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

FORM 10-K

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

For the fiscal year ended: February 29, 2012

Or

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

For the transition period from: ____________ to ____________

Aspen Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware	333-165685	27-1933597
(State or Other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

720 South Colorado Boulevard, Suite 1150N, Denver, CO 80246
(Address of Principal Executive Office) (Zip Code)

(646) 450-1843
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, $0.001 par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. o Yes þ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. o Yes þ No

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. þ Yes o 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 [illegible]reports), and [illegible] that the [illegible]

PART I

Explanatory Note: As disclosed below, on March 13, 2012, Aspen Group, Inc. (the "Public Company") entered into a reverse merger transaction. In connection with the Reverse Merger (defined below), the Public Company changed its fiscal year end from the last day of February to December 31st. Because the acquisition occurred after the Public Company's fiscal year end, in accordance with the rules of the Securities and Exchange Commission ("SEC"), the Public Company is filing this Form 10-K to report the Public Company's fiscal year 2012 results. It is important to note that certain

Commitment to Academic Excellence - We are committed to continuously improving our academic programs and services, as evidenced by the level of attention and resources we apply to instruction and educational support. We are committed to achieving high course completion and graduation rates compared to competitive distance learning, for-profit schools. 67% of our adjunct faculty members hold a doctorate degree. One-on-one contact with our highly experienced faculty brings knowledge and great perspective to the learning experience }e ing expe

Eduventures, Inc., an education consulting and research firm, estimates that 20% of all postsecondary students will be in fully-online programs by 2014, with perhaps another 20% taking courses online. The estimated increase in students online increased 18% in 2010. We believe that the higher growsig l’ κh

Curricula

Certificates Certificate in Information Technology with specializations in • o Information Systems Management • o Java Development • o Object Oriented Application Development • o Smart Home Integration • o Web Development Certificate in Project Management
Associates Degrees Associate of General Studies Associate of Applied Science Early Childhood Education
Bachelors Degrees Bachelor of General Studies Bachelor of Arts in Psychology and Addiction Counseling Bachelor of Science in Alternative Energy Bachelor of Science in Business Administration Bachelor of Science in Business Administration, (Completion Program) Bachelor of Science in Criminal Justice Bachelor of Science in Criminal Justice, (Completion Program) Bachelor of Science in Criminal Justice with specializations in •• o Criminal Justice Administration •• o Major Crime Investigation Procedure •• o Major Crime Investigation Procedure, (Completion Program) Bachelor of Science in Early Childhood Education Bachelor of Science in Early Childhood Education, (Completion Program) Bachelor of Science in Early Childhood Education with a specialization in •• o Infants and Toddlers •• o Infants and Toddlers, (Completion Program) •• o Preschool •• o Preschool, (Completion Program) Bachelor of Science in Foodservice Operations and Restaurant Management Bachelor of Science in Medical Managements

Doctorates

Doctorate of Science in Computer Science
Doctorate in Education Leadership and Learning
Doctorate in Education Leadership and Learning with specializations

- o Education Administration
- o Faculty Leadership
- o Instructional Design
- o Leadership and Learning

Independent online classes start on the 1st and the 16th of every month and students may enroll in up to a maximum of three courses at a time. Online interactive courses are offered five times a year.

Sales and Marketin

In October 2011, Aspen began to advertise directly on website publisher sites, reaching prospective students who would benefit from the programs we offer within nursing and business programs.

In November 2011, Aspen complemented its search and social media marketing programs by utilizing proprietary email networks to send Aspen branded email advertisements specific to the nursing and business programs. These email networks are provided with Aspen marketing advertisements which relate to those programs and direct students to program specific informational pages. At all times marketing serves to provide prospective students with information about Aspen and their indicated program of interest, so that students may make an informed decision regarding Aspen. All networks are carefully vetted and only utilize advertisements created and approved by Aspen in order to ensur w

Our students receive loans and grants to fund their education under the following Title IV programs: (1) the Federal Direct Loan program ("Direct Loan") and (2) the Federal Pell Grant ("Pell") program.

Currently, the majority of Aspen students self-finance all or a portion of their education. Additionally, students may receive full or partial tuition reimbursement from their employers. Eligible students can also access private loans through a number of different lenders for funding at current market interest rates.

Under the Direct Loan program, the DOE makes loans directly to students. The Direct Loan Program includes the Direct Subsidized Loan, the Direct Unsubsidized Loan, the Direct PLUS Loan (including loans to graduate and professional students), and the Direct Consolidation Loan. The Budget Control Act of 2011 ĎǇĞĐ Con

If an institution fails to satisfy any of these criteria or any other DOE regulation, the DOE may:

- require the repayment of Title IV funds;
- transfer the institution from the “advance” system of payment of Title IV funds to cash monitoring status or to the “reimbursement” system of payment;
- place the institution on provisional certification status; or
- commence a proceeding to impose a fine or to limit, suspend or terminate the participation of the institution in Title IV prog yplV V ff V \

Incentive Compensation Rules As a part of an institution’s program participation agreement with wl’

Credit Hours. The Higher Education Act and current regulations use the term “credit hour” to define an eligible program and an academic year and to determine enrollment status and the amount of Title IV aid an institution may disburse during a payment period. Recently, both Congress and

Recent DOE regulations establish a new process under which an institution must apply for approval to offer a program that, under the Higher Education Act, must prepare students for "gainful employment in a recognized occupation" in order to be eligible for Title IV funds. An institution must notify the DOE at least 90 days before the first day of classes when it intends to add a program that prepares students for gainful employment. The DOE may, as a condition of certification to participate in Title IV programs, require prior approval of programs or otherwise restrict the number of programs an institution may add.

DETC requires pre-approval of new courses, programs, and degrees that are characterized as a "substantive change." An institution must obtain written notice approving such change before it may be included in the institution's grant of accreditation. An institution is further prohibited from advertising or posting on its website information about the course or program before it has received approval. The process for obtaining approval generally requires submission of a report and course materials and may require a follow-up on-site visit by an examining committee. As stated earlier, we are seeking DETC's approval permitting us to offer new degrees and certificate programs.

Gainful Employment. Under the Higher Education Act, proprietary schools are eligible to participate in Title IV programs only in respect of education programs that lead to gainful employment in a recognized occupation. Under the DOE rules, with respect to each gainful employment program, a proprietary institution of higher education must provide prospective students with the identities of the occupations that the program prepares students to enter, total program cost, on-time completion rate, job placement rate (if applicable), and median loan debt of students who complete the program. Under these reporting rules, with respect to each gainful employment program, an institution must annually submit information to the DOE regarding each enrolled student, including the amount of debt incurred. Institutions must report information no earlier than September 30 of the calendar year in which the award year ends but no later than the deadline established by the DOE. Under the new program requirements, institutions are required to notify the DOE at least 90 days before the commencement of new gainful employment programs which must include information on the demand for the program, a wage analysis, an institutional program review and approval process, and a demonstration of accreditation. On September 27, 2011 the DOE issued a notice of proposed rulemaking in which it proposed, among other changes, to define a smaller group of gainful employment programs for which an institution must obtain approval from the DOE, including only programs that are the same as or substantially similar to programs performing poorly under the gainful employment metrics.

The DOE also recently established three standards that will be used annually to measure whether a program prepares students for gainful employment, beginning July 1, 2012. An academic program that passes any one standard is considered to be preparing students for gainful employment. The standards are:

1. Annual loan repayment rate – three to four years after entering repayment on federal student loans, at least 35% of student loans incurred by the applicable cohort of borrowers to fund the costs of a program must be in satisfactory repayment.

2. Discretionary income threshold – three to four years after entering repayment, the median annual loan payment amount for the applicable cohort of students (calculated as described below) may not be greater than 30% of the greater of their average or median discretionary income (annual earnings of a program completer minus 150% of the U.S. Department of Health and Human Services poverty guideline for a single person).

3. Actual earnings threshold – three to four years after entering repayment, the median annual loan payment amount for the applicable cohort of students (calculated as described below) may not be greater than 12% of the greater of their average or median annual earnings.

The annual loan repayment for the debt-to-earnings ratios is derived by determining the median loan debt of the applicable cohort of students who completed the program and includes federal student loans, private loans and debt obligations arising from institutional financing plans. The payment amounts are calculated on the basis of the interest rate then charged on federal direct unsubsidized student loans and the following amortization terms:

- 10 years for programs that lead to an undergraduate or post-baccalaureate certificate or to an associate's degree;

- 15 years for programs that lead to a bachelor's or master's degree; and

- 20 years for programs that lead to a doctoral or first-professional degree.

Change in Ownership Resulting in a Change of Control

Item 5. Market for Registrant’s Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities.

Our stock trades on the Bulletin Board under the symbol "ASPU." Since March 31, 2011, the Public Company’s common stock has been quoted on the Bulletin Board. The last reported sale price of the Public Company’s common stock as reported by the Bulletin Board on May 3, 2012 was $3.75. As of May 24, 2012, Aspen had 80 record holders. The following table provides the high and low bid price information for our common stock for the periods our stock was quoted on the Bulletin Board. For the period our stock was quoted on the Bulletin Board, the prices reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

February 29th - Fiscal Year End

Year	Quarter Ended	Prices (1)(2)	
		High	[illegible]
2012	February 29	$ 6.50	$ [illegible]
2011	November 30	$ 6.50	$ 6.50
	[illegible]		

Capital Resources and Liquidity

We have limited working capital and our current cash position is not sufficient to satisfy our short-term working capital needs. Additionally, we do not anticipate cash from operations will support our working capital needs until approximately July 2013. This assumption is predicated on our raising at least $3,000,000 from the financings described below and successful implementation of our marketing program. As of the date of this report, we had $811,816 in available cash. As discussed above, we anticipate our marketing and regulatory costs will increase.

To meet our working capital needs, we plan to raise additional working capital. In March 2012, we commenced an offering to sell $2,000,000 of convertible notes due September 30, 2012, together with approximately 500,000 five-year warrants. As of the date of this report, we have raised $1,231,000 (of which we received $1,061,900 in net proceeds) in this offering. We have entered into a letter of intent with Laidlaw & Company (UK) Ltd. which agreed to use its best efforts to raise up to $6,000,000 (with an option to sell up to an additional $1,200,000) including the balance of the $2,000,000 offering. The $2,000,000 offering is being offered to retail investors. We are negotiating with Laidlaw the exact tyĎd idĎ2wµ approxi moxi ţdwith de ap

Risk Factors

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

Our ability to continue as a going concern is in doubt absent obtaining adequate new debt or equity financing.

Aspen incurred a net loss of approximately $2.1 million in 2011. We anticipate losses will continue until we are able to increase our enrollment under our new tuition plan and these new students paying higher rates have taken at least two courses. Additionally, our audited financial statements contain a going concern opinion. Our continued existence is dependent upon obtaining financing of at least $3 million in order to implement our marketing plan. We cannot assure you that we will raise enough money or generate sufficient revenue to meet our future working capital needs. In such event, we may not be able to remain in business. Furthermore, this qualified opinion may affect our ability to obtain DOE certification for Title IV purposes. See the Risk Factor at page 42 of this report.

Because our management has a limited recent operating history on which to evaluate our potential for future success and to determine if we will be able to execute our business plan, it is difficult to evaluate our future prospects and the risk of success or failure of our business.

Our management team began the process of taking control of Aspen from its founder and Chairman in May 2011 and embarked upon changes in Aspen's business including adopting a new tuition plan, revamping its marketing approach, substantially increasing marketing expenditures, and upgrading Aspen's technology infrastructure. While initial results are very encouraging, the limited time period makes it difficult to project whether we will be successful.

Our business may be adversely affected by a further economic slowdown in the U.S. or abroad or by an economic recovery in the U.S.

The U.S. and much of the world economy are experiencing difficult economic circumstances. We believe the recent economic downturn in the U.S., particularly the continuing high unemployment rate, has contributed to a portion of our recent enrollment growth as an increased number of working students seek to advance their education to improve job security or reemployment prospects. This effect cannot be quantified. However, to the extent that the economic downturn and the associated unemployment have increased demand for our programs, an improving economy and increased employment may eliminate this effect and reduce such demand as fewer potential students seek to advance their education. This reduction could have a material adverse effect on our business, financial condition, results of operations and cash flows. Conversely, a worsening of economic and employment conditions could adversely affect the ability or willingness of prospective students to pay our tuition and our former students to repay student loans, which could increase our bad debt expense, impair our ability to offer students loans under Title IV, and require increased time, attention and resources to manage defaults.

Because of the severity of the global economic recession, we may be hampered in raising the needed capital to support our operations and planned marketing, which would have a material and adverse effect on our future operating results and financial condition.

One of the effects of the severe global economic recession is smaller businesses typically have more difficulty in raising capital needed for their operations. We estimate that we need to raise approximately $6 million to fully support our current operations and grow our student enrollment to create the forecasted profits. If we cannot raise this capital, it will result in a number of adverse effects upon us including reducing our future revenue, our future gross profit margins, and our ability to grow our business. These events would have a material and adverse effect upon our future operating results and financial cialtions cTeieOĎg5(' _nt recioperat leci ir

Because a significant portion of our revenues historically have been attributable to one corporate customer, and if we are unable to maintain this key relationship or establish new relationships with additional corporate customers, our revenues will be adversely affected.

In 2011 and 2010, revenues from Verizon accounted for approximately 45% and 50% respectively, of our revenues. However, we pay our business development partner a material portion of the revenues from Verizon. This business development partner refers corporate clients and designs the certificate-based courses tailored to the needs of the corporations (subject to the approval of our professors). It will continue to receive a portion of the revenues from corporations it refers to us. Deducting these payments, Verizon accounted for 11% and 12% of our net revenues for 2011 and 2010, respectively. The loss of one or more of our corporate customers, including Verizon, a reduction in enrollments from them, or difficulty or failure to collect payments from any customer under financial distress would adversely affect our revenues.

If we cannot manage our growth, our results of operations may suffer and could adversely affect our ability to comply with federal regulations.

The growth that we have experienced after our new management began in May 2011, as well as any future growth that we experience, may place a significant strain on our resources and increase demands on our management information and reporting systems and financial management controls. We do not have experience scheduling courses and administering programs for more students than our current enrollment, and except for the President, our senior management has limited experience in online education. If growth negatively impacts our ability to manage our business, the learning experience for our students could be adversely affected, resulting in a higher rate of student attrition

- student dissatisfaction with our services and programs;
- adverse publicity regarding us, our competitors or online or for-profit education generally;
- a decline in the acceptance of online education;
- a decrease in the perceived or actual economic benefits that students derive from our programs;
- potential students may not be able to afford the monthly payments; and
- potential students may not react favorably to our marketing and advertising campaigns.

If our new marketing campaign and tuition plan are not favorably received, our revenues may not increase.

If student enrollment decreases as a result of our increased tuition plan, our results of operations may be adversely affected.

In July 2011, we launched a new tuition plan which was materially higher. The prior business model and pricing structure implemented by our prior management was flawed and could not be sustained. Although we believe that changes in our marketing strategy and upgraded technology infrastructure will improve our business, we cannot assure that our student enrollment will not suffer as a result of the increased tuition. If we are unable to enroll students in a cost-effective manner, our results of operations will suffer and resuand adsadsnmnt will

Although three of our directors have pledged shares of common stock to secure payment of a loan payable from our founder and former chairman, it is possible that the future market price of the Public Company's common stock will be less than $1.00 in which case the Public Company will incur an adverse impact to its future operating results and financial condition.

In March 2012, three of our directors pledged a total of 2,209,960 shares of Aspen common stock which they own personally. r n"ȝnall o–ms pled

Because the CAN-SPAM Act imposes certain obligations on the senders of commercial emails, it could adversely impact our ability to market Aspen’s educational service, and otherwise increase the costs of our business.

The Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (“CAN-SPAM Act”) establishes requirements for commercial email and specifies penalties for commercial email that violates the CAN-SPAM Act. In addition, the CAN-SPAM Act gives consumers the right to require third parties to stop sending them commercial email.

The CAN-SPAM Act covers email sent for the primary purpose of advertising or promoting a commercial product, service, or Internet website. The Federal Trade Commission, a federal consumer protection agency, is primarily responsible for enforcing the CAN-SPAM Act, and the Department of Justice, other federal agencies, State Attorneys General, and Internet service providers also have authority to enforce certain of its provisions.

The CAN-SPAM Act’s d®Ac

If we incur liability for the unauthorized duplication or distribution of class materials posted online during our class discussions, it may affect our future operating results and financial condition.

In some instances, our faculty members or our students may post various ar tW

Because we [illegible] Title IV programs, our failure to comply with the complex regulations associated with Title IV programs would have a significant adverse effect [illegible]

Because the DOE may conduct compliance reviews of us, we may be subject to adverse review and future litigation which could affect our ability to offer Title IV student loans.

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If we fail to demonstrate “administrative capability,” we may lose eligibility to participate in Title IV programs.

DOE regulations specify extensive criteria an institution must satisfy to establish that it has the requisite “administrative capability” to participate in Title IV programs. If an institution fails to satisfy any of these criteria or comply with any other DOE regulations, the DOE may require the repayment of Title IV funds, transfer the institution from the "advance" system of payment of Title IV funds to cash monitoring status or to the "reimbursement" system of payment, place the institution on provisildbilo

If our student loan default rates are too high, we may lose eligibility to participate in Title IV programs.

DOE regulations provide that an institution's participation in Title IV programs ends when historical default rates reach a certain level in a single year or for a number of years. Because of our limited experience enrolling students who are participating in these programs, we have no historical default rates. Relatively few students are expected to enter the repayment phase in the near term, which could result in defaults by a few students having a relatively large impact on our default rate. If Aspen loses its eligibility to participate in Title IV programs because of high student loan default rates, our students would no longer be eligible to use Title IV program funds in our institution, which would significantly reduce our enrollments and revenues and have a material adverse effect on our results of operations.

Increased scrutiny of accrediting agencies by the Secretary of Education and the U.S. Congress may result in increased scrutiny of institutions, particularly proprietary institutions, by accrediting agencies, and if our institutional accrediting agency loses its ability to serve as an accrediting agency for Title IV program purposes, we may lose our ability to participate in Title IV programs.

Increased regulatory scrutiny of accrediting agencies and their accreditation of universities is likely to continue. While Aspen is accredited by a DOE-recognized accrediting body, the DETC, if the DOE were to limit, suspend, or terminate the DETC's recognition, we could lose our ability to participate in the Title IV programs. The DOE is scheduled to consider its recognition of DETC at its Spring 2012 meeting. If we were unable to rely on DETC accreditation in such circumstances, among other things, our students and our institution would be ineligible to participate in the Title IV programs, and such consequence would have a material adverse effect on enrollments, revenues and results of operations. In addition, increased scrutiny of accrediting agencies by the Secretary of Education in connection with the DOE's recognition process may result in increased scrutiny of institutions by accrediting agencies.

Furthermore, because the for-profit education sector is growing at such a rapid pace, it is possible that accrediting bodies will respond to that growth by adopting additional criteria, standards and policies that are intended to monitor, regulate or limit the growth of for-profit institutions like us. Actions by, or relating to, an accredited institution, including any change in the legal status, form of control, or ownership/management of the institution, any significant changes in the institution's financial position, or any significant growth or decline in enrollment and/or programs, could open up an accredited institution to additional reviews by the DETC.

If Aspen fails to meet standards regarding "gainful employment," it may result in the loss of eligibility to participate in Title IV programs.

The DOE's regulations on gainful employment programs are effective July 1, 2012. Should a program fail the gainful employment metrics three times within a four year period, the DOE would terminate the program's eligibility for federal student aid (i.e., students in the program would immediately lose eligibility to participate in Title IV programs), and the institution would not be able to reestablish the program's eligibility for at least three years, though the program could continue to operate without Title IV funding. The earliest a program could lose eligibilitymWder the gainful employment rule will be 2015, based on its 2012, 2013, and 2014 performance under the metrics. Because the DOE's gainful employment rules will be implemented over several years and are based at least in part on data that is unavailable to us, it is not s ȳEC

The U.S. Congress recently conducted an examination of the for-profit postsecondary education sector that could result in legislation or additional DOE rulemaking that may limit or condition Title IV program participation of proprietary schools in a manner that may materially and adversely affect our business.

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

Risks Related to Our Common Stock

Because our common stock is subject to the "penny stock" rules, brokers cannot generally solicit the purchase of our common stock which adversely affects its liquidity and market price.

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

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

Our management will be able to exert control over us to the detriment of minority shareholders.

Our executive officers and directors own approximately 25% of our outstanding common stock. These shareholders, if they act together, may be able to control our management and affairs and all matters requiring shareholder approval, including significant corporate transactions. This concentration of ownership may have the effect of delaying or preventing our change in control and might affect the market price of our common stock. For more information, see Note 12.

Since we intend to retain any earnings for development of our business for the foreseeable future, you will likely not receive any dividends for the foreseeable future.

We have not and do not intend to pay any dividends in the foreseeable future, as we intend to retain any earnings for development and expansion of our business operations. As a result, you will not receive any dividends on your investment for an indefinite period of time.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

See pages F-1 through F-13 for the financial statements of Aspen Group, Inc. (f/k/a Elite Nutritional Brands, Inc.) as of and for the years ended February 29, 2012 and February 28, 2011, and for the period from February 23, 2010 (Inception) to February 29, 2012. These financial statements reflect only the historical operations of the business of the Public Company (not Aspen) pre-reverse merger and only reflect subsequent events relevant to the pre-merger business.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES.

Disclosure Controls

Our management carried out an evaluation as required by Rule 13a-15 and 15d-15 of the Securities Exchange Act of 1934 (the "Exchange Act"), with the participation of our Principal Executive Officer and Principal Financial Officer, of the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) or 15d-15(e) under the Exchange Act. At February 29, 2012, the Public Company's president devoted minimal time to the business of the Public Company since it was inactive. The Public Company's current Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this report. In support of this belief is that the Public Company failed to disclose in the Form 10-Q for the nine months ended November 30, 2011 anything about the effectiveness of its disclosure controls.

Management's Report On Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Exchange Act of as a process designed by, or under the supervision of, the Public Company's Principal Executive and Principal Financial Officers and effected by the Public Company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

David Garrity has served as Aspen's Chief Financial Officer since June 2011. He served as Chief Financial Officer of interclick from June 30, 2008 until August 14, 2009 and as a member of interclick's board of directors from June 9, 2008 until June 5, 2009. Through GVA Research LLC, a company he controls, Mr. Garrity provides consulting services to organizations such as the World Bank Group and offers expert commentary on technology sector developments to CNBC, Bloomberg TV and other media networks. Mr. Garrity holds Series 7, 24, 63, 79, 86 & 87 securities licenses and is affiliated with Whitemarsh Capital Advisors, LLC, a Financial Industry Regulatory Authority, Inc. ("FINRA") member firm. From 2006 to 2008, Mr. Garrity served as Managing Director and Director of Research for Dinosaur Securities, LLC. In 2006, Mr. Garrity was fined $10,000 and suspended for 45 days from associating with a FINRA member firm for certain inadvertent violations of FINRA's rules unrelated to fraud or any customer complaints. Mr. Garrity consented to the sanctions without admitting or denying FINRA's findings.

Brad Powers has served as Aspen's Chief Marketing Officer since May 2011. From July 2009 until December 31, 2010, Mr. Powers served as the Chief Marketing Officer of Atrinsic, Inc. From 2004 until 2009, Mr. Powers was the Chief Executive Officer of Active Response Group, a company he founded.

Angela Siegel has served as Aspen's Executive Vice President of Marketing since January 1, 2012. Ms. Siegel has responsibility for the online lead generation and the Office of Enrollment. From July 2010 until December 2011, Ms. Siegel was the Director of Compliance and Enrollment Analytics at Ward Media, Inc. ("Ward"), a lead generation marketing agency. From January 2010 until July 2010, Ms. Siegel was the Chief Marketing Officer at the Jack Welch Management Institute at Chancellor University. From October 2008 until January 2010, Ms. Siegel was the Director of Enrollment Marketing at Ward. From July 2004 until October 2008, Ms. Siegel was the Online Marketing Manager at Grand Canyon Education, Inc. (NASDAQ: LOPE), a regionally accredited provider of post-secondary education including online as well as traditional ground programs.

Michael D'Anton[illegible] of Aspen for approximately five years. Since 1988, Dr. [illegible]

Shareholder Communications

Although we do not have a formal policy regarding communications with the Board, shareholders may communicate with the Board by writing to us at Aspen Group, Inc., 224 West 30th Street, Suite 604, N [illegible]

Outstanding Equity Awards at Fiscal Year End

The Public Company and Aspen did not have an equity incentive plan in place, or any outstanding equity awards, as of February 29, 2011.

Equity Compensation Plan Information

Immediately following the closing of the Reverse Merger, our Board adopted the 2012 Equity Incentive Plan (the "Plan") which provides for 2,500,000 shares to be granted under the Plan.

The exercise price of options or stock appreciation rights granted under the Plan shall not be less than the fair market value of the underlying common stock at the time of grant. In the case of incentive stock options, the exercise price may not be less than 110% of the fair market value in the case of 10% shareholders. Options and stock appreciation rights granted under the Plan shall expire no later than 10 years after the date of grant. The total number of shares with respect to which options or stock awards may be granted under the Plan the purchase price per share, if applicable, shall be adjusted for any increase or decrease in the number of issued shares resulting from aÔm llähar crease rease

Due to misrepresentations made by Mr. Spada in connection with the unauthorized borrowings described above, Aspen gave notice of termination of the Consulting Agreement on January 2, 2012.

Additionally, in connection with the HEMG Agreement, Aspen repaid a loan owed to Mr. Steve Karl, a former employee of Aspen, by Mr. Spada of approximately $16,000. Aspen also agreed o f connection of ap

On September 16, 2011, Aspen also exchanged general releases with Mr. Spada/HEMG, and Mr. Spada entered into a modified non-compete agreement where he was permitted to compete with Aspen except in respect to three corporate customers with whom Aspen has an existing commercial relationship. He also agreed to a two-year confidentiality provision and agreed not to solicit employees for nine months after expiration of the Consulting Agreement. Excluded from the non-solicitation were the Karl's and the bookkeeper referred to above. Finally, Aspen entered into an Indemnification Agreement with HEMG on September 16, 2011 agreeing to indemnify it from liability for its actions to the fullest extent permitted by law. The Indemnification Agreement is similar to the form Aspen provides to its directors and executive officers which is a standard form of corporate indemnification agreement. Aspen's Second Amended and Restated Certificate of Incorporation contains a provision which precludes indemnification of expenses from any litigation between Aspen and any officer or director

During 2009, Aspen received a loan of $50,000 from the brother of Patrick Spada, the former Chairman of Aspen. During 2011 and 2010, the loans were non-interest bearing demand loans. In 2012, the lender agreed to convert the loan into a long-term convertible note payable. Additionally, in 2010, Aspen acquired $52,000 of courseware curricula from an entity owned by the brother of the former Chairman of Aspen and later sold $125,000 of course curricula to HEMG.

As of December 31, 2011, Messrs. Michael Mathews and Brad Powers, our Chief Executive Officer and Chief Marketing Officer, entered into amendments to their Employment Agreements waiving the 50% of their salaries that would have otherwise accrued. Further they agreed to reduce their base salaries by 50% until such time as Mr. Mathews or our Board determine that we have sufficient cash flow to pay the previously agreed upon amount.

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

- David Pasi invested $30,000 for 31,500 shares of Series A.
- Sanford Rich invested $25,000 for 26,250 shares of Series A*.
- C. James Jensen invested $50,000 for 52,500 shares of Series A.
- Michael Mathews invested $150,000 for 157,500 shares of Series A.
- David Garrity invested $25,000 for 26,250 shares of Series A*.

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*Messrs. Rich and Garrity were not affiliated with Aspen at the time.

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

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PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

(a) Documents filed as part of the report.

(1) Financial Statements. See Index to Financial Statements, which appears on page F-1 hereof. The financial statements listed in the accompanying Index to Financial Statements are filed herewith in response to this Item.

(2) Financial Statements Schedules. All schedules are omitted because they are not applicable or because the required information is contained in the financial statements or notes included in this report.

(3) Exhibits. The exhibits listed in the accompanying Exhibit Index are filed or incorporated by reference as part of this report.

EXHIBIT

SALBERG & COMPANY, P.A.

Report of Independent Registered Public Accounting Firm

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Aspen Group, Inc.

We have audited the accompanying balance sheets of Aspen Group, Inc. (F/K/A Elite Nutritional Brands, Inc. and Hidden Ladder, Inc.) (a development stage Company) (the "Company") as of February 28, 2011, and the related statements of operations, stockholders' deficit, and cash flows for the year then ended and for the period February 23, 2010 (inception) through February 28, 2011. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Aspen Group, Inc. (F/K/A Elite Nutritional Brands, Inc. and Hidden Ladder, Inc.) (a development stage Company) as of February 28, 2011, and the results of its operations and its cash flows for the year then ended and for the period February 23, 2010 (inception) through February 28, 2011, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed further in Note 1, the Company has been in the development all pme3 2010 discuss 3bel l' 3d 010) nd ontinue0 o ch r pmegnificant posses.

ASPEN GROUP, INC.
(F/K/A ELITE NUTRITIONAL BRANDS, INC. AND HIDDEN LADDER, INC.)
(A DEVELOPMENT STAGE COMPANY)
BALANCE SHEETS

	February 29, 2012	February 28, 2011
Assets		
Current assets:		
Cash and cash equivalents	$ 511	$ 11,604
Total current assets	511	11,604
Total assets	$ 511	$ 11,604
Liabilities and Stockholders' Equity (Deficiency)		
Current liabilities:		
Accounts payable and accrued expenses	$ 644	$ 4,150
Loan payable to stockholder	491	-
Convertible notes payable	20,000	-
Total current liabilities	21,135	4,150
Stockholders' equity (deficiency):		
Preferred stock, $0.001 par value; 10,000,000 shares authorized; none issued and outstanding	-	-
Common stock, $0.001 par value; 120,000,000 shares authorized, 48,960,000 issued and outstanding	48,960	48,960
Additional paid-in capital	(27,960)	(27,960)
Deficit accumulated during development stage	(41,624)	(13,546)
Total stockholders' equity (deficiency)	(20,624)	7,454
Total liabilities and stockholders' equity (deficiency)	$ 511	$ 11,604

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

ASPEN GROUP, INC.
(F/K/A ELITE NUTRITIONAL BRANDS, INC. AND HIDDEN LADDER, INC.)
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF OPERATIONS

	For the	For the	For the Period From February 23,

[redacted]

ASPEN GROUP, INC.
(F/K/A ELITE NUTRITIONAL BRANDS, INC. AND HIDDEN LADDER, INC.)
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2012 AND FEBRUARY 28, 2011

Note 1.Nature of Operations and Going Concern

Overview

Aspen Group, Inc. (the “Company”, or “Aspen”) is a development stage company, founded in Florida on February 23, 2010, under the name Hidden Ladder, Inc. On June 21, 2011, the Company changed its name to Elite Nutritional Brands, Inc. On July 27, 2011, David Johnson sold 41,200,000 shares of the Company’s common stock to Don Ptalis, the Company’s new CEO and Director for a purchase price of $5,000, which source was his own funds. As a result, the percentage of voting securities of the Company beneficially owned directly or indirectly by Mr. Ptalis was 84.12%. On July 29, 2011, David Johnson resigned as the President, CEO and Sole Director of the Company, and Daniel McKelvy resigned as the Assistant Secretary of the Company in order to pursue other business interests. Effective July 29, 2011, Don Ptalis was appointed as the Company’s new CEO and Director.

On February 15, 2012, Elite Nutritional Brands, Inc. redomesticated by merging into Aspen Group, Inc., a newly formed Delaware corporation with no assets or liabilities, with Aspen being the surviving corporation. On March 13, 2012 (the “recapitalization date”), Aspen Group, Inc. acquired Aspen University Inc., an operating company, in a reverse merger transaction accounted for as a recapitalization of Aspen University Inc. (the “Recapitalization” or the “Reverse Merger”) (See Note 7).

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. Through February 29, 2012, the Company was in the development stage and has not carried on any significant operations and has generated no revenues. The Company had a net loss of $28,078 and negative cash flows from operations of $31,584 for the year ended February 29, 2012 and has incurred losses since inception aggregating $41,624. Although subsequent to year-end, the Company consummated a reverse merger transaction with a private entity, Aspen University Inc. that private entity also has had historical net losses and net cash used in operating activities. (see Note 7). Management's plan includes a current capital raise and actions to increase profitability of current operations. These matters, among others, raise substantial doubt about the ability of the Company to continue as a going concern. The financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 2. Significant Accounting Policies

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from those estimates. Significant estimates in the accompanying financial statements include the valuation allowance on deferred tax assets.

Cash and Cash Equivalents

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

On November 9, 2010, the FDIC issued a Final Rule implementing section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act that provides for unlimited insurance coverage of noninterest-bearing transaction accounts. Beginning December 31, 2010, through December 31, 2012, all noninterest-bearing transaction accounts are fully insur[illegible] from those [illegible]

Common Shares

On February 27, 2010, the Company issued 43,200,000 common shares to its founders in exchange for cash proceeds of $9,000 to the Company. The issuance of the shares was made to the sole officer and director of the Company and an individual who is a sophisticated and accredited investor, therefore, the issuance was exempt from registration of the Securities Act of 1933 by reason of Section 4 (2) of that Act.

On October 20, 2010, the Company issued 5,760,000 common shares in exchange for cash proceeds of $12,000.

Note 6. Income Taxes

The components of income tax expense (benefit) are as follows:

	For the Year Ended February 29, 2012	For the Year Ended February 28, 2011
Current:		
Federal	$ -	$ -
State	-	-
	-	-
Deferred:		
Federal	-	-
State	-	-
	-	-
Total Income tax expense (benefit)	$ -	$ -

Significant components of the Company's deferred income tax assets and liabilities are as follows:

	February 29, 2012	February 28, 2011
Deferred tax assets:		
Net operating loss	$ 14,152	$ 4,606
Total deferred tax assets	14,152	4,606
Valuation allowance:		
Beginning of year	(4,606)	(1,224)
(Increase) decrease during year	(9,546)	(3,382)
Ending balance	(14,152)	(4,606)
Net deferred tax asset	$ -	$ -

A valuation allowance is established if it is more likely than not that all or a portion of the deferred tax asset will not be realized. The Company recorded a valuation allowance in fiscal 2012 and 2011 due to the uncertainty of realization. Management believes that based upon its projection of future taxable operating income for the foreseeable future and its recent change in business and change in control, it is more likely than not that the Company will not be able to realize the tax benefit associated with deferred tax assets. The net change in the valuation allowance during the years ended February 29, 2012 and February 28, 2011 was an increase of $9,546 and $3,382, respectively.

At February 29, 2012, the Company had $41,624 of net operating loss carryforwards which will expire from 2029 to 2031. The Company believes its tax positions are all highly certain of being upheld upon examination. As such, the Company has not recorded a liability for unrecognized tax benefits. As of February 29, 2012, tax years 2010 through 2012 remain open for IRS audit. The Company has received no notice of audit from the Internal Revenue Service for any of the open tax years.

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

	For the Year Ended February 29, 2012	For the Year Ended February 28, 2011
Statutory U.S. federal income tax rate	34.0%	34.0%
Change in valuation allowance	(34.0)	(34.0)
Effective income tax rate	0.0%	0.0%

Note 7. Subsequent Events

On March 13, 2012 (the “recapitalization date”), Aspen Group, Inc. acquired Aspen University Inc., an operating company, in a reverse merger transaction accounted for as a recapitalization of Aspen University Inc. (the “Recapitalization” or the “Reverse Merger”). The common and preferred stockholders of Aspen University Inc. received 25,515,204 common shares of Aspen Group, Inc. in exchange for 100% of the capital stock of Aspen University Inc. For accounting purposes, Aspen University Inc. is the acquirer and Aspen Group, Inc. is the acquired company. Accordingly, after completion of the recapitalization, the historical operations of the Company are those of Aspen University Inc. and the operations since the recapitalization date are those of Aspen University Inc. and Aspen Group, Inc. The assets and liabilities of both companies are combined at historical cost on the recapitalization date.

On April 26, 2012 and April 30, 2012, convertible notes payable aggregating $20,000 were converted into 20,000 common shares of the Company (See Note 3).

Exhibit 31.1

(Principal Executive 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 annual report of Aspen Group, Inc. (the “Company”) on Form 10-K for the “C

Dated: May 24, 2012