

Alternative Reporting Standard:

OTCQX® U.S. and OTCQB® Disclosure Guidelines

Federal securities laws, such as Rules 10b-5 and 15c2-11 of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 144 of the Securities Act of 1933 (“Securities Act”), and state Blue Sky laws, require issuers to provide adequate current public information. With a view to encouraging compliance with these laws, OTC Markets Group has created these OTCQX U.S. and OTCQB® Disclosure Guidelines (“Guidelines”). These Guidelines set forth the disclosure obligations that make up the “Alternative Reporting Standard” for OTCQX U.S. and OTCQB traded companies.¹ These Guidelines have been designed to encompass the “Catch All” information required in Rule 15c2-11,² however they have not been reviewed by the U.S. Securities and Exchange Commission or any state securities regulator.

These Guidelines may be amended from time to time, in the sole and absolute discretion of OTC Markets Group, with or without notice.

General Considerations

An issuer preparing a disclosure document under the Alternative Reporting Standard should consider the purpose of adequate disclosure. Current and potential investors in the issuer’s securities should be provided with all “material” information — the information available to the issuer necessary for the investor to make a sound investment decision. The disclosure should enable an investor of ordinary intelligence and investment skills to understand the issuer’s business and prospects.

The disclosure must therefore present the issuer’s business plan and include a full and clear picture of the issuer’s assets, facilities, properties, investments, management and other resources, as well as a complete description of how they will be used to make profits. The issuer’s business plan should clearly describe the competition, regulatory environment and other risks to the issuer’s business, as well as the issuer’s plans for confronting these challenges.

It is also important for an investor to understand how the issuer raises capital and treats investors. At a minimum, the issuer must describe the ways it has raised capital by issuing shares in the past – to whom and the amount of consideration involved. The investor should also be provided with market information, including the past price history of any transactions in the issuer’s shares.

Finally, the disclosure should use plain English.³ This means using short sentences, avoiding legal and technical jargon and providing clear descriptions.

¹ This is not legal advice, and OTC Markets Group cannot assure anyone that compliance with our disclosure requirements will satisfy any legal requirements.

² Publication of information pursuant to these Guidelines also does not guarantee or ensure that the Company will be designated as having “current information” or eligible for public quotations pursuant to Rule 15c2-11 or any other applicable regulation.

³ For tips, you may wish to consult the SEC’s Plain English Handbook, available for free on the SEC’s website, at <http://www.sec.gov>.

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Section One: Issuers' Initial Disclosure Obligations

Instructions relating to the preparation of initial disclosure:

1. Prepare a cover page using the format set forth on the following page.
2. Prepare a disclosure document that responds to each item and sub-item of the Guidelines with information current as of the issuer's most recent fiscal quarter or year end. If a particular item is not applicable or unavailable, include the reason it is not applicable or unavailable.
3. Save the disclosure document(s) in PDF format and upload it via www.OTCIQ.com using the report name "Annual Report" or "Quarterly Report", as applicable. If the disclosure information and financial statements are posted separately, please denote the report content using the subtitle field when uploading.

Instructions relating to the preparation of initial disclosure for certain non-U.S. companies:

Companies listed on a Qualified Foreign Exchange that are exempt from SEC registration under a rule other than Exchange Act Rule 12g3-2(b), may follow the Alternative Reporting Standard and provide the following information.

1. Publish the company's English-language Annual and Interim Reports for the most recently completed fiscal year and any subsequent periods. Upload these documents via www.OTCIQ.com using the reports names "Annual Report," "Interim Report", or "Quarterly Report" as applicable.
2. Publish a Supplemental Report via www.OTCIQ.com that contains all of the information required under the "Catch All provision" of SEC Rule 15c2-11. See www.otcmarkets.com/files/Catchall.pdf.



Aspen Group, Inc.

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SIC Code: 8200

Annual Report

For the period ending April 30, 2023 (the "Reporting Period")

The number of shares outstanding of our Common Stock is 25,437,316 as of April 30, 2023
The number of shares outstanding of our Common Stock was 25,202,278 as of April 30, 2022 (end of previous reporting period)

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: No: (Double-click and select "Default Value" to check)

We previously were a shell company, therefore the exemption offered pursuant to Rule 144 is not available. Anyone who purchased securities directly or indirectly from us or any of our affiliates in a transaction or chain of transactions not involving a public offering cannot sell such securities in an open market transaction.

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Indicate by check mark whether a Change in Control⁴ of the company has occurred over this reporting period:

Yes: No:

⁴ "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

Part A General Company Information

Item 1 **The exact name of the issuer and its predecessor (if any).**

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

Answer: ASPEN GROUP, INC.

Item 2 **The address of the issuer's principal executive offices and address(es) of the issuer's principal place of business:.**

In answering this item, please also provide (i) the telephone of the issuer's principal executive offices, (ii) if applicable, the URL of each website maintained by or on behalf of the issuer, and (iii) if applicable, the name, phone number, email address, and mailing address of the person responsible for the issuer's investor relations.

Check box if principal executive office and principal place of business are the same address:

Answer:

Principal executive office address: 276 FIFTH AVE, STE 505, NEW YORK, NY

Principal executive office telephone: 646-448-5144

Corporate URL: Aspen Group, Inc. (ASPU); www.aspu.com

Principal business office address: 4605 and 4615 ELWOOD ST, STE 100, 110, 300, 400, PHOENIX, AZ

Investor relations contact information: Kim Rogers, Hayden IR, 646-536-7331, kim@haydenir.com, 7320 E. Butherus Drive, Scottsdale, AZ 85260

Item 3 **The jurisdiction(s) and date of the issuer's incorporation or organization.**

In answering this item, please provide the state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years. Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive).

Answer:

State of Incorporation: Delaware, active

Date of Incorporation: Aspen Group was incorporated on February 23, 2010 in Florida. On February 9, 2012, Aspen Group reincorporated in Delaware under the name Aspen Group, Inc.

Part B Share Structure

Item 4 **The exact title and class of securities outstanding.**

In answering this item, provide the exact title and class of each class of outstanding securities. In addition, please provide the CUSIP and trading symbol.

Answer:

Class	Outstanding as of May 12, 2023
Common Stock, \$0.001 par value per share	25,462,316 shares

CUSIP: 04530L203

Trading symbol: ASPU

Item 5 Par or stated value and description of the security.

A. *Par or Stated Value.* Provide the par or stated value for each class of outstanding securities.

Answer:

Class	Outstanding as of May 12, 2023
Common Stock, \$0.001 par value per share	25,462,316 shares

B. *Common or Preferred Stock.*

1. For common equity, describe any dividend, voting and preemption rights.

Answer: We are authorized to issue 60,000,000 shares of common stock, par value \$0.001 per share. Common shareholders are entitled to one vote on all matters that come before the shareholders. Dividends, if any, are subject to the power of the Board of directors and as may be limited by law. Holders of common stock have no preemptive rights and have no right to convert their common stock into any other securities and there are no redemption provisions applicable to our common stock.

2. For preferred stock, describe the dividend, voting, conversion and liquidation rights as well as redemption or sinking fund provisions.

Answer: We are authorized to issue 1,000,000 shares of “blank check” preferred stock with designations, rights and preferences as may be determined from time to time by our Board of Directors. As the date of this prospectus, we had no shares of preferred stock issued and outstanding.

3. Describe any other material rights of common or preferred stockholders.

Answer: None

4. Describe any provision in the issuer's charter or by-laws that would delay, defer or prevent a Change in Control of the issuer.

Answer: Our Certificate of Incorporation authorizes the issuance of up to 1,000,000 shares of "blank check" preferred stock with designations, rights and preferences as may be determined from time to time by our Board of Directors. Our Board of Directors is empowered, without shareholder approval, to issue a series of preferred stock with dividend, liquidation, conversion, voting or other rights which could dilute the interest of, or impair the voting power of, our common shareholders.

Item 6 The number of shares or total amount of the securities outstanding for each class of securities authorized.

In answering this item, provide the information below for each class of securities authorized. Please provide this information (i) as of the end of the issuer's most recent fiscal quarter and (ii) as of the end of the issuer's last two fiscal years.

Answer:

Period end date;
4/30/2023
Number of shares authorized;
60,000,000
Number of shares outstanding;
25,456,063
Freely tradable shares (public float);
14,419,048
Number of beneficial shareholders owning at least 100 shares⁵; and
98
Total number of shareholders of record.
102

Period end date;
4/30/2022
Number of shares authorized;
40,000,000
Number of shares outstanding;
25,221,025
Freely tradable shares (public float);
14,902,057
Number of beneficial shareholders owning at least 100 shares⁵; and
101
Total number of shareholders of record.

Period end date;
 4/30/2021
 Number of shares authorized;
 40,000,000
 Number of shares outstanding;
 24,929,558
 Freely tradable shares (public float);
 20,259,351
 Number of beneficial shareholders owning at least 100 shares⁵; and
 114
 Total number of shareholders of record.
 118

Item 7 The name and address of the transfer agent*.

In answering this item, please also provide the telephone number of the transfer agent, indicate whether or not the transfer agent is registered under the Exchange Act, and state the appropriate regulatory authority of the transfer agent.

*To be included in OTCQX or OTCQB, the issuers whose securities are incorporated in the U.S. or Canada *must* have a transfer agent registered under the Exchange Act.

Answer:

Transfer agent: Securities Transfer Corporation
 Telephone number: 469-663-0101
 Registered under the Exchange Act: Yes
 Regulatory authority: Securities and Exchange Commission

Part C Business Information

Item 8 The nature of the issuer's business.

In describing the issuer's business, please provide the following information:

- A. Business Development. Describe the development of the issuer and material events during the last three years so that a potential investor can clearly understand the history and development of the business. If the issuer has not been in business for three years, provide this information for any predecessor company. This business development description must also include:

Answer:

Aspen Group, Inc. (together with its subsidiaries, the “Company” or “AGI”) is a holding company. AGI has a fiscal year-end of April 30. AGI has three subsidiaries, Aspen University, Inc. (“Aspen University” or “Aspen”) organized in 1987, United States University, Inc. (“United States University” or “USU”) organized in 2017, and Aspen Group Staffing, Inc. (“AGI Staffing”) organized in 2023.

Aspen Group was incorporated on February 23, 2010 in Florida. On February 9, 2012, Aspen Group reincorporated in Delaware under the name Aspen Group, Inc.

Aspen University, Inc. was incorporated on September 30, 2004 in Delaware. Its predecessor was a Delaware limited liability company organized in Delaware. On March 13, 2012, AGI, which was then inactive, acquired Aspen University Inc. in a transaction we refer to as the reverse merger. Aspen University is a nationally accredited for-profit university based in Phoenix, Arizona.

On December 1, 2017, Aspen Group completed the acquisition of USU for approximately \$14.8 million. USU is a regionally accredited for-profit university based in San Diego, California.

AGI Staffing was incorporated on May 17, 2023 in Nevada. AGI Staffing, in partnership with the nurse staffing company Wanderly, LLC, offers nursing job placement opportunities to its nursing students, alumni and prospective students through a career center available at the website of both AGI universities.

⁵ Securities quoted on OTCQX U.S. must have at least 50 beneficial shareholders each owning at least 100 shares. Securities quoted on OTCQX U.S. Premier must have at least 100 beneficial shareholders each owning at least 100 shares.

1. the form of organization of the issuer (e.g., corporation, partnership, limited liability company, etc.);

Answer: Corporation

2. the year that the issuer (or any predecessor) was organized;

Answer: Aspen Group, Inc. (together with its subsidiaries, the “Company” or “AGI”) is a holding company and was incorporated on February 9, 2012. AGI has three subsidiaries, Aspen University, Inc. (“Aspen University” or “Aspen”) organized in 1987, United States University, Inc. (“United States University” or “USU”) organized in 2017, and Aspen Group Staffing, Inc. (“AGI Staffing”) organized in 2023.

3. the issuer’s fiscal year end date;

Answer: AGI has a fiscal year-end of April 30.

4. whether the issuer (or any predecessor) has been in bankruptcy, receivership or any similar proceeding;

Answer: No

5. any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets;

Answer: On March 13, 2012, AGI, which was then inactive, acquired Aspen

University Inc. in a transaction we refer to as the reverse merger. On December 1, 2017, AGI completed the acquisition of United States University (USU) for approximately \$14.8 million. USU is a regionally accredited for-profit university based in San Diego, California.

6. any default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments;

Answer: No

7. any change of control;

Answer: None in the last 3 fiscal years

8. any increase of 10% or more of the same class of outstanding equity securities;

Answer:

The following increases over 10% took place during the last 3 fiscal years:

On July 6, 2022, the Company amended its Certificate of Incorporation, as amended, to increase the number of authorized shares of common stock the Company is authorized to issue from 40,000,000 to 60,000,000 authorized shares, which was approved at a special meeting of the Company's stockholders held on July 6, 2022.

During fiscal 2021, we issued the following shares that are cumulatively greater than 10%:

	Common Stock	
	Shares	Amount
Balance as of April 30, 2020	21,770,520	\$ 21,771
Stock-based compensation	—	—
Common stock issued for stock options exercised for cash	1,389,463	1,389
Common stock issued for cashless exercise of stock options	34,773	35
Common stock issued for conversion of Convertible Notes	1,398,602	1,399
Common stock issued for vested restricted stock units	295,557	296
Common stock issued for warrants exercised for cash	192,049	192
Common stock issued for services	2,000	2
Modification charge for warrants exercised	—	—
Amortization of warrant-based cost issued for services	—	—
Cancellation of treasury stock	(16,667)	(17)
Net loss	—	—
Balance as of April 30, 2021	25,066,297	\$ 25,067

9. any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization;

Answer: None during the last 3 fiscal years and none pending or anticipated

10. any delisting of the issuer's securities by any securities exchange; and

Answer: No

11. any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator. State the names of the principal parties, the nature and current status of the matters, and the amounts involved.

Answer:

Legal Proceedings:

On April 6, 2022, Aspen was served with a class action claim in Arizona Superior Court, alleging violations of the Arizona Consumer Fraud Act and Unjust Enrichment, based on the class representative's claims that Aspen misstated the quality of its pre-licensure nursing program. This complaint was in response to the AZ Board of Nursing actions against Aspen which led to the university's agreement to teach-out its pre-licensure program. The plaintiff's attorneys requested arbitration (Rule 408 settlement meeting), which occurred on June 29, 2023. A Stipulation of Settlement agreement was reached whereby the Company agreed to pay \$550,000 in exchange for release of all claims of the Settlement Class inclusive of attorneys' fees and costs. Aspen University has E&O insurance with Lloyd's London that provides for a \$500,000 limit of liability (each claim). The Settlement Class includes 53 students who were precluded from entering the BSN Pre-licensure Core Program and first year students who completed more than 15 credit hours toward their pre-requisites. Following a mediation session in June 2023, the parties signed a term sheet settlement in which Aspen agreed to pay \$550,000 in exchange for release of all claims of the settlement class, inclusive of attorneys' fees and costs. The settlement agreement must be approved by the Arizona superior court judge before it can take effect.

On June 1, 2022, Aspen University was sued in Arizona Superior Court by a former student, Elizabeth Burdette Howe, that was previously dismissed from the university. The allegations included the university made course changes without adequate notice, confusion about assignments, an inability to plan her studies, and never having achieved the full direct care hours promised in its curriculum plan, among others. Discovery is not yet scheduled but should begin in the coming months.

In March 2021, United States University, Inc., Aspen Group, Inc., and Steven Stargardter (subsequently deceased) were sued in CA Supreme Court by a

former employee, Dianna Scherlin (subsequently deceased), alleging discrimination (age/gender/disability), failure to prevent harassment, breach of contract, among others. A mandatory settlement conference is planned in the coming months.

B. Business of Issuer. Describe the issuer's business so a potential investor can clearly understand it. To the extent material to an understanding of the issuer, please also include the following:

Answer:

AGI's vision is to make college affordable again in America. 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 higher education.

AGI is an industry-leader in nursing education that leverages a sophisticated technological infrastructure and unparalleled expertise to provide affordable, debt-minimizing education through lower tuition costs and monthly payment plans. AGI utilizes an asynchronous-synchronous online delivery model, which creates a differentiated experience for learners requiring additional flexibility. As of April 30, 2023, 7,882 of 9,399 or 84% of all active students across both universities are degree-seeking nursing students. Of the students seeking nursing degrees, 7,374 are RNs studying to earn an advanced degree, including 4,884 at Aspen University and 2,490 at USU. In contrast, the remaining 508 nursing students are enrolled in Aspen University's BSN Pre-Licensure program in the Phoenix, Austin, Tampa, and Nashville metros. As further discussed in answer to Question 5 below, a Consent Agreement was signed with the Arizona State Board of Nursing that provided the BSN pre-licensure program with two years to complete a "teach out" of existing students, and therefore new students are no longer admitted to the program.

Aspen University offers Bachelor's, Master's, and Doctoral degree programs that span multiple programs of study with a concentrated focus on nursing. Aspen University has been offering a monthly payment plan available to all students across every online degree program since March 2014. The monthly payment plan is designed so that students will make one fixed payment per month, and that monthly payment is applied towards the total cost of attendance (tuition and fees, excluding textbooks). The monthly payment plan offers online undergraduate students the opportunity to pay their tuition and fees at \$250/month, online master students \$325/month, and online doctoral students \$375/month, interest free, thereby giving students a monthly payment option versus taking out a federal financial aid loan.

USU's largest program is a master-level Family Nurse Practitioner program that offers students practical, hands-on experience with unmatched flexibility. USU has been offering monthly payment plans since the summer of 2017. Today, USU's monthly payment plans are available for the online RN to BSN program (\$250/month), online MBA/MAEd/MSN programs (\$325/month), online hybrid Teacher Credentialing tracks approved by the California Commission on Teacher Credentialing (\$350/month), and the online hybrid Master of Science in Nursing-Family Nurse Practitioner ("FNP") program (\$375/month), by way of example.

Schools at our two universities are as follows:

Aspen University

School of Nursing and Health Sciences
School of Education
School of Business and Technology

United States University

College of Nursing and Health Sciences
College of Business and Technology
College of Education

Sales and Marketing

Following Mr. Michael Mathews becoming our Chief Executive Officer in 2011, he and his team made significant changes to Aspen's sales and marketing program, specifically spending a significant amount of time, money and resources on our proprietary Internet marketing program. What is unique about our Internet marketing program is that we have not used and have no plans in the near future to acquire non-branded, non-exclusive leads from third-party online lead generation companies to attract prospective students. To our knowledge, most if not all for-profit online universities utilize multiple third-party online lead generation companies to obtain a meaningful percentage of their prospective student leads that are branded and exclusive in nature, and those leads are both non-branded and non-exclusive in addition to exclusive branded leads. Our executive officers have many years of expertise in the online lead generation and Internet advertising industry, which has and for the foreseeable future is expected to continue to allow us to cost-effectively drive all prospective student leads that are branded and exclusive in nature.

We have invested in our technology infrastructure and believe our education technology platform enables us to achieve lower costs per enrollment ("CPE") as compared to our competition, with our proprietary CRM system as the key system in the technology stack driving lower CPE.

Human Capital

We recognize that our performance depends on the education, experiences, and efforts of our employees, and our ability to foster a culture that brings out the best in each. As of April 30, 2023, we had 257 full-time employees, including full-time faculty, and 700 adjunct professors, who are part-time employees. None of our employees are parties to any collective bargaining arrangement. We believe our relationships with our employees are good. Our employees have diverse backgrounds, as evidenced by the fact that approximately 76% of our faculty and staff are female and approximately 49% of our employees self-identify as ethnically diverse.

Accreditation

Since 1993, Aspen University has been institutionally accredited by the Distance Education Accrediting Commission (DEAC), an institutional accrediting agency recognized by the Department of Education (DOE) and the Council for Higher Education Accreditation. On February 25, 2019, the DEAC informed Aspen University that it had renewed its accreditation for five years to January 2024.

Since 2009, United States University has been institutionally accredited by WASC Senior College and University Commission (WSCUC), an institutional accrediting agency recognized

by the Department of Education and the Council for Higher Education Accreditation. On July 11, 2022, WSCUC informed United States University that it had renewed its accreditation for eight years to Spring 2030.

Both universities are qualified to participate under the Higher Education Act of 1965, as amended ("HEA") and the Federal student financial assistance programs (Title IV, HEA programs). USU had a provisional certification resulting from the ownership change of control in connection with the acquisition by AGI on December 1, 2017. The provisional certification expired on December 31, 2020. The institution submitted its recertification application timely in October 2020, and received full certification on May 6, 2022, and a new Program Participation Agreement ("PPA") was issued with an effective period until December 31, 2025. On August 22, 2017, the DOE informed Aspen University of its determination that the institution had 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. On April 16, 2021, the DOE granted provisional certification for a two-year timeframe, and set a subsequent program participation reapplication date of September 30, 2023.

1. the issuer's primary and secondary SIC Codes;

Answer: 8200

2. if the issuer has never conducted operations, is in the development stage, or is currently conducting operations;

Answer: N/A

3. whether the issuer has at any time been a "shell company";⁶

⁶ For the purpose of this section a "shell company" means an issuer, other than a business combination related shell company, as defined by Securities Act Rule 405, or an asset-backed issuer, as defined by Item 1101(b) of Regulation AB, that has:

- (1) No or nominal operations; and
- (2) Either:
 - (A) No or nominal assets;
 - (B) Assets consisting solely of cash and cash equivalents; or
 - (C) Assets consisting of any amount of cash and cash equivalents and nominal other assets.

Answer: We are not currently a shell company. We were a shell company prior to March 2012.

Instruction to paragraph B.3 of Item 8:

The issuer must attest that it is not currently a shell company. If the issuer discloses that it was formerly a shell company, it must also include the following disclosure on the front page of its disclosure statement in boldface, 12 point type:

"We previously were a shell company, therefore the exemption offered pursuant to Rule 144 is not available. Anyone who purchased securities directly or indirectly from us or any of our affiliates in a transaction or chain of

transactions not involving a public offering cannot sell such securities in an open market transaction.”

4. *the names and contact information of any parent, subsidiary, or affiliate of the issuer, and its business purpose, its method of operation, its ownership, and whether it is included in the financial statements attached to this disclosure statement;*

Answer:

Aspen Group, Inc. (“AGI”) is an education technology holding company. AGI has three subsidiaries, Aspen University Inc. (“Aspen University” or “AU”) organized in 1987, United States University Inc. (“United States University” or “USU”), and Aspen Group Staffing, Inc. (“Aspen Staffing”) organized in 2023. All three subsidiaries are 100% owned by AGI. All three subsidiaries are consolidated with AGI in the financial statement attached to this disclosure schedule. Note that Aspen Staffing is in the start-up, pre-revenue stage.

Aspen University offers Bachelor’s, Master’s, and Doctoral degree programs that span multiple programs of study with a concentrated focus on nursing.

USU focus is a Family Nurse Practitioner Program that offers students practical, hands-on experience with unmatched flexibility.

5. *the effect of existing or probable governmental regulations on the business;*

Answer: Effect of Existing or Probable Governmental Regulations:

Regulatory Environment

Students attending our schools finance their education through a combination of individual resources, corporate reimbursement programs and federal student financial assistance funds available through our participation in the Federal Student Aid Programs made available through Title IV of the Higher Education Act, as amended (“HEA”). The discussion which follows outlines the extensive regulations that affect our business. Complying with these regulations entails significant effort from our executives and staff. Regulatory compliance is also expensive. Beyond the internal costs, compliance with the extensive regulatory requirements also involves engagement of outside regulatory professionals.

To participate in Title IV Programs, a school must, among other things, be:

- Authorized to offer its programs of instruction by the applicable state education agencies in the states in which it is physically located or otherwise have a physical presence as defined by the state;
- Meet the state education agency requirements to legally offer postsecondary distance education in any state in which the school is not physically located;
- Accredited by an accrediting agency recognized by the Secretary of the U.S. Department of Education (“DOE”); and

- Certified as an eligible institution by DOE.

Collectively, state education agencies, accrediting agencies, and the DOE comprise the higher education regulatory triad. We cannot predict the actions that any entity in the higher education regulatory triad, Congress, or Administration may take or their effect on our schools.

State Authorization

As institutions of higher education that grant degrees and certificates, we are required to be authorized by applicable state education authorities which exercise regulatory oversight of our schools. In addition, in order to participate in the Title IV Programs, we must be authorized by the applicable state education agencies.

Because we are subject to extensive regulations by the states in which we become authorized or licensed to operate, we must abide by state laws that typically establish standards for instruction, qualifications of faculty, administrative procedures, marketing, recruiting, financial operations and other operational matters. State laws and regulations may limit our ability to offer educational programs and to award degrees. Some states may also prescribe financial regulations that are different from those of DOE. If we fail to comply with state licensing requirements, we may lose our state licensure or authorizations, which in turn would result in a loss of accreditation and access to Title IV funds.

On September 25, 2022, the California Legislature passed SB 1433, as amended August 24, 2022, which extended the sunset date for the California Bureau for Private Postsecondary Education (“California Bureau”) and the California Private Postsecondary Education Act of 2009 to January 1, 2027. Provisions of note include the authorization for the Bureau to establish regulations around limited physical presence; the automatic termination of an institution’s approval to offer a program in a profession or career field if it loses approval from the issuing licensing agency; and the prohibition for an institution having any prospective, current or former student or employee sign a nondisclosure agreement pertaining to their relationship to or experience with an institution. Other states in which AGI operates may also make material changes to their authority and structure at any time, so AGI must constantly assess its state oversight agencies to ensure compliance.

Licensure of Online Programs

The DOE released final regulations on accreditation and state authorization of distance education on November 1, 2019, which took effect July 1, 2020 (the “July 2020 Regulations”). The July 2020 Regulations require Title IV Program institutions, like ours, that offer postsecondary education through distance education to students in a state in which the institution is not physically located or in which it is otherwise subject to state jurisdiction as determined by that state, to meet any state requirements to offer postsecondary education to students who are located in that state.

Under the July 2020 Regulations, institutions may meet the authorization requirements by obtaining such authorization directly from any state that requires it or through a state authorization reciprocity agreement, such as the State Authorization Reciprocity Agreement (“SARA”). SARA is intended to make it easier for students to take online

courses offered by postsecondary institutions based in another state. SARA is overseen by a National Council (“NC-SARA”) and administered by four regional education compacts.

On May 19, 2023, the DOE published a notice of proposed rulemaking (“NPRM”) which would require institutions to confirm for each Title IV program, in each State in which the institution is located or in which students enrolled by the institution are located, that the program satisfies any required programmatic accreditation, professional licensure, and consumer protection laws relating to “closure, recruitment, and misrepresentations, including both generally applicable State laws and those specific to educational institutions.” The last requirement would appear to mandate compliance with certain State authorization laws, even for institutions participating in SARA. Because this is a proposed, not final, rule, it is unclear if the final rule will include this provision as it is currently written, in a modified form, or exclude it, based on comments from constituents.

Aspen University’s SARA, which is overseen by NC-SARA, annual approval through the Colorado SARA State Portal Entity has to be renewed by January 30 each year. Aspen University applied on January 18, 2022, and received its 2022 approval effective February 8, 2022. On February 23, 2022, Aspen University received a Notification of Provisional SARA Status from the Colorado SARA State Portal Entity. On March 4, 2022, the DOE provided the final approval for Aspen University’s relocation from Colorado to Arizona. On March 29, 2022, Aspen University received a Notification of Loss of Eligibility for SARA through Colorado due to the relocation of the institution from Colorado to Arizona which permitted continued SARA coverage for students enrolled for courses between February 1, 2022 and August 2, 2022. On April 10, 2022, Aspen University submitted an official appeal of the eligibility loss to the Colorado SARA State Portal Entity. Aspen University sought a return to the prior provisional status while the appeal was pending or until the completion of the existing SARA term to February 2023 or until there was approval by the Arizona SARA Council. On April 12, 2022, Aspen University was restored to Provisional Status by the Colorado SARA State Portal Entity according to the terms of the February 23, 2022 letter. On May 17, 2022, Aspen University was informed that its appeal was denied and on June 10, 2022, Aspen University received a letter from the Colorado SARA State Portal Entry indicating that students currently enrolled in academic terms in progress as of May 17, 2022, were covered under SARA for 16 weeks, until September 6, 2022.

In the meantime, Aspen University submitted an application to the Arizona State SARA Portal Entry. This application to obtain approval to become an institutional participant again in SARA from its new primary location in Arizona was deferred at the September 8, 2022 and January 19, 2023 meetings, and may again be considered at the September 2023 meeting. Since February 2022, the start of the regulatory concerns over SARA approval, Aspen University has been seeking individual state authorizations in order to continue serving its students. Aspen University has succeeded in securing full approval, exemption, or has determined approval is not required, in 43 states, while 5 additional states allow our currently enrolled students to continue while applications are under review or in process. Students in these states represent over 99% of the current student body.

Aspen believes it has options for the few students in Rhode Island and the District of Columbia, but has determined that it will not be able to secure authorization in

Maryland. Articulation agreements for students in these two states and the District of Columbia are available for the students who choose not to wait for Aspen University to obtain NC-SARA approval through Arizona.

Because USU is based in California, which does not participate in NC-SARA, USU must obtain authorization in every state in which it intends to market and enroll online students, which was the standard method prior to the formation of NC-SARA. USU is currently authorized to offer one or more programs in 44 states and is in the application development process with 4 additional states. USU will not pursue authorization in Rhode Island, Maryland, or the District of Columbia, and therefore will not market in, or enroll students from, those states. USU maintains its state authorizations through annual reporting and required renewals.

Individual state laws establish standards, some of which are different than the standards prescribed by the Arizona Board, the Texas Board, the Florida Commission, the Tennessee Commission, and the California Bureau. Laws in some states limit the ability of schools to offer educational programs and award degrees to residents of those states. Some states also prescribe financial regulations that are different from those of the DOE, and many require the posting of surety bonds. Laws, regulations, or interpretations related to online education could increase our cost of doing business and affect our ability to recruit students in particular states, which could, in turn, negatively affect enrollments and revenues and have a material adverse effect on our business.

State Approval of Physical Locations

The HEA and certain state laws require our institutions to be legally authorized to provide educational programs in states in which our schools have a physical location or otherwise have a physical presence as defined by the state. Aspen University is authorized to provide educational programs in each state in which it has a physical location, including Arizona by the Arizona State Board for Private Postsecondary Education (“Arizona Board”), in Texas by the Texas Higher Education Coordinating Board (“Texas Board”), in Tennessee by the Tennessee Higher Education Commission (“Tennessee Commission”), and in Florida by the Florida Commission on Independent Education (“Florida Commission”). USU is authorized to provide educational programs in California by the California Bureau. Failure to comply with state requirements could result in Aspen University losing its authorization from the Arizona Board, Texas Board, Tennessee Commission, or Florida Commission; and USU losing its authorization from the California Bureau. In such an event, the schools would lose their eligibility to participate in Title IV Programs, or their ability to offer certain educational programs, any of which may force us to cease the school’s operations.

Additionally, Aspen University and USU are Delaware corporations. Delaware law requires an institution to obtain approval from the Delaware Department of Education, or Delaware DOE, before it may incorporate with the power to confer degrees. In July 2012, Aspen University received notice from the Delaware DOE that it was granted provisional approval status effective until June 30, 2015. On April 25, 2016, the Delaware DOE informed Aspen University it was granted full approval to operate with degree-granting authority in the State of Delaware. With Aspen’s removal as an active institutional member of NC-SARA in May 2022, Aspen sought to obtain initial authorization in the State of Delaware; its application is in process. On June 6, 2018, the Delaware DOE granted an initial operating license to USU until June 30, 2023; its

renewal is in process.

Accreditation

Aspen University is institutionally accredited by the Distance Education Accrediting Commission (“DEAC”), an accrediting agency recognized by the Council for Higher Education Accreditation (“CHEA”) and the DOE, and USU is institutionally accredited by the WASC Senior College and University Commission (“WSCUC”), an accrediting agency also recognized by CHEA and the DOE. Accreditation is a non-governmental system for evaluating educational institutions and their programs in areas including student performance, governance, integrity, educational quality, faculty, physical resources, administrative capability and resources, and financial stability. In the U.S., this recognition comes primarily through private voluntary associations that accredit institutions and programs. To be recognized by the DOE, accrediting agencies must adopt specific standards for their review of educational institutions. Accrediting agencies establish criteria for accreditation, conduct peer-review evaluations of institutions and programs for accreditation, and publicly designate those institutions or programs that meet their criteria. Accredited institutions are subject to periodic review by accrediting agencies to determine whether such institutions maintain the performance, integrity and quality required for accreditation.

Accreditation is important to our schools for several reasons. Accreditation provides external recognition and status. Employers rely on the accredited status of institutions when evaluating an employment candidate’s credentials. Corporate and government sponsors under tuition reimbursement programs look to accreditation for assurance that an institution maintains quality educational standards. Other institutions depend, in part, on our accreditation in evaluating transfers of credit and applications to graduate schools. Additionally, in most states, accreditation is required to obtain authorization in the state to grant degrees.

Moreover, institutional accreditation awarded from an accrediting agency recognized by DOE is necessary for eligibility to participate in the Title IV Programs. Effective July 1, 2020, the DOE amended regulations relating to the recognition of accrediting agencies. Those regulations amended the DOE’s process for recognition and review of accrediting agencies, including the criteria used by the DOE to recognize accrediting agencies, and the DOE’s requirements for accrediting agencies’ policies and standards that are applied to institutions and programs. Accrediting agencies are under heightened scrutiny due to perceived shortcomings of certain agencies and their oversight of closed institutions. In response, accreditors are increasing their scrutiny of institutions. From time to time, accrediting agencies adopt or make changes to their policies, procedures and standards. If our schools fail to comply with any of these requirements, the non-complying school’s accreditation status could be at risk.

In addition to institutional accreditation, there are numerous specialized accreditors that accredit specific programs or schools within their jurisdiction, many of which are in healthcare and professional fields. USU’s and Aspen University’s baccalaureate and master’s degree programs in nursing are accredited by the Commission on Collegiate Nursing Education (CCNE) and Aspen University’s doctoral nursing degree is currently CCNE-accredited. CCNE is officially recognized by CHEA and the DOE and provides accreditation for nursing programs. Accreditation by CCNE signifies that those programs have met the additional standards of that agency. We are also pleased that

Aspen University's School of Business and Technology has been awarded the status of Candidate for Accreditation by the International Accreditation Council for Business Education (IACBE) for its baccalaureate and master's business programs. Finally, USU's Teacher Credentialing programs are approved by the California Commission on Teacher Credentialing (CTC).

If we fail to satisfy the standards of specialized accreditors, we could lose the specialized accreditation for the affected programs, which could result in materially reduced student enrollments in those programs and prevent our students from seeking and obtaining appropriate licensure in their fields.

State Professional Licensure

States have specific requirements that an individual must satisfy in order to be licensed or certified as a professional in specific fields. For example, graduates from some USU and Aspen University nursing programs typically seek professional licensure in their field because they are legally required to do so in order to work in that field or because obtaining licensure enhances employment opportunities. Success in obtaining licensure depends on several factors, including each individual's personal and professional qualifications as well as other factors related to the degree or program completed, where applicable:

- whether the institution and the program were approved by the state in which the graduate seeks licensure, or by a professional association;
- whether the program from which the applicant graduated meets all state requirements; and
- whether the institution and/or the program is accredited by a CHEA and DOE-recognized agency.

Professional licensure and certification requirements can vary by state and may change over time.

In addition, the July 2020 Regulations require institutions to make readily available disclosures to enrolled and prospective students regarding whether programs leading to professional licensure or certification meet state educational requirements for that professional license or certification. These disclosures apply to both on-ground and online programs that lead to professional licensure or certification or are advertised as leading to professional licensure or certification. Under the regulations, institutions must determine the state in which current and prospective students are located, and then must: (1) determine whether such program's curriculum meets the educational requirements for licensure or certification in that state; (2) determine whether such program's curriculum does not meet the educational requirements for licensure or certification in that state; or (3) choose not to make a determination as to whether such program's curriculum meets the educational requirements for licensure or certification in that state. Institutions must also provide direct disclosures in writing to prospective students and current students under certain circumstances. Institutions must provide direct disclosures in writing to prospective students if the institution has determined the program in which the student intends to enroll does not meet the educational requirements for licensure or certification in the state in which the student is located or if the institution has not made any determination. Institutions must provide direct disclosures in writing to current students, but only if the institution has determined the program in which the student is enrolled does not meet the educational requirements

for licensure in the state in which the student is located.

Nature of Federal, State and Private Financial Support for Postsecondary Education

The federal government provides a substantial part of its support for postsecondary education through the Title IV Programs, in the form of grants and loans to students. Students can use those funds at any institution that has been certified by DOE to participate in the Title IV Programs. Grant aid under Title IV Programs is primarily awarded on the basis of financial need, generally defined as the difference between the cost of attending the institution and the amount a student can reasonably contribute to that cost. All recipients of Title IV Program funds must maintain satisfactory academic progress and must progress in a timely manner toward completion of their program of study. In addition, each school must ensure that Title IV Program funds are properly accounted for and disbursed in the correct amounts to eligible students.

Our institutional missions manifest themselves through offering students the opportunity to fund their education without relying solely on student loans. In 2014, Aspen University launched a \$250 monthly payment plan for associate and bachelor degree students and a \$325 monthly payment plan for master's degree students, and subsequently a \$375 monthly payment plan for doctoral and MSN-FNP students. The monthly payment plan is available to all Aspen University and United States University students except those in the Aspen University BSN Pre-Licensure program.

When Aspen University and United States University students seek funding from the federal government, they may be eligible to receive loans and grants to fund their education under the following Title IV Programs: (1) the Federal Direct Loan program and (2) the Federal Pell Grant and Supplemental Educational Opportunity Grant (SEOG) programs. Graduate students are only eligible to participate in the Direct Loan program and not all undergraduate students receive a Pell Grant or SEOG as those are need based awards. The majority of students who seek funding from the federal government receive at least one Direct Loan that must be repaid with interest starting approximately six months after the student leaves school.

Additionally, some students may receive full or partial tuition reimbursement from their employers. Eligible credit-worthy 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, and the Direct PLUS Loan for credit-worthy parents of dependent undergraduate students and credit-worthy graduate and professional students.

Regulation of Federal Student Financial Aid Programs

The substantial amount of federal funds disbursed through Title IV Programs, the large number of students and institutions participating in these programs, and allegations of fraud and abuse by certain for-profit institutions have prompted the DOE to exercise considerable regulatory oversight over for-profit institutions of higher learning. Accrediting agencies and state education agencies also have responsibilities for overseeing compliance of institutions in connection with Title IV Program requirements.

As a result, our institutions are subject to extensive oversight and review. Because the DOE periodically revises its regulations and changes its interpretations of existing laws and regulations, we cannot predict how the Title IV Program requirements will be applied in all circumstances.

In addition to the state authorization requirements and other regulatory requirements described herein, other significant factors relating to Title IV Programs that could adversely affect us include the following legislative action and regulatory changes:

Congressional Action. Congress reauthorizes the HEA approximately every five to six years. Congress most recently reauthorized the Act in August 2008 through the end of 2013 (when it was renamed the Higher Education and Opportunity Act) and the law has been extended since that date. Congress has held hearings regarding the reauthorization of the HEA and has continued to consider new legislation regarding the passage of the HEA. Congress enacted a small package of HEA changes as part of the larger Consolidated Appropriations Act of 2021 legislation signed into law in December 2020, which became effective between 2021 and 2023. The significant rules in this legislation were focused on the simplification of the federal aid application and determination of student eligibility. We cannot yet predict the impact of these new laws on our students, nor can we predict whether or when Congress might act to amend further the HEA. The elimination of additional Title IV Programs, material changes in the requirements for participation in such programs, or the substitution of materially different programs could increase our costs of compliance and could reduce the ability of certain students to finance their education at our institutions.

Recent Federal Rulemaking. On May 24, 2021, the DOE published a Federal Register notice indicating its intent to convene multiple committees to develop proposed regulations in three broad areas under Title IV of the Higher Education Act: affordability of postsecondary education, institutional accountability, and Federal student loans.

In the Fall of 2021, the DOE conducted the first of two rounds of negotiated rulemaking. The first round of negotiations ran for three weeks over October, November and December and covered the following topics:

- Total and Permanent Disability
- Closed School Discharge
- Interest Capitalization
- Improving the Public Service Loan Forgiveness (PSLF) Application Process
- Public Service Loan Forgiveness (PSLF) Eligibility
- Borrower Defense to Repayment (Adjudication Process)
- Borrower Defense to Repayment (Post-Adjudication)
- Borrower Defense to Repayment (Recovery From Institutions)
- Pre-dispute Arbitration and Class Action Waivers
- Creating A New Income-driven Repayment Plan

In the Spring of 2022, ED conducted a second round of rulemaking over three weeks in January, February, and March, covering the following topics:

- Administrative Capability
- The 90/10 Rule
- Certification Procedures

- Change in Ownership/Control
- Financial Responsibility
- Gainful Employment
- Ability-to-Benefit

As is typically the case with federal rulemaking, limited consensus was reached, providing the DOE with discretion to draft regulations for comment as it sees fit on most of the topics noted. Rules that impact the Title IV programs are subject to the HEA Master Calendar, which requires final rules be published before November 1, in order to become effective on July 1 of the following year.

On October 28, 2022, DOE issued the Final Rules on:

- Prison Education Programs
- The 90/10 Rule
- Changes in Ownership

On October 31, 2022, DOE published the final rules on:

- Borrower Defense to Repayment
- Closed School Discharge
- Prohibition on Arbitration and Class Action Waivers
- Income Driven Repayment
- Total and Permanent Disability Discharge
- False Certification Discharges
- Public Service Loan Forgiveness
- Interest Capitalization

Because both of these regulatory packages were published before November 1, 2022, the regulations became effective on July 1, 2023. Aspen and United States University are still reviewing any possible impact they may have on our operations, processes, or procedures. Of our final rules evaluation thus far, only the Borrower Defense to Repayment updates appear to have a direct potential impact.

On June 21, 2022, the Agency Rule List for the DOE stated that five of the 2021-2022 Federal Negotiated Rulemaking issues would not be completed in 2022. The list includes:

- Gainful Employment
- Factors of Financial Responsibility
- Standards of Administrative Capability
- Certification Procedures
- Ability-to-Benefit

This delay means that these rules cannot become effective until July 1, 2024, at the earliest. DOE published the proposed rules on these matters on May 19, 2023, with the intent of publishing a Final Rule before November 1, 2023, for July 2024 implementation. At the close of the 30-day public comment period, DOE received almost 8,000 comments about the proposed rules. We do not know how DOE will respond to those comments, what the Final Rule will include, or whether DOE will be able to complete the process in time to publish before the November 1, 2023 deadline.

Impact of Federal Regulations

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

- Comply with all applicable Title IV Program regulations;
- Have capable and sufficient personnel to administer the federal student financial aid programs;
- Have acceptable methods of defining and measuring the satisfactory academic progress of its students;
- Have cohort default rates below specified levels;
- Have various procedures in place for safeguarding federal funds;
- Not be, and not have any principal or affiliate who is, debarred or suspended from federal contracting or engaging in activity that is cause for debarment or suspension;
- Provide financial aid counseling to its students;
- Refer to the DOE’s Office of Inspector General any credible information indicating that any applicant, student, employee, or agent of the institution, has been engaged in any fraud or other illegal conduct involving Title IV Programs;
- Report annually to the Secretary of Education on any reasonable reimbursements paid or provided by a private education lender or group of lenders to any employee who is employed in the institution’s financial aid office or who otherwise has responsibilities with respect to education loans;
- Develop and apply an adequate system to identify and resolve conflicting information with respect to a student’s application for Title IV aid;
- Submit in a timely manner all reports and financial statements required by the regulations; and
- Not otherwise appear to lack administrative capability.

The DOE regulations also add an administrative capability standard related to the existing requirement that students must have a high school diploma or its recognized equivalent in order to be eligible for Title IV Program aid. Under the administrative capability standard, institutions must develop and follow procedures for evaluating the validity of a student’s high school diploma if the institution or the Secretary of Education has reason to believe that the student’s diploma is not valid.

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

- Require the repayment of Title IV Program funds;
- Transfer the institution from the “advance” system of payment of Title IV Program funds to heightened cash monitoring status (HCM1) 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 Programs.

As part of the NPRM published on May 19, 2023, DOE has proposed to add several additional standards in the administrative capability regulations. While current administrative capability regulations include a host of requirements, DOE proposes to

address “additional concerns which could indicate severe or systemic administrative problems that negatively impact student outcomes and are not currently reflected” in existing regulations. For example, the proposed regulations would specify required elements to be included in financial aid communications and would add an additional requirement for institutions to provide adequate career services to help their students find jobs, particularly where the institution offers career-specific programs and makes commitments about job assistance. These proposed regulations are included in the same NPRM as the Gainful Employment regulations, and we cannot say whether the package of proposed rules will be completed and published prior to the November 1, 2023 deadline necessary for a July 1, 2024 effective date.

Distance Education. We primarily offer our existing degree and certificate programs via Internet-based telecommunications from our headquarters in Arizona and California. Under the HEA, an accreditor that evaluates institutions offering distance education must require such institutions to have processes through which the institution establishes that a student who registers for a distance education program is the same student who participates in and receives credit for the program.

The July 2020 Regulations governing state authorization, require Title IV Program institutions, like ours, that offer postsecondary education through distance education to students in a state in which the institution is not physically located, or in which it is otherwise subject to state jurisdiction as determined by that state, to meet any state requirements to offer postsecondary education to students who are located in that state. Institutions may meet the authorization requirements by obtaining such authorization directly from any state that requires it or through a state authorization reciprocity agreement, such as SARA, where applicable.

Regulations governing distance education, effective as of July 1, 2021, included new definitions for regular and substantive student and faculty interaction, the definition of faculty, and other aspects of the administration of a distance education program. These are key requirements for distance education program students to retain access to Title IV funds. The universities assessed the amended regulations and determined that material changes to their delivery methodology and processes were not necessary.

Financial Responsibility. The HEA and its implementing regulations establish extensive standards of financial responsibility that institutions such as Aspen and USU must satisfy to participate in the Title IV Programs. These standards generally require that an institution provide the resources necessary to comply with Title IV Program requirements and meet all of its financial obligations, including required refunds and any repayments to the DOE for liabilities incurred in programs administered by the DOE.

The DOE evaluates institutions on an annual basis for compliance with specified financial responsibility standards that include a complex formula that uses line items from the institution’s audited financial statements. In addition, the financial responsibility standards require an institution to receive an unqualified opinion from its accountants on its audited financial statements, maintain sufficient cash reserves to satisfy refund requirements, meet all of its financial obligations, and remain current on its debt payments. The formula focuses on three financial ratios: (1) equity ratio (which measures the institution’s capital resources, financial viability, and ability to borrow); (2) primary reserve ratio (which measures the institution’s viability and liquidity); and (3) net

income ratio (which measures the institution's profitability or ability to operate within its means). An institution's financial ratios must yield a composite score of at least 1.5 on a scale of -1.0 to 3.0 for the institution to be deemed financially responsible without the need for further federal oversight. Institutions with a composite score of 1.0 – 1.4 may continue to participate under the "Zone Alternative" while institutions below 1.0 are subject to Provisional Certification and the provision of surety, generally through a Letter of Credit. The DOE may also apply such measures of financial responsibility to the operating company and ownership entities of an eligible institution.

Both institutions and their corporate parent (AGI) met the minimum composite score necessary to meet the financial ratio standard for fiscal year 2022, and the 2023 score will not be finalized until later in the year. If an eligible institution (or its parent company, if financials are consolidated as ours are) does not meet the DOE financial responsibility standards, it may continue to establish financial responsibility on an alternative basis.

As noted above, institutions with a score between 1.0 and 1.4 may continue to participate under the Zone Alternative, which includes:

- making disbursements to eligible students and parents under either the heightened cash monitoring or reimbursement payment method
- requiring the institution to provide timely information regarding certain oversight and financial events within 10 days of occurrence
- may require the institution to submit its financial statement and compliance audits earlier than the standard timelines
- may require the institution to provide information about its current operations and future plans
- as part of its compliance audit, require its auditor to express an opinion on the institution's compliance with the requirements under the zone alternative, including the institution's administration of the payment method under which the institution received and disbursed Title IV funds.

If an institution's composite score is below 1.0, the alternative bases for continued participation include, for example:

- operating under Provisional Certification requirements
- complying with all the requirements under the Zone Alternative
- posting a letter of credit in an amount equal to at least 10% of such prior year's Title IV Program funds received by us
- complying with additional the DOE monitoring requirements

On May 14, 2019, USU was granted temporary provisional approval to participate in the Title IV Programs and had a program participation agreement reapplication date of December 31, 2020 which it met. As part of the temporary provisional approval, the DOE informed USU that it must post a letter of credit ("LOC") in the amount of \$255,708 based on a failure to meet the audited same day balance sheet requirements that apply in a change of control. This LOC was funded by USU. The DOE informed USU that the LOC was reduced to \$9,872; this letter with the reduced amount will remain in effect for at least the duration of the temporary provisional approval. On May 6, 2022, the DOE fully certified USU and issued a new Program Participation Agreement, effective through December 31, 2025, thereby removing the provisional

status of its participation. USU is working with the DOE to address the outstanding LOC.

On August 22, 2017, the DOE recertified Aspen University to participate in Title IV Programs. On April 16, 2021, the DOE granted provisional certification for a two-year timeframe, and set a subsequent program participation reapplication date of September 30, 2023. Aspen is currently developing the reapplication for a timely submission.

As part of the NPRM published on May 19, 2023, DOE has proposed to add several additional standards in the financial responsibility regulations. The NPRM would establish additional factors that will be viewed by DOE as indicators of an institution's lack of financial responsibility. When one of the factors occurs, DOE may seek financial protection from the institution, most commonly through a letter of credit. As the DOE indicated in the preamble to the NPRM, "The indicators of a lack of financial responsibility proposed in this NPRM are events that put an institution at a higher risk of financial instability and sudden closure. Particular emphasis will be made regarding events that bring about a major change in an institution's composite score" and they site examples of high-risk events such as when an institution is threatened with a loss of State authorization or loses eligibility to participate in other Federal educational assistance programs (like VA or DOD educational assistance programs.) Similar to the administrative capability proposed rules, these proposed regulations are included in the same NPRM as the Gainful Employment regulations, and we cannot say whether the package of proposed rules will be completed and published prior to the November 1, 2023 deadline necessary for a July 1, 2024 effective date.

Failure to meet the DOE's "financial responsibility" requirements, either because we do not meet the DOE's financial responsibility standards or are unable to establish financial responsibility on an alternative basis, would cause us to lose access to Title IV Program funding.

Third-Party Servicers. DOE regulations permit an institution to enter into a written contract with a third-party servicer for the administration of any aspect of the institution's participation in Title IV Programs. The third-party servicer must, among other obligations, comply with Title IV Program requirements and be jointly and severally liable with the institution to the Secretary of Education for any violation by the servicer of any Title IV Program provision. An institution must report to the DOE new contracts with or any significant modifications to contracts with third-party servicers as well as other matters related to third-party servicers. We contract with a third-party servicer which performs certain activities related to our participation in Title IV Programs. If our third-party servicer does not comply with applicable statutes and regulations including the Higher Education Act, we may be liable for their actions, and we could lose our eligibility to participate in Title IV Programs.

Return of Title IV Program Funds. Under the DOE's return of funds regulations, when a student withdraws, an institution must return unearned funds to the DOE in a timely manner. An institution must first determine the amount of Title IV Program funds that a student "earned." If the student withdraws during the first 60% of any period of enrollment or payment period, the amount of Title IV Program funds that the student earned is equal to a pro rata portion of the funds for which the student would otherwise be eligible. If the student withdraws after the 60% threshold, then the institution has

earned 100% of the Title IV Program funds. The institution must return to the appropriate Title IV Programs any unearned Title IV Program funds no later than 45 days after the date of the institution's determination that a student withdrew. If such payments are not timely made, an institution may be subject to adverse action, including being required to submit a letter of credit equal to 25% of the refunds the institution should have made in its most recently completed fiscal year. Under the DOE regulations, late returns of Title IV Program funds for 5% or more of students sampled in the institution's annual compliance audit or a DOE program review constitutes material non-compliance with the Title IV Program requirements and may result in the posting of a letter of credit.

The "90/10 Rule." A requirement of the Higher Education Act commonly referred to as the "90/10 Rule," applies only to "proprietary institutions of higher education." An institution is subject to loss of eligibility to participate in the Title IV Programs if it derives more than 90% of its revenues (calculated on a cash basis and in accordance with a DOE formula) from Title IV Programs for two consecutive fiscal years. An institution whose rate exceeds 90% for any single fiscal year will be placed on provisional certification for at least two fiscal years and may be subject to other conditions specified by the Secretary of the DOE.

The 90/10 Rule was recently changed as part of the American Rescue Plan Act of 2021 ("ARP"), and new regulations to implement the changes became effective on July 1, 2023. Under a provision in ARP, the HEA was modified to change the formula from counting only Title IV program funds on the "90 side" to include instead all "federal funds that are disbursed or delivered to or on behalf of a student to be used to attend such institution" or collectively "federal education assistance funds." This is a substantial change, because all federal funds, including Veterans Education benefits, Department of Defense Military Tuition Assistance program, and the federal-funded portion of any Workforce Innovation and Opportunity Act and Trade Adjustment Assistance, is also included in the new definition of federal education assistance..

For the fiscal year ended April 30, 2022, approximately 36.37% of Aspen's revenue and approximately 28.06% of USU's revenue were derived from Title IV Programs.

Student Loan Defaults. Under the Higher Education Act, an education institution may lose its eligibility to participate in some or all of the Title IV Programs if defaults on the repayment of Direct Loan Program loans by its students exceed certain levels. For each federal fiscal year, a rate of student defaults (known as a "cohort default rate") is calculated for each institution with 30 or more borrowers entering repayment in a given federal fiscal year by determining the rate at which borrowers who become subject to their repayment obligation in that federal fiscal year default by the end of the following two federal fiscal years. For such institutions, the DOE calculates a single cohort default rate for each federal fiscal year that includes in the cohort all current or former student borrowers at the institution who entered repayment on any Direct Loan Program loans during that year.

If an institution's cohort default rate equals or exceeds 30% in any single year, the institution may be placed on provisional certification status. Provisional certification does not limit an institution's access to Title IV Program funds; however, an institution with provisional status is subject to closer review by the DOE, oftentimes including certain growth limitations, and may be subject to summary adverse action if it violates

Title IV Program requirements. If an institution's default rate exceeds 40% for one federal fiscal year, the institution may lose eligibility to participate in some or all Title IV Programs. Aspen University's current official 3-year cohort default rates are as follows: FY2019 (.4%), FY2018 (5%), and FY2017 (6%). USU's current official 3-year cohort default rates are as follows: FY2019 (1.2%), FY2018 (11.7%), and FY2017 (7.7%). These rates are significantly below both the Proprietary-4 years+ and the national default rates.

Incentive Compensation Rule. As a part of an institution's program participation agreement with the DOE and in accordance with the HEA, an institution may not provide any commission, bonus or other incentive payment to any person or entity engaged in any student recruitment, admissions or financial aid awarding activity based directly or indirectly on success in securing enrollments or financial aid. Failure to comply with the incentive payment rule could result in termination of participation in Title IV Programs, limitation on participation in Title IV Programs, or financial penalties. AGI believes its schools are compliance with the Incentive Compensation Rule (the "IC Rule").

In recent years, other postsecondary educational institutions have been named as defendants in whistleblower lawsuits, known as "qui tam" cases, brought by current or former employees pursuant to the Federal False Claims Act, alleging that their institution's compensation practices did not comply with the IC Rule. A qui tam case is a civil lawsuit brought by one or more individuals, referred to as a relator, on behalf of the federal government for an alleged submission to the government of a false claim for payment. The relator, often a current or former employee, is entitled to a share of the government's recovery in the case, including the possibility of treble damages. A qui tam action is always filed under seal and remains under seal until the government decides whether to intervene in the case. If the government intervenes, it takes over primary control of the litigation. If the government declines to intervene in the case, the relator may nonetheless elect to continue to pursue the litigation at his or her own expense on behalf of the government. Any such litigation could be costly and could divert management's time and attention away from the business, regardless of whether a claim has merit.

In 2022, the U.S. Government Accountability Office (the "GAO") released a report finding that the DOE has inadequately enforced the current ban on incentive payments. In response, the DOE has undertaken to increase its enforcement efforts by, among other approaches, strengthening procedures provided to auditors reviewing institutions for compliance with the IC Rule and updating its internal compliance guidance in light of the GAO findings.

Code of Conduct Related to Student Loans. As part of an institution's program participation agreement with the DOE, the HEA requires that institutions that participate in Title IV Programs adopt a code of conduct pertinent to student loans. For financial aid officers or other employees who have responsibility related to education loans, the code must forbid, with limited exceptions, gifts, consulting arrangements with lenders, and advisory board compensation other than reasonable expense reimbursement. The code also must ban revenue-sharing arrangements, "opportunity pools" that lenders offer in exchange for certain promises, and staffing assistance from lenders. The institution must post the code prominently on its website and ensure that its officers, employees, and agents who have financial aid responsibilities are informed annually of

the code's provisions. Aspen has adopted a code of conduct under the HEA which is posted on its website. In addition to the code of conduct requirements that apply to institutions, HEA contains provisions that apply to private lenders, prohibiting such lenders from engaging in certain activities as they interact with institutions. Failure to comply with the code of conduct provision could result in termination of our participation in Title IV Programs, limitations on participation in Title IV Programs, or financial penalties.

Misrepresentation. The HEA and current regulations authorize the DOE to take action against an institution that participates in Title IV Programs for any "substantial misrepresentation" made by that institution regarding the nature of its educational program, its financial charges, or the employability of its graduates. The DOE regulations define "substantial misrepresentation" to cover additional representatives of the institution and additional substantive areas and expands the parties to whom a substantial misrepresentation cannot be made. The regulations also augment the actions the DOE may take if it determines that an institution has engaged in substantial misrepresentation, which include revoking an institution's program participation agreement or imposing limitations on an institution's participation in Title IV Programs. Substantial misrepresentation also serves as one of the bases on which a student can file for a federal loan discharge under the Borrower Defense to Repayment rules, discussed below.

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 Program aid an institution may disburse for particular programs. There are different regulatory definitions for a credit hour for degree and non-degree programs that do not transfer to a degree. Recently, both Congress and the DOE have increased their focus on institutions' policies for awarding credit hours. The credit value for degree program courses is generally monitored by an institution's accreditor. The DOE regulations contain specific formulas for Title IV eligible credits for non-degree programs that do not transfer to a degree. DOE regulations define the term "credit hour" in terms of a certain amount of time in class and outside class, or an equivalent amount of work. If the DOE determines that an institution is out of compliance with the credit hour definition, the DOE could require the institution to repay the incorrectly awarded amounts of Title IV Program aid. In addition, if the DOE determines that an institution has significantly overstated the amount of credit hours assigned to a program, the DOE may fine the institution, or limit, suspend, or terminate its participation in the Title IV Programs.

New rules relating to credit and clock hours, as well as distance education became effective on July 1, 2021. The Final Rule modified the credit hour formula and calculation of credit hours for programs that do not lead to a degree or are fully transferable to a degree program. Aspen University and USU do not provide Title IV funding to students in non-degree programs that would be subject to this rule change. The rules did not change the method of determining the credit value of courses offered at the universities.

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

DOE's ongoing monitoring of institutions' administration of Title IV Programs, the HEA and the DOE regulations require institutions to submit annually a compliance audit conducted by an independent certified public accountant in accordance with Government Auditing Standards and applicable audit standards of the DOE, which were updated effective for fiscal years beginning after January 1, 2023 (which supersedes the 2016 version). In addition, to enable the DOE to make a determination of financial responsibility, institutions must annually submit audited financial statements prepared in accordance with the DOE regulations. Furthermore, the DOE regularly conducts program reviews of education institutions that are participating in the Title IV Programs, and the Office of Inspector General of the DOE regularly conducts audits and investigations of such institutions.

Potential Effect of Regulatory Violations. If we fail to comply with the regulatory standards governing Title IV Programs, the DOE could impose one or more sanctions, including transferring the non-complying school to the reimbursement or cash monitoring system of payment, seeking to require repayment of certain Title IV Program funds, requiring Aspen or USU to post a letter of credit in favor of the DOE as a condition for continued Title IV certification, taking emergency action against us, referring the matter for criminal prosecution or initiating proceedings to impose a fine or to limit, condition, suspend or terminate our participation in Title IV Programs. In addition, the failure to comply with the Title IV Program requirements by one institution could increase DOE scrutiny of the other institution and could impact the other institution's participation in Title IV Programs.

We also may be subject, from time to time, to complaints and lawsuits relating to regulatory compliance brought not only by our regulatory agencies, but also by other government agencies and third parties, such as state attorneys general, federal and state consumer protection agencies, present or former students or employees and other members of the public.

Restrictions on Adding Educational Programs. State requirements and accrediting agency standards may, in certain instances, limit our ability to establish additional educational programs. Many states require approval before institutions can add new programs under specified conditions. The Arizona Board, the Florida Commission, the Texas Board, the Tennessee Commission, and the California Bureau, institutional or programmatic accreditors and other state educational regulatory agencies that license, accredit, exempt, or authorize the universities and their programs may require institutions to notify them in advance of implementing new programs, and upon notification, may undertake a review of the institution's licensure, accreditation or authorization.

On August 22, 2017, the DOE recertified Aspen University to participate in Title IV Programs. On April 16, 2021, the DOE granted provisional certification for a two-year timeframe, and set a subsequent program participation reapplication date of September 30, 2023. Aspen is currently preparing the materials for a timely recertification submission. On May 6, 2022, USU was issued a new program participation agreement and has full certification until December 31, 2025.

In the future, the DOE may impose terms and conditions in any program participation agreement that it may issue, including growth restrictions or limitations on the number of students who may receive Title IV Program aid. The institution may also be required to provide certifications to the DOE signed by a senior administrative official attesting

that the new program meets certain accreditation and state licensure requirements.

DEAC and WSCUC require 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 scope 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.

Gainful Employment. Under the Higher Education Act, only proprietary school educational programs that lead to gainful employment in a recognized occupation are eligible to participate in Title IV Program funding. DOE issued final Gainful Employment (“GE”) regulations on October 31, 2014 (“2014 GE Rule”), which went into effect on July 1, 2015. The 2014 GE Rule defines the requirements that programs at proprietary institutions must meet in order to be considered a GE program that is eligible for Title IV Program funding. On July 1, 2019, DOE issued a new final GE Rule. In this publication, the DOE rescinded the entirety of Subparts Q and R of 34 CFR 668, which included all of the provisions of the 2014 GE Rule. The effective date of that rule was July 1, 2020, with an option to implement early. As of July 1, 2019, neither Aspen University nor USU is required to comply with the 2014 GE Rule.

As noted above, GE was one of the topics included in the 2022 negotiated rulemaking. The issue paper presented on GE was hotly debated and did not reach consensus. On May 19, 2023, DOE published the proposed rule regarding gainful employment, along with a number of other regulatory topics. Unlike most of the other non-consensus proposals, the GE proposal was voted down by at least six negotiators, including representatives of the community colleges. The primary concerns were the abbreviated opportunity to review the proposal and the data supporting it, and the proposed addition of an earnings threshold unrelated to the student’s debt, but targeting an earnings threshold based on what an average high school graduate in the state would earn without a degree or diploma. If a GE program did not yield earnings above that threshold it would fail, regardless of its debt-to-income ratio. Additionally, the proposal removed the transitional periods, the alternative earnings reporting, and the appeal process. In the proposed rule, all of these contentious items remain, and the short turnaround for comments, only 30 days, raised additional ire. As explained above, if the final rule is published by November 1, 2023, it will become effective July 1, 2024. We do not know what will be included in the final rule.

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

The DOE may place an institution on provisional certification status if it finds that the institution does not fully satisfy all of the eligibility and certification standards, such as the requirements for financial responsibility, and in certain other circumstances, such as when it undergoes a change in ownership and control. The DOE may more closely

review an institution that is provisionally certified if it applies for approval to open a new location, add an educational program, acquire another school or make any other significant change.

In addition, during the period of provisional certification, the institution must comply with any additional conditions included in its program participation agreement. If the DOE determines that a provisionally certified institution is unable to meet its responsibilities under its program participation agreement, it may seek to revoke the institution's certification to participate in Title IV Programs with fewer due process protections for the institution than if it were fully certified. Students attending provisionally certified institutions remain eligible to receive Title IV Program funds.

Borrower Defense to Repayment ("BDTR"). In 1993 when the Direct Loan Program was created, DOE included a provision in statute allowing a borrower to claim a defense to repayment based on the acts or omissions of the institution. That was followed by a very simple regulation to implement it, effective in 1995, that indicated the borrower's defense must be based on the institution's act or omission giving rise to a state law claim that would support that defense. In 2015, following the collapse of Corinthian Colleges, DOE entered into a negotiated rulemaking, which resulted in a new BDTR Rule, published on November 1, 2016. That final rule ("2016 BDTR Rule") specified the acts or omissions of an institution that a borrower may assert as a defense to repayment of a loan made under the Direct Loan Program and the consequences of such borrower defenses for borrowers, institutions, and the DOE. Under the regulation, for Direct Loans disbursed after July 1, 2017, a student borrower may assert a defense to repayment if: (1) the student borrower obtained a state or federal court judgment against the institution; (2) the institution failed to perform on a contract with the student; and/or (3) the institution committed a "substantial misrepresentation" on which the borrower reasonably relied to his or her detriment.

These defenses were asserted through claims submitted to the DOE, and the DOE has the authority to issue a final decision in which it may discharge all or part of a borrower's Direct Loan. In addition, the regulation permitted the DOE to grant relief to an individual or group of individuals, including individuals who have not applied to the DOE seeking relief. If a defense is successfully raised, the DOE has discretion to initiate action to collect from an institution the amount of losses incurred based on the borrower defense discharge.

On June 16, 2017, the DOE announced its intent to convene a negotiated rulemaking committee to develop new and different proposed regulations related to borrower defense to replace the 2016 BDTR Rule and to address certain other related matters. The DOE published the amended final BDTR Rule on September 23, 2019 (the "2019 BDTR Rule"), with an effective date of July 1, 2020. The amended rule made substantial changes to the 2016 Rule. The 2019 BDTR Rule again changes the basis under which a student can make a BDTR claim for loans disbursed after July 1, 2020, limiting it from the three bases in the 2016 Rule to only one basis in the 2019 Rule: misrepresentation upon which a borrower reasonably relied, and which resulted in financial harm to the borrower. The 2019 Rule also removes the group claim option, and instead relies on individual evaluation of borrower's claims; however, as was the case in the 2016 Rule, the DOE can still initiate an action against the institution to recoup its losses for discharged loans.

The DOE has begun aggressively pursuing resolution of hundreds of thousands of BDTR claims, granting billions in loan discharges. This has proven quite difficult for institutions as the applicable regulation varies depending on the date of disbursement of the loan for which discharge is sought. Thus, for any borrower applicant, depending on their dates of enrollment and when loans were disbursed, could have their claim reviewed under three different versions of the BDTR regulation. In the midst of this, the DOE was sued in *Sweet v. Cardona* (formerly *Sweet v DeVos*) over the slow processing and denials of hundreds of thousands of BDTR claims that had been pending with DOE for years. As part of that matter, DOE agreed to settle through borrower discharge almost 300,000 loans amounting to more than \$6 billion, but admitted that these discharges were not completed in compliance with the applicable BDTR Rules, which will make any recovery from institutions extremely difficult for DOE.

Meanwhile, DOE also included BDTR in its 2021/2022 regulatory agenda, and following negotiated rulemaking, issued a final rule on November 1, 2022, which became effective on July 1, 2023 ("2023 BDTR Rule"). The 2023 BDTR Rule reinstates the group claim process; allows for BDTR claims to be filed by legal aid organizations and state agencies; assumes all members of a group are impacted equally; grants only full relief, no partial discharges; reduces due process safeguards for institutions, especially during the claim adjudication process; allow claims at any time without statutes of limitations; and adds additional bases under which a borrower can make a BDTR claim to include "substantial" misrepresentation; "substantial" omission of fact; breach of contract; aggressive recruitment; or a State or Federal judgment, or final Department action against an institution that relates to conduct that could give rise to a borrower defense claim. The new rule is focused on making the process for borrowers to seek discharge more streamlined; but in so doing, DOE has also exponentially increased the likelihood of mass discharges, for which it will seek recoupment from the institution.

Change in Ownership Resulting in a Change of Control. In addition to school acquisitions, other types of transactions can also cause a change of control. The DOE, accrediting agencies, and most state education agencies, all have standards pertaining to the change of control of schools, but those standards are not uniform. The DOE regulations describe some transactions that constitute a change of control, including the transfer of a controlling interest in the voting stock of an institution or the institution's parent corporation. The DOE regulations provide that a change of control of a publicly-traded corporation occurs in one of two ways: (i) if there is an event that would obligate the corporation to file a Current Report on Form 8-K with the Securities and Exchange Commission, or the SEC, disclosing a change of control or (ii) if the corporation has a shareholder that owns at least 25% of the total outstanding voting stock of the corporation and is the largest shareholder of the corporation, and that shareholder ceases to own at least 25% of such stock or ceases to be the largest shareholder. A significant purchase or disposition of our voting stock could be determined by the DOE to be a change of control under this standard. Many states include the sale of a controlling interest of common stock in the definition of a change of control requiring approval. A change of control under the definition of one of these agencies would require us to seek approval of the change in ownership and control to maintain our accreditations, state authorization or licensure. The requirements to obtain such approval from the states and our accrediting agencies vary widely. In some cases, approval of the change of ownership and control cannot be obtained until after the transaction has occurred.

When a change of ownership resulting in a change of control occurs at a for-profit institution, the DOE applies a different set of financial tests to determine the financial responsibility of the institution in conjunction with its review and approval of the change of ownership. The institution generally is required to submit an audited same-day balance sheet reflecting the financial condition of the institution or its parent corporation immediately following the change in ownership. The institution's same-day balance sheet must demonstrate an acid test ratio of at least 1:1, which is calculated by adding cash and cash equivalents to current accounts receivable and dividing the sum by total current liabilities (and excluding all unsecured or uncollateralized related party receivables). The same-day balance sheet must also demonstrate positive tangible net worth. If the institution does not satisfy either of these requirements, the DOE may condition its approval of the change of ownership on the institution's agreeing to post a letter of credit, provisional certification, and/or additional monitoring requirements, as described in the above section on Financial Responsibility. As part of the change of control of USU, in addition to being granted provisional approval to participate in the Title IV Programs, the DOE informed USU that it must post a letter of credit in the amount of \$255,708 based on a failure to meet the audited same day balance sheet requirements that apply in a change of control. This LOC was funded by USU. The DOE informed USU that the LOC was reduced to \$9,872; this letter with the reduced amount will remain in effect for at least the duration of the temporary provisional approval. On May 6, 2022, the DOE fully certified USU and issued a new Program Participation Agreement, effective through December 31, 2025, thereby removing the provisional status of its participation. USU is working with the DOE to address the outstanding LOC.

A change of control also could occur as a result of future transactions in which Aspen is involved. Some corporate reorganizations and some changes in the composition of the Board are examples of such transactions. Moreover, the potential adverse effects of a change of control could influence future decisions by us and our shareholders regarding the sale, purchase, transfer, issuance or redemption of our stock. In addition, the regulatory burdens and risks associated with a change of control also could discourage bids for our shares of common stock and could have an adverse effect on the market price of our shares. The time required for the DOE to act on a change in ownership and control application may vary substantially. In some such recent transactions, institutions have experienced extensive delays in this review process, in some cases exceeding 18-24 months.

Possible Acquisitions. Similar to the Company's acquisition of USU, we may expand through acquisition of related or synergistic businesses. Our internal growth is subject to monitoring and ultimately approval by the DEAC and WSCUC. If the DEAC or WSCUC finds that the growth may adversely affect our academic quality, the DEAC or WSCUC can request us to slow the growth and potentially withdraw accreditation and require us to re-apply for accreditation. The DOE may also impose growth restrictions on an institution, including in connection with a change in ownership and control.

Clery Act and Title IX. Both USU and Aspen University publish the required Annual Crime and Security Reports to comply with the requirements of the federal Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act ("Clery Act"). USU publishes separate reports for its San Diego, CA and Phoenix, AZ locations; Aspen publishes separate reports for its Denver, CO, Austin, TX, and Phoenix, AZ locations. With the publication cycle in October 2022, Aspen additionally published for

locations in Tampa, FL and Nashville, TN. Both universities are committed to providing students, faculty, staff, and guests a safe and secure environment. The reports identify policies and procedures for security and crime prevention, substance abuse, sexual misconduct/harassment (Title IX), and emergency response and evacuation. On May 6, 2020, the DOE issued a new final rule regarding Title IX which substantially changes institutions' responsibilities in responding to sexual harassment and sexual assault. The new rule became effective on August 14, 2020, and USU and Aspen have made necessary changes to our policies and procedures to maintain compliance. The Biden Administration indicated early on that it planned to make updates to the Title IX regulations a priority item. The proposed rule was submitted to OIRA/OMB in February 2022, and an unofficial version was published on June 23, 2022, the 50th anniversary of the original passage of the law. On May 26, 2023, DOE published a status update indicating its intent to publish the new Title IX regulations in October 2023.

Because Title IX regulations are not subject to the Master Calendar that governs Title IV regulations, an updated final rule on Title IX could become effective immediately. In the last update, institutions were provided approximately 90 days to implement. If the new final rule is published in October as planned, it is quite possible that they become effective before the end of 2023.

Other Approvals. The U.S. Department of Defense and the U.S. Department of Veterans Affairs (the "VA") regulate our participation in the military's tuition assistance program and the VA's veterans' education benefits program, respectively. The laws, regulations, standards and policies of these agencies cover the vast majority of our operations, including our educational programs, facilities, instructional and administrative staff, administrative procedures, marketing, recruiting, financial operations and financial condition. These regulatory requirements can also affect our ability to add new or expand existing educational programs and to change our corporate structure and ownership.

Current Regulatory Matters

On February 1, 2023, AGI received notification that Aspen University had been issued a Show Cause Directive by DEAC requiring Aspen University to prove why its current accreditation should not be withdrawn and to require Aspen University to undergo a special visit by a team of DEAC evaluators. Show Cause is an enforcement action focused on specific areas of perceived non-compliance to which Aspen must respond through narrative, documentation, and other evidence within the specific remediation timeframe.

DEAC informed Aspen University that certain areas of concern raise serious questions as to Aspen University's ongoing compliance with DEAC Accreditation Standards III.D., V.A., X.B., XI.E., and DEAC Procedures under Part Two, Section XVII.E, including curricula and instructional materials; student achievement; reputation; operations; and notifications. These call into question Aspen University's organizational integrity, administrative capacity, and ability to serve students in a manner that complies with DEAC standards. The letter also required the University to submit certain information to DEAC prior to February 16, 2023, and to constituents within seven business days, and permits continuance of DEAC's monitoring of monthly financial reports.

To date, Aspen University has provided multiple regulatory bodies with requested records and data and Aspen University will willingly comply with the DEAC's continued

oversight through the show cause period. The maximum length of the show cause remediation period is up to two years or 150% of the length of the Institution's longest program. DEAC expects to schedule its review of Aspen University's response to the show cause directive and the associated record from the site visit within the next six to nine months. During the show cause remediation period, Aspen University remains fully accredited.

On February 8, 2023, Aspen University received notification from the DOE that effective February 7, 2023 the DOE had placed Aspen University on Heightened Cash Management 2 ("HCM2"). Under the HCM2 method of payment, Aspen University may continue to obligate funds under the federal student financial assistance programs authorized by Title IV of HEA.

Heightened Cash Monitoring is a step that the DOE can take with institutions to provide additional oversight for a number of financial or federal compliance issues. A school placed on HCM2 no longer receives funds under the Advance Payment Method. After a school on HCM2 makes disbursements to students from its own institutional funds, a Reimbursement Payment Request must be submitted for those funds to the DOE. Aspen University received its first and second reimbursement financial aid reimbursement received from the DOE on June 14, 2023 and August 10, 2023, respectively. Subsequent to the receipt of the financial aid payment under HCM2, Aspen University is able to submit for financial aid reimbursement once every 30 days. Reimbursement payments could be delayed if the DOE has findings upon review of each of our reimbursement files.

The letter from the DOE stated that the DOE acted in response to the Show Cause Directive from DEAC.

On February 20, 2023, Aspen University entered into a 3rd revised Stipulated Agreement with the Arizona State Board for Private Postsecondary Education which requested transcripts from 1985-2019 and an institutional teach-out plan as well as increased monthly financial reporting requirements. Other requirements from the October 2022 Stipulated Agreement were carried forward to this revised agreement. The revised agreement was in response to the Show Cause Directive from the Distance Education Accrediting Commission on February 1, 2023, discussed above.

In March 2022, Aspen University agreed to a disciplinary probation of its pre-licensure nursing program, including suspension of new student admissions and a requirement to meet the Arizona State Board of Nursing's 80% minimum NCLEX-RN first-time pass rate in 2022. By September 2022, the University recognized it would not be able to meet the 80% pass rate and signed a Revised Consent Agreement with the Arizona State Board of Nursing that provided the program with two years to complete a "teach out" of existing students, meaning that the existing students would be able to complete the program. The agreement also contained an option for the Board to terminate the agreement early if the program "fails to provide minimum instruction and learning opportunities, including clinical opportunities, to meet basic standards of educational practice and legal requirements." If the Arizona State Board of Nursing found that to be the case, it could provide a minimum 10-day notice to the University, after which it could determine that the voluntary surrender is immediately in effect.

On February 23, 2023, the Arizona State Board of Nursing informed the University of its

intent to lift the stay of voluntary surrender. Board members expressed concerns regarding public safety and student safeness to practice on exit from the program, including concerns that the program was failing to provide minimum instruction as students were continuing to struggle with passing their NCLEX-RN exam the first time, failing to meet basic standards of educational practice by inadequately ensuring the integrity and proctoring of exams, and improperly using students' work hours to count as clinical hours and counting clinical hours when the students were not in the facilities. Aspen disputed all of these concerns except the one related to the NCLEX-RN first-time pass rate.

It was Aspen's position that a decision by the Board to conduct such a vote to lift the stay at its scheduled March 2023 meeting would be a breach of the September 2022 Consent Agreement, a breach of the covenant of good faith and fair dealing, and cause Aspen irreparable harm. The lifting of the stay would have closed the program immediately and affected almost 400 students across four states. On March 23, 2023, Aspen University and the Arizona State Board of Nursing signed an Amendment to the September 2022 Consent Agreement that permits the teach-out of the program to continue with heightened oversight and reporting. The University will again hire a Consultant and additionally an Ombudsperson to oversee critical aspects of the program in Arizona including testing and clinical practices. The signed Amendment means that the Arizona-based students are permitted to be taught out through January 2024, Nashville-based students through May 2024, and Texas- and Florida-based students through September 2024.

The Company continues to work with internal and external personnel to cooperate and advocate with regulatory agencies in an effort to resolve the foregoing and other regulatory developments affecting its business.

As the Company completes teach out of its pre-licensure program, it will focus its efforts on increasing enrollment in Aspen University's post-licensure nursing degree programs and USU's Family Nurse Practitioner degree program, among others.

6. *an estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities were borne directly by customers;*

Answer: Fiscal 2023 estimated R&D expenditures were \$1,363,410

Fiscal 2022 estimated R&D expenditures were \$1,796,462

7. *costs and effects of compliance with environmental laws (federal, state and local); and*

Answer: None

8. *the number of total employees and number of full-time employees.*

Answer: As of May 31, 2023, the Company had 257 full time employees and 700 part-time adjunct professors

For issuers engaged in mining, oil and gas production and real estate activities, substantial additional disclosure of the issuer's business is required. Contact OTC Markets Group for more information.

Item 9 The nature of products or services offered.

In responding to this item, please describe the following so that a potential investor can clearly understand the products and services of the issuer:

- A. principal products or services, and their markets;

Answer:

Aspen Post-licensure online nursing programs

Aspen is Industry-leader in nursing education that leverages a sophisticated technological infrastructure and unparalleled expertise to provide affordable, debt-minimizing education through lower tuition costs and monthly payment plans. Aspen's comprehensive learning programs include Bachelor's, Master's, and Doctoral degree programs are offered that span multiple programs of study with a concentrated focus on nursing, representing 84% of students. Asynchronous-synchronous on-line delivery model creates a differentiated experience for learners requiring additional flexibility.

Bachelor of Science in Nursing (BSN) Pre-Licensure Program

Aspen's BSN Pre-licensure program provides students with opportunities to become a BSN-educated nurse and learn the essential skills needed to practice as a professional registered nurse (RN). Skills lab, clinical simulation, seminars and community-based clinical experiences anchor the curriculum. Upon completion of their studies, including for those involved in the current teach-out of the program, students are eligible to take the National Council Licensure Examination (NCLEX) in the state or territory in which they choose to practice (the NCLEX is the national registered nurse examination used by all states for potential registered nursing licensure). Students provide their state board of nursing applicable forms to the School of Nursing and Health Sciences, which completes them on behalf of the individual student, and take the exam in the state in which they choose to practice. Upon passing the NCLEX, students then work with their state Board of Nursing to finalize their professional licensure. As of June 09, 2023, the Arizona State Board of Nursing has licensed 469 Aspen University graduates; 2 of our graduates were licensed by their respective boards of nursing in Oregon, 4 in California, 2 in Montana, 1 in North Carolina, 1 in Illinois, and 2 in Texas.

In September 2022, Aspen University suspended new enrollments in its BSN pre-licensure program in Arizona pursuant to a revised Consent Agreement with the Arizona State Board of Nursing, and it also suspended new enrollments in its BSN pre-licensure program in Florida, Tennessee, and Texas in connection with the Arizona developments. The teach-out of all remaining students is estimated to be completed in the Phoenix metro area by January 2024 (Q3 Fiscal Year 2024), Nashville-based students as of May 2024 (Q1 Fiscal Year 2025), and Texas- and Florida-based students through September 2024 (Q2 Fiscal Year 2025). A more detailed discussion of the pre-licensure program regulatory environment is included in answer to Item 8 Question B5 above.

During our fiscal years ended April 30, 2023 and 2022, 19% and 22% of total consolidated AGI revenue was earned from its pre-licensure nursing program.

USU Master of Science in Nursing-Family Nurse Practitioner (MSN-FNP)

USU offers a number of nursing degree programs and other degree programs in health sciences, business & technology and education. Its primary enrollment program is its MSN-FNP which is designed for BSN-prepared registered nurses who are seeking a Nurse Practitioner license. The MSN-FNP is an online-hybrid 48-credit degree program with 100% of the curriculum online, including the curricular component to complete 540 clinical and 32 lab hours. MSN-FNP lab hours are done at USU's San Diego facility and at our main facility in Phoenix (by the airport).

- B. distribution methods of the products or services;

Answer: See answer to Item 9A. above.

- C. status of any publicly announced new product or service;

Answer: N/A

-
- D. competitive business conditions, the issuer's competitive position in the industry, and methods of competition;

Answer:

Industry Overview

According to the DOE (<https://nces.ed.gov/fastfacts/display.asp?id=80>), in fall 2020, among college students that study exclusively online, the percentage of students at private for-profit institutions was higher (60%), than that of students at public institutions (46%) and private nonprofit institutions (34%). In particular, the percentage of students who took distance education courses exclusively was highest at private for-profit four-year institutions (73%) which, despite enrolling only 4% of undergraduates, accounted for 6% of undergraduates who were enrolled exclusively in distance education courses.

In terms of the nursing sector, job opportunities for registered nurses are expected to grow about as fast as the average growth for all occupations, or approximately 6%, between 2021 and 2031, according to the U.S. Bureau of Labor Statistics' Occupational Outlook Handbook, 2022 Edition. However, despite the anticipated growth in job opportunities, over 91,938 qualified applications were not accepted by entry-level baccalaureate and graduate nursing programs according to the 2020-2021 Enrollment and Graduations in Baccalaureate and Graduate Programs in Nursing report from the American Association of Colleges of Nursing (<https://www.aacnnursing.org/news-data/fact-sheets/nursing-shortage-factsheet.pdf>). These statistics suggest there continues to be unmet demand from qualified students for nursing educational programs. A growing number of nurses are leaving the profession as they reach retirement age or due to pandemic-induced job fatigue. This supply-side trend, coupled

with the rising demand for healthcare to support the aging U.S. population, is expected to perpetuate a nursing shortage through 2030. Given the growing demand for healthcare services across a multitude of specialties, the Occupational Outlook Handbook projects that over 2 million new registered nurses (RNs) will be needed by 2031 to address the current shortage.

Competitive Strengths

Proprietary Education Technology Platform – Traditionally, a University or Online Program Manager (OPM) offering online education has three core systems that serve as the backbone of their technology stack: (i) a Customer Relationship Management (CRM) system used by the enrollment team to manage prospective students; (ii) a student information system (or SIS) that the university uses to manage its student body, and (iii) a learning management system (or LMS) which serves as the online classroom. In each of these categories, there are a number of software as a service ("SaaS") companies that offer solutions for higher education. Most universities and OPMs license one or all of these systems. In studying these systems, we concluded that there was no reasonable way to have these three separately licensed systems fluently communicate with to each other to achieve our end goal of having real-time data on every aspect of a student's career – whether it be academic in nature or personal, financial or other behavioral aspects.

As a result, several years ago we built an in-house Student Information System and connected it to our Learning Management System, D2L. We subsequently built and launched a proprietary CRM system that was designed for the enrollment departments at Aspen University and USU.

The first-phase CRM included an algorithm that recommends to Enrollment Advisors (EAs), in priority order, the follow-up calls that should be made in a given day to complete the enrollment process for prospective students in that EAs individually designated database. The algorithm was created by studying the daily habits and activities of the three most productive EAs in AGI history. This recommendation engine then automatically updates in real-time after each follow-up/action is conducted by an EA. To our knowledge, these advanced features are not offered by any CRM software company in the industry. For example, this recommendation engine has boosted our lead conversion rates at USU for our online nursing programs to approximately 12% vs. <10% prior to launch.

Emphasis on Online Education - The curriculum for all courses at AGI's universities is designed primarily for online delivery. Two nursing degree programs at AGI's universities require clinical practice: USU's MSN-FNP hybrid (online/on-campus) nursing program and Aspen University's BSN Pre-Licensure hybrid (online/on-campus) nursing program. In USU's Education degrees, the Teacher Credentialing tracks require field experience/student teaching and their internship tracks require active employment. Online, we provide students the flexibility to study and interact at times that suit their schedules. We design our online/on-campus sessions and materials to be interactive, dynamic and user friendly.

Debt Minimization - We are committed to offering among the lowest tuition rates in the sector. Our tuition rates combined with our monthly payment plan payment option for our post licensure online nursing programs has alleviated the need for a significant majority of our students to take out federal financial aid loans to fund their tuition and fees

requirements.

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. Regular and substantive interaction and one-on-one student contact with our highly experienced faculty brings knowledge and great perspective to the learning experience. Faculty members are available by telephone, video conference and email to answer questions, discuss assignments and provide help and encouragement to our students.

Highly Scalable and Profitable Business Model - We believe our education model, our relatively low student acquisition costs, and our flexible faculty cost model enable us to expand our operating margins. As we increase our student body, we are able to scale our online business on a variable basis through growing the number of full-time and adjunct faculty members after we reach certain enrollment metrics (not before). A single adjunct faculty member can work with as little as one student or as many as 50 at any given time. A full-time faculty member works with a maximum of 110 students at any given time. Additionally, we have invested in a corporate shared-services infrastructure that supports the operations of our two universities. As our student body grows, we are able to more efficiently utilize this infrastructure further increasing operating margins.

Industry conditions support future growth in our on-line post licensure nursing programs. According to AACN's report on 2021-2022 Enrollment and Graduations in Baccalaureate and Graduate Programs in Nursing, U.S. nursing schools turned away 91,938 qualified applicants from baccalaureate and graduate nursing programs in 2021 due to an insufficient number of faculty, clinical sites, classroom space, clinical preceptors and budget constraints.

(<https://www.aacnnursing.org/news-data/fact-sheets/nursing-shortage-factsheet.pdf>).

“One Student at a Time” Personal Care - We are committed to providing our students with highly responsive and personal individualized support. Every student is assigned an Academic Advisor who becomes an advocate for the student's success. Our one-on-one approach assures contact with faculty members when a student needs it and monitoring to keep them on course. Our administrative staff is readily available to answer any questions and work with a student from initial interest through the application process and enrollment, and most importantly while the student is pursuing their studies.

Admissions

In considering candidates for acceptance into any of our certificate or degree programs, we look for those who are serious about pursuing – or advancing in – a professional career, and who want to be both prepared and academically challenged in the process. We strive to maintain the highest standards of academic excellence, while maintaining a friendly learning environment designed for educational, personal, and professional success. A desire to meet those standards is a prerequisite. Because our programs are designed for self-directed learners, successful students have a basic understanding of time management principles and practices, as well as good writing and research skills. Admission to both Aspen University and United States University is based on a thorough

assessment of each applicant's potential to complete the program successfully.

Competition

According to the most recent 2022 Digest of Education Statistics (nces.ed.gov), there are more than 5,900 U.S. colleges and universities serving traditional college-age students and adult students. Any reference to universities herein also includes colleges. Competition is highly fragmented and varies by geography, program offerings, delivery method, ownership, quality level, and selectivity of admissions. No one institution has a significant share of the total postsecondary market. While we compete in a sense with traditional "brick and mortar" universities, our primary competitors are universities that primarily enroll online students. Our primary online university competitors include American Public Education, Inc. (Nasdaq: APEI), Adtalem Global Education (NYSE: ATGE), Apollo Education Group, Inc., Grand Canyon Education, Inc. (Nasdaq: LOPE), Strategic Education, Inc. (Nasdaq: STRA), and Western Governors University.

We believe that these competitors have degree enrollments ranging from approximately 38,000 to over 100,000 students. As of April 30, 2023, AGI had 9,399 active degree-seeking students enrolled. Due to trends that began with COVID-19 and continue, most educational institutions are seeking to transition to some extent to more online capabilities. As a result, we may face more online competition in the future.

The primary mission of most traditional accredited four-year universities is to serve full-time students and conduct research. Most online universities serve working adults. AGI acknowledges the differences in the educational needs between working and full-time students at "brick and mortar" schools and provides programs and services that allow our students to earn their degrees without major disruption to their personal and professional lives.

We also compete with public and private degree-granting regionally and nationally accredited universities. An increasing number of universities enroll working students in addition to the traditional 18 to 24-year-old students, and we expect that these universities will continue to modify their existing programs to serve working learners more effectively, including by offering more distance learning programs. We believe that the primary factors on which we compete are the following:

- Active and relevant curriculum that considers the needs of employers;
- The ability to provide flexible and convenient access to programs and classes;
- Cost of the program;
- Monthly payment plan options;
- High-quality courses and services;
- Comprehensive student support services;
- Breadth of programs offered;
- The time necessary to earn a degree;
- Qualified and experienced faculty;
- Reputation of the institution and its programs;
- The variety of geographic locations of campuses;
- Name recognition; and
- Convenience

E. sources and availability of raw materials and the names of principal suppliers;

Answer: N/A

- F. dependence on one or a few major customers;

Answer: See answer to Item 9A. above.

- G. patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration; and

Answer:

In the ordinary course of our business, we develop intellectual property of many kinds that is or will be the subject of copyright, trademark, service mark, trade secret or other protections. This intellectual property includes but is not limited to courseware materials, business know-how and internal processes and procedures developed to respond to the requirements of operating and various education regulatory agencies. We rely on a combination of copyrights, trademarks, service marks, trade secrets, domain names, agreements and registrations to protect our intellectual property. We rely on service mark and trademark protection in the U.S. to protect our rights to the mark ASPEN UNIVERSITY and the mark UNITED STATES UNIVERSITY as well as distinctive logos and other marks associated with our services. We rely on agreements under which we obtain rights to use course content developed by faculty members and other third-party content experts.

Intangible assets represent both indefinite-lived and definite-lived assets. Acquired accreditation and regulatory approvals, and trade name and trademarks are deemed to have indefinite useful lives and accordingly are not amortized but are tested annually for impairment. Generally, costs of courseware creation and enhancement are capitalized. Accreditation renewal or extension costs related to intangible assets are capitalized as incurred. Courseware is stated at cost less accumulated amortization. Amortization is provided for on a straight-line basis over the expected useful life of five years.

Entity	Intangible Asset	Net Book Value	Life
[•]	[•]	[•]	[•]
Aspen	Courseware	\$58,404	5-years
Aspen	Accreditation	\$8,242	5-years
USU	Trademark / Tradename	\$1,700,000	Indefinite
USU	Courseware	\$224,792	5-years
USU	Accreditation	\$6,200,000	Indefinite

- H. the need for any government approval of principal products or services and the status of any requested government approvals.

Answer: See Answer to Item 8. Question 11 – B.5 above.

Item 10 The nature and extent of the issuer’s facilities.

Please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

Answer:

As of April 30, 2023, we lease approximately 172,021 square feet of office and classroom space in Phoenix, San Diego, New York City, Denver, Austin, Tampa, Nashville, Atlanta and the New Brunswick Province in Canada. Our lease expense for the fiscal year ending April 30, 2023 was approximately \$4.1 million.

Complete Address	Condition	Expiration Date	Use of Property
[•]	[•]	[•]	[•]
276 FIFTH AVE, STE 505, NEW YORK, NY New York County	Excellent	January 31, 2024	Chief executive office
4605 and 4615 ELWOOD ST, STE 100, 110, 300, 400, PHOENIX, AZ Maricopa County	Excellent	April 30, 2028	Chief executive office / education
404 CAMINO DEL RIO S, SAN DIEGO, CA San Diego County	Excellent	November 30, 2027	Chief executive office / Education
1809 DABBS AVE, NASHVILLE, TN Davidson County	Excellent	February 28, 2029	Education
101 W LOUIS HENNA BLVD, STE 100, AUSTIN, TX Travis County	Excellent	October 31, 2028	Education
12802 TAMPA OAKS BLVD, STE 150 and 450, TAMPA, FL Hillsborough County	Excellent	April 30, 2031	Education
859 MT VERNON HWY NE, STE 100, SANDY SPRINGS, GA Fulton County	Excellent	February 28, 2030	Education
1660 S ALBION ST, STE 225, DENVER, CO Denver County	Excellent	April 30, 2024	Administrative
260 MACNAUGHTON AVE, MONCTON, NB Westmorland Country	Excellent	December 31, 2023	Administrative

Aspen University Lease Termination in Atlanta

On August 8, 2023, Aspen University renegotiated the Atlanta lease where it will pay 45% of the remaining cost. This lease amendment is contingent on the signing of a lease with a new tenant identified by the landlord.

Part D Management Structure and Financial Information

Item 11 Company Insiders (Officers, Directors, and Control Persons).

Please give a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant shareholders.

A. Officers and Directors. In responding to this item, please provide the following information for each of the issuer's executive officers, directors, general partners, as of the date of this information statement:

Answer: See table below for Executive and Director Information:

1. Full name;
2. Officer/Director Title;
3. Business address;
4. Employment history (which must list all previous employers for the past 5 years,
5. positions held, responsibilities and employment dates);
6. Board memberships and other affiliations;
7. Compensation by the issuer; and

Answer: See tables below:

8. Number and class of the issuer's securities beneficially owned by each such person.

Answer: See tables below:

Name (First, Last)	Position/company affiliation (ex: CEO, 5% control person)	Business address	Number of shares owned (list common, preferred, warrants and options separately)	Class of shares owned	Percentage of class of shares owned (undiluted)
Michael Mathews	CEO & Chairperson	276 Fifth Avenue, Suite 505 New York, NY 10001	901,281	Common	4%
Cheri St. Arnauld	Chief Academic Officer	4605 ELWOOD ST, STE 400, PHOENIX, AZ	63,698	Common	0%
Matthew LaVay	CFO	4605 ELWOOD ST, STE 400, PHOENIX, AZ	0	Common	0%
Sanford Rich	Director	NYC Board of Education Retirement System, 55 Water Street, 50 th floor, New York, New York 10041	78,538	Common	0%
Andrew Kaplan	Director	Education Growth Partners, 201 Broad Street, Suite 1003, Stamford CT 07901	129,376	Common	1%
Mike Koehneman	Director	245 Terry Road, Augusta MO 63332	26,160	Common	0%
Joan Prince	Director	8712 West Spokane Street; Milwaukee, WI 53224	9,060	Common	0%
Doug Kass	Director	411 Seabreeze Ave Palm Beach Florida 3348	279,894	Common	1%

Name (First, Last)	Compensation by Issuer (Fiscal 2023)	Employment history (last 5 years)	Board memberships and other affiliations
Michael Mathews	\$453,892	Aspen Group, Inc, CEO, March 2012 – present	Aspen Group, Director, Board Chairman
Cheri St. Arnauld	\$329,939	Aspen Group, Inc, Chief Academic Officer, 2014 – present Aspen University, President, 2014 - present	None
Matthew LaVay	\$385,000	Aspen Group, Inc, CFO, August 2021 – present Amerit Fleet Solutions, CFO, August 2018 – July 2021 Ellie Mae, CFO, April 2017 – June 2018 Vice President of Finance, November 2014 – April 2017 Vice President, Corporate Controller, May 2012 – November 2014	None
Sanford Rich	\$57,000	NYC Board of Education Retirement System, Executive Director, January 2016 - present	Aspen Group, Director, Audit Committee Chairman, Executive Committee PCAOB Investor Advisory Group, member
Andrew Kaplan	\$51,500	Education Growth Partners, Managing General Partner, responsible for co-managing the firm and our private equity investments, January 2015 - present	Aspen Group, Director, Audit Committee, Executive Committee Modo Labs, Director AllCampus, Director Kangarootime, Director Edmentum, Board Observer Congregation Beth Hatikvah, Treasurer Jewish Deconstructionist Camping Corporation, President GeeksRule, Director
Mike Koehneman	\$48,500	Retired since June 30, 2020 PwC, Global Advisory Chief Operating Officer and Human Capital Leader, June 1981 - June 2020	Aspen Group, Director, Audit Committee, Regulatory Committee AuthID.ai, Director, Audit Committee Chair
Joan Prince	\$33,000	Retired since March 2021 University of Wisconsin Milwaukee, Vice Chancellor (oversight of Global engagement work and student cultural centers), September 2000 - March 2021	Froedtert Health System, Director, Ascendium Education Group Director, Siebert Lutheran Foundation, Director, Delta Sigma Theta Sorority, Incorporated, Director, United Way of Greater Milwaukee and Waukesha County, Director, Managed Health Services of Wisconsin (affiliated with Centene Corporation), Director
Doug Kass	\$44,000	Seabreeze Partners Management LLC, President, 2020-2023 Private Investor, 2017-2019 TheStreet.com, Consultant/Contributor, 2017-2023	Aspen Group, Director, Compensation Committee, Regulatory Committee Ocwen Financial, Special Advisor to the Board of Directors Twill Health, Special Advisor to the Board of Directors

B. Other Control Persons. In responding to this item, please provide the following information for all persons beneficially owning more than five percent (5%) of any class of the issuer's equity securities as of the date of this information statement. Do not include Officers or Directors previously listed.

1. Full name;
2. Address; and
3. Number and class of the issuer's securities beneficially owned.

Answer: See table below for 1 – 3 above.

Name (First, Last)	Position/company affiliation (ex: CEO, 5% control person)	City and State (and Country if outside US)	Number of Shares Owned (list common, preferred, warrants and options separately)	Class of shares owned	Percentage of Class of Shares Owned (undiluted)
Long Focus Capital* Management LLC	10% owner (John Helmers is the control person)	San Juan, PR	2,713,592	Common	10.7%
Malcom MacLean*	5% owner	Mount Laurel, NJ	1,473,528	Common	5.8%
Leon Cooperman*	5% owner	Boca Raton, FL	2,509,102	Common	9.9%

To the extent not otherwise disclosed, if any of the above shareholders are corporations or other legal entities rather than individuals, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agent of each corporate shareholder.

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

Answer: No

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

Answer: No

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

Answer: Yes, in May 2017, Leon Cooperman reached a settlement with the Securities and Exchange Commission relating to a complaint regarding certain trading activities.

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

Answer: No

C. Disclosure of Family Relationships. Describe any family relationships⁷ among and between the issuer's directors, officers, persons nominated or chosen by the issuer to become directors or officers, or beneficial owners of more than five percent (5%) of the any class of the issuer's equity securities.

Answer: None

D. Disclosure of Related Party Transactions. Describe any transaction during the issuer's last two full fiscal years and the current fiscal year or any currently proposed transaction, involving the issuer, in which (i) the amount involved exceeds the lesser of \$120,000 or one percent of the average of the issuer's total assets at year-end for its last three fiscal years and (ii) any related person had or will have a direct or indirect material interest. Disclose the following information regarding the transaction:

Answer: None other than described in 1. below

1. The name of the related person and the basis on which the person is related to the issuer;

Answer: Lee Cooperman is a 5% shareholder and previously provided a \$5 million line of credit and currently holds a \$5 million convertible debt instrument to the Company. Further details are not disclosed according to 4. b. in the instructions below.

2. The related person's interest in the transaction;
3. The approximate dollar value involved in the transaction (in the case of indebtedness, disclose the largest aggregate amount of principal outstanding during the time period for which disclosure is required, the amount thereof outstanding as of the latest practicable date, the amount of principal and interest paid during the time period for which disclosure is required, and the rate or amount of interest payable on the indebtedness);

4. The approximate dollar value of the related person's interest in the transaction; and
5. Any other information regarding the transaction or the related person in the context of the transaction that is material to investors in light of the circumstances of the particular transaction.

Instruction to paragraph D of Item 11:

1. *For the purposes of paragraph D of this Item 11, the term "related person" means any director, executive officer, nominee for director, or beneficial owner of more than five percent (5%) of any class of the issuer's equity securities, immediate family members⁸ of any such person, and any person (other than a tenant or employee) sharing the household of any such person.*
2. *For the purposes of paragraph D of this Item 11, a "transaction" includes, but is not limited to, any financial transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or any series of similar transactions, arrangements or relationships.*

⁷ The term "family relationship" means any relationship by blood, marriage or adoption, not more remote than first cousin.

⁸ "Immediate family members" means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law.

3. *The "amount involved in the transaction" shall be computed by determining the dollar value of the amount involved in the transaction in question, which shall include:*
 - a. *In the case of any lease or other transaction providing for periodic payments or installments, the aggregate amount of all periodic payments or installments due on or after the beginning of the issuer's last fiscal year, including any required or optional payments due during or at the conclusion of the lease or other transaction providing for periodic payments or installments; and*
 - b. *In the case of indebtedness, the largest aggregate amount of all indebtedness outstanding at any time since the beginning of the issuer's last fiscal year and all amounts of interest payable on it during the last fiscal year.*
4. *In the case of a transaction involving indebtedness:*
 - a. *The following items of indebtedness may be excluded from the calculation of the amount of indebtedness and need not be disclosed: amounts due from the related person for purchases of goods and services subject to usual trade terms, for ordinary business travel and expense payments and for other transactions in the ordinary course of business; and*
 - b. *Disclosure need not be provided of any indebtedness transaction for beneficial*

owners of more than five percent (5%) of any class of the issuer's equity securities or such person's family members.

5. *Disclosure of an employment relationship or transaction involving an executive officer and any related compensation solely resulting from that employment relationship or transaction need not be provided. Disclosure of compensation to a director also need not be provided.*
 6. *A person who has a position or relationship with a firm, corporation, or other entity that engages in a transaction with the issuer shall not be deemed to have an indirect material interest for purposes of paragraph D of this Item 11 where:*
 - a. *The interest arises only:*
 - i. *From such person's position as a director of another corporation or organization that is a party to the transaction; or*
 - ii. *From the direct or indirect ownership by such person and all other related persons, in the aggregate, of less than a ten percent (10%) equity interest in another entity (other than a partnership) which is a party to the transaction; or*
 - iii. *From both such position and ownership; or*
 - b. *The interest arises only from such person's position as a limited partner in a partnership in which the person and all other related persons have an interest of less than ten percent (10%), and the person is not a general partner of and does not hold another position in the partnership.*
 7. *Disclosure need not be provided pursuant to paragraph D of this Item 11 if:*
 - a. *The transaction is one where the rates or charges involved in the transaction are determined by competitive bids, or the transaction involves the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority;*
 - b. *The transaction involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services; or*
 - c. *The interest of the related person arises solely from the ownership of a class of equity securities of the issuer and all holders of that class of equity securities of the issuer received the same benefit on a pro rata basis.*
 8. *Include information for any material underwriting discounts and commissions upon the sale of securities by the issuer where any of the specified persons was or is to be a principal underwriter or is a controlling person or member of a firm that was or is to be a principal underwriter.*
- E. Disclosure of Conflicts of Interest. Describe any conflicts of interest. Describe the circumstances, parties involved and mitigating factors for any executive officer or director with competing professional or personal interests. **Answer:** None.

Item 12 Financial information for the issuer's most recent fiscal period.

Instruction to Item 12: The issuer shall post the financial statements required by this Item 12 through www.OTCIQ.com under the appropriate report name for the applicable period end. (If the financial statements relate to a fiscal year end, publish it as an “*Annual Report*,” or if the financial statements relate to a quarter end, publish it as a “*Quarterly Report*” or “*Interim Financial Report*”) **The issuer must state in its disclosure statement that such financial statements are incorporated by reference.** The issuer must also (i) provide a list in the disclosure statement describing the financial statements that are incorporated by reference, (ii) clearly explain where the incorporated documents can be found, and (iii) provide a clear cross-reference to the specific location where the information requested by this Item 12 can be found in the incorporated documents.

The issuer shall provide the following financial statements for the most recent fiscal period (whether fiscal quarter or fiscal year).

- 1) balance sheet;
- 2) statement of income;
- 3) statement of cash flows;
- 4) statement of changes in stockholders' equity (for Annual Reports only);
- 5) financial notes; and
- 6) audit letter, if period ending is fiscal year

The financial statements requested pursuant to this item shall be prepared in accordance with generally accepted accounting principles (U.S. GAAP or IFRS, as applicable) by persons with sufficient financial skills.

Information contained in annual financial statements will not be considered current more than 90 days after the end of the issuer's fiscal year immediately following the fiscal year for which such statements are provided, or with respect to quarterly financial statements, more than 45 days after the end of the quarter immediately following the quarter for which such statements are provided.

Additionally, if the issuer is an insurance company, the issuer shall also post its most recent “**Insurance Company Annual Regulatory Statement**” required to be filed with the Commissioner of Insurance (or other officer or agency performing a similar function) of its domiciliary state, per section 12(g)(2)(G)(i) of the Securities Exchange Act of 1934. This statement shall be posted through www.OTCIQ.com.

Answer: See “ASPU-2023.04.30 Supplemental Document Financials and MD&A” financial information for the most recent fiscal period provided according to the instructions above.

Item 13 Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.

Please provide the financial statements described in Item 12 above for the issuer's two preceding fiscal years.

Instruction to Item 13: The issuer shall either (i) attach the financial statements required by this Item

13 to its initial disclosure or (ii) post such financial statements through www.OTCIQ.com as a separate report under the name of “Annual Report” for the applicable fiscal year end. **The issuer must state in its disclosure statement that such financial statements are incorporated by reference.** The issuer must also (x) provide a list in the disclosure statement describing the financial statements that are incorporated by reference, (y) clearly explain where the incorporated documents can be found, and (z) provide a clear cross-reference to the specific location where the information requested by this Item 13 can be found in the incorporated documents.

Answer: See “ASPU-2023.04.30 Supplemental Document Financials and MD&A” for similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence according to the instructions above.

Item 14 The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure:

1. Investment Banker

Answer: N/A

2. Promoter

Answer: N/A

3. Securities Counsel

Answer: Nason, Yeager, Gerson, Harris & Fumero, P.A.
3001 PGA Boulevard, Suite 305, Palm Beach Gardens, FL 33410
561-471-3507
MHarris@nasonyeager.com

4. Accountant or Auditor - the information shall clearly (i) describe if an outside accountant provides audit or review services, (ii) state the work done by the outside accountant and (iii) describe the responsibilities of the accountant and the responsibilities of management (i.e. who audits, prepares or reviews the issuer’s financial statements, etc.). The information shall include the accountant’s phone number and email address and a description of the accountant’s licensing and qualifications to perform such duties on behalf of the issuer.

Answer:

Salberg & Company, P.A.
2295 NW Corporate Blvd., Suite 240, Boca Raton, FL 33431-7328
561-995-8270
scottsalberg@salbergco.com

Services provided:

- 1) Audit and review services for quarterly and annual financial statements for

- consolidated Aspen Group, Inc entity
2) Annual audit services for Aspen University and United States University subsidiaries

Answer: Management is responsible for closing the books and preparing the financial statements. The Auditors are responsible for independent audit and review services
Licensing and qualifications:

Salberg & Company, P.A. is registered with the Public Company Accounting Oversight Board and the firm is licensed in Florida and New York

5. Public Relations Consultant

Answer: N/A

6. Investor Relations Consultant

Answer:

Hayden IR
7320 E. Butchers Drive, Scottsdale, AZ 85260
646-536-7331
kim@haydenir.com

7. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement - the information shall include the name, address, telephone number and email address of each advisor.

Answer: N/A

Item 15 Management's Discussion and Analysis or Plan of Operation.

Answer: See "ASPU-2023.04.30 Supplemental Document Financials and MD&A."

Instructions to Item 15

Issuers that have not had revenues from operations in each of the last two fiscal years, or the last fiscal year and any interim period in the current fiscal year for which financial statements are furnished in the disclosure statement, shall provide the information in paragraphs A and C of this item. All other issuers shall provide the information in paragraphs B and C of this item.

The discussion and analysis shall focus specifically on material events and uncertainties known to management that would cause reported financial information not to be necessarily indicative of future operating results or of future financial condition.

Issuers are not required to supply forward-looking information. This is distinguished from presently

known data that will impact upon future operating results, such as known future increases in costs of labor or materials. This latter data may be required to be disclosed.

A. Plan of Operation.

1. Describe the issuer's plan of operation for the next twelve months. This description should include such matters as:

- i. a discussion of how long the issuer can satisfy its cash requirements and whether it will have to raise additional funds in the next twelve months;
- ii. a summary of any product research and development that the issuer will perform for the term of the plan;
- iii. any expected purchase or sale of plant and significant equipment; and
- iv. any expected significant changes in the number of employees.

B. Management's Discussion and Analysis of Financial Condition and Results of Operations.

1. *Full fiscal years.* Discuss the issuer's financial condition, changes in financial condition and results of operations for each of the last two fiscal years. This discussion should address the past and future financial condition and results of operation of the issuer, with particular emphasis on the prospects for the future. The discussion should also address those key variable and other qualitative and quantitative factors that are necessary to an understanding and evaluation of the issuer. If material, the issuer should disclose the following:

Answer: See "ASPU-2023.04.30 OTC Annual Report – Item 15." for i – vii below:

- i. Any known trends, events or uncertainties that have or are reasonably likely to have a material impact on the issuer's short-term or long-term liquidity;
- ii. Internal and external sources of liquidity;
- iii. Any material commitments for capital expenditures and the expected sources of funds for such expenditures;
- iv. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations;
- v. Any significant elements of income or loss that do not arise from the issuer's continuing operations;
- vi. The causes for any material changes from period to period in one or more line items of the issuer's financial statements; and

- vii. Any seasonal aspects that had a material effect on the financial condition or results of operation.

2. *Interim Periods.* Provide a comparable discussion that will enable the reader to assess material changes in financial condition and results of operations since the end of the last fiscal year and for the comparable interim period in the preceding year.

C. Off-Balance Sheet Arrangements.

Answer: There are no off-balance sheet arrangements.

1. In a separately-captioned section, discuss the issuer's off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the issuer's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors. The disclosure shall include the items specified in paragraphs C(1)(i), (ii), (iii) and (iv) of this Item 15 to the extent necessary to an understanding of such arrangements and effect and shall also include such other information that the issuer believes is necessary for such an understanding.

- i. The nature and business purpose to the issuer of such off-balance sheet arrangements;
- ii. The importance to the issuer of such off-balance sheet arrangements in respect of its liquidity, capital resources, market risk support, credit risk support or other benefits;
- iii. The amounts of revenues, expenses and cash flows of the issuer arising from such arrangements; the nature and amounts of any interests retained, securities issued and other indebtedness incurred by the issuer in connection with such arrangements; and the nature and amounts of any other obligations or liabilities (including contingent obligations or liabilities) of the issuer arising from such arrangements that are or are reasonably likely to become material and the triggering events or circumstances that could cause them to arise; and
- iv. Any known event, demand, commitment, trend or uncertainty that will result in or is reasonably likely to result in the termination, or material reduction in availability to the issuer, of its off-balance sheet arrangements that provide material benefits to it, and the course of action that the issuer has taken or proposes to take in response to any such circumstances.

2. As used in paragraph C of this Item 15, the term off-balance sheet arrangement means any transaction, agreement or other contractual arrangement to which an entity unconsolidated with the issuer is a party, under which the issuer has:

- i. Any obligation under a guarantee contract that has any of the characteristics identified in Financial Accounting Standards Board("FASB") Accounting Standards Codification ("ASC") Topic 460-

- 10, Guarantees; formerly FIN 45;
- ii. A retained or contingent interest in assets transferred to an unconsolidated entity or similar arrangement that serves as credit, liquidity or market risk support to such entity for such assets;
 - iii. Any obligation, including a contingent obligation, under a contract that would be accounted for as a derivative instrument, except that it is both indexed to the issuer's own stock and classified in stockholders' equity in the issuer's statement of financial position, and therefore excluded from the scope of FASB ASC 815, Derivatives and hedging; formerly FAS 133; or
 - iv. Any obligation, including a contingent obligation, arising out of a variable interest (as referenced in FASB ASC 810, Consolidation; formerly FIN 46R) in an unconsolidated entity that is held by, and material to, the issuer, where such entity provides financing, liquidity, market risk or credit risk support to, or engages in leasing, hedging or research and development services with, the issuer.

Instructions to paragraph C of Item 15

- i. No obligation to make disclosure under paragraph C of this Item 15 shall arise in respect of an off-balance sheet arrangement until a definitive agreement that is unconditionally binding or subject only to customary closing conditions exists or, if there is no such agreement, when settlement of the transaction occurs.
- ii. Issuers should aggregate off-balance sheet arrangements in groups or categories that provide material information in an efficient and understandable manner and should avoid repetition and disclosure of immaterial information. Effects that are common or similar with respect to a number of off-balance sheet arrangements must be analyzed in the aggregate to the extent the aggregation increases understanding. Distinctions in arrangements and their effects must be discussed to the extent the information is material, but the discussion should avoid repetition and disclosure of immaterial information.
- iii. For purposes of paragraph C of this Item 15 only, contingent liabilities arising out of litigation, arbitration or regulatory actions are not considered to be off-balance sheet arrangements.
- iv. Generally, the disclosure required by paragraph C of this Item 15 shall cover the most recent fiscal year. However, the discussion should address changes from the previous year where such discussion is necessary to an understanding of the disclosure.

In satisfying the requirements of paragraph C of this Item 15, the discussion of off-balance sheet arrangements need not repeat information provided in the footnotes to the financial statements, provided that such discussion clearly cross-references to specific information in the relevant footnotes and integrates the substance of the footnotes into such discussion in a manner designed to inform readers of the significance of the information that is not included

within the body of such discussion.

Part E Issuance History

Item 16 List of securities offerings and shares issued for services in the past two years.

- A. List below any events, in chronological order, that resulted in direct changes to the total shares outstanding by the issuer (1) within the two-year period ending on the last day of the issuer's most recent fiscal year and (2) since the last day of the issuer's most recent fiscal year.

Answer: List of securities offerings and securities issued for services in the past two years:

Date of Transaction	Class of Securities/Description of Issuance	Name	Jurisdictions where the offering was registered or qualified	Number of shares offered	Number of shares sold	Price at which the shares were offered, and amount paid to the Issuer	Trading status of the shares (Restricted/Not Restricted)
7-21-2021	RSUs	Michael Mathews	N/A	125,000	125,000 (3)	\$0	Restricted - Section 4(a)(2) of the Securities Act of 1933 and Rule 506 of Regulation D promulgated thereunder
8-12-2021	RSUs	Gerard Wendolowski	N/A	80,000	80,000 (4)	\$0	Restricted - Section 4(a)(2) of the Securities Act of 1933 and Rule 506 of Regulation D promulgated thereunder
8-12-2021	RSUs	Cheri St. Arnauld	N/A	80,000	80,000	\$0	Restricted - Section 4(a)(2) of the Securities Act of 1933 and Rule 506 of Regulation D promulgated thereunder
8-16-2021	RSUs	Matthew LaVay	N/A	125,000	125,000 (5)	\$0	Restricted - Section 4(a)(2) of the Securities Act of 1933 and Rule 506 of Regulation D promulgated thereunder
9-21-2021	RSUs vesting	Robert Alessi	Federal	6,667	6,667	\$6.52	Free Trading (1)
9-22-2021	Share Issuance (stock option exercise)	Gerard Wendolowski	Federal	30,156	30,156	\$4.90	Free Trading (1)
11-23-2021	Share issuance	Malcolm Maclean	Federal	41,667	41,667	\$3.24	Free Trading (1)
12-20-2021	RSUs vesting	Robert Alessi	Federal	11,667	11,667	\$3.08	Free Trading (1)
2/24/2022	Share Issuance	Sanford Rich	Federal	26,147	26,147	\$2.36	Free Trading (1)

2/24/2022	Share Issuance	Andrew Kaplan	Federal	23,624	23,624	\$2.36	Free Trading (1)
2/24/2022	Share Issuance	Michael Koehneman	Federal	20,183	20,183	\$2.36	Free Trading (1)
2/24/2022	Share Issuance	Norman Dicks	Federal	20,183	20,183	\$2.36	Free Trading (1)
2/24/2022	Share Issuance	Douglas Kass	Federal	18,119	18,119	\$2.36	Free Trading (1)
2/24/2022	Share Issuance	Joan Prince	Federal	9,060	9,060	\$2.36	Free Trading (1)
8-17-2022	Share Issuance	Lampert Capital Advisors LLC	N/A	25,000	25,000	\$0.9792	Restricted
8-23-2022	ATM Offering	Northland Securities Inc.	Federal	6,800	6,800	\$0.805	Free Trading (2)
8-24-2022	ATM Offering	Northland Securities Inc.	Federal	400	400	\$0.805	Free Trading (2)
8-24-2022	Share Issuance	Anne McNamara	Federal	50,000	50,000	\$0.85	Free Trading (1)
8-24-2022	ATM Offering	Northland Securities Inc.	Federal	4,640	4,640	\$0.805	Free Trading (2)
12-22-2022	RSUs vesting	Robert Alessi	N/A	16,667	16,667	\$0.35	Restricted
12-22-2022	RSUs vesting	Robert Alessi	N/A	6,667	6,667	\$1.00	Restricted
12-22-2022	RSUs vesting	Gerard Wendolowski	N/A	26,666	26,666	\$0.50	Restricted
12-22-2022	RSUs vesting	Cheri St. Arnauld	N/A	26,666	26,666	\$0.50	Restricted
5-10-2023	Share Issuance	Lampert Capital Advisors LLC	N/A	25,000	25,000	\$0.0743	Restricted
5-17-2023	RSUs vesting	Rob Alessi	N/A	36,667	36,667	\$0.07	Restricted
7-11-2023	RSUs vesting	Michael Mathews	N/A	15,157	15,157	\$0.14	Restricted
7-11-2023	RSUs vesting	Cheri St. Arnauld	N/A	13,991	13,99	\$0.14	Restricted

(1) The securities were issued pursuant to the issuer's registration statement on Form S-8.

(2) Represents the average price per share sold. The shares were sold at varying prices through Northland Securities, Inc., the selling agent, in an "at-the-market" offering of our common stock pursuant to the issuer's registration statement on Form S-3.

(3) Since the performance condition of this grant was not expected to be met, 125,000 shares were forfeited during Fiscal Q1 '23.

(4) 53,334 shares were forfeited due to the officer resignation on May 15, 2023.

(5) 41,667 shares were cancelled during Fiscal Q3 '23.

The list shall include all offerings of securities, including debt convertible into equity securities, whether private or public, and shall indicate:

- (i) The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);
- (ii) Any jurisdictions where the offering was registered or qualified;
- (iii) The number of shares offered;
- (iv) The number of shares sold;

- (v) The price at which the shares were offered, and the amount actually paid to the issuer;
- (vi) The trading status of the shares, whether they are restricted or unrestricted; and
- (vii) Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

The list shall also include all shares or any other securities or options to acquire such securities issued for services in the past two fiscal years and any interim periods, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities.

With respect to private offerings of securities, the list shall also indicate the identity of the persons who purchased securities in such private offering; *provided, however*, that in the event that any such person is an entity, the list shall also indicate (a) the identity of each natural person beneficially owning, directly or indirectly, more than five percent (5%) of any class of equity securities of such entity and (b) to the extent not otherwise disclosed, the identity of each natural person who controlled or directed, directly or indirectly, the purchase of such securities for such entity.

- B. List below and describe any issuance of Promissory Notes, Convertible Notes, or Convertible Debentures. In responding to this item, please provide the date of execution of the Note or the Agreement, a description of the reason for the issuance, the outstanding balance and any interest accrued. Provide the maturity dates for each Note or Agreement, their conversion terms, names of beneficial owners or holders and the exact class of security such Notes or Agreement may be converted to. Also, specify if the Note is Secured or Unsecured and whether or not it is in Default.

Answer: See table below - Promissory Notes, Convertible Notes and Convertible Debentures issued since May 1, 2021:

Date of Issuance	Secured/Unsecured	Default or Not	Holder	Control Person	Principal Amount at Issuance	Outstanding Balance	Interest Rate	Class of Security Note may be Converted to	Description of the Reason for the Issuance	Maturity Date	Conversion Terms
8-31-2021	Unsecured	No longer outstanding	The Leon and Toby Cooperman Family Foundation	Leon Cooperman, trustee	\$5,000,000	\$5,000,000	14% per annum	N/A	Letter Agreement to amend the Amended and Restated Loan Agreement, dated March 6, 2019	N/A	N/A
3-14-2022	Secured	No longer outstanding	The Leon and Toby Cooperman Family Foundation	Leon Cooperman, trustee	\$10,000,000	\$10,000,000	12% per annum	Common Stock	Revolving Promissory Note and Security Agreement	N/A	N/A
3-14-2022	Secured	No longer outstanding	Calm Waters Partnership	Richard Strong, Managing Partner	\$10,000,000	\$10,000,000	12% per annum	Common Stock	Revolving Promissory Note and Security Agreement	N/A	N/A
3-14-2022	Secured	Not in Default	The Leon and Toby Cooperman Family Foundation	Leon Cooperman, trustee	\$5,000,000	\$5,000,000	12% per annum (14% per annum, effective 5/12/2023)	Common Stock	Convertible Promissory Note and Security Agreement	March 14, 2027	(1)
3-14-2022	Secured	Not in Default	Calm Waters Partnership	Richard Strong, Managing Partner	\$5,000,000	\$5,000,000	12% per annum (14% per annum, effective 5/12/2023)	Common Stock	Convertible Promissory Note and Security Agreement	March 14, 2027	(2)
5-12-2023	Secured	Not in Default	JGB Management Inc.	Brett Cohen, President	\$12,400,000	\$12,400,000	Annual rate of 15% payable monthly	Common Stock	Securities Purchase Agreement	May 12, 2026	(3)

(1) The Convertible Note is convertible into up to 5,000,000 shares of the Company's common stock at the lender's option at a conversion price of \$1.00 per share any time after the issuance date. In addition, the Convertible Note is mandatorily convertible into shares of common stock if the closing price of the Company's common stock is at least \$2.00 per share for 30 consecutive trading days. This mandatory conversion is subject to the lender's 9.9% beneficial ownership limitation.

(2) The Convertible Note is convertible into up to 5,000,000 shares of the Company's common stock at the lender's option at a conversion price of \$1.00 per share any time after the issuance date. In addition, the Convertible Note is mandatorily convertible into shares of common stock if the closing price of the Company's common stock is at least \$2.00 per share for 30 consecutive trading days. This mandatory conversion is subject to the lender's 9.9% beneficial ownership limitation.

(3) Convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Stock (no issuance of common stock).

Part F Exhibits

The following exhibits must be either described in or attached to the disclosure statement:

Item 17 Material Contracts.

- A. Every material contract, not made in the ordinary course of business, that will be

performed after the disclosure statement is posted through www.OTCIQ.com or was entered into not more than two years before such posting. Also include the following contracts:

- 1) Any contract to which directors, officers, promoters, voting trustees, security holders named in the disclosure statement, or the Designated Advisor for Disclosure are parties other than contracts involving only the purchase or sale of current assets having a determinable market price, at such market price;

Answer: See answer to Item 16. B above.

Any contract upon which the issuer's business is substantially dependent, including but not limited to contracts with principal customers, principal suppliers, and franchise agreements;

Answer:

Grantor	Name	Nature and Scope
AGI	Twilio	Master sales agreement - phone systems
AGI	Rackspace Technology	Firewall and other cloud computing services
AU	Educational Compliance Management Inc.	Financial aid services agreement
AU	D2L Ltd	Online learning platform
AU	FA Solutions LLC	Enhance student financial aid experience
AU	Kaplan Inc.	Online learning platform
AU	Akcia Inc	Software as a service agreement
AU	Elavon	Credit card payment processor
AU	WorldPay	Credit card payment processor
USU	Anthology Inc	Campus management service agreement
USU	Apparel Pro	Health care wear
USU	Ascend Learning Holdings LLC	Online learning platform
USU	TrueLearn LLC	Online learning platform (Picmonic)
USU	Wolters Kluwer Health Inc	Online health research platform
USU	Elsevier, Inc. dba HESI	Review and testing solution that prepares students for licensure/certification exam success
USU	Elavon	Credit card payment processor
USU	WorldPay	Credit card payment processor

- 2) Any contract for the purchase or sale of any property, plant or equipment for consideration exceeding 15 percent of such assets of the issuer; or

Answer: None

- 3) Any material lease under which a part of the property described in the disclosure statement is held by the issuer.

Answer: None

B. Any management contract or any compensatory plan, contract or arrangement, including but not limited to plans relating to options, warrants or rights, pension, retirement or deferred compensation or bonus, incentive or profit sharing (or if not set forth in any formal document, a written description thereof) in which any director or any executive officer of the issuer participates shall be deemed material and shall be included; and any other management contract or any other compensatory plan, contract, or arrangement in which any other executive officer of the issuer participates shall be filed unless immaterial in amount or significance.

Answer:

Summary Compensation Table							
Name and Principal Positions	Fiscal Year	Salary	Bonus	Stock Awards	Non-Equity Incentive Plan Compensation	All Other Compensation	Total
Michael Mathews	2022	\$ 346,823	\$ -	\$ 873,750	\$ -	\$ 108,415	\$ 1,328,988
Chief Executive Officer	2023	\$ 350,000	\$ -	\$ -	\$ -	\$ 103,892	\$ 453,892
Cheri St. Arnaud	2022	\$ 309,000	\$ -	\$ 518,400	\$ -		\$ 827,400
Chief Academic Officer	2023	\$ 309,000	\$ -	\$ -	\$ -	\$ 20,939	\$ 329,939
Matthew LaVay	2022	\$ 230,208		\$ 725,000	\$ -	\$ 40,000	\$ 995,208
Chief Financial Officer	2023	\$ 325,000	\$ -	\$ -	\$ -	\$ 60,000	\$ 385,000

Name	Calendar Year 2022 Fees Earned or		
	Paid in Cash (\$)	Stock Awards (\$)	Total (\$)
Andrew Kaplan	\$ 51,500	\$ -	\$51,500
Douglas Kass	\$ 44,000	\$ -	\$44,000
Michael Koehneman	\$ 48,500	\$ -	\$48,500
Dr. Joan Prince	\$ 33,000	\$ -	\$33,000
Sanford Rich	\$ 57,000	\$ -	\$57,700

C. The following management contracts or compensatory plans need not be included:

- 1) Ordinary purchase and sales agency agreements;
- 2) Agreements with managers of stores in a chain organization or similar organization;
- 3) Contracts providing for labor or salesmen's bonuses or payments to a class of security holders, as such; and
- 4) Any compensatory plan that is available to employees, officers or

directors generally and provides for the same method of allocation of benefits between management and non-management participants

Item 18 Articles of Incorporation and Bylaws.

A. A complete copy of the issuer's articles of incorporation or in the event that the issuer is not a corporation, the issuer's certificate of organization. Whenever amendments to the articles of incorporation or certificate of organization are filed, a complete copy of the articles of incorporation or certificate of organization as amended shall be filed.

Answer: EXHIBIT A

B. A complete copy of the issuer's bylaws. Whenever amendments to the bylaws are filed, a complete copy of the bylaws as amended shall be filed.

Answer: EXHIBIT B

Item 19 Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

A. In the following tabular format, provide the information specified in paragraph (B) of this Item 20 with respect to any purchase made by or on behalf of the issuer or any "Affiliated

Purchaser” (as defined in paragraph (C) of this Item 19) of shares or other units of any class of the issuer's equity securities.

Answer: None

ISSUER PURCHASES OF EQUITY SECURITIES				
Period	Column (a) Total Number of Shares (or Units) Purchased	Column (b) Average Price Paid per Share (or Unit)	Column (c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Column (d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
Month #1 (identify beginning and ending dates)				
Month #2 (identify beginning and ending dates)				
Month #3 (identify beginning and ending dates)				
Total				

B. The table shall include the following information for each class or series of securities for each month included in the period covered by the report:

1. The total number of shares (or units) purchased (Column (a)). Include in this column all issuer repurchases, including those made pursuant to publicly

announced plans or programs and those not made pursuant to publicly announced plans or programs. Briefly disclose, by footnote to the table, the number of shares purchased other than through a publicly announced plan or program and the nature of the transaction (e.g., whether the purchases were made in open-market transactions, tender offers, in satisfaction of the company's obligations upon exercise of outstanding put options issued by the company, or other transactions).

2. The average price paid per share (or unit) (Column (b)).
3. The total number of shares (or units) purchased as part of publicly announced repurchase plans or programs (Column (c)).
4. The maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs (Column (d)).

Instructions to paragraphs (B)(3) and (B)(4) of this Item 20:

- a. In the table, disclose this information in the aggregate for all plans or programs publicly announced.
- b. By footnote to the table, indicate:
 - i. The date each plan or program was announced;
 - ii. The dollar amount (or share or unit amount) approved;
 - iii. The expiration date (if any) of each plan or program;
 - iv. Each plan or program that has expired during the period covered by the table; and
 - v. Each plan or program the issuer has determined to terminate prior to expiration, or under which the issuer does not intend to make further purchases.

C. For purposes of this Item 19, "Affiliated Purchaser" means:

1. A person acting, directly or indirectly, in concert with the issuer for the purpose of acquiring the issuer's securities; or
2. An affiliate who, directly or indirectly, controls the issuer's purchases of such securities, whose purchases are controlled by the issuer, or whose purchases are under common control with those of the issuer; *provided, however*, that "Affiliated Purchaser" shall not include a broker, dealer, or other person solely by reason of such broker, dealer, or other person effecting purchases on behalf of the issuer or for its account, and shall not include an officer or director of the issuer solely by reason of that officer or director's participation in the decision to authorize purchases by or on behalf of the issuer.

Item 20 Issuer's Certifications.

I, Michael Mathews, certify that:

1. I have reviewed this annual disclosure statement of Aspen Group, Inc.;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: September 29, 2023

/s/ Michael Mathews
CEO

I, Matthew LaVay, certify that:

1. I have reviewed this annual disclosure statement of Aspen Group, Inc.;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: September 29, 2023

/s/ Matthew LaVay
CFO