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

FORM 10-Q

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

For the quarterly period ended **October 31, 2017**

OR

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

For the transition period from ________ to ________

Commission file number: 001-38175

Aspen Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**27-1933597**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
1660 S Albion Street, Suite 525 **Denver, CO**	**80222**
(Address of principal executive offices)	*(Zip Code)*

Registrants telephone number: (303) 333-4224

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐		Accelerated filer ☐	
Non-accelerated filer ☐	*(Do not check if a smaller reporting company)*	Smaller reporting company ☑	
		Emerging growth company ☐	

If an emerging growth company, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

Class	Outstanding as of December 12, 2017
Common Stock, $0.001 par value per share	14,816,205 shares

INDEX

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	October 31, 2017 (Unaudited)	April 30, 2017
Assets		
Current assets:		
Cash	$ 5,379,694	$ 2,756,217
Accounts receivable, net of allowance of $414,364 and $328,864, respectively	6,390,633	4,434,862
Prepaid expenses	172,923	133,531
Promissory note receivable	900,000	900,000
Other receivables	470,049	81,464
Accrued interest receivable	44,800	8,000
Total current assets	13,358,099	8,314,074
Property and equipment:		
Call center equipment	82,606	53,748
Computer and office equipment	105,717	103,649
Furniture and fixtures	282,932	255,984
Software	2,459,932	2,131,344
	2,931,187	2,544,725
Less accumulated depreciation and amortization	(1,192,350)	(1,090,010)
Total property and equipment, net	1,738,837	1,454,715
Courseware, net	143,254	145,477
Accounts receivable, secured - related party, net of allowance of $625,963, and $625,963, respectively	45,329	45,329
Long term contractual receivable	753,326	657,542
Other assets	89,609	56,417
Total assets	$ 16,128,454	$ 10,673,554

(Continued)

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

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

	October 31, 2017 (Unaudited)	April 30, 2017
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 934,367	$ 756,701
Accrued expenses	246,415	262,911
Deferred revenue	2,314,163	1,354,989
Refunds due Students	734,938	310,576
Deferred rent, current portion	7,550	11,200
Convertible notes payable, current portion	50,000	50,000
Total current liabilities	4,287,433	2,746,377
Senior secured loan payable, net of discount	4,302,144	—
Warrant liability	52,500	52,500
Deferred rent	30,478	34,437
Total liabilities	8,672,555	2,833,314
Commitments and contingencies - See Note 6	—	—
Stockholders' equity:		
Common stock, $0.001 par value; 250,000,000 shares authorized, 13,613,996 issued and 13,597,329 outstanding at October 31, 2017, 13,504,012 issued and 13,487,345 outstanding at April 30, 2017	13,613	13,504
Additional paid-in capital	34,471,602	33,607,423
Treasury stock (16,667 shares)	(70,000)	(70,000)
Accumulated deficit	(26,959,316)	(25,710,687)
Total stockholders' equity	7,455,899	7,840,240
Total liabilities and stockholders' equity	$ 16,128,454	$ 10,673,554

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

ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended October 31,		For the Six Months Ended October 31,	
	2017	2016	2017	2016
Revenues	$ 4,851,639	$ 3,465,026	$ 9,094,525	$ 6,221,841
Operating expenses				
Cost of revenues (exclusive of depreciation and amortization shown separately below)	1,864,659	1,234,856	3,617,150	2,130,915
General and administrative	3,166,391	1,913,403	6,297,725	4,095,481
Depreciation and amortization	145,355	139,005	284,074	290,055
Total operating expenses	5,176,405	3,287,264	10,198,949	6,516,451
Operating (loss) income	(324,766)	177,762	(1,104,424)	(294,610)
Other expense:				
Other income	23,111	1,307	41,888	1,364
Interest expense	(179,896)	(62,528)	(186,093)	(95,661)
Total expense, net	(156,785)	(61,221)	(144,205)	(94,297)
(Loss) income before income taxes	(481,551)	116,541	(1,248,629)	(388,907)
Income tax expense (benefit)	—	—	—	—
Net (loss) income	$ (481,551)	$ 116,541	$ (1,248,629)	$ (388,907)
Net (loss) income per share allocable to common stockholders - basic	$ (0.04)	$ 0.01	$ (0.09)	$ (0.03)
Net (loss) income per share allocable to common stockholders - diluted	$ (0.04)	$ 0.01	$ (0.09)	$ (0.03)
Weighted average number of common shares outstanding: basic	13,587,535	11,479,845	13,548,672	11,402,751
Weighted average number of common shares outstanding: diluted	13,587,535	12,140,263	13,548,672	11,402,751

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

ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED OCTOBER 31, 2017
(Unaudited)

	Common Stock		Additional Paid-In	Treasury	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Stock	Deficit	Equity
Balance at April 30, 2017	13,504,012	$ 13,504	$ 33,607,423	$ (70,000)	$ (25,710,687)	$ 7,840,240
Fees associated with equity raise	—	—	(4,707)	—	—	(4,707)
Stock-based compensation	—	—	303,924	—	—	303,924
Common stock issued for cashless warrant exercises	78,528	79	(79)	—	—	—
Common stock issued for warrants exercised for cash	14,858	14	33,584	—	—	33,598
Common stock issued for stock options exercised	16,598	16	53,029	—	—	53,045
Warrants issued with senior secured term loan	—	—	478,428	—	—	478,428
Net loss, for the six months ended October 31, 2017	—	—	—	—	(1,248,629)	(1,248,629)
Balance at October 31, 2017	**13,613,996**	**$ 13,613**	**$ 34,471,602**	**$ (70,000)**	**$ (26,959,316)**	**$ 7,455,899**

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

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

	For the Six Months Ended October 31, 2017	For the Six Months Ended October 31, 2016
Cash flows from operating activities:		
Net loss	$ (1,248,629)	$ (388,907)
Adjustments to reconcile net loss to net cash used in operating activities:		
Bad debt expense	85,500	—
Depreciation and amortization	284,074	290,055
Stock-based compensation	303,924	157,335
Amortization of debt discounts	—	6,250
Amortization of prepaid shares for services	—	35,000
Warrant buyback expense	—	206,000
Changes in operating assets and liabilities:		
Accounts receivable	(2,137,055)	(1,304,754)
Other receivables	(388,585)	—
Prepaid expenses	(39,392)	20,118
Accrued interest receivable	(36,800)	—
Other assets	(33,192)	(23,240)
Accounts payable	177,666	609,562
Accrued expenses	(16,496)	55,974
Deferred rent	(7,609)	20,513
Refunds due students	424,362	167,344
Deferred revenue	959,174	175,073
Net cash (used in) provided by operating activities	(1,673,058)	26,323
Cash flows from investing activities:		
Purchases of property and equipment	(540,873)	(382,490)
Purchases of courseware	(25,100)	(6,550)
Net cash used in investing activities	(565,973)	(389,040)
Cash flows from financing activities:		
Warrant Buyback	—	(400,000)
Borrowing from bank line of credit	—	247,000
Repayment of bank line of credit	—	(248,783)
Third party line of credit	—	750,000
Third party line of credit financing costs	—	(60,000)
Senior secured term loan - net	4,780,572	—
Proceeds of warrant exercises	33,598	—
Proceeds of stock options exercised	53,045	—
Disbursements for equity offering costs	(4,707)	(1,917)
Net cash provided by financing activities	4,862,508	286,300
Net increase (decrease) in cash	2,623,477	(76,417)
Cash at beginning of period	2,756,217	783,796
Cash at end of period	$ 5,379,694	$ 707,379

(Continued)

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

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

	For the Six Months Ended October 31, 2017	For the Six Months Ended October 31, 2016
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 135,323	$ 67,656
Cash paid for income taxes	$ —	$ —
Supplemental disclosure of non-cash investing and financing activities:		
Common stock issued for services	$ —	$ 75,002
Warrants issued as part of senior secured loan	$ 478,428	$ 52,500

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

Note 1. Nature of Operations and Liquidity

Overview

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

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

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

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

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

On August 22, 2017, the DOE informed Aspen University of its determination that the institution has qualified to participate under the Higher Education Act of 1965, as amended (HEA) and the Federal student financial assistance programs (Title IV, HEA programs), and set a subsequent program participation agreement reapplication date of March 31, 2021.

Basis of Presentation

A. Interim Financial Statements

The interim 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 for the three and six months ended October 31, 2017 and 2016, our cash flows for the six months ended October 31, 2017 and 2016, and our financial position as of October 31, 2017 have been made. The results of operations for such interim periods are not necessarily indicative of the operating results to be expected for the full year.

Certain information and disclosures normally included in the notes to the annual consolidated financial statements have been condensed or omitted from these interim consolidated financial statements. Accordingly, these interim consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our Report on Form 10-K for the period ended April 30, 2017 as filed with the SEC on July 25, 2017. The April 30, 2017 balance sheet is derived from those statements.

B. Liquidity

At October 31, 2017, the Company had a cash balance of $5,379,694.

On July 25, 2017, the Company signed a $10 million senior secured term loan with Runway Growth Capital Fund (formerly known as GSV Growth Capital Fund). The Company drew $5 million under the facility at closing, with an additional $2.5 million drawn following the closing of the Company's acquisition of substantially all the assets of the United States University, including receipt of all required regulatory approvals, among other conditions to funding. Terms of the 4-year senior loan include a 10% over 3-month LIBOR per annum interest rate. (See Notes 5 and 8).

Note 2. Significant Accounting Policies

Principles of Consolidation

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

Use of Estimates

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

Cash and Cash Equivalents

For the purposes of the unaudited consolidated statements of cash flows, the Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. There were no cash equivalents at October 31, 2017 and April 30, 2017. The Company maintains its cash in bank and financial institution deposits that at times may exceed federally insured limits of $250,000 per financial institution. The Company has not experienced any losses in such accounts from inception through October 31, 2017. As of October 31, 2017 and April 30, 2017, there were deposits totaling $5,486,370 and $2,687,461, respectively, held in two separate institutions greater than the federally insured limits.

Fair Value Measurements

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

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

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

Refunds Due Students

The Company receives Title IV funds from the DOE to cover tuition and living expenses. After deducting tuition and fees, the Company sends checks for the remaining balances to the students.

Revenue Recognition and Deferred Revenue

Revenues consist primarily of tuition and fees derived from courses taught by the Company online as well as from related educational resources that the Company provides to its students, such as access to our online materials and learning management system. Tuition revenue is recognized pro-rata over the applicable period of instruction. The Company allows a student to make three monthly tuition payments during each class. The Company 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 Company'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 Company recognizes as revenue the tuition that was not refunded. Since the Company 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 Company's accounting policies revenue is not recognized with respect to amounts that could potentially be refunded. The Company's educational programs have starting and ending dates that differ from its fiscal quarters. Therefore, at the end of each fiscal quarter, a portion of revenue from these programs is not yet earned and is therefore deferred. The Company also charges students annual fees for library, technology and other services, which are recognized over the related service period. Deferred revenue represents the amount of tuition, fees, and other student payments received in excess of the portion recognized as revenue and it is included in current liabilities in the accompanying consolidated balance sheets. Other revenues may be recognized as sales occur or services are performed.

The Company has revenues from students outside the United States representing 2.2% of the revenues for the quarter ended October 31, 2017.

Accounting for Derivatives

The Company evaluates its convertible instruments, options, warrants or other contracts to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for under ASC Topic 815, "Derivatives and Hedging". The result of this accounting treatment is that the fair value of the derivative is marked-to-market each balance sheet date and recorded as a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the statement of operations as other income (expense). Upon conversion or exercise of a derivative instrument, the instrument is marked to fair value at the conversion date and then that fair value is reclassified to equity. Equity instruments that are initially classified as equity that become subject to reclassification under ASC Topic 815 are reclassified to liability at the fair value of the instrument on the reclassification date.

Net Income (Loss) Per Share

Net income (loss) per common share is based on the weighted average number of common shares outstanding during each period. Options to purchase 2,669,286 and 1,849,832 shares of common stock, warrants to purchase 1,001,557 and 934,555 shares of common stock, and $50,000 and $350,000 of convertible debt (convertible into 4,167 and 75,596 shares of common stock, respectively) were outstanding during the three months ending October 31, 2017 and 2016, respectively, but during certain periods were not included in the computation of diluted loss per share because the effects would have been anti-dilutive. The options, warrants and convertible debt are considered to be common stock equivalents and are only included in the calculation of diluted earnings per common share when their effect is dilutive, as noted in the chart below.

Basic and diluted income per share for the three months ended October 31, 2016, were calculated as follows:

	Basic	Diluted
Numerator		
Net income applicable to common stock	$ 116,541	$ 116,541
Convertible debt interest	—	8,021
	$ 116,541	$ 124,562
Denominator		
Weighted average common shares outstanding	11,479,845	11,479,845
Convertible debt	—	75,595
Warrants and options	—	584,823
	11,479,845	12,140,263
Net income per share	$ 0.01	$ 0.01

Recent Accounting Pronouncements

There have been no new relevant pronouncements since those disclosed in the April 30, 2017 Consolidated Financial Statements.

Note 3. Property and Equipment

Property and equipment consisted of the following at October 31, 2017 and April 30, 2017:

	October 31, 2017	April 30, 2017
Call center hardware	$ 82,606	$ 53,748
Computer and office equipment	105,717	103,649
Furniture and fixtures	282,932	255,984
Software	2,459,932	2,131,344
	2,931,187	2,544,725
Accumulated depreciation and amortization	(1,192,350)	(1,090,010)
Property and equipment, net	$ 1,738,837	$ 1,454,715

Software consisted of the following at October 31, 2017 and April 30, 2017:

	October 31, 2017	April 30, 2016
Software	$ 2,459,932	$ 2,131,344
Accumulated amortization	(1,065,740)	(994,017)
Software, net	$ 1,394,192	$ 1,137,327

Depreciation and Amortization expense for all Property and Equipment as well as the portion for just software is presented below for three and six months ended October 31, 2017 and 2016:

	For the Three Months Ended October 31,		For the Six Months Ended October 31,	
	2017	2016	2017	2016
Depreciation and Amortization Expense	$ 131,669	$ 123,906	$ 256,751	$ 259,054
Software Amortization Expense	$ 112,522	$ 112,888	$ 220,129	$ 237,067

The following is a schedule of estimated future amortization expense of software at October 31, 2017:

Year Ending April 30,	
2018	$ 229,041
2019	395,009
2020	325,167
2021	252,660
2022	192,315
Total	$ 1,394,192

Note 4. Courseware

Courseware costs capitalized were $25,100 and $6,550 for the six months ended October 31, 2017 and 2016 respectively. When Courseware becomes fully amortized it is written off against the accumulated amortization. There is no expense impact to these write-offs.

Courseware consisted of the following at October 31, 2017 and April 30, 2017:

	October 31, 2017	April 30, 2017
Courseware	$ 279,677	$ 271,777
Accumulated amortization	(136,423)	(126,300)
Courseware, net	$ 143,254	$ 145,477

Amortization expense of courseware for the three and six months ended October 31, 2017 and 2016:

	For the Three Months Ended October 31,		For the Six Months Ended October 31,	
	2017	2016	2017	2016
Amortization Expense	$ 13,686	$ 15,099	$ 27,323	$ 31,001

The following is a schedule of estimated future amortization expense of courseware at October 31, 2017:

Year Ending April 30,	
2018	$ 27,494
2019	54,489
2020	40,647
2021	13,683
2022	6,941
Total	$ 143,254

Note 5. Senior Secured Term Loan

On July 25, 2017, the Company signed a $10 million senior secured term loan with Runway Growth Capital Fund (formerly known as GSV Growth Capital Fund). The Company drew $5 million under the facility at closing, with $2.5 million to be drawn following the closing of the Company's acquisition of substantially all the assets of the United States University, including receipt of all required regulatory approvals, among other conditions to funding. Terms of the 4-year senior loan include a 10% over 3-month LIBOR per annum interest rate. (See Note 8)

The Company will be required to begin making principal repayments upon the 24-month anniversary of the initial closing (July 24, 2019), and each month thereafter will repay 1/24th of the total loan amount outstanding. Should the Company achieve both annualized revenue growth of at least 30% and operating margin of at least 7.5% for any 12-month trailing period, then at the quarter-end of that 12-month trailing period, the Company may elect to extend the interest only period for the quarter immediately following the 12-month trailing period throughout the duration of the loan.

Additionally, the Company paid a 0.25% origination fee and will pay another 0.25% origination fee upon the second closing, will be subject to a final payment fee of 3.25% of the principal lent, and issued 224,174 5-year warrants at an exercise price of $6.87. The relative fair value of the warrants was $478,428 and was recorded as debt discount along with other direct costs of the term loan and is being amortized to interest expense over the term of the loan. (See Note 7)

Note 6. Commitments and Contingencies

Employment Agreements

From time to time, the Company enters into employment agreements with certain of its employees. These agreements typically include bonuses, some of which are performance-based in nature. As of October 31, 2017, no performance bonuses have been earned.

Legal Matters

From time to time, we may be involved in litigation relating to claims arising out of our operations in the normal course of business. As of October 31, 2017, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of our operations.

Regulatory Matters

The Company's subsidiary, Aspen University, is subject to extensive regulation by Federal and State governmental agencies and accrediting bodies. In particular, the Higher Education Act (the "HEA") and the regulations promulgated thereunder by the DOE subject Aspen 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.

On August 22, 2017, the DOE informed Aspen University of its determination that the institution has qualified to participate under the HEA and the Federal student financial assistance programs (Title IV, HEA programs), and set a subsequent program participation agreement reapplication date of March 31, 2021.

The HEA requires accrediting agencies to review many aspects of an institution's operations in order to ensure that the education offered is of sufficiently high quality to achieve satisfactory outcomes and that the institution is complying with accrediting standards. Failure to demonstrate compliance with accrediting standards may result in the imposition of probation, the requirements to provide periodic reports, the loss of accreditation or other penalties if deficiencies are not remediated.

Because Aspen University operates in a highly regulated industry, it may be subject from time to time to audits, investigations, claims of noncompliance or lawsuits by governmental agencies or third parties, which allege statutory violations, regulatory infractions or common law causes of action.

Return of Title IV Funds

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

Note 7. Stockholders' Equity

Common Stock

Effective May 24, 2017, the Company entered into waiver agreements with all of its investors in the April 2017 common stock offering. In consideration for waiving their registration rights, the Company paid to each of the investors 1.5% of their investment amount in the offering. The total amount paid was $112,500 and was recorded in general and administrative expenses during the quarter ended July 31, 2017.

Warrants

A summary of the Company's warrant activity during the six months ended October 31, 2017 is presented below:

Warrants	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Balance Outstanding, April 30, 2017	914,123	$ 2.82	1.6	$ 1,991,067
Granted	224,174	6.87	4.75	—
Exercised	(125,404)	0.27	—	—
Forfeited	—	—	—	—
Expired	(11,336)	—	—	—
Balance Outstanding, October 31, 2017	1,001,557	$ 3.79	1.99	$ 4,169,798
Exercisable, October 31, 2017	1,001,557	$ 3.79	1.99	$ 4,169,798

In connection with the Senior Secured Term Loan that was finalized on July 25, 2017, the Company issued 224,174 5-year warrants at an exercise price of $6.87. (See Note 5)

The Company issued 93,386 shares of Common Stock in conjunction with the cash and cashless exercise of 125,404 warrants. The Company received $33,598 in conjunction with the cash exercises.

Stock Incentive Plan and Stock Option Grants to Employees and Directors

On March 13, 2012, the Company adopted the 2012 Equity Incentive Plan (the "Plan") that provides for the grant of 1,691,667 shares effective November 2015, 2,108,333 shares effective June 2016 and 3,500,000 shares effective July 2017, 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 October 31, 2017, there were 830,714 shares remaining under the Plan for future issuance. 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 October 31, 2017 and 2016.

	October 31, 2017	October 31, 2016
Expected life (years)	4-6.5	4 - 6.5
Expected volatility	30% - 46%	40% - 43%
Weighted-average volatility	38.6%	40.0%
Risk-free interest rate	.38%	0.38%
Dividend yield	0.00%	0.00%
Expected forfeiture rate	n/a	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.

A summary of the Company's stock option activity for employees and directors during the six months ended October 31, 2017, is presented below:

Options	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Balance Outstanding, April 30, 2017	2,097,384	$ 2.42	3.1	$ 7,267,892
Granted	588,500	5.07	5.0	843,750
Exercised	(16,598)	4.20	0.0	—
Forfeited	—	—	—	—
Expired	—	—	—	—
Balance Outstanding, October 31, 2017	2,669,286	$ 2.99	3.2	$ 17,291,782
Exercisable, October 31, 2017	1,449,136	$ 2.25	1.3	$ 11,249,199

On May 13, 2017, the Company granted its executive officers a total of 500,000 five-year options to purchase shares of the Company's common stock under the Plan. The options vest annually over three years, subject to continued employment at each applicable vesting date, and are exercisable at $4.90 per share. The Chairman and Chief Executive Officer received 200,000 options with a fair value of $282,000, the Chief Operating Officer received 200,000 options with a fair value of $282,000, the Chief Academic Officer received 70,000 options with a fair value of $98,700 and the Chief Financial Officer received 30,000 options with a fair value of $42,300.

In May 2017, the Company issued 5,500 stock options to various employees at exercise prices ranging from $4.95 to $5.10 per share.

Effective June 11, 2017, the Company granted the Chief Academic Officer 30,000 five-year options. The options vest quarterly over a three-year period in 12 equal quarterly increments with the first vesting date being September 11, 2017, subject to continued employment on each applicable vesting date. The options are exercisable at $6.28 per share and the fair value is $54,000.

On August 21, 2017, 53,000 options were issued to 26 employees with an exercise price of $5.95 per share and a fair value of $90,630.

The company issued 16,598 shares of common stock in conjunction with the exercise of 16,598 stock options. The company received $53,045 related to these exercises.

As of October 31, 2017, there was $1,141,751 of unrecognized compensation costs related to nonvested share-based compensation arrangements. That cost is expected to be recognized over a weighted-average period of 1.53 years.

The Company recorded compensation expense of $303,924 and $157,335 for the six months ended October 31, 2017 and 2016, respectively, in connection with stock options.

Stock Option Grants to Non-Employees

There were no stock options granted to non-employees during six months ended October 31, 2017 and 2016. The Company recorded no compensation expense for the six months ended October 31, 2017 and 2016. There was no unrecognized compensation cost at October 31, 2017. All remaining options expired during the year ended April 30, 2017.

Note 8. Subsequent Events

On December 1, 2017, the Company completed the acquisition of the operating assets of United States University (USU), a regionally accredited for-profit university based in San Diego, for consideration of: (i) approximately $1,150,000 in cash (after deduction of closing adjustments including the loan referred to in clause (iii)), (ii) the issuance of 1,203,209 shares of the Company's common stock, (iii) the forgiveness of an outstanding loan in the amount of principal and accrued interest of $953,400, and (iv) $2.0 million in the form of a convertible note (the "Note") bearing 8% annual interest that matures over a two-year period after the closing. The common shares were valued at the quoted trading price on the acquisition date of $8.49 per share for a total value of approximately $10.2 million. At the option of the Note holder, on each of the first and second anniversaries of the closing date, $1,000,000 of principal and accrued interest under the Note will be convertible into shares of the Company's common stock at the then-current market prices (subject to a floor of $2.00 per share) or become payable in cash. In addition, the Company assumed certain liabilities, principally operating liabilities. On December 1, 2017, the value of the USU acquisition was approximately $14.7 million, which consisted of substantially all intangibles and goodwill. Aside from intangibles and goodwill, assets acquired were approximately $1.2 Million and liabilities assumed were approximately $1.1 million. The Company is in the process of completing its accounting and valuations of USU and accordingly, more detailed disclosures will be provided in future filings. The estimated fair values and allocation of purchase price noted above is provisional pending the final valuation of the assets acquired and liabilities assumed.

The acquisition of United States University will allow Aspen Group to achieve its vision of making college affordable again on a much broader scale.

In connection with the asset purchase, the Company has also agreed to appoint Oksana Malysheva to the Company's board of directors which will occur at the Company's next board meeting which is scheduled for December 15, 2017. She was the controlling person of the former owner of USU and was designated by them in accordance with rights granted under the Asset Purchase Agreement.

On December 4, 2017, in connection with the closing of the acquisition of substantially all the assets of the USU, the Company borrowed another $2.5 million under the credit facility with Runway Growth Fund.

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 Form 10-Q. Management's Discussion and Analysis of Financial Condition and Results of Operations contain 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 Annual Report on Form 10-K filed on July 25, 2017 with the Securities and Exchange Commission, or the SEC.

All references to "we," "our" and "us" refer to Aspen Group, Inc. and its subsidiaries, unless the context otherwise indicates. In referring to academic matters, these words refer solely to Aspen University, Inc., ("Aspen").

Company Overview

Aspen Group, Inc. is a post-secondary education company with an overarching vision of making higher education affordable again in America. To date, Aspen Group's sole operating subsidiary has been Aspen University, Inc., doing business as Aspen University. On December 1, 2017, Aspen Group completed the acquisition of United States University (USU), a regionally accredited for-profit university based in San Diego, California. In connection with the closing of the acquisition of United States University, the Company borrowed an additional $2.5 million under the $10 million senior secured term loan facility with Runway Growth Capital Fund.

Given the acquisition of USU was a subsequent event, disclosure below regarding results of operations will focus on the financial results of Aspen University, except where we refer to USU.

Founded in 1987, Aspen University's mission is to offer any motivated college-worthy student the opportunity to receive a high quality, responsibly priced distance-learning education for the purpose of achieving sustainable economic and social benefits for themselves and their families. Aspen is dedicated to providing the highest quality education experiences taught by top-tier professors - 54% of our adjunct professors hold doctorate degrees. We intend to apply this same philosophy to USU.

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

One of the key differences between Aspen and other publicly-traded, exclusively online, for-profit universities is the fact that the majority of our active degree-seeking students (72% as of October 31, 2017) were enrolled in Aspen University's School of Nursing.

Student Population Overview*

Aspen's active degree-seeking student body increased year-over-year by 51% during the fiscal quarter ended October 31, 2017, from 3,726 to 5,641 students.

Our most popular school is our School of Nursing. Aspen's School of Nursing has grown from 68% of our active degree-seeking student body at October 31, 2016, to 72% at October 31, 2017. Aspen's School of Nursing grew from 2,538 to 4,068 student's year-over-year, which represented 80% of Aspen's active degree-seeking student body growth. At October 31, 2017, Aspen's School of Nursing included 2,639 active students in the RN to BSN program, 1,401 active students in the MSN program or the RN to MSN Bridge program, and 28 active students in the Doctor of Nursing Practice program.

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

New Student Enrollment and Active Degree Seeking Student Body Growth

Since the launch of the BSN marketing campaign approximately three years ago, Aspen's growth rate of new student enrollments has accelerated significantly. Below is a quarterly analysis of the growth of Aspen's new student enrollments, as well as the growth of the active degree seeking student body over the past eight quarters, including the recent quarter ending October 31, 2017.

	New Student Enrollments	Active Degree Seeking Student Body*
Fiscal quarter ended January 31, 2016	550	2,704
Fiscal quarter ended April 30, 2016	572	2,932
Fiscal quarter ended July 31, 2016	621	3,252
Fiscal quarter ended October 31, 2016	811	3,726
Fiscal quarter ended January 31, 2017	825	4,064
Fiscal quarter ended April 30, 2017	986	4,681
Fiscal quarter ended July 31, 2017	1,025	5,015
Fiscal quarter ended October 31, 2017	1,255	5,641

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

Nursing Revenue Summary

Below is a summary of the nursing active degree-seeking student body as a percentage of the total active degree-seeking student body over the past eight fiscal quarters, as well as the Nursing degree-seeking revenue as a percentage of total revenues.

	Total Degree-Seeking Active Student Body	Nursing Degree-Seeking Active Student Body	Nursing Degree-Seeking Active Student Body (%)	Nursing Degree-Seeking Active Student Body – Revenue %
Quarter ended January 31, 2016	2,704	1,663	62%	62%
Quarter ended April 30, 2016	2,932	1,882	64%	67%
Quarter ended July 31, 2016	3,252	2,144	66%	69%
Quarter ended October 31, 2016	3,726	2,538	68%	71%
Quarter ended January 31, 2017	4,064	2,899	71%	71%
Quarter ended April 30, 2017	4,681	3,363	72%	74%
Quarter ended July 31, 2017	5,015	3,569	71%	73%
Quarter ended October 31, 2017	5,641	4,068	72%	74%

Monthly Payment Programs Overview

Since the March 2014 monthly payment plan announcement, 66% of Aspen's courses are now paid through monthly payment methods (based on courses started over the last 90 days). Aspen offers two monthly payment programs, a monthly payment plan in which students make payments every month over a fixed period (36, 39 or 72 months depending on the degree program), and a monthly installment plan in which students pay three monthly installments (day 1, day 31 and day 61 after the start of each course).

As of October 31, 2017, Aspen had a total of 3,752 active students paying tuition through a monthly payment method of which 3,480 active students are paying through a monthly payment plan, and 272 students are paying through a monthly installment plan. Additionally, Aspen is currently projecting to add approximately 120 active students/month net to its monthly payment programs through fiscal year 2018. The total contractual value of Aspen's monthly payment plan students now exceeds $30 million which currently delivers monthly recurring tuition cash payments of approximately $880,000.

Finally, as a consequence of monthly payment programs becoming the payment method of choice among the majority of Aspen's degree-seeking student body, our HEA, Title IV Program revenue dropped from 25% of total cash receipts in fiscal year 2016 to 21% for fiscal year 2017.

Marketing Efficiency Analysis

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

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

Cost per Enrollment (CPE)
The Cost per Enrollment measures the marketing investment spent in a given quarter, divided by the number of new student enrollments achieved in that given quarter, in order to obtain an average CPE for the quarter measured.

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

We created the reporting to track the CPE and RPE starting in 2012 and can accurately predict the CPE and RPE for each new student cohort. Our current CPE/RPE Marketing Efficiency Ratio is reflected in the below table.

Quarterly New Student Cohort Actuals Data:

CPE/RPE Analysis *	6 Months Out	12 Months Out	2 Years Out	3 Years Out	4+ Years Out
Courses completed	2.24	3.52	5.28	6.48	8
Average RPE	$1,974	$3,078	$4,630	$5,684	$7,000
RPE % earned	28%	44%	66%	81%	100%
Marketing efficiency ratio**	2.54x	3.9x	5.9x	7.2x	8.9x

* Projection
** Based on current $787 CPE (six month rolling CPE average)

The Average RPE is approximately $7,000. Of the $7,000, $6,400 of the RPE is earned through tuition, with the remaining $600 on average earned through miscellaneous fees (includes annual technology fee, withdrawal fees, graduation fees, proctored exams, course specific fees, etc.)

Aspen is projecting to average a Marketing Efficiency Ratio of 8.9x, in other words an 8.9x return on our marketing investment. Third-party companies in the higher education industry that manage the Enrollment and Marketing functions on behalf of Universities (also referred to as Managed Services companies) reportedly average 3-4x return on their marketing investments, meaning that Aspen's business model is currently performing at more than double the efficiency level of that sector.

ACCOUNTS RECEIVABLES AND MONTHLY PAYMENT PLAN

Since the inception of the monthly payment plan in the spring of 2014, the accounts receivable balance, both short-term and long-term, has grown from a net number of $868,298 at April 30, 2014 to a net number of $7,143,959 at October 31, 2017. This growth could be portrayed as the engine of the monthly payment plan. The attractive aspect of being able to pay for a degree over a fixed period of time has fueled the growth of this plan and, as a result, the increase of the accounts receivable balance.

Each student's receivable account is different depending on how many classes a student takes each period. If a student takes two classes each eight-week period while paying $250, $325 or $375 a month, that student's account receivable balance will rise accordingly. The converse is true also. A student who takes courses at a slower pace, even taking time off between 8-week terms, could have a balance due to them. It is much more likely however that a student participating in the monthly payment plan will have an accounts receivable balance, as the majority of students complete their degree program of study prior to the completion of the fixed monthly payment plan.

The common thread is the actual monthly payment, which is a private loan commitment with no interest that each student commits to pay over a fixed number of months. If a student stops paying, that person can no longer register for a class. If a student decides to withdraw from Aspen, their account will be settled, either through collection of their balance or disbursement of the amount owed them. At October 31, 2017, there were approximately 3,480 students on a monthly payment plan, which represented 62% of Aspen's active student body at October 31, 2017.

Relationship Between Accounts Receivable and Revenue

The gross accounts receivable balance for any period is the net effect of the following three factors:

1. Revenue;
2. Cash receipts, and;
3. The net change in deferred revenue.

All three factors equally determine the gross accounts receivable. If one quarter experiences particularly high cash receipts, the gross accounts receivable will go down. The same effect if cash receipts are lower or if there are significant changes in either of the other factors.

Simply looking at the change in revenue does not translate into an equally similar change in gross accounts receivable. The relative change in cash and the deferral must also be considered. For net accounts receivable, the changes in the reserve must also be considered. Any additional reserve or write-offs will influence the balance.

As it is a straight mathematical formula for both gross accounts receivable and net accounts receivable, and most of the information is public, one can reasonably calculate the two non-public pieces of information, namely the cash receipts in gross accounts receivable and the write-offs in net accounts receivable.

For revenue, the quarterly change is primarily billings and the net impact of deferred revenue. The deferral from the prior quarter or year is added to the billings and the deferral at the end of the period is subtracted from the amount billed. The total deferred revenue at the end of every period is reflected in the liability section of the balance sheet. Deferred revenue can vary for many reasons, but seasonality and the timing of the class starts in relation to the end of the quarter will cause changes in the balance.

As mentioned in the accounts receivable section, the change in revenue cannot be compared to the change in accounts receivable. Revenue does not have the impact of cash received whereas accounts receivable does. Depending on the month and the amount of cash received, it is likely that revenue or accounts receivable will increase at a rate different from the other. The impact of cash is easy to substantiate as it agrees to deposits in our bank accounts.

At October 31, 2017, the Allowance for Doubtful Accounts was $414,364 which represents 5.8% of the Gross Accounts Receivable balance, both short-term and long-term.

The Introduction of Long-Term Accounts Receivables

When a student signs up for the monthly payment plan, there is a contractual amount that Aspen can expect to earn over the life of the student's program. This contractual amount cannot be recorded as the student does have the option to stop attending. As a student takes a class, revenue is earned over that eight week class. Some students accelerate their program, taking two classes every eight week period, and as we discussed, that increases the student's accounts receivable balance. If any portion of that balance will be paid in a period greater than 12 months, that portion is reflected as long-term accounts receivable. At October 31, 2017 and April 30, 2017 those balances are $753,326 and $657,542, respectively.

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

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

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

Seasonality Briefing

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

Results of Operations

For the Quarter Ended October 31, 2017 Compared with the Quarter Ended October 31, 2016

Revenue

Revenue from operations for the quarter ended October 31, 2017 ("2017 Quarter") increased to $4,851,639 from $3,465,026 for the quarter ended October 31, 2016 ("2016 Quarter"), an increase of $1,386,613 or 40%. Aspen's School of Nursing accounted for 74% of the revenues for the 2017 Quarter.

Cost of Revenues (exclusive of amortization)

Aspen's cost of revenues consists of instructional costs and services and marketing and promotional costs.

Instructional Costs and Services

Instructional costs and services for the 2017 Quarter rose to $843,811 from $547,863 for the 2016 Quarter, an increase of $295,948 or 54%. Instructional costs and services for the 2017 Quarter as a percentage of revenue was 17% as compared to 16% for the 2016 Quarter. As previously projected, Instructional costs and services as a percentage of revenue declined sequentially from 20% to 17%.

Marketing and Promotional

Marketing and promotional costs for the 2017 Quarter were $1,020,848 compared to $686,993 for the 2016 Quarter, an increase of $333,855 or 49%. We expect marketing and promotional costs to rise in future periods given the planned spend rate increase to an average of $475,000 per month beginning in December 2017 (spending projection includes advertising expenditure planned for both Aspen University and United States University).

Gross profit was 59% of revenues or $2,860,772 for the 2017 Quarter as compared to 61% of revenues or $2,102,183 for the 2016 Quarter.

Costs and Expenses

General and Administrative

General and administrative costs for the 2017 Quarter were $3,166,391 compared to $1,913,403 during the 2016 Quarter, an increase of $1,525,988 or 65%. In preparation to support a second institution of higher learning (pending regulatory approval), over the past 6 months Aspen Group has increased its full-time staff, not including faculty, from 81 to 140 employees. Aspen Group now employs 62 Enrollment Advisors, 15 Academic Advisors, 17 software developers, and 37 employees in academic operations and 9 in corporate/marketing.

Depreciation and Amortization

Depreciation and amortization costs for the 2017 Quarter increased to $145,355 from $139,005 for the 2016 Quarter, an increase of $6,350 or 5%.

Other Expense, net

Other income for the 2017 Quarter increased to $23,111 from $1,307 in the 2016 Quarter, an increase of $21,804, reflecting the interest earned on the receivable from USU. Interest expense increased to $179,896 from $62,528, an increase of $117,368 or 188%. This increase reflects increased interest expense after taking on the credit facility.

Net Loss

Net loss for the 2017 Quarter was ($481,551) as compared to income of $116,541 for the 2016 Quarter, an increase in the loss of $598,092. Although revenues in the 2017 Quarter grew at a higher rate than the increase of recurring operating costs, the higher non-recurring costs related to the USU acquisition resulted in an increased loss for the 2017 Quarter.

For the Six Months Ended October 31, 2017 Compared with the Six Months Ended October 31, 2016

Revenue

Revenue from operations for the six months ended October 31, 2017 (“2017 Period”) increased to $9,094,525 from $6,221,841 for the six months ended October 31, 2016 (“2016 Period”), an increase of $2,872,684 or 46%. Aspen’s School of Nursing accounted for 74% of the revenues for the 2017 Period.

Cost of Revenues (exclusive of amortization)

Aspen’s cost of revenues consists of instructional costs and services and marketing and promotional costs.

Instructional Costs and Services

Instructional costs and services for the 2017 Period rose to $1,696,869 from $1,007,062 for the 2016 Period, an increase of $689,807 or 68%. Instructional costs and services for the 2017 Period as a percentage of revenue was 19% as compared to 16% for the 2016 Period.

Marketing and Promotional

Marketing and promotional costs for the 2017 Period were $1,920,281 compared to $1,123,853 for the 2016 Period, an increase of $769,428 or 49%. We expect marketing and promotional costs to rise in future periods given the planned spend rate increase to an average of $475,000 per month beginning in December 2017 (spending projection includes advertising expenditure planned for both Aspen University and United States University).

Gross profit was 58% of revenues or $5,229,922 for the 2017 Period as compared to 61% of revenues or $3,822,857 for the 2016 Period.

Costs and Expenses

General and Administrative

General and administrative costs for the 2017 Period were $6,297,725 compared to $4,095,481 during the 2016 Period, an increase of $2,024,244 or 54%. During the six months ended October 31, 2017, we incurred three non-recurring charges totaling $320,000 that were unrelated to the ongoing operations; Nasdaq uplist fees, expenses related to the asset purchase agreement with USU, and fees associated with the waiver of registration rights granted in the April 2017 equity raise. In preparation to support a second institution of higher learning (pending regulatory approval), over the past 6 months Aspen Group has increased its full-time staff, not including faculty, from 81 to 140 employees. Aspen now employs 62 Enrollment Advisors, 15 Academic Advisors, 17 software developers, and 37 employees in academic operations and 9 in corporate/marketing.

Depreciation and Amortization

Depreciation and amortization costs for the 2017 Period decreased to $284,074 from $290,055 for the 2016 Period, a decrease of $5,981 or 2%.

Other Expense, net

Other income for the 2017 Period increased to $41,888 from $1,364 in the 2016 Period, an increase of $40,524, reflecting the interest earned on the receivable from USU. Interest expense increased to $186,093 from $95,661, an increase of $90,432 or 95%. This increase reflects increased interest expense after taking on the credit facility.

Income Taxes

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

Net Loss

Net loss for the 2017 Period was ($1,248,629) as compared to ($388,907) for the 2016 Period, an increase in the loss of $859,722. Although revenues in the 2017 Period grew at a higher rate than the increase of recurring operating costs, the higher non-recurring costs related to the USU acquisition, the Nasdaq uplist and the fee associated with the waiver of registration rights during the April 2017 equity raise, resulted in an increased loss for the 2017 Period.

Non-GAAP – Financial Measures

The following discussion and analysis includes both financial measures in accordance with Generally Accepted Accounting Principles, or GAAP, as well as non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flows that either excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. Non-GAAP financial measures should be viewed as supplemental to, and should not be considered as alternatives to net income, operating income, and cash flow from operating activities, liquidity or any other financial measures. They may not be indicative of the historical operating results of Aspen Group nor are they intended to be predictive of potential future results. Investors should not consider non-GAAP financial measures in isolation or as substitutes for performance measures calculated in accordance with GAAP.

Our management uses and relies on EBITDA and Adjusted EBITDA, which are non-GAAP financial measures. We believe that both management and shareholders benefit from referring to the following non-GAAP financial measures in planning, forecasting and analyzing future periods. Our management uses these non-GAAP financial measures in evaluating its financial and operational decision making and as a means to evaluate period-to-period comparison. Our management recognizes that the non-GAAP financial measures have inherent limitations because of the described excluded items.

Aspen Group defines Adjusted EBITDA as earnings (or loss) from continuing operations before the items in the table below including non-recurring charges of $236,782. Adjusted EBITDA is an important measure of our operating performance because it allows management, investors and analysts to evaluate and assess our core operating results from period-to-period after removing the impact of items of a non-operational nature that affect comparability.

We have included a reconciliation of our non-GAAP financial measures to the most comparable financial measure calculated in accordance with GAAP. We believe that providing the non-GAAP financial measures, together with the reconciliation to GAAP, helps investors make comparisons between Aspen Group and other companies. In making any comparisons to other companies, investors need to be aware that companies use different non-GAAP measures to evaluate their financial performance. Investors should pay close attention to the specific definition being used and to the reconciliation between such measure and the corresponding GAAP measure provided by each company under applicable SEC rules.

The following table presents a reconciliation of Adjusted EBITDA to Net loss allocable to common shareholders, a GAAP financial measure:

	For the Three Months Ended October 31, 2017	For the Three Months Ended October 31, 2016
Net (loss) income	$ (481,551)	$ 116,541
Interest Expense, net of interest income	156,785	54,971
Depreciation & amortization	145,355	139,005
EBITDA (Loss) income	(179,411)	310,517
Bad debt expense	22,500	—
Acquisition expenses	99,065	—
Non-recurring charges	137,717	97,384
Stock-based compensation	144,624	61,728
Adjusted EBITDA	$ 224,495	$ 469,629

Liquidity and Capital Resources

A summary of our cash flows is as follows:

	For the Six Months Ended October 31, 2017	For the Six Months Ended October 31, 2016
Net cash used in operating activities	$ (1,673,058)	$ 26,323
Net cash used in investing activities	(565,973)	(389,040)
Net cash provided by financing activities	4,862,508	286,300
Net increase (decrease) in cash and cash equivalents	$ 2,623,477	$ (76,417)

Net Cash (Used in) Provided By Operating Activities

Net cash used in operating activities during the 2017 Period totaled ($1,673,058) and resulted primarily from a net loss of operations of ($1,248,629) and a net change in operating assets and liabilities of ($1,097,927), both offset by non-cash items of $673,498. The most significant change in operating assets and liabilities was an increase of $2,137,055 in accounts receivable, reflecting the expansion of the monthly payment plan. The most significant non-cash item was $303,927 for stock compensation expense.

Net cash provided in operating activities during the 2016 Period totaled $26,323 and resulted primarily by non-cash items of $692,905 and a net change in operating assets and liabilities of $277,674, reduced by the net loss of $388,907. The most significant item change operating assets and liabilities was an increase in accounts receivable of $1,304,754 which is primarily attributed to the growth in revenues from students paying through the monthly payment plan. The most significant non-cash items were depreciation and amortization expense of $290,055 and the warrant buyback expense of $206,000.

Net Cash Used in Investing Activities

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

Net cash used in investing activities during the 2016 Period totaled ($389,040) mostly attributed to the increase in software.

Net Cash Provided By Financing Activities

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

Net cash used by financing activities during the 2016 Period totaled $286,300 which reflects the increase due to the new $3,000,000 line of credit, of which $750,000 had been drawn, offset by the buyback of warrants for $400,000.

Liquidity and Capital Resource Considerations

Historically, our primary source of liquidity is cash receipts from tuition and the issuances of debt and equity securities. More recently, we were able to secure traditional debt financing not convertible into shares of common stock. The primary uses of cash are payroll related expenses, professional expenses and instructional and marketing expenses. On April 7, 2017, the Company raised $7,500,000 through the issuance of 2,000,000 shares of common stock. The net proceeds of $6,996,000 were partially used to terminate the third party line of credit with an outstanding balance of approximately $2,150,000 and the repayment of approximately $1,300,000 under notes held by the Company's CEO. Accrued interest was paid on all retirements. In addition, on July 25, 2017, the Company finalized a $10 million senior secured term loan, $5 million of which was funded at the close and $2.5 million with the closing of the acquisition of USU.

As of December 13, 2017, the Company had a cash balance of approximately $5.9 million. With the cash from the Company's $7.5 million equity raise, the senior secured term loan of $10 million in total (of which $7.5 million has been funded), the growth in the Company revenues, and improving operating margins, the Company believes that it has sufficient cash to allow the Company to meet its operational expenditures for at least the next 12 months.

Our cash balances are kept liquid to support our growing infrastructure needs. The majority of our cash is concentrated in large financial institutions.

Critical Accounting Policies and Estimates

In response to financial reporting release FR-60, Cautionary Advice Regarding Disclosure About Critical Accounting Policies, from the SEC, we have selected our more subjective accounting estimation processes for purposes of explaining the methodology used in calculating the estimate, in addition to the inherent uncertainties pertaining to the estimate and the possible effects on our financial condition. There were no material changes to our principal accounting estimates during the period covered by this report.

Revenue Recognition and Deferred Revenue

Revenue consisting primarily of tuition and fees derived from courses taught by Aspen online as well as from related educational resources that Aspen provides to its students, such as access to our online materials and learning management system. Tuition revenue is recognized pro-rata over the applicable period of instruction. Aspen 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 Aspen'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, Aspen recognizes as revenue the tuition that was not refunded. Since Aspen 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 Aspen's accounting policies revenue is not recognized with respect to amounts that could potentially be refunded. Aspen's educational programs have starting and ending dates that differ from its fiscal quarters. Therefore, at the end of each fiscal quarter, a portion of revenue from these programs is not yet earned and is therefore deferred. Aspen also charges students annual fees for library, technology and other services, which are recognized over the related service period. Deferred revenue represents the amount of tuition, fees, and other student payments received in excess of the portion recognized as revenue and it is included in current liabilities in the accompanying consolidated balance sheets. Other revenue may be recognized as sales occur or services are performed.

Accounts Receivable and Allowance for Doubtful Accounts Receivable

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

For accounts receivable from students, both short term and long term, Aspen records an allowance for doubtful accounts for estimated losses resulting from the inability, failure or refusal of its students to make required payments, which includes the recovery of financial aid funds advanced to a student for amounts in excess of the student's cost of tuition and related fees. Aspen determines the adequacy of its allowance for doubtful accounts using a general reserve method based on an analysis of its historical bad debt experience, current economic trends, and the aging of the accounts receivable and student status. Aspen applies reserves to its receivables based upon an estimate of the risk presented by the age of the receivables and student status. Aspen writes off accounts receivable balances at the time the balances are deemed uncollectible. Aspen continues to reflect accounts receivable with an offsetting allowance as long as management believes there is a reasonable possibility of collection. Any receivable of a student on a monthly payment plan that exceeds 12 months, the portion that exceeds 12 months is reflected in long term accounts receivable.

For accounts receivable from primary payors other than students, Aspen estimates its allowance for doubtful accounts by evaluating specific accounts where information indicates the customers may have an inability to meet financial obligations, such as bankruptcy proceedings and receivable amounts outstanding for an extended period beyond contractual terms. In these cases, Aspen uses assumptions and judgment, based on the best available facts and circumstances, to record a specific allowance for those customers against amounts due to reduce the receivable to the amount expected to be collected. These specific allowances are re-evaluated and adjusted as additional information is received. The amounts calculated are analyzed to determine the total amount of the allowance. Aspen may also record a general allowance as necessary.

Direct write-offs are taken in the period when Aspen has exhausted its efforts to collect overdue and unpaid receivables or otherwise evaluate other circumstances that indicate that Aspen should abandon such efforts.

Off Balance Sheet Arrangements

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

New Accounting Pronouncements

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

Forward Looking Statements

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding nursing and active student growth, expected Marketing Efficiency Ratio, increase in marketing and promotional costs, and liquidity. All statements other than statements of historical facts contained in this report, including statements regarding our future financial position, liquidity, business strategy and plans and objectives of management for future operations, are forward-looking statements. The words "believe," "may," "estimate," "continue," "anticipate," "intend," "should," "plan," "could," "target," "potential," "is likely," "will," "expect" and similar expressions, as they relate to us, are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs.

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 unexpected difficulties integrating USU, a change in the effectiveness of our marketing, changes in the economy, the failure to maintain regulatory approvals, changes in the nursing industry which make having a degree less attractive, increased competition, failure to maintain growth in degree seeking students, errors in our estimates with respect to our accounts receivable, and the failure to generate sufficient revenue. Further information on our risk factors is contained in our filings with the SEC, including the Form 10-K for the year ended April 30, 2017. 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.

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 or 15d-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) or 15d-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.

Changes in Internal Control Over Financial Reporting. There were no changes in our internal control over financial reporting as defined in Rule 13a-15(f) or 15d-15(f) under the Exchange Act that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we may be involved in litigation relating to claims arising out of our operations in the normal course of business. There were no material changes to our legal proceedings as described in the Company's Form 10-K during the period covered by this report.

ITEM 1A. RISK FACTORS

Not applicable to smaller reporting companies.

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

In addition to those unregistered securities previously disclosed in reports filed with the Securities and Exchange Commission, we have sold securities without registration under the Securities Act of 1933 (the "Securities Act") as described below. Unless stated otherwise, all securities issued are shares of common stock.

Name or Class of Investor	Date Issued	No. of Securities	Reason for Issuance
Option Holders (1)	September 15, 2017; October 16, 2017 and October 17, 2017	29,191	Cash exercise of Stock Options
Warrant Holders (2)	August 2, 2017 and September 18, 2017	3,676	Cashless exercise of Warrants

(1) Exempt under Section 4(a)(2) and Rule 506(b) of the Securities Act of 1933. Each investor acquired the common stock for investment and we reasonably believed each was an accredited investor.

(2) Exempt under Section 3(a)(9) of the Securities Act of 1933.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

See the 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.
December 13, 2017	By: /s/ Michael Mathews Michael Mathews Chief Executive Officer (Principal Executive Officer)
December 13, 2017	By: /s/ Janet Gill Janet Gill Chief Financial Officer (Principal Financial Officer)

EXHIBIT INDEX

Exhibit #	Exhibit Description	Incorporated by Reference			Filed or Furnished Herewith
		Form	Date	Number	
3.1	Certificate of Incorporation, as amended	10-Q	3/9/17	3.1	
3.2	Bylaws	8-K	3/19/12	3.2	
3.2(a)	Amendment No. 1 to Bylaws	8-K	3/12/14	3.1	
10.1	Loan and Security Agreement – Runway+	8-K	7/28/17	10.1	
10.2	Registration Rights Agreement – Runway	8-K	7/28/17	10.2	
10.3	Warrant Agreement – Runway +	8-K	7/28/17	10.3	
10.4	Form of Registration Rights Waiver	10-Q	9/14/17	10.4	
10.5	Promissory Note dated March 8, 2017 – Linden Finance	10-K	7/25/17	10.1	
10.6	Asset Purchase Agreement dated May 13, 2017 - USU+	8-K	5/18/17	10.1	
10.7	Convertible Note dated December 1, 2017	8-K	12/1/17	4.1	
31.1	Certification of Principal Executive Officer (302)				Filed
31.2	Certification of Principal Financial Officer (302)				Filed
32.1	Certification of Principal Executive and Principal Financial Officer (906)				Furnished**
101.INS	XBRL Instance Document				Filed
101.SCH	XBRL Taxonomy Extension Schema Document				Filed
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document				Filed
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document				Filed
101.LAB	XBRL Taxonomy Extension Label Linkbase Document				Filed
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document				Filed

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

+ Certain schedules, appendices and exhibits to this agreement have been omitted in accordance with Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished supplementally to the Securities and Exchange Commission staff upon request.

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

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Michael Mathews, certify that:

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

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 13, 2017

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

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Janet Gill, certify that:

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

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 13, 2017

/s/ Janet Gill

Janet Gill
Chief Financial Officer
(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 for the quarter ended October 31, 2017, as filed with the Securities and Exchange Commission on the date hereof, I, Michael Mathews, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The quarterly report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and

2. The information contained in the quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael Mathews
Michael Mathews
Chief Executive Officer
(Principal Executive Officer)
Dated: December 13, 2017

In connection with the quarterly report of Aspen Group, Inc. (the "Company") on Form 10-Q for the quarter ended October 31, 2017, as filed with the Securities and Exchange Commission on the date hereof, I, Janet Gill, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The quarterly report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and

2. The information contained in the quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Janet Gill
Janet Gill
Chief Financial Officer
(Principal Financial Officer)
Dated: December 13, 2017