Common stock, $0.001 par value per share	20,482,108	$ 0. 775	$ 15, 873,634	$ 2, 165.16

(1) Under Rule 416 of the Securities Act of 1933, the shares being registered include such indeterminate number of shares of common stock as may be issuable with respect to the shares being registered in this registration statement as a result of any stock splits, stock dividends.

(2) The proposed maximum offering price per share and the proposed maximum aggregate offering price have been estimated solely for the purpose of calculating the amount of the registration fee in accordance with Rules 457(c) under the Securities Act of 1933 on the basis of the average of the bid and asked price of our common stock on the Over-the-Counter Bulletin Board on November 20, 2012, a date within five trading days prior to the date of the filing of this registration statement.

(3) In connection with the filing of the Form S-1 filed on October 1, 2012, the issuer paid a fee of $7,174 based on a maximum offering price of $52,595,876 ($2.75 per share) on 20,229,183 shares then being registered. As the result of an additional 252,925 shares being registered under this Form S-1/A, the issuer paid an additional fee of $26.74 based on the maximum offering price of $196,017 ($0.775 per share) on these additional shares.

The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission of which this prospectus is a part becomes effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

This summary highlights information contained elsewhere in this prospectus. You should read the entire prospectus carefully including the section entitled “Risk Factors” before making an investment decision. In March 2012, Aspen Group, Inc., or the Public Company, and Aspen University Inc., a privately held Delaware corporation, or Aspen, entered into a merger agreement whereby Aspen became a wholly-owned subsidiary of the Public Company. We refer to the merger as the “Reverse Merger.” All references to “we,” “our” and “us” refer to the Public Company and its subsidiaries (including Aspen), unless the context otherwise indicates. In referring to academic matters, these words refer solely to Aspen University Inc.

Aspen is an online postsecondary education company. Founded in 1987, Aspen’s 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. Aspen’s mission in fact is to help students achieve their long-term goals of upward mobility and long-term economic success through providing superior education, exerting financial prudence, and supporting our students’ career advancement goals. Aspen is dedicated to providing the highest quality education experiences taught by top-tier professors - 67% of our adjunct professors hold doctorate degrees.

Our corporate headquarters are located at 720 South Colorado Boulevard, Suite 1150N, Denver, Colorado 80246 and our phone number is (303) 333-4224. Our corporate website can be found at www.aspen.edu/Investor-Relations. The the enti the e o de s y m 1 ol [illegible]

[illegible]

Investing in our common stock involves a high degree of risk. You should carefully consider the following Risk Factors before deciding whether to invest in Aspen. Additional risks and uncertainties not presently known to us, or that we currently deem immaterial, may also impair our business operations or our financial condition. If any of the events discussed in the Risk Factors below occur, our business, consolidated financial condition, results of operations or prospects could be materially and adversely affected. In such case, the value and marketability of the common stock could decline.

We incurred a net loss of approximately $2.1 million in 2011. We anticipate losses will continue until we are able to increase our enrollment under our new t0ition plan and these new students paying higher rates have taken at least two courses. Additionally, our audited financial statements contain a going concern opinion. On September 28, 2012, we closed an equity financing of $2,757,000 and anticipate a second closing mpa ĎĎŠQ e

Our future growth and profitability will depend in large part upon our media performance, includin Ŭ depen pen pe

Third parties may claim that we are infringing or violating their intellectual property rights. Any such claims could cause us to incur significant expenses and, if successfully asserted against us, could require that we pay substantial damages and prevent us from using our intellectual property that may be fundamental to our business. Even if we were to prevail, any litigation regarding the intellectual property could be costly and time-consuming and divert the attention of our management and key personnel from our business operations.

In some instances, our faculty members or our students may post various articles or other third party content on class discussion boards. We may incur liability for the unauthorized duplication or distribution of this material posted online for class discussions. Third parties may raise claims against us for the unauthorized duplication of this material. Any such claims could subject us to costly litigation and impose a significant strain on our financial resources and management personnel regardless of whether the claims have merit. As a result we may be required to alter the content of our courses or pay monetary damages.

We believe that continued growth in online education will be largely dependent on additional students and employers recognizing the value of degrees and courses from online institutions. If students and employers are not convinced that online schools are an acceptable alternative to traditional schools or that an online education provides value, or if rns. Igplgpl o

A school participating in Title IV programs may not provide any commission, bonus or other incentive payment based, directly or indirectly, on success in enrolling students or securing financial aid to any person involved in student recruiting or admission activities or in making decisions regarding the awarding of Title IV program funds. If we pay a bonus, commission, or other incentive payment in violation of applicable DOE rules, we could be subject to sanctions, which could have a material adverse effect on our business. Effective July 1, 2011, the DOE abolished 12 safe harbors that described permissible arrangements under the incentive payment regulation. Abolition of the safe harbors and other aspects of the new regulation may create uncertainty about what constitutes impermissible incentive payments. The modified incentive payment rule and related uncertainty as to how it will be interpreted also may influence our approach, or limit our alternatives, with respect to employment policies and practices and consequently may affect negatively our ability to recruit and retain employees, and as a result our business could b[illegible]

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The DOE has defined "credit" hour for Title IV purposes. The credit hour is used for Title IV purposes to define an eligible program and an academic year and to determine enrollment status and the amount of Title IV aid that an institution may disburse in a payment period. The final regulations define credit hour as an institutionally established equivalency that reasonably approximates certain specified time in class and out of class and an equivalent amount of work for other academic activities. The final regulations also require institutional accreditors to review an institution's policies, procedures, and administration of policies and procedures for assignment of credit hours. An accreditor must take appropriate actions to address an institution's credit hour deficiencies and to notify the DOE if it finds systemic noncompliance or significant noncompliance in one or more programs. The DOE has indicated that if it finds an institution to be out of compliance with the credit hour definition for Title IV purposes, it may require the institution to repay the amount of Title IV awarded under the incorrect assignment of credit hours and, if it finds significant overstatement of credit hours, it may fine the institution or limit, suspend, or terminate its participation in Title IV programs, as a result of which our business could be materially and adversely affected.

In recent years, the U.S. Congress has increased its focus on for-profit education institutions, including with respect to their participation in the Title IV programs, and has held hearings regarding such matters. In addition, the GAO released a series of reports following undercover investigations critical of for-profit institutions. We cannot predict the extent to which, or whether, these hearings and reports will result in legislation, further rulemaking affecting our participation in Title IV programs, or more vigorous enforcement of Title IV requirements. To the extent that any laws or regulations are adopted that limit or condition Title IV program participation of proprietary schools or the amount of federal student financial aid for which proprietary school students are eligible, our business could be materially and adversely affected.

The SEC has adopted regulations which generally define "penny stock" to be an equity security that has a market price of less than $5.00 per share, subject to specific exemptions. We expect that the market price of our common stock on the Over-The-Counter Bulletin Board, or Bulletin Board, will be substantially less than $5.00 per share and therefore we will be considered a "penny stock" according to SEC rules. This designation requires any broker-dealer selling these securities to disclose certain information concerning the transaction, obtain a written agreement from the purchaser and determine that the purchaser is reasonably suitable to purchase the securities. These rules limit the ability of broker-dealers to solicit purchases of our common stock and therefore reduce the liquidity of the public market for our shares.

Moreover, as a result of apparent regulatory pressure from the SEC and the Financial Industry Regulatory Authority, a growing number of broker-dealers decline to permit investors to purchase and sell or otherwise make it difficult to sell shares of penny stocks like Aspen. This may have a depressive effect upon our common stock price.

Our executive officers and directors own approximately 21% of our outstanding common stock. These shareholders, if they act together, may be able to control our management and affairs and all matters requiring shareholder approval, including significant corporate transactions. This concentration of ownership may have the effect of delaying or preventing our change in control and might affect the market price of our common stock. For more information, see the section titled "Principal Shareholders."

The DTC acts as depository [illegible] nominee for street name shares that investors deposit with their brokers. Until recently, our stock was not [illegible]

This prospec

Quarter Ended September 30, 2012 Compared with September 30, 2011

Revenue for the quarter ended September 30, 2012 rose to $1,253,190 from $1,134,315 in the prior year quarter, for a year-over-year increase of 10%. The increase is primarily attributable to the increase in Aspen degree-seeking enrollments and the elimination of the Legacy Tuition Plan (which provides less revenues per student), as tuition revenues from degree seeking students rose to $908,940 from $700,363 fEtion 0®d ttent), l'

General and administrative costs for the quarter ended September 30, 2012 rose to $1,389,940 from $1,274,238, an increase of 9%. The most significant factor is the higher employment level as we increased staffing to support our growth objectives. To that end, payroll costs for the quarter rose to $624,738 from the prior year period of $617,476, an increase of 1%. Separately, professional fees for the quarter increased to $219,495 from $141,796, an increase of 55%. Within professional fees, accounting fees for the quarter rose to $103,709 from $3,000, a 3,357% increase, and legal fees for the quarter declined to $115,786 from $138,796, a 17% decrease. Activities supported by the increased level of professional fees were the filing of restated financial filings with the SEC along with our current capital raising activities. Professional fees incurred during the third quarter of 2012 of $135,818 are non-recurring as they relate to contractual and due diligence expenses for a proposed acquisition which Aspen elected not to pursue. Aspen expects professional fees to decline over the balance of 2012. Excluding payroll and professional fees, general and 2012 administrative costs for the quarter ended September 30, 2012 rose to $545,707 from $514,966, an increase of 6%.

Separately, general and administrative costs in the 2012 quarter reflected non-cash stock-based compensation expense of $63,547 related to stock option grants. Based on grants made through September 30, 2012, non-cash stock-based compensation is expected to be $75,583 in 4Q12.

Due to a change in }

Net cash used in operating activities during the nine months ended September 30, 2012 totaled ($2,288,416) which resulted from a net loss of ($5,176,376) offset by non-cash items of $1,468,721 and a net change in operating assets and liabilities of $1,419,239.

Net cash used in investing activities during the nine months ended September 30, 2012 totaled ($539,795) which resulted primarily from capitalized technology expenditures of ($419,295) and an increase in restricted cash of ($264,832), offset by officer loan repayments received of $150,000.

Net cash provided by financing activities during the nine months ended September 30, 2012 totaled $4,538,965 which resulted primarily from proceeds from the net issuance of debt and equity securities of [illegible]4,805,[illegible] offset by issuance costs of [illegible]266,[illegible]

In [illegible] convertible note bearing inter[illegible] September 2012, we raised $2[illegible] commissions and approximately $43,500 in other [illegible]. Based upon the net proceeds of this offering, our recent expense reduction and improvement in our business, we believe we have enough working capital to meet our needs for at least the next 12 months. This assumes that the $600,000 in convertible notes held by our Chief Executive Officer [illegible]

See Note 2 to our unaudited condensed consolidated financial statements included herein for discussion of recent accounting pronouncements.

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

Our critical accounting policies and estimates are disclosed in the Super 8-K/A filed on September 21, 2012. During the quarter ended September 30, 2012, there have been no significant changes to our critical accounting policies and estimates.

On March 13, 2012, the Public Company f/k/a, Elite Nutritional Brands, Inc., closed the Reverse Merger, and Aspen became a wholly-owned subsidiary of the Public Company. Immediately following the closing of the Reverse Merger, the Public Company changed its business plan and operations to that of Aspen.

The Public Company was incorporated on February 23, 2

We are accredited by the DETC a "national accrediting agency" recognized by the DOE. Aspen first received DETC accreditation in 1993 and most recently received re-accreditation in January 2009. Aspen is provisionally certified by the DOE through September 30, 2013. Under such certification, Aspen is restricted to a limit of 500 student recipients for Title IV funding for the duration of this provisional certification. As of December 31, 2011, Aspen had 171 students that were participating in the Title IV programs. During the duration of Aspen's provisional certification, a total of 243 Aspen students have received Title IV aid. Aspen has delivered to the DOE a letter of credit in the amount of $264,655.

In the future when it considers whether to extend the provisional certification or make the certification permanent, the DOE may impose additional or different terms and conditions, including growth restrictions or limitation on the number of students who may receive Title IV aid.

In 2008, Aspen received accreditation of its Master of Science in Nursing Program with the Commission on Collegiate Nursing Education, or the Nursing Commission. Officially recognized by the DOE, the Nursing Commission is a nongovernmental accrediting agency, which ensures the quality and integrity of education programs in preparing effective nurses. Aspen's Master of Science in Nursing program most recently underwent accreditation review by the Nursing Commission in March 2011. At that time, the program's accreditation was reaffirmed, with the accreditation term to expire December 30, 2021. We currently offer a variety of nursing degrees including: Masters of Science in Nursing, Master of Science in Nursing - Nursing Education , and Masters of Science in Nursing – Nursing Administration and Management. Students that complete our RN-to-MSN Bridge program matriculate into our Master of Nursing program, allowing them to bypass the Bachelor of Nursing program offered at other universities.

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

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

Aspen also plans to seek DOE approval for the above programs in order to award Title IV aid to students participating in such programs. See “Regulation” beginning at page 40 of this prospectus. These programs and certificates focus on Aspen’s strategic goal of increasing enrollments in business, nursing, and technology program areas.

- We believe that we have the following competitive strengths:

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

Debt Minimization We are committed to offering among the lowest tuition rates in the sector, which to date has alleviated the need for a significant majority of our students to require debt financing to fund Aspen’s tuition requirements. In July 2011, we raised our course-by-course tuition rates to $300/credit hour for all degree-seeking programs. However, we believe based on our competitors' public information that our tuition rates remain significantly lower than our competitors. For example, University of Phoenix, Capella University and Grand Canyon University charge $715, $678, and $550, respectively, per credit hour for their MBA program versus Aspen’s $350 per credit hour.

Commitment to Academic Excellence We are committed to continuously improving our academic programs and services, as evidenced by the level of attention and resources we apply to instruction and educational support. We are committed to achieving high course completion and graduation rates compared to competitive distance learning, for-profit schools. 67% of our adjunct faculty members hold a doctorate degree. One-on-one contact with our highly experienced faculty brings knowledge and great perspective to the learning experience. Faculty members are available by telephone and email to answer questions, discuss assignments and provide help and encouragement to our students. The new faculty service department will offer a continuing faculty development program (training and courses) as well as a centralized instructional design component. For example, the faculty service department will offer training on the new technology and tools that Aspen adopted in 2011. This training will enable Aspen’s faculty to implement optimally the new technology and tools. The faculty service department will also include an instructional design department, which will centralize preparation of course materials.

Highly Scalable and Profitable Business Model We believe our exclusively online education model, our relatively low student acquisition costs, and our variable faculty cost model will enable us to expand our operating margins. If we increase student enrollments we will be able to scale on a variable basis the number of adjunct faculty members after we reach certain enrollment metrics (not before). A single adjunct faculty member can work with as little as two students or as many as 25 over the course of an enrollment period.

“One Student at a Time” personal care We are committed to providing our students with fast and personal individualized support. Every student is assigned an academic advisor who becomes an advocate for the student’s success. Our one-on-one approach assures contact with faculty members when a student needs it and monitoring to keep them on course. Our administrative staff is readily available to answer any questions and works with a student from initial interest through the application process and enrollment, and most importantly while the student is pursuing a degree or studies. Based on Aspen’s 2011 DETC Annual Report of student satisfaction survey results, calculated in accordance with applicable DETC policy, 95% - 98% of students on average expressed srReport of ibRf f l Reporta s DE f of iclolM i ŭ

The U.S. market for postsecondary education is a large, growing market. According to a 2011 publication by the National Center for Education Statistics, or NCES, the number of postsecondary learners enrolled as of Fall 2009 in U.S. institutions that participate in Title IV programs was approximately 20 million (including both undergraduate and graduate students), up from 18.2 million in the Fall of 2007. We believe the growth in postsecondary enrollment is a result of a number of factors, including the significant and measurable personal income premium that is attributable to postsecondary education, and an increase in demand by employers for professional and skilled workers, pE א

Certificate in Information Technology with specializations in
- Information Systems Management
- Java Development
- Object Oriented Application Development
- Smart Home Integration
- Web Development

Certificate in Project Management

Associate of General Stud v ssociate of Applted ocGeotemapgy

Master of Arts Psychology and Addiction Counseling
Master of Science in Criminal Justice
Master of Science in Criminal Justice with a specialization in
- Forensic Sciences
- Law Enforcement Management
- Terrorism and Homeland Security

Master of Science in Information Management with a specialization in
- Management
- Project Management
- Technologies

Master of Science in Information Systems with a specialization in
- Enterprise Application Development
- Web Development

Master of Science in Information Technology
Master of Science in Nursing with a specialization in
- Administration and Management
- Administration and Management, (RN to MSN Bridge Program)
- Nursing Education
- Nursing Education, (RN to MSN Bridge Program)

Master of Science in Physical Education and Sports Management
Master of Science in Technology and Innovation with a specialization in
- Business Intelligence and Data Management
- Electronic Security
- Project Management
- Systems Design
- Technical Languages
- Vendor and Change Control Management

Master in Business Administration
Master in Business Administration with specializations in
- Entrepreneurship
- Finance
- Information Management
- Pharmaceutical Marketing and Management
- Project Management

Master in Education
- Curriculum Development and Outcomes Assessment
- Education Technology
- Transformational Leadership

Doctorate of Science in Computer Science
Doctorate in Education Leadership and Learning
Doctorate in Education Leadership and Learning with specializations
- Education Administration
- Faculty Leadership
- Instructional Design
- Leadership and Learning

Independent online classes start on the 1st and the 16th of every month and students may enroll in up to a maximum of three courses atrnollo [illegible]

Prior to the EGC Merger, Aspen had conducted minimal efforts and spent immaterial sums on sales and marketing. During the second half of 2011, Mr. Michael Mathews and his team made significant changes to our sales and marketing program and spent a significant amount of time, money and resources on our marketing program. Following the EGC Merger, Aspen spent approximately $1,000,000 on marketing from July through December 31, 2011.

What is unique about Aspen's marketing program is that we have no plans in the near future to utilize third-party online lead generation companies to attract prospective students. To our knowledge, most if not all for-profit online universities utilize multiple third-party online lead generation companies to obtain a meaningful percentage of their prospective student leads. Aspen's executive officers have many years of expertise in the online lead generation and Internet advertising industry, which for the foreseeable future will allow Aspen to cost-effectively drive all prospective student leads internally. This is a competitive advantage for Aspen because third-party leads are typically non-exclusive (lead generation firms typically sell prospective student leads to multiple universities), therefore the conversion rate for those leads tends to be appreciably lower than internally generated, proprietary leads.

In May 2011, Aspen expanded on its current search engine marketing initiatives related to Google. Aspen expanded the use of Aspen keyword search terms and keywords related to its MBA program and nursing program. Aspen also refined its testing of keywords, marketing messages and the establishment of program specific informational pages that have been matched to those keywords. Landing pages and [illegible] offered in order to ensure that prospective students are provided with information necessary to make an informed decision regarding Aspen and to begin a dialogue with an Aspen advisor. The search engine marketing program was expanded in July 2011, to include the Microsoft and Yahoo search engines for general university terms, MBA and nursing programs, utilizing the same paradigm of directing prospective students to an informational page about their desired interest within those programs.

[illegible]

In October 2011, Aspen began to advertise directly on pu [illegible]

As of the date of this prospectus, we have 27 full-time employees, and 67 adjunct professors. None of our employees are parties to any collective bargaining arrangement. We believe our relationships with our employees are good.

Our corporate headquarters are located in a facility in Denver, Colorado, consisting of approximately 3,900 square feet of office space under a lease that expires in September 2015. This facility accommodates our academic operations. We believe that our existing facilities are suitable and adequate and that we have sufficient capacity to meet our current anticipated needs. Our executive offices are in New York City where we lease 2,000 square feet under a month-to-month sublease. We operate a call center in Scottsdale, Arizona where we lease 2,629 square feet under a three-year term .

From time to time, we are a party to or otherwise involved in legal proceedings arising in the normal and ordinary course of business. As of the date of this prospectus, we are not aware of any proceeding, threate u7 full-time

We enroll students in all 50 states, as well as the District of Columbia and Puerto Rico.

Over the last several years, Congressional committees have held hearings related to for-profit postsecondary education institutions. Additionally, the chairmen of the House and Senate education committees, along with other members of Congress, asked the GAO to review various aspects of the for-profit education sector, including recruitment practices, educational quality, student outcomes, the sufficiency of integrity safeguards against waste, fraud and abuse in Title IV programs, and the degree to which for-profit schools' revenue is comprised of Title IV and other federal funding sources. In 2010, the GAO released a report based on a three-month undercover investigation of recruiting practices at for-profit schools. The report concluded that employees at a non-random sample of 15 for-profit schools (which did not include Aspen) made deceptive statements to students about accreditation, graduation rates, job placement, program costs, or financial aid. On October 31, 2011, the GAO released a second report following an additional undercover investigation related to enrollment, cost, financial aid, course structure, substandard student performance, withdrawal, and exit counseling. The report concluded that while some of the 15 unidentified for-profit schools investigated appeared to follow existing policies, others did not. Although the report identified a number of deficiencies in specific instances, it made no recommendations. On December 7, 2011, the GAO released a report that attempted to compare the quality of education provided by for-profit, nonprofit, and public institutions based upon multiple outcome measures including graduation rates, pass rates on licensing exams, employment outcomes, and student loan default rates. The report found that students at for-profit institutions had higher graduation rates for certificate programs, similar graduation rates for associate's degree programs, and lower graduation rates for bachelor's degree programs than students at nonprofit and public institutions. It also found that a higher proportion of bachelor's degree recipients from for-profit institutions took out loans than did degree recipients from other institutions and that some evidence exists that students at for-profits institutions default on their student loans at higher rates. On nine of the ten licensing exams reviewed, graduates of for-profit institutions had lower pass rates than students from nonprofit and public institutions.

As described earlier in this prospectus, certain DOE regulations have been challenged and the lawsuit is currently before a federal appeals court. The same plaintiff in that lawsuit also filed a lawsuit in the U.S. District Court for the District of Columbia challenging the DOE's final regulations on gainful employment, which are discussed below. The lawsuit is currently pending.

The DOE currently is in the process of developing proposed regulations to amend regulations pertinent to the Title IV loan programs and teacher education. We are unable to predict the timing or the proposed or final form of any regulations that the DOE ultimately may adopt and the impact of such regulations on our business.

Administrative Capability. DOE regulations specify extensive criteria by which an institution must establish that it has the requisite "administrative capability" to participate in Title IV programs. Failure to satisfy any of the standards may lead the DOE to find the institution ineligible to participate in Title IV programs or to place the institution on provisional certification as a condition of its participation. To meet the administrative capability standards, an institution must, among other things:

- comply with all applicable Title IV program regulations;
- have capable and sufficient personnel to administer the federal student financial aid programs;
- have acceptable methods of defining and measuring the satisfactory academic progress of its students;
- have cohort default rates above specified levels;
- have various procedures in place for safeguarding federal funds;

- not be, and not have any principal or affiliate who is, debarred or suspended from federal contracting or engaging in activity that is cause for debarment or suspension;
- provide financial aid counseling to its students;
- refer to the DOE's Office of Inspector General any credible information indicating that any applicant, student, employee, or agent of the institution, has been engaged in any fraud or other illegal conduct involving Title IV programs;
- report annually to the Secretary of Education on any reasonable reimbursements paid or provided by a private education lender or group of lenders to any employee who is employed in the institution's financial aid office or who otherwise has responsibilities with respect to education loans;
- develop and apply an adequate system to identify and resolve conflicting information with respect to a student's application for Title IV aid;
- submit in a timely manner all reports and financial statements required by the regulations; and
- not otherwise appear to lack administrative capability.

Among other things, new DOE regulations require that an institution must evaluate satisfactory academic progress (1) at the end of each payment period if the length of the educational program is one academic year or less or (2) for all esev esa

Compliance Reviews. We are subject to announced and unannounced compliance reviews and audits by various external agencies, including the DOE, its Office of Inspector General, state licensing agencies, and accrediting agencies. v

Although the final rules regarding gainful employment metrics provide opportunities to address program deficiencies before the loss of Title IV eligibility, the continuing eligibility of our educational programs for Title IV funding is at risk due to factors beyond our control, such as changes in the actual or deemed income level of our graduates, changes in student borrowing levels, increases in interest rates, changes in the federal poverty income level relevant for calculating discretionary income, changes in the percentage of our former students who are current in repayment of their student loans, and other factors. In addition, even though deficiencies in the metrics may be correctible on a timely basis, the disclosure requirements to students following a failure to meet the standards may adversely impact enrollment in that program and may adversely impact the reputation of our education institution. The exposure to these external factors may reduce our ability to offer or continue certain types of programs for which there is market demand, thus affecting our ability to maintain or grow our business. [illegible]

Eligibility and Certification Procedures. Each institution must periodically apply to the DOE for continued certification to participate in Title IV programs. Such recertification is required every six years, but may be required earlier, including when an institution undergoes a change of control. An institution may come under the DOE's review when it expands its activities in certain ways, such as opening an additional location, adding a new program, or, in certain cases, when it modifies academic credentials that it offers.

The DOE may place an institution on provisional certification status if it finds that the institution does not fully satisfy all of the eligibility and certification standards and in certain other circumstances, such as when it undergoes a change in ownership and control. The DOE may more closely review an institution that is provisionally certified if it applies for approval to open a new location, add an educational program, acquire another school or make any other significant change.

In addition, during the period of provisional certification, the institution must comply with any additional conditions included in its program participation agreement. If the DOE determines that a provisionally certified institution is unable to meet its responsibilities under its program participation agreement, it may [illegible]

Aspen has received approval from DETC for the change of ownership and control resulting from the Reverse Merger and from its former Chairman ceasing to own 25% of its voting power. On September 28, 2012, the DOE approved Aspen's change of control and extended its provisional certification until September 30, 2013.

When a change of ownership resulting in a change of control occurs at a for-profit institution, the DOE applies a different set of financial tests to determine the financial responsibility of the institution in conjunction with its review and approval of the change of ownership. The institution generally is required to submit a same-day audited balance sheet reflecting the financial condition of the institution immediately following the change in ownership. The institution’s same-day balance sheet must demonstrate an acid test ratio of at least 1:1, which is calculated by adding cash and cash equivalents to current accounts receivable and dividing the sum by total current liabilities (and excluding all unsecured or uncollateralized related party receivables). The same-day balance sheet must demonstrate positive tangible net worth. If the institution does not satisfy these requirements, the DOE may condition its approval of the change of ownership on the institution’s agreeing to post a letter of credit, provisional certification, and/or additional monitoring requirements, as described in the above section on Financial Responsibility. The time required for the DOE to act on a post-change in ownership and control application may vary substantially. As stated earlier in this prospectus, Aspen rs tff rshtff Ďhs E credia enovisi p pe

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material breach by Aspen under the Employment Agreements.
(2) Any restricted stock or stock options held by the executive immediately vest upon occurrence of this event.
(3) Certain stock options will immediately vest.

(3) Mr. Spada is the former Chairman of Aspen. Includes shares owned by Higher Education Management Group, or HEMG.

(4) Dr. D'Anton is a director and a selling shareholder. Includes 113,358 shares of common stock and 51,429 shares underlying warrantsQ

(1) For all of the selling shareholders who are not natural persons, unless noted otherwise, the investment managers, general partners, trustees or principals named in the footnotes below have the sole voting and dispositive power over the shares held by the selling shareholders.

(2) Benjamin Taylor has sole voting and sole investment power over the securities owned by the selling shareholder.

(3) Jon D. Gruber is the trustee of the selling shareholder.

(4) Michael Finkelstein has the power to vote and dispose of the securities held by the selling shareholder.

(5) Samuel DelPresto is the manager of the selling shareholder. Does not include 1,000,000 shares of common stock beneficially owned by a corporation controlled by Mr. DelPresto.

(6) Stanley Garber has the power to vote and dispose of the securities held by the selling shareholder.

(7) The securities were purchased by Dr. Michael D'Anton, a director of Aspen, as custodian for Trevor D'Anton, Michael D'Anton II and Ashley D'Anton, his children. Also includes shares of common stock individually held by Dr. D'Anton.

(8) The securities were purchased by Dr. John Scheibelhoffer, a director of Aspen, as custodian for Alec Scheibelhoffer, Danielle Scheibelhoffer and Krista Scheibelhoffer, his children. Also includes shares of common stock individually held by Dr. Scheibelhoffer.

(9) The selling shareholder is a director of Aspen.

During 2010-2011, Aspen entered into numerous transactions with its founder and then Chairman, Mr. Patrick Spada, and a corporation he controlled, HEMG. These transactions also occurred prior to 2010. In connection with the audit of Aspen's financial statements for 2010-2011, Aspen discovered in November, 2011 that HEMG had borrowed $2,195,084 from it from 2005 to 2010 without Board of Directors authority. Aspen has been unable to reach any agreement with qai2

In May 2011, the following investments in Aspen's Series B Preferred Stock, or Series B offering were made directly or indirectly by officers and/or directors:

- Michael Mathews invested $50,000 for 52,631 shares of Series B.
- John Scheibelhoffer invested $31,500 for 33,157 shares of Series B.
- Michael D'Anton invested $7,500 for 7,894 shares of Series B.

In September 2011, the following investments in Series C were made directly or indirectly by officers and/or directors:

- John Scheibelhoffer invested $50,000 for 188,457 shares of Series C.
- Michael D'Anton invested $50,000 for 188,457 shares of Series C.
- C. James Jensen invested $53,062 for 200,000 shares of Series C.
- David E. Pasi invested $50,000 for 188,457 shares of Series C.
- David Garrity invested $25,053 for 94,430 shares of Series C.
- Michael Mathews invested $238,209.94 for 897,848 shares of Series C.
- Gerald Williams invested $25,000 for 94,229 shares of Series C.

The Series C shares were sold by HEMG, not Aspen.

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On April 10, 2012, HEMG sold 400,000 shares of common stock of Aspen for $200,000 to individuals who were not executive officers or directors of Aspen, or the April Agreement. In connection with the April Agreement, Aspen guaranteed that it would purchase 600,000 shares at $0.50 per share within 90 days of the April Agreement and agreed to use its best efforts to purchase an additional 1,400,000 shares of common stock at $0.50 per shares within 180 days from the date of the April Agreement. A group of predominately existing shareholders have purchased 336,000 shares of common stock at $0.50 per share and the Public Company purchased 264,000 shares at $0.50 per share. A number of years ago Dr. Michael D'Anton lent Aspen $25,000 of which $22,000 was owed at September 30, 2012. In November 2012, Dr. D'Anton cancelled Aspen's obligation in exchange for 62,857 five-year vested options exercisable at $0.35 per share.

Pro2

We are authorized to issue 120,000,000 shares of common stock, par value $0.001 per share, and 10,000,000 shares of preferred stock, par value $0.001 per share. As of the date of this prospectus, 53,485,847 shares of common stock and 0 shares of preferred stock are outstanding.

Common Stock

The holders of common stock are entitled to one vote per share on all matters submitted to a vote of shareholders, including the election of directors. There is no cumulative voting in the election of directors. The holders of common stock are entitled to any dividends that may be declared by the board of directors out of funds legally available for payment of dividends subject to the prior rights of holders of preferred stock and any contractual restrictions we have against the payment of dividends on common stock. In the event of our liquidation or dissolution, holders of common stock are entitled to share ratably in all assets remaining after payment of liabilities and the liquidation preferences of ra

Action Stock Transfer Corp. is our transfer agent located at 2469 E. Fort Union Boulevard, Suite 214, Salt Lake City, Utah 84121.

The validity of the securities offered hereby will be passed upon for us by Nason, Yeager, Gerson, White & Lio k

Aspen Group, Inc. (together with its subsidiaries, the “Company” or “Aspen”) was founded in Colorado in 1987 as the International School of Information Management. On September 30, 2004, it was acquired by Higher Education Management Group, Inc. (“HEMG”) and changed its name to Aspen University Inc. On May 13, 2011, the Company2ny

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 September 30, 2012 (See Notes 5 and 11).

On March 13, 2012, the Company's CEO loaned the Company $300,000 and received 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 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. On September 4, 2012, the maturity date was extended to August 31, 2013 (See Note 11).

On February 29, 2012 (the "Effective Date"), the Company retained the investment bank of Laidlaw & Company (UK) Ltd. ("Laidlaw") on an exclusive basis with certain "carve-out" provisions for the purpose of raising up to re

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 (See Note 3). As part of the agreement, 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. As of July 3, 2012, the guarantee resulted in a liability of the Company to purchase these shares. As of September 30, 2012, third party investors purchased 336,000 common shares for $168,000, leaving the Company with a remaining liability to purchase 264,000 common shares for $132,000. On October 1, 2012, the Company purchased the 264,000 common shares for $132,000 and the shares became treasury shares.

Prior to their conversion to common shares on March 13, 2012, the Series A, Series D and Series E preferred shares were classified as temporary equity. During 2012 through March 13, 2012, the preferred shares accumulated additional dividends of $37,379 and as of March 13, 2012, total cumulative preferred dividends were $124,705. On March 13, 2012, all preferred shares were automatically converted into common shares and, based on the terms of the preferred shares, none of the cumulative dividends shall ever be paid (See Note 9).

On February 23, 2012, the Company approved a stock dividend of one new share of the Company for each share presently held. Following the stock dividend, the Company approved a one-for-two reverse stock split as of the close of business on February 24, 2012 in which each two shares of common stock shall be combined into one share of common stock. This was done in order to reduce the conversion ratio of the convertible preferred stock for all Series to 1 for 1 except for Series C, which had a conversion ratio of 0.8473809.

On March 13, 2012, all of the outstanding preferred shares of the Company were automatically converted into 13,677,274 common shares of Aspen Group, Inc. (See Note 8).

Pursuant to the recapitalization discussed below, the Company is deemed to have issued 9,760,000 common shares to the original stockholders of the publicly-held entity.

In April 2012, the Company issued 20,000 common shares upon the conversion of $20,000 of convertible notes payable (See Note 6).

On September 28, 2012, the Company raised $2,494,899 (net of offering costs of $262,101) from the sale of 78.77 Units (including 7,877,144 common shares and 3,938,570 five-year warrants exercisable at $0.50 per share) through Laidlaw. Of the amount raised $212,000 or 605,716 common shares were from directors of the Company. Also, on September 28, 2012, as a result of this financing, all of the $1,706,000 (face value) of Convertible Notes from the Phase One financing automatically converted into 5,130,795 common shares at the contractual rate of $0.3325 per share. In addition, 202,334 common shares and 50,591 five-year warrants exercisable at $0.3325 per share were issued to settle $67,276 of accrued interest on the aforementioned Convertible Notes. Accordingly, a loss of $3,339 was recognized upon settlement (See Note 6).

On September 28, 2012, as a result of the aforementioned financing, a $49,825 (face value) convertible note was automatically converted into 142,357 common shares at the contractual rate of $0.35 per share. In addition, 112 common shares were issued to settle $39 of accrued interest on the aforementioned convertible note. No gain or loss was recognized upon settlement (See Note 6).

On September 28, 2012, as a result of the initial closing of the Phase Two financing, 4,516,917 common shares were issued to the former owners of Series D and Series E shares under the price protection provision. This resulted in an increase in common stock of $4,517 with a corresponding decrease in additional paid-in capital. 550,000 of the former Series D shares and all 1,700,000 of the former Series E shares continue to have price protection through March 13, 2015.

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 (increased to 5,600,000 shares effective September 28, 2012) in the form of incentive stock options, non-qualified stock options, restricted shares, stock appreciation rights and restricted stock units to employees, consultants, offiE, offiE, fo f fo f f

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 September 30, 2012 (See Notes 5 and 6).

On March 13, 2012, the Company's CEO loaned the Company $300,000 and received 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 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. On September 4, 2012, the maturity date was extended to August 31, 2013 (See Note 6).

On August 14, 2012, the Company's CEO loaned the Company an additional $300,000 and received a convertible promissory note, payable on demand, bearing interest at 5% per annum. The note is convertible into common shares of the Company at the rate of $0.35 per share (based on proceeds received on September 28, 2012 under a private placement at $0.35 per unit). 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. On September 4, 2012, the maturity date was extended to August 31, 2013 (See Note 6).

The Company issued 605,716 common shares to four related party directors upon receipt of $212,000 in connection with the September 28, 2012 offering discussed in Note 9.

On October 1, 2012, the Company purchased 264,000 common shares for $132,000, from the Company's former chairman (see Note 7). The shares are being held as treasury shares.

On October 10, 2012, the Company entered into a non-exclusive agreement with Global Arena Capital Corp. ("GAC"), a broker-dealer, through which GAC agreed to use its best efforts to raise up to $2,030,000 from the sale of Units of common stock and warrants that are identical to those Units sold on September 28, 2012. The Company agreed to compensate GAC from sales of Units by paying it [illegible]

To the Board of Directors and Stockholders of:
Aspen University Inc.

We have audited the accompanying consolidated balance sheets of Aspen University Inc. and Subsidiary at December 31, 2011 and 2010, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for each of the two years in the period ended December 31, 2011. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Aspen University Inc. and Subsidiary as of December 31, 2011 and 2010, and the consolidated results of its operations and its cash flows for each of the two years in the period ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 17 to the consolidated financial statements, the 2011 and 2010 consolidated financial statements have been restated to correct a misstatement.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has a net loss allocable to common stockholders and net cash used in operating activities in 2011 of $2,222,899 and $1,097,089, respectively, and has an accumulated deficit of $5,326,370 at December 31, 2011. These matters raise substantial doubt about the Company's ability to continue as a going concern. Management's plan in regards to these matters is also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Salberg & Company, P.A.

SALBERG & COMPANY, P.A.
Boca Raton, Florida
March 19, 2012 (except for Note 17 as to which the date is August 16, 2012)

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Member National Association of Certified Valuation Analysts • Registered with the PCAOB
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Revenues	$ 4,477,931	$ 3,028,699
Revenues - related parties	-	125,000
Total revenues	4,477,931	3,153,699
Costs and expenses:		
Instructional costs and services	2,493,341	1,759,140
Marketing and promotional	1,181,558	242,134
General and adminstrative	2,634,453	998,777
Depreciation and amortization	264,082	338,803
Total costs and expenses	6,573,434	3,338,854
		E
Operating loss	(2,095,503)	(185,155)
Other income (expense):	27,850	
Interest income	2,656	8
Interest expense	(27,850)	

The financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

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

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements.Actual results could differ from those estimates. Significant estimates in the accompanying consolidated financial statements include the allowance for doubtful accounts and other receivables, the valuation of collateral on certain receivables, the valuation and amortization periods of intangible assets, and the valuation allowance on deferred tax assets.

The Company considers all highly liquid investments with maturities of three months or less at the time of purchase to be cash equivalents.

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 consist primarily of student accounts receivable, which represent amounts due for tuition, technology fees and other fees from students who are in the course of completing a degree or certificate program. Students generally fund their education through personal funds, grants and/or loans under various DOE Title IV programs, or tuition assistance from military and corporate employers. Accounts receivable also includes amounts due from the sale of course curricula to other entities, which last occurred in 2010.

Intangible assets with definite lives are stated at cost less accumulated amortization. Amortization is computed using the straight-line method over the estimated useful lives of the assets per the following table.

Call center	5 years
Course curricula	5 years

The Company assesses potential impairment to its long-lived assets when there is evidence that events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss is recorded when the carrying amount of the long-lived asset is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Any required impairment loss is measured as the amount by which the carrying amount of a long-lived asset exceeds fair value and is recorded as a reduction in the carrying value of the related asset and an expense to operating results. There have been no impairment losses recognized by the Company for any periods presented.

The Company enters into various lease agreements in conducting its business. At the inception of each lease, the University evaluates the lease agreement to determine whether the lease is an operating or capital lease. Leases may contain initial periods of free rent and/or periodic escalations. When such items are included in a lease agreement, the Company records rent expense on a straight-line basis over the initial term of a lease. The difference between the rent payment and the straight-line rent expense is recorded as a deferred rent liability. The University expenses any additional payments under its operating leases for taxes, insurance or other operating expenses as incurred.

Revenues consist primarily of tuition and fees derived from courses taught by the University online as well as from related educational resources that the University provides to its students, such as access to our online materials and learning management system. Tuition revenue and most fees from related educational resources are recognized pro-rata over the applicable period of instruction. The University maintains an institutional tuition refund policy, which provides for all or a portion of tuition to be refunded if a student withdraws during stated refund periods. Certain States in which students reside impose separate, mandatory refund policies, which override the University's policy to the extent in conflict. If a student withdraws at a time when a portion or none of the tuition is refundable, then in accordance with its revenue recognition policy, the University immediately recognizes as revenue the tuition that was not refunded. Since the University recognizes revenue pro-rata over the term of the course and because, under its institutional refund policy, the amount subject to refund is never greater than the amount of the revenue that has been deferred, under the University's accounting policies revenue is he Un ni an t i aeferqoerlue irfi u î

Marketing and promotional costs include compensation of personnel engaged in marketing and recruitment, as well as costs associated with purchasing leads, producing marketing materials, and advertising. Such costs are generally affected by the cost of advertising media and leads, the efficiency of the Company's marketing and recruiting efforts, compensation for the Company's enrollment personnel and expenditures on advertising initiatives for new and existing academic programs. Advertising costs consists primarily of marketing leads and other branding and promotional activities. Non-direct response advertising activities are expensed as incurred, or the first time the advertising takes place, depending on the type of advertising activity.

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 professional services fees, travel and entertainment expenses and facility costs.

The Company uses the asset and liability method to compute the differences between the tax basis of assets and liabilities and the related financial amounts. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount that more likely than not will be realized. The Company has deferred tax assets and liabilities that reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets are subject to periodic recoverability assessments. Realization of the deferred tax assets, net of deferred tax liabilities, is principally dependent upon achievement of projected future taxable income.

The Company records a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return. The Company accounts for uncertainty in income taxes using a two-step approach for evaluating tax positions. Step one, recognition, occurs when the Company concludes that a tax position, based solely on its technical merits, is more likely than not to be sustained upon examination. Step two, measurement, is only addressed if the position is more likely than not to be sustained. Under step two, the tax benefit is measured as the largest amount of Ďe.Î

In addition to the above common stock equivalents, the Company has outstandi z k ES k P f k OF1 4 d 1

Property and equipment consisted of the following at December 31, 2011 and 2010:

Call center	$ 121,313	$ -
Computer and office equipment	38,576	26,458
Library (online)	100,000	100,000
Vehicle	39,737	39,737
	299,626	166,195
Accumulated depreciation	(169,682)	(144,311)
Property and equipment, net	$ 129,944	$ 21,884

Depreciation expense for the years ended December 31, 2011 and 2010 was $25,371 and $43,848, respectively. Accumulated depreciation amounted to $169,682 and $144,311 as of December 31, 2011 and 2010, respectively.

Intangible assets consisted of the following at December 31, 2011 and December 31, 2010:

Course curricula	$ 2,072,238	$ 2,018,147
Call center	927,455	-
	2,999,693	2,018,147
Accumulated amortization	(1,762,697)	(1,523,986)
Intangible assets, net	$ 1,236,996	$ 494,161

The following is a schedule of estimated future amortization expense of intangible assets as of December 31, 2011:

2012	$ 325,461
2013	300,420
2014	258,188
2015	220,047
2016	132,880
Total	$1,236,996

Amortization expense for the years ended December 31, 2011 and 2010 was $238,711 and $294,955, respectively.

During 2010, the Company acquired an aggregate of $52,000 of courseware curricula from an entity owned by the brother of the former Chairman of the Company (See Note 15).

Notes payable consisted of the following at December 31, 2011 and 2010:

Note payable - related party originating June 15, 2009, monthly payment of interest only; interest at ĐlaĎ15, 200		

During 2011, the Company sold an aggregate of 1,700,000 Series E preferred shares in exchange for cash proceeds of $1,550,817, net of offering costs of $149,183 and a warrant to purchase 56,000 Series E shares. The warrants are exercisable at $1.00 per share for five years beginning September 28, 2011 and, after the SEC Reporting Date, are exercisable into common shares of the Company. The Series E shares have the same features as the Series A shares (see above) except item (v) the price protection is for a period of 36 months following the SEC Reporting Date. During the year ended December 31, 2011, cumulative dividend on the Series E preferred shares amounted to $22,194 (See Note 16).

On October 28, 2011, the Company filed a First Amendment to the second amended and restated certificate of incorporation whereby a liquidation preference equal to the original issue price ($1.00) was added to both the Series D and Series E shares. In addition, the liquidation preferences of the Series D shares became pari passu with the liquidation preferences of the Series E shares and the liquidation preferences of both the Series D and Series E shares became senior to the liquidation preferences of the Series C shares (See Note 16).

On May 17, 2011, the Company declared a stock dividend of 1.1 new shares of common stock of the Company for each share presently held as of the close of business on May 20, 2011. All references to the Company's outstanding shares, warrants and per share information have been retroactively adjusted to give effect to the stock dividend.

On February 23, 2012, the Company approved a stock dividend of one new share of the Company for each share presently held. Following the stock dividend, the Company approved a one-for-two reverse stock split as of the close of business on February 24, 2012 in which each two shares of common stock shall be combined into one share of common stock. This was done in order to reduce the conversion ratio rmation have

A reconciliation of income tax computed at the U.S. statutory rate to the effective income tax rate is as follows:

Statutory U.S. federal income tax rate	34.0%	34.0%
State income taxes, net of federal tax benefit	3.1	3.1
Other	(0.1)	-
Change in valuation allowance	(37.0)	(37.1)
Effective income tax rate	0.0%	0.0%

On November 9, 2010, the FDIC issued a Final Rule implementing section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act that provides for unlimited insurance coverage of noninterest-bearing transaction accounts. Beginning December 31, 2010, through December 31, 2012, all noninterest-bearing transaction accounts are fully insured, regardless of the balance of the account, at all FDIC-insured institutions. The unlimited insurance coverage is available to all depositors, including consumers, businesses, and governmental entities. This unlimited insurance coverage is separate from, and in addition to, the insurance coverage provided to a depositor's other deposit accounts held at an FDIC-insured institution. A noninterest-bearing transaction account is a deposit account where interest is neither accrued nor paid; depositors are permitted to make an unlimited number of transfers and withdrawals; and the bank does not reserve the right to require advance notice of an intended withdrawal. The Company maintains its cash in bank and financial institution deposits that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts through December 31, 2011. As of December 31, 2011, the Company's bank balances exceeded FDIC insured amounts by approximately $50,000. There were no balances in excess of FDIC insured levels as of December 31, 2010.

For the years ended December 31, 2011 and 2010, the Company had significant customers with individual percentage of total revenues equaling 10% or greater as follows:

Customer 1	44.6%	50.1%
Totals	44.6%	50.1%

At December 31, 2011 and 2010, concentration of accounts receivable with significant customers representing 10% or greater of accounts receivable was as follows:

Customer 1	53.4%	29.1%
Customer 2	17.3%	-
Customer 3	-	30.3%
Customer 4	-	20.2%
Totals	70.7%	79.6%

On March 6, 2011, the Company authorized the issuance of up to $350,000 of convertible notes that were convertible into Series B preferred shares at $0.95 per share, bearing interest of 6% per annum. The notes were convertible beginning after the closing of the EGC Merger (See Note 1). As of May 13, 2011, the Company had received an aggregate of $328,000 (of which $73,000 was received from related parties) from the sale of convertible notes. In addition, the Company issued an aggregate of $22,000 (of which $16,000 was to related parties) of convertible notes for services rendered. In May 2011, $350,000 of the convertible notes were converted into 368,411 Series B preferred shares (See Notes 9 and 12).

On September 16, 2011, the Company entered into a two-year consulting agreement with the former Chairman of the Company in which the Company was obligated to pay $11,667 per month. On September 28, 2011, the Company prepaid 13 months of the consulting agreement, or $1N 0,000 o

Immediately following the closing of the Reverse Merger, the Company adopted the 2012 Equity Incentive Plan (the "Plan") which provides for 2,500,000 shares to be granted under the Plan. On March 14, 2012, the Company granted an aggregate of 1,500,000 stock options, all of which were under the Plan, having an exercise price of $1.00 per share. The options vest one-third on each anniversary date commencing March 14, 2013 and expire five years from the grant date. The total fair value of stock options granted was $495,000, which is being recognized over the respective vesting period.

Consistent with the Higher Education Act, Aspen's certification to participate in Title IV programs terminated after closing of the Reverse Merger, and Aspen must apply to DOE to reestablish its eligibility and certification to participate in the Title IV programs. However, in order to avoid significant disruption in disbursements of Title IV funds, the DOE may temporarily and provisionally certify an institution that is seeking approval of a change in ownership, like Aspen, under certain circumstances while the DOE reviews the institution's application. On March 15, 2012 the DOE asked Aspen to notify it in writing whether Aspen would be able to provide to the DOE by March 28, 2012 a letter of credit in the amount of $105,865, which is 10% of Aspen's Title IV receipts in 2011. Aspen has timely informed the DOE that it will provide the requested letter of credit by March 28, 2012. The DOE may impose additional terms and conditions in any temporary provisional program participation agreement that it may issue pending review of Aspen's application for approval of the change in ownership and control. Furthermore, DOE may impose additional or different terms and conditions in any final provisional program participation agreement that it may issue after it reviews Aspen's application for approval of the change in ownership and control.

Subsequent to the issuance of the Company's 2011 and 2010 consolidated financial statements, management determined that it should have expensed certain alleged unauthorized borrowings in 2011, 2010 and certain other prior periods rather than reporting these amounts as a secured receivable, although such funds were fully secured with common shares of the Company owned personally and pledged by certain directors of the Company. Accordingly, the consolidated financial statements have been restated to correct this error. On August 16, 2012, as a direct result of this restatement, the Company rescinded the pledge agreements guaranteeing the receivable and returned the pledged shares to the three directors. The resulting effect of the restatement in 2011 is: (1) a reduction of receivable from stockholder, secured – related party, current assets and total assets of $2,209,960, (2) an increase in loss due to unauthorized borrowing and net loss of $14,876 and (3) an increase in cash used in operations of $14,876. The resulting effect of the restatement in 2010 is: (1) a reduction of receivable from stockholder, secured – related party, current assets and total assets of $2,195,084, (2) an increase in loss due to unauthorized borrowing and net loss of $261,468, (3) an increase in the net loss per share by $0.01, and (4) an increase in cash used in operations of $140,939. Moreover, the opening accumulated deficit as of December 31, 2009 increased from $792,167 to $2,725,783. Certain applicable portions of Notes 1, 4, 10, 13, 15 and 16 have also been revised accordingly.

The following table sets forth the costs and expenses payable by us in connection with the issuance and distribution of the securities being registered hereunder. All of the amounts shown are estimates, except for the SEC Registration Fees.

SEC registration fees	$	7,300
Printing expenses	$	1,500
Accounting fees and expenses	$	2,000
Legal fees and expenses	$	25,000
Blue sky fees	$	900
Miscellaneous	$	300
Total	$	37,000

Our Certificate of Incorporation provides that none of our directors will be personally liable to us or our shareholders for monetary damages for breach of fiduciary duty as a director, except for liability:

- For any breach of the director's duty of loyalty to us or our shareholders;
- For acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of the law;
- Under Section 174 of the Delaware General Corporation Law for the unlawful payment of dividends; or
- For any transaction from which the director derives an improper personal benefit.

These provisions eliminate our rights and those of our shareholders to recover monetary damages from a director fores fs o nasialtor foristey as a dity tt r tp

Aspen University Inc., a Delaware corporation

We hereby consent toeb