earliest the line of credit is due and payable is over a five year period and the Company believes that it could obtain a comparable replacement line of credit elsewhere, the entire line of credit is included in long-term liabilities. The unused amount under the line of credit available to the Company at March 31, 2012 was $22,554.

Legal Matters

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 March 31, 2012, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of our operations.

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.

Regulatory Matters

The University is subject to extensive regulation by Federal and State governmental agencies and accrediting bodies. In particular, the HEA and the regulations promulgated thereunder by the DOE subject the University to significant regulatory scrutiny on the basis of numerous standards that schools must satisfy to participate in the various types of federal student financial assistance programs authorized under Title IV of the HEA. The University has had provisional certification to participate in the Title IV programs. That provisional certification imposes certain regulatory restrictions including, but not limited to, a limit of 500 student recipients for Title IV funding for the duration of the provisional certification. During 2011, the University's provisional certification was scheduled to expire, but the University timely filed its application for recertification with the DOE, which extended the term of the University's certification pending DOE review. The provisional certification restrictions continue with regard to the University's participation in Title IV programs.

To participate in the Title IV programs, an institution must be authorized to offer its programs of instruction by the relevant agencies of the State in which it t ag1e priovnstiaput gra

Stock Incentive Plan and Stock Option Grants to Employees and Directors

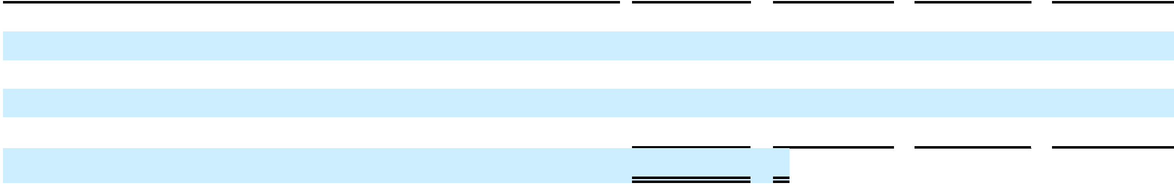
Immediately following the closing of the Reverse Merger, on March 13, 2012, the Company adopted the 2012 Equity Incentive Plan (the "Plan") that provides for the grant of 2,500,000 shares in the form of incentive stock options, non-qualified stock options, restricted shares, stock appreciation rights and restricted stock units to employees, consultants, officers and directors. As of March 31, 2012, 430,000 shares were remaining under the Plan for future issuance.

During the three months ended March 31, 2012, the Company granted 1,895,000 stock options to employees, all of which were under the Plan, having an exercise price of $1.00 per share. The options vest pro rata over three years on each anniversary date; all options expire five years from the grant date. The total fair value of stock options granted to employees during the three months ended March 31, 2012 was $625,350, which is being recognized over the respective vesting periods. The Company recorded compensation expense of $8,354 for the three months ended March 31, 2012, in connection with employee stock options.

The Company estimates the fair value of share-based compensation utilizing the Black-Scholes option pricing model, which is dependent upon several variables such as the expected option term, expected volatility of the Company's stock price over the expected term, expected risk-free interest rate over the expected option term, expected dividend yield rate over the expected option term, and an estimate of expected forfeiture rates. The Company believes this valuation methodology is appropriate for estimating the fair value of stock options granted to employees and directors which are subject to ASC Topic 718 requirements. These amounts are estimates and thus may not be reflective of actual future results, nor amounts ultimately realized by recipients of these grants. The Company recognizes compensation on a straight-line basis over the requisite service period for each award. The following table summarizes the assumptions the Company utilized to record compensation expense for stock options granted to employees during the three months ended March 31, 2012 and 2011:

Assumptions	For the Three Months Ended March 31, 2012	For the Three Months Ended March 31, 2011
Expected life (years)	3.5	N/A
Expected volatility	44.2%	N/A
Weighted-average volatility	44.2%	N/A
Risk-free interest rate	0.56% - 0.60%	N/A
Dividend yield	0.00%	N/A
Expected forfeiture rate	2.0%	N/A

The Company utilized the simplified method to estimate the expected life for stock options granted to employees. The simplified method was used as the Company does not have sufficient historical data regarding stock option exercises. The expected volatility is based on the average of the expected volatilities from the most recent audited financial statements available for comparative public companies that are deemed to be similar in nature to the Company. The risk-free interest rate is based on the U.S. Treasury yields with terms equivalent to the expected life of the related option at the time of the grant. Dividend yield is based on historical trends. While the Company believes these estimates are reasonable, the compensation expense recorded would increase if the expected life was increased, a higher expected volatility was used, or if the expected dividend yield increased.



At March 31, 2012 and December 31, 2011, concentration of accounts receivable with significant customers representing 10% or greater of accounts receivable was as follows:

	March 31, 2012	December 31, 2011
Customer 1	49.5%	53.4%
Customer 2	27.8%	17.3%
Totals	77.3%	70.7%

For the three months ended March 31, 2012 and 2011, the Company had significant vendors representing 10% or greater of cost and expense as follows:

	For the Three Months Ended March 31, 2012	For the Three Months Ended March 31, 2011
Vendor 1	16.8%	37.5%
Totals	16.8%	37.5%

Note 11. Related Party Transactions

On December 14, 2011, the Company loaned $150,000 to an officer of the Company in exchange for a promissory note bearing 3% per [illegible] personally by the officer. The note along with accrued interest was due and payable on September 14, 2012. For the three months ended March 31, 2012, interest income of $594 was recognized on the note receivable. As of December 31, 2011, the balance due on the note receivable was $150,000, all of which is short-term. On February 16, 2012, the note receivable from an officer was repaid along with accrued interest (See Note 3).

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On February 25, 2012, February 27, 2012 and February 29, 2012, loans payable to an individual, another individual and a related party (the brother of Patrick Spada, the former Chairman of the Company), of $100,000, $50,000 and $50,000, respectively, were converted into two-year convertible promissory notes, bearing interest of 0.19% per annum. Beginning March 31, 2012, the notes are convertible into common shares of the Company at the rate of $1.00 per share. The Company evaluated the convertible notes 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 dates. As these loans (now convertible promissory notes) are not due for at least 12 months after the balance sheet, they have been included in long-term liabilities as of March 31, 2012 (See Notes 5 and 6).

On March 13, 2012, the Company's CEO made an investment of $300,000 in a convertible promissory note due March 31, 2013, bearing interest at 0.19% per annum. The note is convertible into common shares of the Company at the rate of $1.00 per share upon five days written notice to the Company. The Company evaluated the convertible notes 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 (See Note 6).

Note 12. Subsequent Events

On April 4, 2012, the Company entered into an agreement with: (i) an individual, (ii) Higher Education Group Management, Inc. ("HEMG"), a related party and principal stockholder of the Company whose president is Mr. Patrick Spada, the former Chairman of the Company and (iii) Mr. Patrick Spada. Under the agreement, (a) the individual shall purchase and HEMG shall sell to the individual 400,000 common shares of the Company at $0.50 per share by April 10, 2012; (b) the Company guaranteed it would purchase at least 600,000 common shares of the Company at $0.50 per share within 90 days of the agreement and the Company would use its best efforts to purchase from HEMG and resell to investors an additional 1,400,000 common shares of the Company at $0.50 per share within 180 days of the agreement; (c) provided HEMG and Mr. Patrick Spada fulfill their obligations under (a) and (b) above, the Company shall consent to additional private transfers by HEMG and/or Mr. Patrick Spada of up to 500,000 common shares of the Company on or before March 13, 2013; (d) HEMG agrees to not sell, pledge or otherwise transfer 142,500 common shares of the Company pending resolution of a dispute regarding the Company's claim that HEMG sold 131,500 common shares of the Company without having enough authorized shares and a stockholder did not receive 11,000 common shares of the Company owed to him as a result of a stock dividend; and (e) the Company shall waive any default of the accounts receivable, secured - related party and extend the due date to September 30, 2014 (See Notes 3 and 11).

On April 26, 2012 and April 30, 2012, convertible notes payable aggregating $20,000 were converted into 20,000 common shares of the Company (See Note 6).

On April 27, 2012, the Company, raised $514,600 (net of debt issuance costs of $94,400) from the sale of 12.18 Units (including convertible notes payable and an estimated 152,250 warrants) through the Laidlaw broker arrangement. These convertible note embedded conversion options did not qualify as derivatives since the conversion shares were not readily convertible to cash and there was no beneficial conversion value since the conversion price equaled the fair value of the shares (See Note 6).

Note 13. Restatement

Subsequent to the issuance of the Company's March 31, 2012 and 2011 condensed consolidated financial statements, management became aware that certain instructional costs and services should have been accrued during the three months ended March 31, 2012. The resulting effect of the restatement in 2012 is an increase in current liabilities of $163,545, an increase in the net loss of $163,545, and an increase in the net loss per share by $0.01. Certain applicable portions of Notes 1 and 2 have also been revised accordingly. Additionally, these March 31, 2012 condensed consolidated financial statements have been restated to record the effects of a restatement of the December 31, 2011 and 2010 consolidated financial statements; the effects being a reduction of receivable from stockholder, secured – related party with a corresponding increase in the opening accumulated deficit of $2,209,960. On August 16, 2012 as a direct result of removing the receivable from the balance sheet and restating the March 31, 2012 and the December 31, 2011 and 2010 consolidated financial statements the Company rescinded the pledge agreements guaranteeing the receivable and returned the pledged shares to the three directors.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our consolidated financial statements, which are included elsewhere in this report. Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed in the Risk Factors contained in the Form 8-K ("Super 8-K") filed with the Securities and Exchange Commission ("SEC").

Company Overview

Our mission is to become an institution of choice for adult learners by offering cost-effective, comprehensive, and relevant online education. We are dedicated to helping our students exceed their personal and professional objectives in a socially conscious and economically sensible way. One of the key differences between Aspen and other publicly-traded, exclusively online, for-profit universities is that 88% of our full-time degree-seeking students are enrolled in a graduate degree program (master or doctorate degree program). According to publicly available information, Aspen enrolls a larger percentage of its full-time degree-seeking students in graduate degree programs than its publicly-traded competitors.

Enrollment Trends

Degree-seeking student enrollments increased by 11.7% during the first quarter of 2012, from 1,477 to 1,650 students. Among Aspen's degree seeking programs, the Master of Nursing program grew 63.5% in first quarter of 2012, from 74 students to 121 students. Part-time students enrolled as of March 31, 2012 were 633 students, an increase of 27.6% from 496 part-time students at year-end 2011.

Results of Operations

Quarter Ended March 31, 2012 Compared with March 31, 2011

Revenue

Revenue for the quarter ended March 31, 2012 rose to $1,357,819 from $1,007,872 for the quarter ended March 31, 2011, an increase of 34.7%. The increase is primarily attributable to the increase in Aspen student enrollments as tuition revenues from degree seeking students rose to $728,494 from $515,797, an increase of 41.2%.

Costs and Expenses

Instructional Costs and Services

Instructional costs and services for the quarter ended March 31, 2012 rose to $904,697 from $531,259, an increase of 70.3%. The increase is primarily attributable to higher charges associated with purchased courseware and payments to faculty due to the increase in course completions. As student enrollment levels increase, instructional costs and services should rise commensurately. However, as Aspen increases its degree-seeking student enrollments, the higher gross margins associated with such students should lead the growth rate in instructional costs and services to lag that of overall revenues.

Revenues less instructional costs and services, a measure of the gross profit of Aspen operations, for the quarter ended March 31, 2012 fell to $453,123 from $476,613, a decrease of 4.9%. For reasons discussed above, increased degree-seeking student enrollments are expected prospectively to result in gross profit growth in excess of overall tuition growth.

Marketing and Promotional

Marketing and promotional costs for the quarter ended March 31, 2012 rose to $437,305 from $79,594, an increase of 449.4%. The increase is primarily attributable to expenses related to the operation of the marketing and student enrollment program that Aspen launched in 3Q11. The rate of marketing spend is expected to continue to increase over the course of 2012 as Aspen seeks to increase enrollment of degree-seeking students, particularly enrollments in its MBA and MSN Master-level degree programs.

General and Administrative

General and administrative costs for the quarter ended March 31, 2012 rose to $1,719,326 from $368,497, an increase of 366.6%. The increase is primarily attributable to higher levels of professional fees related to Aspen becoming a public company in March 2012. Professional fees for the quarter rose to $518,579 from $27,530, an increase of 1,783.7%. Within professional fees, legal fees for the quarter rose to $340,614 from $24,000, an increase of 1,319.2%, and accounting fees for the quarter rose to $177,965 from $3,530, an increase of 4,942%. The activities supported by the increased level of professional fees were reverse merger regulatory filings with the Department of Education (the "DoE") and Aspen's accrediting body, the Distance Education and Training Council (the "DETC"); the filing of the Super 8-K with the SEC; and post-reverse merger regulatory filings with the DoE and the DETC. Aspen expects professional fees to decline over the balance of 2012.

Separately, general and administrative costs in the quarter reflected non-cash stock-based compensation expense of $66,104 as Aspen's board of directors approved an option program on March 13, 2012. Based on grants made to date, non-cash stock-based compensation expense will average $47,861 per quarter over the balance of 2012.

Depreciation and Amortization

Depreciation and amortization costs for the quarter ended March 31, 2012 rose to $89,749 from $52,445, an increase of 71.1%. The increase is primarily attributable to higher levels of capitalized technology costs as Aspen continues the infrastructure build-out initiated in 2011.

Other Income (Expense)

Other income for the quarter ended March 31, 2012 rose to income of $3,492 from an expense of ($18,219), an increase of $21,711. The increase is primarily attributable to a gain on the sale of the company vehicle operated by former Aspen Chairman Patrick Spada, lower net interest costs, and the reduced levels of borrowings by former Aspen Chairman Patrick Spada.

Income Taxes

For the quarter ended March 31, 2012 there was no income tax expense as Aspen's operations produced a pre-tax loss of ($1,789,766) as compared with the prior year quarter's loss of ($42,142).

Net Loss

For the quarter ended March 31, 2012, Aspen's operations produced a net loss of ($1,789,766) as compared with the prior year first quarter's net loss of ($42,142). The increase in the net loss is attributable to the higher levels of marketing and promotional costs, instructional costs and services along with the extraordinary increase in professional fees related to Aspen becoming a public company in March 2012. Specifically, of the professional fees of $518,579, management considers $419,195 to be one-time and non-recurring in nature, as they were directly related to the reverse merger and the change of control.

Capital Resources and Liquidity

Net cash used in operating activities during the three months ended March 31, 2012 totaled ($867,397) and resulted from a net loss of ($1,789,766) offset by non-cash items of $182,929 and a net change in operating assets and liabilities of $739,440.

Net cash used in investing activities during the three months ended March 31, 2012 totaled ($96,911), resulted primarily from capitalized technology expenditures of ($141,383) and an increase in restricted cash of ($105,865) offset by officer loan repayments received of $150,000.

Net cash provided by financing activities during the three months ended March 31, 2012 totaled $444,231 and resulted from proceeds from the issuance of convertible notes of $450,000 offset by bank credit line repayments of ($5,769).

We have limited working capital and our current cash position is not sufficient to satisfy our short-term working capital needs. Additionally, we do not anticipate cash from operations will support our working capital needs until approximately July 2013. This assumption is predicated on our raising at least $3,000,000 from the financings described below and successful implementation of our marketing program. As of the date of this report, we had $556,371 in available cash. As discussed above, we anticipate our marketing will increase.

To meet our working capital needs, we plan to raise additional working capital. In March 2012, we commenced an offering to sell $2,000,000 of convertible notes due September 30, 2012, together with approximately 500,000 five-year warrants. As of the date of this report, we have raised $2,006,000 which included $300,000 lent by the Company's Chief Executive Officer in March 2012 (of which we received $1,739,527 in net proceeds). We have entered into an Agreement with Laidlaw & Company (UK) Ltd. which agreed to use its best efforts to raise up to $6,000,000 (with an option to sell up to an additional $1,200,000). Pursuant to the Laidlaw Agreement, we have been seeking to raise this sum from institutional investors. Pending completion of this institutional offering, we are negotiating an Agreement with another broker-dealer as of August 20, 2012 to raise up to $4,000,000 of securities on a non-exclusive basis from retail investors. We expect that the broker-dealer will seek to sell, as our agent, $4,000,000 of convertible notes on similar terms and conditions as the initial retail sales through Laidlaw. If we do not raise a substantial portion of this new offering, we will not be able to expand as planned and not be able to increase our marketing budget. Additionally, if we are not able to raise $3,000,000, we may not have enough capital to remain operational through the next 12 months.

On August 14, 2012, the Company's Chief Executive Officer loaned the Company $300,000 in exchange for a convertible demand note bearing interest at 5% per annum. The note is convertible at the lesser of: (i) $0.60 per share or (ii) the same conversion price of the convertible notes issued in the Company's current private placement.

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We expect to spend $1,500,000 in capital expenditures over the next 12 months. These capital expenditures will be all te

In March 2012, we issued a $300,000 convertible promissory note (the "Note") to Mr. Michael Mathews, our Chief Executive Officer in exchange for a cash loan. The Note is due March 31, 2013, bearing interest at 0.19% per annum and is convertible at $1.00 per share.

See Note 11 for additional description of related party transactions that had a material affect on our condensed consolidated financial statements.

New Accounting Pronouncements

See Note 2 to our condensed consolidated financial statements included in this report for discussion of recent accounting pronouncements.

Off Balance Sheet Arrangements

We do not engage in any activities involving variable interest entities or off-balance sheet arrangements.

Critical Accounting Policies and Estimates

Our critical accounting policies and estimates are disclosed in the Super 8-K for the fiscal year ended December 31, 2011. During the three months ended March 31, 2012, there have been no significant changes to our critical accounting policies and estimates.

Cautionary Note Regarding Forward-Looking Statements

This report contains forward-looking pronouncements.

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 competition, failure to maintain the relationship with our business development partner, and failure to generate sufficient revenue or raise enough money to meet our working capital needs. Further information on our risk factors is contained in our filings with the SEC, including our Form 8-K filed on August 20, 2012. 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 MARKET RISK

Not applicable to smaller reporting companies.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures. Our management carried out an evaluation, with the participation of our Principal Executive Officer and Principal Financial Officer, required by Rule 13a-15 of the Securities Exchange Act of 1934 (the "Exchange Act") of the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) under the Exchange Act. Based on their evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures are effective as of the end of the period covered by this report to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Upon our determination to restate the March 31, 2012 condensed consilidated financial statements, we reevaluated our disclosure controls and procedures and, upon doing so, our original conclusion that our disclosure controls and procedures are effective as of the end of the period covered by this report remains unchanged.

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PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are party to certain legal proceedings that arise in the ordinary course and are incidental to our business. There are currently no such pending proceedings to which we are a party that our management believes will have a material adverse effect on the Company's consolidated financial position or results of operations. However, future events or circumstances, currently unknown to management, will determine whether the resolution of pending or threatened litigation or claims will ultimately have a material effect on our consolidated financial position, liquidity or results of operations in any future reporting periods. See Note 8 to the financial statements contained in this report for information on specific matters.

ITEM 1A. RISK FACTORS

Not applicable to smaller reporting companies.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

See Exhibit Index at the end of this report.

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.

August 20, 2012	/s/Michael Mathews Michael Mathews Chief Executive Officer (Principal Executive Officer)
August 20, 2012	/s/David Garrity David Garrity Chief Financial Officer (Principal Financial Officer)

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	

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, David Garrity, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A 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 [illegible]

3. [illegible] 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. [illegible] certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as [illegible] control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) [illegible]

(Principal Financial Officer)

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/A for the quarter ending March 31, 2012, as filed with the Securities and Exchange Commission on the date hereof, I, Michael Mathews, Chief Executive Officer of the Company, 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 11requq

(Principal Financial Officer)