UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

☒ QUARTERLY REPORT UNDER SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2013

OR

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

Commission File Number 1-05707

GENERAL EMPLOYMENT ENTERPRISES, INC

(Exact name of registrant as specified in its charter)

Illinois	36-6097429
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

One Tower Lane, Suite 2200, Oakbrook Terrace, Illinois 60181
(Address of principal executive offices)
(630) 954-0400
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ☒ No ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☒

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

The number of shares outstanding of the registrant's common stock as of August 13, 2013 was 22,799,675.

GENERAL EMPLOYMENT ENTERRISES, INC.
Form 10-Q
For the Quarter Ended June 30, 2013
INDEX

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

As a matter of policy, the Company does not provide forecasts of future financial performance. The statements made in this Form 10-Q Quarterly Report which are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements often contain or are prefaced by words such as “believe”, “will” and “expect.” These statements are based on current expectations, estimates and projections about our business based, in part, on assumptions made by management. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. As a result of a number of factors, our actual results could differ materially from those set forth in the forward-looking statements. Certain factors that might cause the Company’s actual results to differ materially from those in the forward-looking statements include, without limitation, general business conditions, the demand for the Company’s services, competitive market pressures, the ability of the Company to attract and retain qualified personnel for regular full-time placement and contract assignments, the possibility of incurring liability for the Company’s business activities, including the activities of its contract employees and events affecting its contract employees on client premises, and the ability to attract and retain qualified corporate and branch management, as well as those risks discussed in the Company’s annual report on Form 10-K for the year ended September 30, 2012, and in other documents which we file with the Securities and Exchange Commission. Any forward-looking statements speak only as of the date on which they are made, and the Company is under no obligation to (and expressly disclaims any such obligation to) and does not intend to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

GENERAL EMPLOYMENT ENTERPRISES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

(In Thousands)

	June 30, 2013	September 30, 2012
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1	$ 364
Accounts receivable, less allowances (June - $198; September - $259)	5,833	6,164
Other current assets	843	246
Assets of discontinued operations	1,092	608
Total current assets	7,769	7,382
Property and equipment, net	560	507
Goodwill	1,106	1,106
Intangible assets, net	1,964	2,204
TOTAL ASSETS	$ 11,399	$ 11,199
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term debt	$ 2,955	$ 2,404
Accounts payable	533	173
Accrued compensation	2,541	3,033
Other current liabilities	1,294	1,196
Liabilities from discontinued operations	647	35
Total current liabilities	7,970	6,841
Long-term liabilities	171	253
Commitments and contingencies		
SHAREHOLDERS' EQUITY		
Preferred stock; no par value; authorized - 100 shares; issued and outstanding - none	-	-
Common stock, no-par value; authorized - 50,000 shares; issued and outstanding - 21,699 shares at June 30, 2013 and September 30, 2012	10,475	10,453
Accumulated deficit	(7,217)	(6,348)
Total shareholders' equity	3,258	4,105
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 11,399	$ 11,199

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

GENERAL EMPLOYMENT ENTERPRISES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)

(In Thousands, Except Per Share Data)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2013	2012	2013	2012
NET REVENUES:				
Contract staffing services	$ 9,128	$ 9,598	$ 29,352	$ 27,216
Direct hire placement services	1,593	1,765	5,807	5,276
NET REVENUES	10,721	11,363	35,159	32,492
Cost of contract services	7,038	7,702	23,806	22,312
Selling, general and administrative expenses	3,614	3,433	11,565	10,099
Amortization of intangible assets	80	99	240	299
INCOME (LOSS) FROM OPERATIONS	(11)	129	(452)	(218)
Interest expense	48	49	190	156
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAX PROVISION	(59)	80	(642)	(374)
Provision for income tax	-	-	(8)	-
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	$ (59)	$ 80	$ (650)	$ (374)
Loss from discontinued operations	$ (169)	$ -	$ (219)	$ (39)
NET INCOME (LOSS)	$ (228)	$ 80	$ (869)	$ (413)
BASIC NET INCOME (LOSS) PER SHARE				
From continuing operations	$ (0.00)	$ 0.00	$ (0.03)	$ (0.02)
From discontinued operations	$ (0.01)	$ 0.00	$ (0.01)	$ (0.00)
Total net income (loss) per share	$ (0.01)	$ 0.00	$ (0.04)	$ (0.02)
WEIGHTED AVERAGE NUMBER OF SHARES - BASIC	21,699	21,699	21,699	21,699
DILUTED NET INCOME (LOSS) PER SHARE				
From continuing operations	$ (0.00)	$ 0.00	$ (0.03)	$ (0.02)
From discontinued operations	$ (0.01)	$ -	$ (0.01)	$ (0.00)
Total net income (loss) per share	$ (0.01)	$ 0.00	$ (0.04)	$ (0.02)
WEIGHTED AVERAGE NUMBER OF SHARES - DILUTED	21,699	21,923	21,699	21,699

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

GENERAL EMPLOYMENT ENTERPRISES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (unaudited)

(In Thousands)

	Common Stock		Accumulated	Total Shareholders'
	Shares	Amount	Deficit	Equity
Balance, September 30, 2011	21,699	$ 10,031	$ (5,337)	$ 4,694
Stock compensation expense	-	422	-	422
Net loss	-	-	(1,011)	(1,011)
Balance, September 30, 2012	21,699	$ 10,453	$ (6,348)	$ 4,105
Stock compensation expense	-	22	-	22
Net loss	-	-	(869)	(869)
Balance, June 30, 2013	21,699	$ 10,475	$ (7,217)	$ 3,258

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

GENERAL EMPLOYMENT ENTERPRISES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

(In Thousands)

	Nine Months Ended June 30,	
	2013	**2012**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (869)	$ (413)
Loss from discontinued operations	(219)	(39)
Loss from continuing operations	(650)	(374)
Adjustments to reconcile loss from continuing operations to net cash (used in) provided by operating activities:		
Depreciation and amortization	365	414
Stock compensation expense	22	126
Provision for doubtful accounts	92	-
Changes in operating assets and liabilities -		
Accounts receivable	239	219
Accounts payable	360	(294)
Accrued compensation	(301)	305
Other current items, net	(349)	(143)
Long-term liabilities	(82)	-
Net cash (used in) provided by operating activities - Continuing Operations	(304)	253
Net cash used by operating activities - Discontinued Operations	(279)	(53)
Net cash (used in) provided by operating activities	(583)	200
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(177)	(244)
Partial payment of earn-out	(150)	(50)
Acquisition of Ashley Ellis	-	(200)
Net cash used in investing activities - Continuing Operations	(327)	(494)
Net cash used in investing activities - Discontinued Operations	(4)	(1)
Net cash used in investing activities	(331)	(495)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from short-term debt	551	581
Net cash provided by financing activities - Continuing Operations	551	581
Net cash provided by financing activities - Discontinued Operations	-	-
Net cash provided by financing activities	551	581
Net change in cash - Continuing Operations	(80)	340
Net change in cash - Discontinued Operations	(283)	(54)
Cash at beginning of period - Continuing Operations	364	314
Cash at beginning of period - Discontinued Operations	-	-
Cash at end of period	$ 1	$ 600
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	$ 151	$ 145
Cash paid for taxes	$ 8	$ -

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. Description of Business

General Employment Enterprises, Inc. (the “Company,” “we,” “our” or “us”) provides staffing services through a network of branch offices located in major metropolitan areas throughout the United States. The Company’s professional staffing services provide information technology, engineering and accounting professionals to clients on either a regular placement basis or a temporary contract basis. The Company’s agricultural staffing services provided agricultural workers for farms and groves, until July 7, 2013 when the Company ceased operations within its agricultural division, terminated all the division’s employees and began the process of liquidating all assets of this division. The Company’s industrial staffing business provides weekly temporary staffing for light industrial clients in Ohio and Pennsylvania.

The Company has experienced significant losses in the past. Management has implemented a strategy which included cost reduction efforts, closure of the agricultural division as well as identifying strategic acquisitions, financed primarily through the issuance of stock, to improve the overall profitability and cash flows of the Company. The Company entered into an account purchase agreement with Wells Fargo Business Credit to provide working capital financing. The account purchase agreement allows Wells Fargo to advance the Company funds on accounts receivable at its sole discretion. In the event Wells Fargo elects not to advance us funds on our accounts receivable balance or the performance of the acquired entities does not meet our expectations, the Company could experience liquidity constraints.

2. Significant Accounting Policies and Estimates

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete consolidated financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the three and nine month periods ended June 30, 2013 are not necessarily indicative of the results that may be expected for the year ending September 30, 2013. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended September 30, 2012.

Liquidity
In recent years, the Company has incurred significant losses and negative cash flows from operations. Management has implemented a strategy which included cost reduction efforts as well as identifying strategic acquisitions, financed primarily through the issuance of common stock, to improve the overall profitability and cash flows of the Company. Management believes with current cash flow from operations and the availability under the AR Credit Facility, the Company will have sufficient liquidity for the next 12 months.

Principles of Consolidation
The condensed consolidated financial statements include the accounts and transactions of the Company and its wholly-owned subsidiaries. All significant inter-company accounts and transactions are eliminated in consolidation.

Discontinued operations
A discontinued operation is a component of an entity that has either been disposed of, or that is classified as held for sale, which represents a separate major line of business or geographical area of operations and is part of a single coordinated plan to dispose of a separate line of business or geographical area of operations. In accordance with the rules regarding the presentation of discontinued operations, the assets, liabilities and activity of our agricultural business have been reclassified as a discontinued operation for all periods presented.

Estimates and Assumptions
Management makes estimates and assumptions that can affect the amounts of assets and liabilities reported as of the date of the condensed consolidated financial statements, as well as the amounts of reported revenues and expenses during the periods presented. Those estimates and assumptions typically involve expectations about events to occur subsequent to the balance sheet date, and it is possible that actual results could ultimately differ from the estimates. If differences were to occur in a subsequent period, the Company would recognize those differences when they became known. Significant matters requiring the use of estimates and assumptions include, but may not be limited to, deferred income tax valuation allowances, accounts receivable allowances, accounting for acquisitions and evaluation of impairment. Management believes that its estimates and assumptions are reasonable, based on information that is available at the time they are made.

Revenue Recognition
Direct hire placement service revenues are recognized when applicants accept offers of employment, less a provision for estimated losses due to applicants not remaining employed for the Company’s guarantee period. Contract staffing service revenues are recognized when services are rendered.

Cost of Contract Staffing Services
The cost of contract services includes the wages and the related payroll taxes and employee benefits of the Company’s employees while they work on contract assignments.

Income Taxes
We record a provision for income taxes for the anticipated tax consequences of the reported results of operations using the asset and liability method. Under this method, we recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial reporting and tax basis of assets and liabilities, as well as for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to taxable income for the years in which those tax assets and liabilities are expected to be realized or settled. We record a valuation allowance to reduce our deferred tax assets to the net amount that we believe is more likely than not to be realized.

Due to the private sale of shares of common stock to LEED HR during fiscal 2012 and the resulting change in control, the Company may be limited by Section 382 of the Internal Revenue Code as to the amount of net operating losses that may be used in future years.

We recognize tax benefits from uncertain tax positions only if we believe that it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. Although we believe that we have adequately reserved for our uncertain tax positions, we can provide no assurance that the final tax outcome of these matters will not be materially different. We make adjustments to these reserves when facts and circumstances change, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made and could have a material impact on our financial condition and operating results.

Cash and Cash Equivalents
Highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. At June 30, 2013 and September 30, 2012, there were no cash equivalents. The Company maintains deposits in financial institutions in excess of amounts guaranteed by the Federal Deposit Insurance Corporation. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. We have never experienced any losses related to these balances. All of our non-interest bearing cash balances were fully insured at December 31, 2012 due to a temporary federal program in effect from December 31, 2010 through December 31, 2012. Under the program, there was no limit to the amount of insurance for eligible accounts. Beginning 2013, insurance coverage reverted to $250,000 per depositor at each financial institution, and our non-interest bearing cash balances may again exceed federally insured limits.

Accounts Receivable
The Company extends credit to its various customers based on evaluation of the customer's financial condition and ability to pay the Company in accordance with the payment terms. An allowance for placement fall-offs is recorded, as a reduction of revenues, for estimated losses due to applicants not remaining employed for the Company's guarantee period. An allowance for doubtful accounts is recorded, as a charge to bad debt expense, where collection is considered to be doubtful due to credit issues. These allowances together reflect management's estimate of the potential losses inherent in the accounts receivable balances, based on historical loss statistics and known factors impacting its customers. The nature of the contract service business, where companies are dependent on employees for the production cycle allows for a small accounts receivable allowance. Based on management's review of accounts receivable, an allowance for doubtful accounts of approximately $198,000 and $259,000 is considered necessary as of June 30, 2013 and September 30, 2012, respectively. The Company charges uncollectible accounts against the allowance once the invoices are deemed unlikely to be collectible.

Property and Equipment
Property and equipment are recorded at cost. Depreciation expense is calculated on a straight-line basis over estimated useful lives of five years for computer equipment and two to ten years for office equipment, furniture and fixtures. The Company capitalizes computer software purchased or developed for internal use and amortizes it over an estimated useful life of five years. The carrying value of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate that it may not be recoverable. If the carrying amount of an asset group is greater than its estimated future undiscounted cash flows, the carrying value is written down to the estimated fair value. There was no impairment of property and equipment for the nine month periods ended June 30, 2013 and 2012. For property and equipment included in current asset of discontinued operations in the accompanying balance sheet the Company has ceased recording depreciation expense.

Goodwill
Goodwill represents the excess of cost over the fair value of the net assets acquired in the acquisition of DMCC Staffing, LLC ("DMCC") and RFFG of Cleveland, LLC ("RFFG of Cleveland") and Ashley Ellis, LLC ("Ashley Ellis"). The Company assesses goodwill for impairment at least annually. The Company early adopted, Intangibles – Goodwill and Other (Topic 350): Testing Goodwill for Impairment, which allows the Company to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the entity determines that this threshold is not met, then performing the two-step impairment test is unnecessary. An impairment loss would be recognized to the extent the carrying value of goodwill exceeds its implied fair value.

Fair Value Measurement
The Company follows the provisions of the accounting standard which defines fair value, establishes a framework for measuring fair value and enhances fair value measurement disclosure. Under these provisions, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

The standard establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use on unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable prices that are based on inputs not quoted on active markets, but corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

The fair value of the Company's current assets and current liabilities approximate their carrying values due to their short term nature. The carrying value of the Company's long-term liabilities represents their fair value based on level 3 inputs. The Company's goodwill and other intangible assets are measured at fair value on a non-recurring basis using level 3 inputs.

Intangible Assets
Customer lists, non-compete agreements, customer relationships, management agreements and trade names were recorded at their estimated fair value at the date of acquisition and are amortized over their estimated useful lives ranging from two to ten years using both accelerated and straight-line methods.

Impairment of Long-lived Assets
The Company records an impairment of long-lived assets used in operations, other than goodwill, when events or circumstances indicate that the asset might be impaired and the estimated undiscounted cash flows to be generated by those assets over their remaining lives are less than the carrying amount of those items. The net carrying value of assets not recoverable is reduced to fair value, which is typically calculated using the discounted cash flow method.

Stock-Based Compensation
Compensation expense is recorded for the fair value of stock options issued to directors and employees. The expense is measured as the estimated fair value of the stock options on the date of grant and is recorded over the vesting periods.

Segment Data
The Company had three operating business segments a) Contract staffing services, b) Direct hire placement services and c) Management services until July 15, 2011 when the Company stopped performing these services. These operating segments were determined based primarily on how the chief operating decision maker views and evaluates our operations. Operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Other factors, including type of business, type of employee, length of employment and revenue recognition are considered in determining these operating segments. We did not provide management services during the nine month period ended June 30, 2013 and management does not currently intend to provide management services in the future.

3. Recent Accounting Pronouncements

In July 2013, the FASB issued ASU 2013-11, Income Taxes (Topic 740): Presentation of Unrecognized Tax Benefit When a Net Operating Loss Carryforward, A Similar Tax Loss, or a Tax Credit Carryforward Exists (A Consensus the FASB Emerging Issues Task Force). ASU 2013-11 provides guidance on financial statement presentation of unrecognized tax benefit when a net operating loss carrforward, a similar tax loss, or a tax credit carryforward exists. The FASB's objective in issuing this ASU is to eliminate diversity in practice resulting from a lack of guidance on this topic in current U.S. GAAP. This ASU applies to all entities with unrecognized tax benefits that also have tax loss or tax credit carryforwards in the same tax jurisdiction as of the reporting date. This amendment is effective for public entities for fiscal years beginning after December 15, 2013 and interim periods within those years. The company does not expect the adoption of this standard to have a material impact on the Company's unaudited condensed consolidated financial position and results of operations.

Other recent accounting pronouncements issued by FASB and the SEC did not or are not believed by management to have a material impact on the Company's present or future financial statements.

4. Property and Equipment

Property and equipment, net consisted of the following:

(In thousands)	Useful Lives	June 30 2013	September 30 2012
Computer software	5 years	$ 1,447	$ 1,447
Office equipment, furniture and fixtures and leasehold improvements	2 to 10 years	2,346	2,311
Total property and equipment, at cost		3,793	3,758
Accumulated depreciation and amortization		(3,219)	(3,240)
Property and equipment, net		574	518
Less: Property and equipment, net from discontinued operations		$ (14)	$ (11)
Property and equipment, net		$ 560	$ 507

Leasehold improvements are amortized over the term of the lease.

Depreciation expense for the three and nine month period ended June 30, 2013 and 2012 was approximately $42 and $125 and $41 and $116, respectively.

5. Goodwill and Intangible Assets

Goodwill

Goodwill represents the excess of cost over the fair value of the net assets acquired from various acquisitions. Goodwill is not amortized. The Company performs a goodwill impairment test annually, by reporting unit, in the fourth quarter of the fiscal year, or whenever potential impairment triggers occur. The Company performs a qualitative impairment assessment before proceeding to the two-step impairment test. If the Company determines, on the basis of quantitative factors, that the fair value of the indefinite-lived intangible asset is more likely than not (i.e. a likelihood of more than 50 percent) not impaired, the entity would not need to calculate the fair value of the asset. Should the two-step process be necessary, the first step of the impairment test identifies potential impairment by comparing the fair value of a reporting unit to its carrying value, including goodwill. In applying a fair-value-based test, estimates are made of the expected future cash flows to be derived from the reporting unit. Similar to the review for impairment of other long-lived assets, the resulting fair value determination is significantly impacted by estimates of future margins, capital needs, economic trends and other factors. If the carrying value of the reporting unit exceeds its fair value, the second step of the impairment test is performed to measure the amount of impairment loss, if any. The second step of the impairment test compares the implied fair value of the reporting unit goodwill with the carrying amount of that goodwill. An impairment loss would be recognized to the extent the carrying value of goodwill exceeds its implied fair value. There was no impairment recorded during the three and nine month periods ended June 30, 2013 and 2012.

Intangible Assets

As of June 30, 2013

(In Thousands)	Cost	Accumulated Amortization	Loss on Impairment of Intangible Assets	Net Book Value
Customer Relationships	$ 2,690	$ 737	$ -	$ 1,953
Trade Name	17	6	-	11
	$ 2,707	$ 743	$ -	$ 1,964

As of September 30, 2012

(In Thousands)	Cost	Accumulated Amortization	Loss on Impairment of Intangible Assets	Net Book Value
Non-Compete	$ 89	$ 48	$ 41	$ -
Customer Relationships	2,913	662	60	2,191
Management Agreement	1,396	270	1,126	-
Trade Name	17	4	-	13
	$ 4,415	$ 984	$ 1,227	$ 2,204

Amortization expense was approximately $80,000 and $240,000 for the three and nine months ended June 30, 2013, respectively and was approximately $99,000 and $299,000 for the three and nine months ended June 30, 2012, respectively.

The non-compete agreements and trade names are amortized on a straight – line basis over the estimated useful life of five years. Customer relationships are amortized based on the future undiscounted cash flows over estimated remaining useful lives of three to ten years. The management agreement intangible was being amortized over the five year term of the agreement. Over the next five years, annual amortization expense for these finite life intangible assets will be approximately $393,000 in 2013, $376,000 in 2014, $359,000 in 2015, $340,000 in 2016 and $322,000 in 2017 and $174,000 thereafter.

Long-lived assets, such as purchased intangibles subject to amortization, are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company regularly evaluates whether events and circumstances have occurred that indicate possible impairment and relies on a number of factors, including operating results, business plans, economic projections, and anticipated future cash flows. The Company uses an estimate of the future undiscounted net cash flows of the related asset or asset group over the remaining life in measuring whether the assets are recoverable.

During the three and nine month periods ended June 30, 2013 and 2012, the Company did not record any impairment of intangible assets.

During the year ended, September 30, 2012, the Company recorded an impairment charge of approximately $101,000 for the remaining unamortized amount of the non-compete and a certain amount of the customer relationship intangible asset related to the agricultural operation. In addition, the Company recorded an impairment charge of approximately $173,000 related to the goodwill of the agriculture operation. The impairment charge represented the difference between the fair value and the carrying value of the intangible assets. The Agricultural Division has been operating at a loss since the loss of a major customer in 2012 and management has decided that the Agricultural Services Division was not a core business in the future operations of the Company and has discontinued operations as of July 7, 2013 and begun the process of liquidation.

6. Short-term Debt

The Company entered into a two-year, $4,500,000 account purchase agreement (“AR Credit Facility”) with Wells Fargo Bank N.A. (“Wells Fargo”) which has been subsequently amended. The AR Credit Facility as amended, provides for borrowings, on a revolving basis, of up to 85% of the Company’s eligible accounts receivable less than 90 days old and bears interest at a rate equal to the three month LIBOR (minimum of 0.5%) plus 5.25% (effective rate was 5.75% as of June 30, 2013 and September 30, 2012). Under the terms and subject to the conditions in the agreement, Wells Fargo may determine which receivables are eligible receivables, may determine the amount it will advance on any such receivables, and may require the Company to repay advances made on receivables and thereby repay amounts outstanding under the AR Credit Facility on demand. Wells Fargo also has the right to require the Company to repurchase receivables that remain outstanding 90 days past their invoice date. The Company continues to be responsible for the servicing and administration of the receivables purchased and carries the receivables and any outstanding borrowings on its consolidated balance sheet.

As of June 30, 2013, the availability under this agreement was approximately $150,000 and the outstanding borrowings, which are classified as short-term debt on the condensed consolidated balance sheet, were approximately $2,955,000. Total interest expense related to the line of credit for the three months ended June 30, 2013 and 2012 approximated $44,000 and $44,000 respectively, and approximated $130,000 and $131,000 for the nine months ended June 30, 2013 and 2012, respectively.

The AR Credit Facility includes certain covenants which require compliance until termination of the agreement. As of the date of this report, the Company was in compliance with all such covenants.

7. Long-Term Liabilities

In connection with the completion of the sale of shares of common stock to PSQ in fiscal year 2009, the Company's then Chairman, Chief Executive Officer and President (the "former CEO") retired from those positions and his employment agreement with the Company was replaced by a new consulting agreement. Under the consulting agreement, the Company became obligated to pay an annual consulting fee of $180,000 over a five-year period and to issue 500,000 shares of common stock to the former CEO for no additional consideration. During fiscal year 2009, the Company recorded a liability for the net present value of the future payments in the amount of $790,000 and recorded additional common stock in the amount of $280,000 based on a quoted market price of $0.56 per share on the date of the award. On January 31, 2013, Mr. Imhoff Jr. (the "former CEO") retired from all positions with the Company, however he will continue to receive his monthly payments required under his consulting agreement. As of June 30, 2013, the liability for future payments was reflected on the condensed consolidated balance sheet as accrued compensation $175,000.

8. Contingencies and Commitments

On April 22, 2013 the Company finalized an Amendment to the Asset Purchase Agreement by and among DMCC Staffing, LLC, an Ohio limited liability company, RFFG of Cleveland, LLC an Ohio limited liability company (each a "Seller" and together, "Sellers"), General Employment Enterprises, Inc., an Illinois corporation ("Parent"), and Triad Personnel Services, Inc., an Illinois corporation and wholly owned subsidiary of Parent ("Buyer").

The Company has agreed to pay the Sellers additional cash consideration of between $550,000 and $650,000 depending on the length of payments and 1,100,000 shares of Parent common stock, in full satisfaction of all amounts owed to Seller, related to the Asset Purchase Agreement. The Company issued 1,100,000 shares of common stock on July 2, 2013 which was valued at approximately $330,000. The Company has accrued approximately $700,000 in short term liabilities as of June 30, 2013.

As with any asset purchase of a business the purchaser may be held accountable for the seller's debts and liabilities where; (i) there is an express or implied agreement of assumption; (ii) the transaction amounts to a *de facto* consolidation or merger of the buyer or seller corporation; (iii) the purchaser is merely a continuation of the seller; or (iv) the transaction is for the fraudulent purpose of escaping liability for the seller's obligations. There are always several factors in the determination of any successor corporation legal liabilities related to the predecessor company. Other than the Ohio Bureau of Workers Compensation, the Company has not been noticed of any additional claims, however additional claims could be material to the business.

Lease

The Company leases space for all of its branch offices, which are located either in downtown or suburban business centers, and for its corporate headquarters. Branch offices are generally leased over periods from three to five years. The corporate office lease expires in 2015. The leases generally provide for payment of basic rent plus a share of building real estate taxes, maintenance costs and utilities.

Rent expense was approximately $257,000 and $812,000 and $296,000 and $741,000 for the three and nine month periods ended June 30, 2013 and 2012, respectively. As of June 30, 2013, future minimum lease payments due under non-cancelable lease agreements having initial terms in excess of one year, including certain closed offices, totaled approximately $1,925,000, as follows: fiscal 2013 - $230,000, fiscal 2014 - $703,000, fiscal 2015 - $481,000, fiscal 2016 - $236,000 and thereafter - $275,000.

In August of 2013, the Company executed a termination agreement for the San Mateo office, which has not been in operation for the past eight months. This termination required the Company pay approximately $25,000 immediately, which has been accrued as of June 30, 3013, however the termination will relieve the Company of approximately $80,000 of additional lease payments over the next two years.

9. Segment Data

As a result of the acquisition of certain of the assets of DMCC and RFFG of Cleveland the Company's internal reporting was adjusted and as a result, the Company re-assessed its segment presentation.

The Company provides the following distinctive services: (a) direct hire placement services, (b) temporary professional services staffing in the fields of information technology, engineering, and accounting, and (c) temporary light industrial staffing. Intersegment net service revenues are not significant. Revenues generated from the temporary professional services staffing and light industrial staffing are classified as contract staffing services revenues in the statements of operations. Selling, general and administrative expenses are not separately allocated among agricultural, professional services or industrial staffing services within the contract staffing services sector for internal reporting purposes.

	Three Months Ended June 30,		Nine Months Ended June 30,	
(In Thousands)	2013	2012	2013	2012
Direct Hire Placement Services				
Revenue – net	$ 1,593	$ 1,765	$ 5,807	$ 5,276
Placement services gross margin	100%	100%	100%	100%
Operating loss	(608)	(441)	(1,623)	(1,245)
Depreciation & amortization	56	58	168	183
Accounts receivable – net	665	902	665	902
Intangible assets – net	376	495	376	495
Goodwill	24	24	24	24
Total assets	1,797	3,585	1,797	3,585
Contract Staffing Services				
Industrial services revenue – net	$ 6,899	$ 7,160	$ 22,331	$ 20,697
Professional services revenue – net	2,229	2,438	7,021	6,519
Industrial services gross margin	12.3%	14.7%	12.0%	13.5%
Professional services gross margin	33.3%	34.6%	33.6%	32.4%
Operating income	597	570	1,171	1,027
Depreciation and amortization	66	89	197	231
Accounts receivable net – industrial services	4,089	3,628	4,089	3,628
Accounts receivable net – professional services	1,079	1,052	1,079	1,052
Intangible assets – net	1,588	1,906	1,588	1,906
Goodwill	1,083	1,256	1,083	1,256
Total assets	8,510	7,215	8,510	7,215
Consolidated				
Revenue –net	$ 10,721	$ 11,363	$ 35,159	$ 32,492
Operating income (loss)	(11)	129	(452)	(218)
Depreciation and amortization	122	139	365	414
Total accounts receivable – net	5,833	5,582	5,833	5,582
Intangible assets – net	1,964	2,401	1,964	2,401
Goodwill	1,106	1,280	1,106	1,280
Total assets	$ 10,307	$ 10,800	$ 10,307	$ 10,800

10. Discontinued Operations

As of July 7, 2013, the Board of Directors of General Employment Enterprises, Inc. determined that the best course of action related to the Agricultural division was to terminate operations and to liquidate the division's assets and to focus the business on the light industrial and professional divisions. On July 7, 2013, all staffing was discontinued and the entire operations of the agricultural division were discontinued as of August 1, 2013. All employees have been terminated and a one-time expense of approximately $100,000 was recognized as of June 30, 2013.

	Three Months Ended June 30,		Nine Months Ended June 30,	
(In Thousands)	2013	2012	2013	2012
Discontinued Operations				
Agricultural services revenue – net	$ 2,840	$ 2,497	$ 6,596	$ 6,849
Agricultural services gross margin	3.0%	4.3%	3.4%	4.5%
Agricultural services net loss	(169)	-	(219)	(39)
Accounts receivable net – Agricultural services	$ 1,078	1,067	1,078	1,067
A Fixed assets – Agricultural services	14	11	14	11
Total assets – Agricultural services	$ 1,092	1,054	1,092	1,054
Total liabilities – Agricultural services	$ 415	$ 751	$ 415	$ 751

The Company will continue to pay the former head of the Agricultural division for a period of six months and sell him the property and equipment for approximately $9,000. The Company expects to collect the receivables over a period of the next ninety days.

11. Related Party Transactions

The Company contracted with Norco Accounting & Consulting Inc. ("Norco") to provide accounting and consulting services prior to Andrew J. Norstrud (our current CFO) joining the Company. Norco charged approximately $63,000 for consulting services and approximately $13,000 in related expense during the second quarter ended March 31, 2013. Norco is 50% owned by Andrew J. Norstrud, who joined the Company on March 29, 2013, as the Company's Chief Financial Officer. The Company no longer uses Norco for accounting and consulting services.

The above related party transactions are not necessarily indicative of the amounts and terms that would have been incurred had comparable transactions been entered into with independent parties.

12. Subsequent Events

Subsequent to June 30, 2013 the Company issued 1,100,000 shares of common stock related to the Amended and Restated Asset Purchase agreement valued at approximately $330,000 which has all been disclosed in Note 8 above.

On August 13, 2013 the Company entered into an employment agreement with Andrew J. Norstrud. The Employment Agreement provides for a three-year term ending on March 29, 2016, unless employment is earlier terminated in accordance with the provisions thereof. Mr. Norstrud is to receive a starting base salary at the rate of $200,000 per year and can be adjusted by the Compensation Committee. Mr. Norstrud is also entitled to receive an annual bonus based on criteria to be agreed to by Mr. Norstrud and the Compensation Committee.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Overview

General Employment Enterprises, Inc. (the "Company") was incorporated in the State of Illinois in 1962 and is the successor to employment offices doing business since 1893. The Company provides the following distinctive services: (a) professional placement services specializing in the placement of information technology, engineering, and accounting professionals for direct hire and contract staffing, (b) temporary staffing services in the agricultural industry which was discontinued as of July 7, 2013, and (c) temporary staffing services in light industrial staffing.

The Company provides staffing services through a network of branch offices located in major metropolitan areas throughout the United States. The Company's professional staffing services provide information technology, engineering and accounting professionals to clients on either a regular placement basis or a temporary contract basis.. The Company's industrial staffing business provides weekly temporary staffing for light industrial clients in Ohio and Pennsylvania.

Management has implemented a strategy which included cost reduction efforts as well as identifying strategic acquisitions, financed primarily through the issuance of common stock, to improve the overall profitability and cash flows of the Company. We believe our current segments complement one another and position us for future growth.
As of July 7, 2013, the Board of Directors of General Employment Enterprises, Inc. determined that the best course of action related to the Agricultural division was to terminate operations and to liquidate the division's assets and to focus the business on the light industrial and professional divisions. On July 7, 2013, all staffing was discontinued and the entire operations of the agricultural division were discontinued as of August 1, 2013. All employees have been terminated and a one-time expense of approximately $100,000 was recognized as of June 30, 2013.

Results of Operations – Three Months Ended June 30, 2013 Compared to the Three Months Ended June 30, 2012

Net revenues

Consolidated net revenues are comprised of the following:

(In thousands)	Three Months Ended June 30, 2013	2012	$ change	% change
Placement Services	$ 1,593	$ 1,765	$ (172)	(10)%
Professional Contract Services	2,229	2,438	(209)	(9)
Industrial Contract Services	6,899	7,160	(261)	(4)
Consolidated Net Revenues	$ 10,721	$ 11,363	$ (642)	(6)%

Consolidated net revenues decreased approximately $642,000 or 6% compared with the same period last year. The decrease in revenue was due to a significant decrease in revenue from contract services and direct placement. There was a lack of concentration on new sales at the beginning of the year, which resulted in a temporary decrease in the overall sales of the Company. Management has taken immediate action, including as of June 15, 2013, the termination of the Chief Operating Officer of the Professional Contract Services division. The current management of the Company believes this was a short term decrease that has been rectified with the implemented changes.

Cost of contract services

Cost of services includes wages and related payroll taxes and employee benefits of the Company's employees while they work on contract assignments. Cost of contract services for the three month period ended June 30, 2013 decreased by approximately 9% to approximately $7,038,000 compared with the prior period of approximately $7,702,000. Cost of contract services, as a percentage of contract revenue, for the three month period ended June 30, 2013 decreased by approximately 2% to 66% compared with the prior period of approximately 68%. The overall decrease in cost of contract services was primarily related to a $500,000 rebate received from the Ohio Bureau of Workers Compensation which was off-set by an increase cost in workers compensation rates and the increase in wages in professional contract services. The Company has increased our billable rates, in certain locations, to account for the increase in labor costs.

See below for summary of Gross Profit percentage by segment:

Gross Profit Margin %	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012
Direct hire placement services	100%	100%
Industrial contract services	12.3%	14.7%
Professional contract services	33.3%	34.6%
Combined Gross Profit Margin % (1)	34.4%	32.2%

(1) Includes gross profit from direct hire placements, which all associated costs are recorded as selling, general and administrative expenses.

Selling, general and administrative expenses

Selling, general and administrative expenses include the following categories:

- Compensation in the operating divisions, which includes commissions earned by the Company's employment consultants and branch managers on permanent and temporary placements. It also includes salaries, wages, unrecovered advances against commissions, payroll taxes and employee benefits associated with the management and operation of the Company's staffing offices.
- Administrative compensation, which includes salaries, wages, payroll taxes and employee benefits associated with general management and the operation of the finance, legal, human resources and information technology functions.
- Occupancy costs, which includes office rent, depreciation and amortization, and other office operating expenses.
- Recruitment advertising, which includes the cost of identifying job applicants.
- Other selling, general and administrative expenses, which includes travel, bad debt expense, fees for outside professional services and other corporate-level expenses such as business insurance and taxes.

The Company's largest selling, general and administrative expense is for compensation in the operating divisions. Most of the Company's employment consultants are paid on a commission basis and receive advances against future commissions. When commissions are earned, prior advances are applied against them and the consultant is paid the net amount. At that time, the Company recognizes the full amount as commission expense, and advance expense is reduced by the amount recovered. Thus, the Company's advance expense represents the net amount of advances paid, less amounts applied against commissions.

Selling, general and administrative expenses for the three months ended June 30, 2013 increased $181,000 or 5% compared to the same period last year. The increase was primarily related to the significant increase in professional service expenses and one-time accrued expenses for terminated employees and the San Mateo terminated lease. Management expects these higher than normal expenses to be significantly reduced in the fourth quarter and are not expected to continue to grow at a higher pace than revenue and should decrease significantly once the Company is able to capitalize on the consolidation of the acquisitions.

Amortization of intangible assets

For the three month period ended June 30, 2013, there was a decrease in the amortization of intangible assets of approximately $19,000, which was primarily due to the impairment of long term intangible assets in prior periods.

During the year ended September 30, 2012, the Company wrote off the intangible assets and goodwill of approximately $274,000 related to the agricultural division due to the loss of a large customer in 2012.

Interest expense

Interest expense for the three months ended June 30, 2013 was consistent with the same period last year.

Discontinued Operations

As a result of terminating our agricultural division in July of 2013, we have reclassified the operations of that division to loss from discontinued operations, in the accompanying statement of operations. For the three months ended June 30, 2013 and 2012 the company recognized a loss of $169 and $0, respectively, for this division.

Results of Operations – Nine Months Ended June 30, 2013 Compared to the Nine Months Ended June 30, 2012

Net revenues

Consolidated net revenues are comprised of the following:

(In thousands)	Nine Months Ended June 30, 2013	2012	$ change	% change
Placement Services	$ 5,807	$ 5,276	$ 531	10%
Professional Contract Services	7,021	6,519	502	8
Industrial Contract Services	22,331	20,697	1,634	8
Consolidated Net Revenues	$ 35,159	$ 32,492	$ 2,667	8%

Consolidated net revenues increased approximately $2,667,000 or 8% compared with the same period last year. The increase in revenue was due to a significant increase in revenue from contract services and direct placement. The increase in the Contract services was attributable to the Hurricane Sandy cleanup efforts, the opening of a new office and new customers.

Cost of contract services

Cost of services include wages and related payroll taxes and employee benefits of the Company's employees while they work on contract assignments. Cost of contract services for the nine month period ended June 30, 2013 increased by approximately 7% to approximately $23,806,000 compared with the prior period of approximately $22,312,000. Cost of contract services, as a percentage of contract revenue, for the nine month period ended June 30, 2013 decreased approximately 1% to 68% compared with the prior period of approximately 69%. The overall increase in cost of contract services was directly related to the increase in revenue. The decrease of approximately 1% of cost of services as a percentage of contract services revenue was related to the increase in the Professional Contract and a rebate of approximately $500,000 from the Ohio Bureau of Workers Compensation, the amount was slightly off-set by an increase of Industrial Contract services to one customer that has a lower than average margin.

See chart below for summary of Gross Profit percentage by segment:

Gross Profit Margin %	Nine Months Ended June 30, 2013	Nine Months Ended June 30, 2012
Direct hire placement services	100%	100%
Industrial contract services	12%	13.5%
Professional contract services	33.6%	32.4%
Combined Gross Profit Margin % (1)	32.3%	31.3%

(1) Includes gross profit from direct hire placements, which all associated costs are recorded as selling, general and administrative expenses.

Selling, general and administrative expenses

Selling, general and administrative expenses include the following categories:

- Compensation in the operating divisions, which includes commissions earned by the Company's employment consultants and branch managers on permanent and temporary placements. It also includes salaries, wages, unrecovered advances against commissions, payroll taxes and employee benefits associated with the management and operation of the Company's staffing offices.

- Administrative compensation, which includes salaries, wages, payroll taxes and employee benefits associated with general management and the operation of the finance, legal, human resources and information technology functions.

- Occupancy costs, which includes office rent, depreciation and amortization, and other office operating expenses.

- Recruitment advertising, which includes the cost of identifying job applicants.

- Other selling, general and administrative expenses, which includes travel, bad debt expense, fees for outside professional services and other corporate-level expenses such as business insurance and taxes.

The Company's largest selling, general and administrative expense is for compensation in the operating divisions. Most of the Company's employment consultants are paid on a commission basis and receive advances against future commissions. When commissions are earned, prior advances are applied against them and the consultant is paid the net amount. At that time, the Company recognizes the full amount as commission expense, and advance expense is reduced by the amount recovered. Thus, the Company's advance expense represents the net amount of advances paid, less amounts applied against commissions.

Selling, general and administrative expenses for the nine months ended June 30, 2013 increased $1,466,000 or 15% compared to the same period last year. The increase was primarily related to the increase in business; however there were also significant increases in professional service expenses. Management expects these higher than normal expenses to be significantly reduced in the fourth quarter and are not expected to continue to grow at a higher pace than revenue and should decrease significantly once the Company is able to capitalize on the consolidation of the acquisitions.

Amortization of intangible assets

For the nine month period ended June 30, 2013, there was a decrease in the amortization of intangible assets of approximately $59,000, which was primarily due to the impairment of long term intangible assets in prior periods.

During the year ended September 30, 2012, the Company wrote off the intangible assets and goodwill of approximately $274,000 related to the Agricultural division due to the loss of a large customer in 2012.

Interest expense

Interest expense for the nine months ended June 30, 2013 increased $34,000, or 22% compared with the same period last year primarily as a result of higher borrowings.

Discontinued Operations

As a result of terminating our agricultural division in July of 2013, we have reclassified the operations of that division to loss from discontinued operations, in the accompanying statement of operations. For the nine months ended June 30, 2013 and 2012 the company recognized a loss of $219 and $39, respectively, for this division.

Liquidity and Capital Resources

The following table sets forth certain consolidated statements of cash flows data (in thousands):

	For the nine months ended June 30, 2013	For the nine months ended June 30, 2012
Cash flows (used in) provided by operating activities	$ (583)	$ 200
Cash flows used in investing activities	$ (323)	$ (493)
Cash flows provided by financing activities	$ 551	$ 581

As of June 30, 2013, the Company had cash of approximately $1,000, which was a decrease of approximately $363,000 from approximately $364,000 at September 30, 2012. Negative net working capital at June 30, 2013 was approximately $201,000, which was a decrease of approximately $742,000 from September 30, 2012. Shareholders' equity as of June 30, 2013 was approximately $3,258,000 which represented approximately 29% of total assets.

Net cash (used in) provided by operating activities for the nine months ended June 30, 2013 and 2012 was ($583,000) and $200,000, respectively. The fluctuation is due to timing of our accounts receivable collections, increase in net loss for the period and payments of accounts payable and payroll accruals.

Net cash used in investing activities for the nine months ended June 30, 2013 and June 30, 2012 was ($323,000) and ($493,000) respectively. The decrease was due to a higher amount of property and equipment acquired in the prior year and payments in 2012 for a prior year acquisitions.

Net cash flow provided by financing activities for the nine months ended June 30, 2013 was $551,000 compared to $581,000 in the nine months ended June 30, 2012. Fluctuations in financing activities are attributable to the level of borrowings.

All of the Company's office facilities are leased. As of June 30, 2013, future minimum lease payments under non-cancelable lease commitments having initial terms in excess of one year, including closed offices, totaled approximately $1,925,000.

Information about future minimum lease payments, purchase commitments and long-term obligations is presented in the notes to consolidated financial statements contained in the Company's annual report on Form 10-K for the fiscal year ended September 30, 2012. There have been no significant changes from the amounts presented in the Form 10-K. The divesture of the On-site division did not result in any material reduction in the minimum lease payments, purchase commitments or long-term obligations disclosed in the September 30, 2012 Form 10-K.

On April 22, 2013 the Company finalized an Amendment to the Asset Purchase Agreement by and among DMCC Staffing, LLC, an Ohio limited liability company, RFFG of Cleveland, LLC an Ohio limited liability company (each a "Seller" and together, "Sellers"), General Employment Enterprises, Inc., an Illinois corporation ("Parent"), and Triad Personnel Services, Inc., an Illinois corporation and wholly owned subsidiary of Parent ("Buyer").

The Company has agreed to pay Sellers additional cash consideration of between $550,000 and $650,000 depending on the length of payments and 1,100,000 shares of common stock, in full satisfaction of all amounts owed to Seller, related to the Asset Purchase Agreement. The Company issued 1,100,000 shares of common stock on July 2, 2013 and was valued at approximately $330,000. During the quarter ended June 30, 2013 the Company paid $150,000 of the cash consideration noted above. The Company has accrued the remaining approximate $700,000 in short term liabilities as of June 30, 2013.

In connection with the completion of the sale of shares of common stock to PSQ in fiscal 2009, Herbert F. Imhoff, Jr., the Company's then Chairman and Chief Executive Officer retired from those positions and his employment agreement with the Company was replaced by a new consulting agreement. Under the consulting agreement, the Company became obligated to pay an annual consulting fee of $180,000 over a five-year period and to issue 500,000 shares of common stock to Mr. Imhoff, Jr. for no additional consideration, and the Company recorded a liability for the net present value of the future fee payments in the amount of $790,000. As of June 30, 2013, $175,000 remains payable under this agreement and is included in accrued compensation on the Company's balance sheet. On January 31, 2013, Mr. Imhoff Jr. retired from all positions with the Company, however he will continue to receive his monthly payments related to the accrued compensation of $175,000.

The Company entered into a two-year, $4,500,000 account purchase agreement ("AR Credit Facility") with Wells Fargo Bank N.A. ("Wells Fargo"). The AR Credit Facility has been subsequently amended and provides for borrowings on a revolving basis of up to 85% of the Company's eligible accounts receivable less than 90 days old and bears interest at a rate equal to the three month LIBOR (minimum of .5%) plus 5.25% for a total interest rate of 5.75% at June 30, 2013. Upon the terms and subject to the conditions in the agreement, Wells Fargo may determine which receivables are eligible receivables, may determine the amount it will advance on any such receivables, and may require the Company to repay advances made on receivables and thereby repay amounts outstanding under the AR Credit Facility. Wells Fargo also has the right to require the Company to repurchase receivables that remain outstanding 90 days past their invoice date. The Company continues to be responsible for the servicing and administration of the receivables purchased. The Company will carry the receivables and any outstanding borrowings on its consolidated balance sheet. The outstanding borrowing at June 30, 2013 was approximately $2,955,000 and the remaining borrowing availability was approximately $150,000.

The AR Credit Facility with Wells Fargo Bank includes certain covenants which require compliance until termination of the agreement. As of the date of this report, the Company was in compliance with all such covenants.

The Company believes that the borrowing availability under the AR Credit Facility will be adequate to fund the working capital needs. In recent years, the Company has incurred significant losses and negative cash flows from operations. Management has implemented a strategy which included cost reduction efforts as well as identifying strategic acquisitions, financed primarily through the issuance of common stock, to improve the overall profitability and cash flows of the Company. In addition, as discussed above, the Company entered into an AR Credit Facility with Wells Fargo to provide working capital financing.

Due to the sale of shares of common stock to LEED HR during fiscal 2012 and the resulting change in control, the Company may be limited by Section 382 of the Internal Revenue Code as to the amount of net operating losses that may be used in future years.

Management believes with current cash flow from operations and the availability under the AR Credit Facility, the Company will have sufficient liquidity for the next 12 months.

Off-Balance Sheet Arrangements

As of June 30, 2013, there were no transactions, agreements or other contractual arrangements to which an unconsolidated entity was a party, under which the Company (a) had any direct or contingent obligation under a guarantee contract, derivative instrument or variable interest in the unconsolidated entity, or (b) had a retained or contingent interest in assets transferred to the unconsolidated entity.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

As of June 30, 2013, the Company's management evaluated, with the participation of its principal executive officer and its principal financial officer, the effectiveness of the Company's disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act"). Based on that evaluation, the Company's principal executive officer and its principal financial officer concluded that the Company's disclosure controls and procedures were effective as of June 30, 2013.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting or in any other factors that could significantly affect these controls, during the Company's third quarter ended June 30, 2013, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

As of August 13, 2013, there were no material legal proceedings pending against the Company.

Item 1A. Risk Factors

Not required.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

On August 13, 2013 the Company entered into an employment agreement with Andrew J. Norstrud. The Employment Agreement provides for a three-year term ending on March 29, 2016, unless employment is earlier terminated in accordance with the provisions thereof. Mr. Norstrud is to receive a starting base salary at the rate of $200,000 per year and can be adjusted by the Compensation Committee. Mr. Norstrud is also entitled to receive an annual bonus based on criteria to be agreed to by Mr. Norstrud and the Compensation Committee. The foregoing description of the Employment Agreements is qualified in its entirety by reference to the full text of the employment agreement, which is attached to this Report on Form 10-Q as Exhibit 10.38.

Mr. Norstrud joined the Company from Norco Accounting and Consulting where he concentrated his services on assisting companies with mergers and acquisitions and SEC filing requirements. Prior to Norco, Mr. Norstrud served as Chief Financial Officer for Jagged Peak Inc. and Segmentz Inc. In both companies he played an instrumental role in achieving the Company's strategic goals by pursuing and attaining growth initiatives, building an exceptional financial team, implementing a new accounting system, raising necessary financing and implementing the structure required of public companies. At Segmentz Inc. he also concentrated on completing and integrating strategic acquisitions. Previously, Mr. Norstrud worked for both Grant Thornton LLP and PricewaterhouseCoopers LLP and has extensive experience with young, rapid growth public companies. He brings the Company a wealth of knowledge and expertise related to mergers and acquisitions, the processes and procedures to streamline financial reporting and operational controls. Mr. Norstrud earned a Master of Accounting with a systems emphasis from the University of Florida and is a Florida licensed Certified Public Accountant.

Item 6. Exhibits.

The following exhibits are filed as a part of Part I of this report:

No.	Description of Exhibit
10.38	Employment Agreement between General Employment Enterprises, Inc. and Andrew J. Norstrud, dated March 29, 2013, executed August 12, 2013.
31.01	Certifications of the principal executive officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
31.02	Certifications of the principal financial officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
32.01	Certifications of the principal executive officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Title 18 of the United States Code.
32.02	Certifications of the principal financial officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Title 18 of the United States Code.
101.INS	Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GENERAL EMPLOYMENT ENTERPRISES, INC.
(Registrant)

Date: August 15, 2013

By: /s/ Michael Schroering
Michael Schroering
Chief Executive Officer
(Principal executive officer)

By: /s/ Andrew J. Norstrud
Andrew J. Norstrud
Chief Financial Officer
(Principal financial and accounting officer)

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement") is made and effective as of March 29, 2013 (the "Effective Date"), between General Employment Enterprises Inc., an Illinois corporation, whose principal place of business is One Tower Lane, Suite 2200, Oakbrook Terrace, IL 60181 (the "Company") and Andrew J. Norstrud, an individual whose address is 15837 Trackside Drive, Odessa, Florida 33556 (the "Executive").

RECITALS

A. The Company is an Illinois corporation and is principally engaged in the business of staffing and permanent placement, and related personnel activities, including benefit and insurance programs (the "Business").

B. The Executive is a duly qualified and licensed Certified Public Accountant (in Florida) and has extensive experience in financial management, accounting and SEC reporting for publicly-listed companies, which skills are required immediately and would be beneficial for the Company and its shareholders.

C. The Company desires to employ the Executive and the Executive desires to be employed by the Company.

D. The parties agree that a covenant not to compete is essential to the growth and stability of the business of the Company.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein made, the Company and the Executive do hereby agree as follows:

1. Recitals. The above recitals are true, correct, and are herein incorporated by reference.

2. Employment. The Company hereby employs the Executive, and the Executive hereby accepts employment, upon the terms and conditions hereinafter set forth.

3. Authority and Power During Employment Period.

a. Duties and Responsibilities. During the term of this Agreement, the Executive shall serve as Chief Financial Officer and Treasurer for the Company and will perform duties typical and standard of this title and report directly to Michael Schroering, the Chief Executive Officer (the “CEO”), subject to the guidelines and direction of the Board of Directors of the Company. It is understood and agreed that Executive is and shall be a designated officer of the Company for SEC reporting purposes and requirements.

b. Time Devoted. Throughout the term of the Agreement, the Executive shall devote most of the Executive's business time and attention to the business and affairs of the Company consistent with the Executive's position with the Company. It is understood and agreed that the Executive shall conduct the more substantial part of his work for the Company from his home office in Tampa, Florida, retaining his domicile as a resident of Florida, and that he shall not be deemed a resident of Illinois for any purpose under this Agreement. It is further agreed that, subject to further review by the CEO, if circumstances warrant, the Executive shall have a limited right to assist and serve his existing clients to the extent that he can do so without prejudice to the interests and needs of the Company. The Executive shall keep the Company's CEO generally informed of the Executive's work on any other client matters during the term of this Agreement, and any substantially changed circumstances with respect to such other work, if any.

4. Term. The Term of employment hereunder shall be three (3) years from the Effective Date shown above, unless earlier amended, renewed or terminated as provided herein.

5. Compensation and Benefits.

a. Salary. The Executive shall be paid a base salary (the "Base Salary") at an annual rate of Two Hundred Thousand Dollars ($200,000) beginning at the Effective Date of this Agreement, payable in monthly installments according to the customary procedures of the Company. Any additional increase will be at the discretion of the CEO and the Compensation Committee of the Board of Directors.

b. Performance Based Bonus. As additional compensation, the Executive shall be entitled to receive a cash bonus ("Bonus") of up to one hundred percent (100%) of the Executive's Base Salary for each fiscal year during the Term of the Executive's employment, based on performance criteria to be mutually defined. In addition the Executive may receive additional bonuses if and as determined by the CEO and the Compensation Committee, which may be paid in stock, stock options, or cash, within the discretion of the CEO and Compensation Committee. Bonus payments shall be paid at or after the end of the applicable fiscal reporting period, and shall not be accrued or earned prior to the actual approval and award of any such Bonus by the Board of Directors.

c. Options. Within 30 days of the date this Agreement is executed, the Executive shall be granted qualified options to purchase two hundred thousand (200,000) shares of the Company's common stock at the fair market value as of that date (measured by the day's closing price on the NYSE MKT) which shall vest proportionately over a three year period, will be exercisable for ten (10) years, and will provide for a cashless exercise, subject to the usual provisions of the Company's qualified stock option plan then in effect. Additional options may be issued to the Executive from time to time as approved by the Compensation Committee and the Board of Directors in their sole discretion.

d. Executive Benefits. The Executive shall be entitled to participate in all benefit programs of the Company currently existing or hereafter made available to comparable executives.

e. Vacation. During each year of the term of this Agreement, commencing with the Effective Date, the Executive shall be entitled to five (5) weeks paid vacation per year.

f. Business Expense Reimbursement. During the Term of employment, the Executive shall be entitled to receive proper reimbursement for all reasonable, out-of-pocket expenses incurred by the Executive (in accordance with the policies and procedures established by the Company for its senior executive officers) in performing services hereunder, including but not limited to travel expenses to various offices of the Company and reasonable continuing education courses completed, if any, provided the Executive properly accounts therefore. The Company shall pay for or reimburse the out-of-pocket expenses associated with the Executive's travel from Tampa, Florida to the Company's headquarters in Oakbrook Terrace, IL, and meals and lodging expenses while in Illinois.

g. Signing and Incentive Bonus. A Twenty Five Thousand Dollar ($25,000) signing bonus shall be paid immediately upon or effective as of the execution of this Agreement, and an additional Twenty Five Thousand Dollar ($25,000) cash bonus will be earned, due, and payable as a special performance incentive Bonus within ten (10) days after a written business plan and pro forma financial plan (the "Business Plan") for the Company is submitted to the Board of Directors, provided, said Business Plan is submitted on or prior to August 30, 2013 and is reasonably approved by the Board of Directors. The Twenty Five Thousand Dollar ($25,000) second bonus will be combined with a new and additional title of "Vice President" of the appropriate corporate rank, to be determined at or about the time of such achievement.

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6. Consequences of Termination of Employment.

a. Death. In the event of the death of the Executive during the Term, any unpaid salary and earned bonus shall be paid to the Executive's designated beneficiary, or, in the absence of such designation, to the estate or other legal representative of the Executive, until the date of death. Other death benefits will be determined in accordance with the terms of the Company's benefit programs and plans in effect at the time of such death, if any.

b. Disability. In the event of the Executive's disability, the Executive shall be entitled to compensation in accordance with the Company's disability compensation practice for senior executives, if any, including any separate arrangement or policy covering the Executive. Given the unique circumstances and as an incentive to induce Executive to accept this Agreement - subject to appropriate medical verification by physicians reasonably selected by the Company - Executive shall be entitled to a disability payment of up to one (1) month's Base Salary as a Company-paid disability and severance benefit to assist during the immediate aftermath of any total and permanent disability, after which the Company shall have no further obligation for compensation under this Agreement. The Board of Directors shall have the discretion to increase any such payment in its sole discretion if circumstances warrant additional compensation in the best interests of the Company.

c. Termination by the Company for Cause.

(1) Nothing herein shall prevent the Company from terminating Employment for "Cause," as hereinafter defined. The Executive shall continue to receive salary only for the pay period first ending after the date of such termination. Any rights and benefits the Executive may have in respect of any other compensation shall be determined in accordance with the terms of such other compensation arrangements or such plans or programs.

(2) "Cause" shall mean and include those actions or events specified below in subsections (A) through (G) to the extent the same occur, or the events constituting the same take place, subsequent to the date of execution of this Agreement: (A) Committing or participating in an injurious act of fraud, gross neglect or embezzlement against the Company; (B) committing or participating in any other injurious act or omission in a manner which was negligent against the Company, monetarily or otherwise; (C) engaging in a criminal enterprise involving moral turpitude; (D) conviction of an act or acts constituting a felony under the laws of the United States or any state thereof; (E) any attempted assignment of this Agreement by the Executive in violation of Section 14 of this Agreement; (F) failure to discharge written, statutory or regulatory duties of the CFO under this Agreement; or (G) general and continuous failure or refusal to perform the duties reasonably assigned by the Board of Directors or the CEO or to follow any lawful directive of the Board of Directors or the CEO. No actions, events or circumstances, other than material fraud, occurring or taking place at any time prior to the date of this Agreement shall constitute or provide any basis for any termination of this Agreement for Cause;

(3) Notwithstanding anything else contained in this Agreement, this Agreement will not be deemed to have been terminated for Cause unless and until there shall have been delivered to the Executive a notice of termination stating that the Executive committed one of the types of conduct set forth in this Section 6(c) contained in this Agreement and specifying the particulars thereof. The Executive shall be given a ten (10) day period to cure such conduct or act or omission, if possible.

d. Termination by the Company Other than for Cause. The foregoing notwithstanding, the Company may terminate the Executive's employment for whatever reason it deems appropriate, or for no reason whatsoever; provided, however, that in the event such termination is not based on Cause, as provided in Section 6(c) above or related to a change of control as defined in section 6(f), the Company may terminate this Agreement upon giving three (3) months prior written notice. During such three (3) month period, the Executive shall continue to perform the Executive's duties pursuant to this Agreement unless otherwise directed by the CEO or the Board of Directors, and the Company shall continue to compensate the Executive in accordance with this Agreement. After the three (3) months the Company will continue to pay the Executive his salary for the greater of twelve (12) months or the remainder of the Term of this Agreement. All outstanding options held by the Executive shall immediately vest and shall remain outstanding for the remainder of the stated term of said options.

e. Voluntary Termination. In the event the Executive terminates his employment voluntarily, except as provided in Section 6(f), prior to the expiration of the Term of this Agreement, including any renewals thereof, Executive shall be limited to salary, and vested equity and stock options earned to the date of voluntary termination. The Executive will be expected to give 30 days notice of termination to allow the Company a transition period to the new executive. The Executive can terminate this Agreement without the foregoing 30 day notice if in his professional judgment the circumstances require his immediate resignation. The Company will be obligated to compensate the Executive through the actual termination date.

f. Termination Following a Change of Control.

(1) In the event that a “Change of Control" of the Company shall occur at any time during the Term hereof, the Executive shall have the right to terminate the Executive's employment under this Agreement upon thirty (30) days written notice given at any time within six (6) months after the occurrence of such Change in Control.

(2) For purposes of this Agreement, "Change in Control" shall mean the occurrence of any of the following events:

(A) one person or entity (or more than one person or entity acting as a group) acquires ownership of stock of the Company that, together with the stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of such corporation; provided that, a Change in Control shall not occur if any person or entity (or more than one person or entity acting as a group) owns more than 50% of the total fair market value or total voting power of the Company's stock and acquires additional stock; or

(B) a majority of the members of the Board of Directors are replaced during any twelve-month period by directors whose appointment or election is not endorsed by a majority of the Board before the date of appointment or election; or

(C) Michael Schroering is replaced as the Company’s CEO; or

(D) the sale of all or substantially all of the Company's assets; or

(E) the merger of the Company into or consolidation with another entity and, after giving effect to such merger or consolidation, the holders of stock of the Company immediately prior to such merger or consolidation own less than 51% of the stock of the surviving entity after such merger or consolidation.

(3) In the event of such termination of the Executive's employment pursuant to a Change of Control, Executive shall be entitled to (A) immediate vesting of all options previously awarded; and (B) the continued payment of the Executive's salary for a period of twelve (12) months.

7. Covenant Not to Compete and Non-Disclosure of Information.

a. Covenant Not to Compete. The Executive acknowledges and recognizes the highly competitive nature of the Company's Business and the goodwill, continued patronage, and specifically the names and addresses of the Company's Clients (as hereinafter defined) constitute a substantial asset of the Company, having been acquired through considerable time, money and effort. Accordingly, in consideration of the execution of this Agreement, in the event the Executive's employment is terminated by reason of disability pursuant to Section 6(b) or for Cause pursuant to Section 6(c), then the Executive agrees to the following:

(1) That during the Restricted Period (as hereinafter defined) and within the Restricted Area (as hereinafter defined), the Executive will not, individually or in combination with others, directly or indirectly, engage in any Competitive Business Activities (as hereinafter defined), whether as an officer, director, proprietor, employer, partner, independent contractor, investor (other than as a holder solely as an investment of less than 1% of the outstanding capital stock of a publicly traded corporation), consultant, advisor or agent.

(2) That during the Restricted Period and within the Restricted Area, the Executive will not, directly or indirectly, compete with the Company by soliciting, inducing or influencing any of the Company's Clients which have a business relationship with the Company at the time during the Restricted Period to discontinue or reduce the extent of such relationship with the Company.

b. Non-Disclosure of Information. Executive agrees that Executive will not use or disclose any "Proprietary Information" of the Company for the Executive's own purposes or for the benefit of any entity engaged in Competitive Business Activities. As used herein, the term "Proprietary Information" shall mean trade secrets, knowhow, confidential proprietary information, Company operations, or other nonpublic information of or about the Company which are material to the conduct of the Business. No information can be considered Proprietary Information if the same is otherwise in the public domain. It shall not be a violation of this Agreement if Executive is required to disclose any Proprietary Information by order of any court or by reason of any statute, law, rule, regulation, ordinance or other governmental requirement. Executive further agrees that in the event his employment is terminated, all Documents in his possession at the time of his termination shall be returned to the Company at the Company's principal place of business and at the Company's expense. This covenant and obligation of Non-Disclosure and non-use of Proprietary Information shall continue in effect and shall survive the termination of this Agreement through the end of the Restricted Period.

c. Documents. "Documents" shall mean all original written, recorded, or graphic matters whatsoever, and any and all copies thereof, including, but not limited to: papers; books; records; tangible things; correspondence; communications; electronic messages or data of any kind, regardless of medium or format, including software, databases and any computer record of any type or description whatsoever; memoranda; notes and working papers; reports; affidavits; statements; summaries; analyses; evaluations; client records and information; agreements; agendas; advertisements; instructions; charges; manuals; brochures; publications; directories; industry lists; schedules; price lists; client lists; statistical records; training manuals; computer printouts; books of account, records and invoices reflecting business operations; all things similar to any of the foregoing however denominated. In all cases where originals are not available, the term "Documents" shall also mean identical copies of original documents or non-identical copies thereof. Electronic records and copies shall be deemed the equivalent of any tangible version of the same record, regardless of where or how stored or retained.

d. Company's Clients. The "Company's Clients" shall be deemed to be any partnerships, corporations, professional associations or other business organizations of any kind for whom the Company has performed Competitive Business Activities.

e. Restricted Period and Area. The "Restrictive Period" shall be deemed to be twelve (12) months following termination of Executive’s employment under this Agreement. The Restricted Area shall be the continental United States.

f. Competitive Business Activities. The term "Competitive Business Activities" as used herein shall be deemed to mean the Business of the Company, as described herein.

g. Covenants as Essential Elements of this Agreement. It is understood by and between the parties hereto that the foregoing covenants contained in Sections 7(a) and (b) are essential elements of this Agreement, and that but for the agreement by the Executive to comply with such covenants, the Company would not have agreed to enter into this Agreement. Such covenants by the Executive shall be construed to be agreements independent of any other provisions of this Agreement. The existence of any other claim or cause of action, whether predicated on any other provision in this Agreement, or otherwise, as a result of the relationship between the parties shall not constitute a defense to the enforcement of such covenants against the Executive.

h. Survival After Termination of Agreement. Notwithstanding anything to the contrary contained in this Agreement, the covenants in Sections 7(a) and (b) shall survive the termination of this Agreement and the Executive's employment with the Company.

i. Remedies.

(1) The Executive acknowledges and agrees that the Company's remedy at law for a breach or threatened breach of any of the provisions of Section 7(a) or (b) herein would be inadequate and a breach thereof will cause irreparable harm to the Company. In recognition of this fact, in the event of a breach by the Executive of any of the provisions of Section 7(a) (b) or (c), the Executive agrees that, in addition to any remedy at law available to the Company, including, but not limited to monetary damages, all rights of the Executive to payment or otherwise under this Agreement and all amounts then or thereafter due to the Executive from the Company under this Agreement may be terminated and the Company, without posting any bond, shall be entitled to obtain, and the Executive agrees not to oppose the Company's request for equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available to the Company.

(2) The Executive acknowledges that the granting of a temporary injunction, temporary restraining order or permanent injunction merely prohibiting the use of Proprietary Information would not be an adequate remedy upon breach or threatened breach of Section 7(a) (b) or (c) and consequently agrees, upon proof of any such breach, to the granting of injunctive relief prohibiting any form of competition with the Company or further damage to the Company. Nothing herein contained shall be construed as prohibiting the Company from pursuing any other remedies available to it for such breach or threatened breach.

8. Indemnification.

The Executive shall be entitled to indemnification and defense by the Company to the full extent allowed by law, subject to and in accordance with the execution of the Company’s customary Indemnification Agreement—as established from time to time by the Company’s Board of Directors—to protect the Company’s officers and directors in the ordinary and prudent exercise of their duties to the Company—including the benefits of any insurance coverage that the Company may purchase or have in effect. To the extent that any such insurance coverage may not be sufficient or applicable, the Executive shall have the right to reimbursement and indemnification by the Company, in accordance with the Company’s Indemnification Agreement in effect at the time of any relevant loss or claim. Nothing in this Agreement shall be deemed to alter, amend, limit, or vary any of the terms of the Company’s duly approved Indemnification Agreement or its effective date, as modified from time to time within the sole discretion of the Company’s Board’s of Directors.

9. Withholding. Anything to the contrary notwithstanding, all payments required to be made by the Company hereunder to the Executive or the Executive's estate or beneficiaries shall be subject to the withholding of such amounts, if any, relating to tax and other payroll deductions as the Company may reasonably determine it should withhold pursuant to any applicable law or regulation. In lieu of withholding such amounts, the Company may accept other arrangements pursuant to which it is satisfied that such tax and other payroll obligations will be satisfied in a manner complying with applicable law or regulation. Notwithstanding the foregoing, the Executive shall be solely and entirely responsible for his own compliance with applicable tax laws and regulations, in whatever form, venue or jurisdiction that may apply, and nothing in this Agreement shall be deemed to be any assumption of responsibility by the Company for any liability of the Executive for applicable taxes, fines or penalties. By executing this Agreement and signing in the space provided below, the Executive acknowledges that he has obtained his own tax counsel and advice with regard to this Agreement and that he assumes all responsibility and liability for any taxes that may be due or payable by law, and that he has not relied on any representation by the Company, or by any officer or director of the Company, with regard to the tax consequences of this Agreement, including any issue with respect to the concept of statutory employee.

10. Notices. Any notice required or permitted to be given under the terms of this Agreement shall be sufficient if in writing and if sent postage prepaid by registered or certified mail, return receipt requested; by overnight delivery; by courier; or by confirmed telecopy, or by any verifiable electronic means of transmission - in the case of the Executive to the Executive's last place of business or residence as shown on the records of the Company, or in the case of the Company to its principal office at the time of any such notice, or at such other place as it may designate.

11. Waiver. Unless agreed in writing, the failure of either party, at any time, to require performance by the other of any provisions hereunder shall not affect its right thereafter to enforce the same, nor shall a waiver by either party of any breach of any provision hereof be taken or held to be a waiver of any other preceding or succeeding breach of any term or provision of this Agreement. No extension of time for the performance of any obligation or act shall be deemed to be an extension of time for the performance of any other obligation or act hereunder.

12. Completeness and Modification. This Agreement constitutes the entire understanding between the parties hereto, superseding all prior and contemporaneous agreements or understandings among the parties hereto concerning the Employment Agreement. This Agreement may be amended, modified, superseded or canceled, and any of the terms, covenants, representations, warranties or conditions hereof may be waived, only by a written instrument executed by the parties or, in the case of a waiver, by the party to be charged.

13. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which shall constitute but one agreement. Signatures transmitted by electronic or photographic means shall, in the absence of fraud, be as valid and effective for all lawful purposes the same as the original.

14. Binding Effect/Assignment. This Agreement shall be binding upon the parties hereto, their heirs, legal representatives, successors and assigns. This Agreement shall not be assignable by the Executive but shall be assignable by the Company in connection with the sale, transfer or other disposition of its business or to any of the Company's affiliates controlled by or under common control with the Company.

15. Governing Law. This Agreement shall become valid when executed and accepted by Company. The parties agree that it shall be deemed made and entered into within the State of Florida and shall be governed and construed under and in accordance with the laws of the State of Florida, without regard to any conflicts of laws provisions. Anything in this Agreement to the contrary notwithstanding, the Executive shall conduct the Executive's business in a lawful manner and faithfully comply with applicable laws or regulations of the state, city or other political subdivision in which the Business or services under this Agreement may be located.

16. Further Assurances. All parties hereto shall execute and deliver such other instruments and do such other acts as may be necessary to carry out the intent and purposes of this Agreement.

17. Headings. The headings of the sections are for convenience only and shall not control or affect the meaning or construction or limit the scope or intent of any of the provisions of this Agreement.

18. Survival. Any termination of this Agreement shall not, however, affect the ongoing provisions of this Agreement which shall survive such termination in accordance with their terms.

19. Severability. The invalidity or unenforceability, in whole or in part, of any covenant, promise or undertaking, or any section, subsection, paragraph, sentence, clause, phrase or word or of any provision of this Agreement shall not affect the validity or enforceability of the remaining portions thereof.

20. Enforcement. Should it become necessary for any party to institute legal action or other proceeding to enforce the terms and conditions of this Agreement, the successful party will be awarded its actual expenses and out-of-pocket costs, including its reasonable attorneys' fees as paid at all trial and appellate levels.

21. Venue. Company and Employee acknowledge and agree that the Judicial Circuit Court in and for Hillsborough County, Florida, shall be the venue and exclusive proper forum in which to adjudicate any case or controversy arising either, directly or indirectly, under or in connection with this Agreement and the parties further agree that, in the event of litigation arising out of or in connection with this Agreement in these courts, they will not contest or challenge the jurisdiction or venue of these courts.

22. Construction. This Agreement shall be construed within the fair meaning of each of its terms and not against the party drafting the document.

THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ THIS ENTIRE AGREEMENT, HAVE HAD THE OPPORTUNITY TO DISCUSS THIS WITH COUNSEL OF THEIR OWN CHOOSING; AND FURTHER ACKNOWLEDGE THAT THEY UNDERSTAND THE RESTRICTIONS, TERMS AND CONDITIONS IMPOSED UPON THEM BY THIS AGREEMENT; AND THAT THESE RESTRICTIONS, TERMS AND CONDITIONS MAY BE BINDING UPON BOTH THE COMPANY AND THE EXECUTIVE DURING AND AFTER TERMINATION OF THE EMPLOYMENT OF THE EXECUTIVE.

IN WITNESS WHEREOF, the parties have executed this Agreement as of date set forth in the first paragraph of this Agreement.

Witness:	The Company:
	General Employment Enterprises, Inc.
______________________________	By: /s/ Michael Schroering Name: Michael Schroering Title: Chief Executive Officer
Witness:	The Executive
______________________________	By: /s/ Andrew J. Norstrud Name: Andrew J. Norstrud

EXHIBIT 31.01

CERTIFICATION

I, Michael Schroering, certify that:

1. I have reviewed this Form 10-Q quarterly report for the nine months ended June 30, 2013 of General Employment Enterprises, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: 8/15/2013

/s/ Michael Schroering
Michael Schroering
Chief Executive Officer
(Principal executive officer)

EXHIBIT 31.02

CERTIFICATION

I, Andrew J. Norstrud, certify that:

1. I have reviewed this Form 10-Q quarterly report for the nine months ended June 30, 2013 of General Employment Enterprises, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: 8/15/2013

/s/ Andrew J. Norstrud
Andrew J. Norstrud
Chief Financial Officer
(Principal financial officer)

EXHIBIT 32.01

CERTIFICATIONS PURSUANT TO SECTION 1350
OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

In connection with the Quarterly Report of General Employment Enterprises, Inc. (the "Company") on Form 10-Q for the nine months ended June 30, 2013 filed with the Securities and Exchange Commission (the "Report"), the undersigned hereby certifies, in his capacity as an officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of the operations of the Company.

Date: 8/15/2013

By: /s/ Michael Schroering
Michael Schroering
Chief Executive Officer
(Principal executive officer)

EXHIBIT 32.02

CERTIFICATIONS PURSUANT TO SECTION 1350
OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

In connection with the Quarterly Report of General Employment Enterprises, Inc. (the “Company”) on Form 10-Q for the nine months ended June 30, 2013 filed with the Securities and Exchange Commission (the “Report”), the undersigned hereby certifies, in his capacity as an officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of the operations of the Company.

Date: 8/15/2013

By: /s/ Andrew J. Norstrud
Andrew J. Norstrud
Chief Financial Officer
(Principal financial officer)