
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
Date of report (Date of earliest event reported) March 30, 2009

GENERAL EMPLOYMENT ENTERPRISES, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN CHARTER)

ILLINOIS	1-05707	36-6097429
(STATE OR OTHER JURISDICTION OF INCORPORATION)	(COMMISSION FILE NUMBER)	(IRS EMPLOYER IDENTIFICATION NO.)

ONE TOWER LANE
SUITE 2200
OAKBROOK TERRACE, IL 60181
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)
REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE (630) 954-0400
NOT APPLICABLE
(FORMER NAME OR FORMER ADDRESS, IF CHANGED SINCE LAST REPORT)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrants under any of the following provisions:

[ ]Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ]Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ]Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ]Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

SECURITIES PURCHASE AND TENDER OFFER AGREEMENT

On March 30, 2009, General Employment Enterprises, Inc., an Illinois corporation (the "Company"), entered into a Securities Purchase and Tender Offer Agreement (the "Purchase Agreement") with PSQ, LLC, a Kentucky limited liability company ("Purchaser").

Subject to the terms and conditions of the Purchase Agreement, Purchaser has agreed to (i) purchase from the Company (the "Share Purchase") 7,700,000 newly issued shares of common stock, no par value (the "Common Stock"), of the Company at a purchase price of $0.25 per share, and (ii) commence a cash tender offer (the "Offer") to purchase from the Company's shareholders up to 2,500,000 outstanding shares of Common Stock at a purchase price of $0.60 per share, subject to

applicable withholding tax, net to the seller in cash without interest. If more than 2,500,000 shares of Common Stock are validly tendered in the Offer, the number of shares tendered by each tendering shareholder will be cut back proportionately by a percentage amount equal to the quotient of 2,500,000 over the number of shares of Common Stock validly tendered in the Offer.

The Purchase Agreement includes customary representations, warranties and covenants. The Company has agreed that, subject to certain exceptions, it will not solicit proposals relating to alternative business combination transactions, enter into an agreement or discussion concerning, or provide information in connection with, alternative business combination transactions, or withdraw, modify or qualify the recommendation of the Company's Board of Directors in favor of the Offer.

Consummation of the Offer and the Share Purchase are subject to certain customary closing conditions, including receipt of approval from the Company's shareholders in favor of the Share Purchase. The consummation of the Offer is not subject to any condition regarding any minimum number of shares being validly tendered in the Offer, but is subject to shareholder approval, and consummation, of the Share Purchase. Purchaser has agreed that it will extend the Offer for successive periods if the conditions to closing, including shareholder approval of the Share Purchase, are not satisfied prior to a previously scheduled expiration period for the Offer.

The Purchase Agreement also provides that, upon the closing of the Share Purchase and the Offer (the "Closing"), (i) Sheldon Brottman, Edward Hunter, Thomas Kosnik and Kent Yauch will resign from the Company's Board of Directors, and the Board will fill their vacancies with the appointments of Stephen Pence, Charles (Chuck) W.B. Wardell III and Jerry Lancaster to the Board, (ii) Herbert F. Imhoff, Jr. ("Mr. Imhoff") will resign as Chief Executive Officer and President of the Company and will resign his office as Chairman of the Board of

Directors (but will remain as a member of the Board), (iii) Ronald E. Heineman will be appointed to serve as Chief Executive Officer and President of the Company, and (iv) Stephen Pence will be appointed to serve as Chairman of the Board of Directors of the Company. After the Closing, after giving effect to the foregoing resignations and appointments, the Board of Directors will consist of five members. As a result, the Board of Directors has agreed to fix the size of the Board at five members effective immediately following the Closing.

The Purchase Agreement also includes customary termination provisions for both the Company and Purchaser and provides that, in connection with the termination of the Purchase Agreement under specified circumstances, the terminating party will be required to pay the non-terminating party a termination fee of $175,000, and reimburse the non-terminating party for transaction expenses up to $150,000.

The foregoing description of the Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the Purchase Agreement, a copy of which is filed herewith as Exhibit 2.1 and is incorporated herein by reference.

ESCROW AGREEMENT

Concurrently with the execution of the Purchase Agreement, the Company and Purchaser entered into an Escrow Agreement (the "Escrow Agreement"), dated as of March 30, 2009, with Park Avenue Bank, New York, New York, as escrow agent (the "Escrow Agent"). Pursuant to the Escrow Agreement, Purchaser deposited with the Escrow Agent cash in the amount of $1,925,000 for satisfaction of Purchaser's purchase price payment obligation for the Share Purchase. If Purchaser terminates the Purchase Agreement under circumstances requiring payment of a termination fee and reimbursement of expenses to the

Company as described above, a portion of the funds in escrow will be released to the Company in satisfaction of such fee and expenses.

The foregoing description of the Escrow Agreement does not purport to be complete and is qualified in its entirety by reference to the Escrow Agreement, a copy of which is filed herewith as Exhibit 10.1 and is incorporated herein by reference.

CONSULTING AGREEMENT

In connection with entering into the Purchase Agreement, on March 30, 2009, the Company, Purchaser and Mr. Imhoff entered into a Consulting Agreement (the "Consulting Agreement"), which agreement will become effective upon the consummation of the Share Purchase and the Offer.

Under the terms of the Consulting Agreement, among other things, (i) Mr. Imhoff's Employment Agreement with the Company will terminate, as will his rights and benefits under the Employment Agreement (except with respect to accrued vacation and his vested benefits under the

Company's Executive Retirement Plan), (ii) all of Mr. Imhoff's stock options will be canceled, (iii) Mr. Imhoff will be subject to non-competition and non-solicitation provisions for a period of two years after the expiration or termination of the Consulting Agreement, (iv) Mr. Imhoff will grant a release in favor of the Company, (iv) Mr. Imhoff will provide consulting services to the Company, and (v) Mr. Imhoff will agree to continue to serve as a member of the Board of Directors of the Company during the term of the Consulting Agreement.

In consideration therefor, under the terms of the Consulting Agreement, Mr. Imhoff (i) will be paid an annual consulting fee of $300,000 per year, and director fees no less than the fees currently paid to the Company's non-employee directors ($2,000 per month), during the term of the Consulting Agreement, (ii) will be issued 500,000 shares of Common Stock at the Closing for no additional consideration, and (iii) will receive health and life insurance benefits from the Company, as well as his accrued vacation benefits and accrued benefits under the Company's Executive Retirement Plan. The term of the Consulting Agreement will be three years from the Closing, and it will be terminable at any time and for any reason by any party, provided that promptly following any such termination thereof, Mr. Imhoff will continue to receive for the remainder of the term of the Consulting Agreement the fees and benefits that would otherwise be due to him under the agreement if the agreement had not been terminated. In addition, if the Company defaults in its payment obligations to Mr. Imhoff under the Consulting Agreement, the Company will be required to pay to Mr. Imhoff the remaining amount of the payments due under the Consulting Agreement in a lump-sum payment within 30 days of such default.

The foregoing description of the Consulting Agreement does not purport to be complete and is qualified in its entirety by reference to the Consulting Agreement, a copy of which is filed herewith as Exhibit 10.2 and is incorporated herein by reference.

REGISTRATION RIGHTS AGREEMENT

The Company, Purchaser and Mr. Imhoff also entered into a Registration Rights Agreement (the "Registration Rights Agreement") on March 30, 2009 that will provide (i) Purchaser with customary demand registration rights with respect to the shares of Common Stock to be acquired by Purchaser in the Share Issuance and the Offer, and (ii) Mr. Imhoff with customary piggyback registration rights in the event that any of Purchaser's shares of Common Stock are registered by the Company in a demand registration.

The foregoing description of the Registration Rights Agreement

does not purport to be complete and is qualified in its entirety by reference to the Registration Rights Agreement, a copy of which is filed herewith as Exhibit 10.3 and is incorporated herein by reference.

ITEM 1.02 TERMINATION OF A MATERIAL DEFINITIVE AGREEMENT.

The information set forth in Item 1.01 above is incorporated by reference into this Item 1.02.

If the Closing occurs, the Consulting Agreement will become effective, and Mr. Imhoff's Employment Agreement with the Company (as amended, the "Imhoff Employment Agreement") will terminate, and he will forego and release all of his claims with respect to his rights and benefits under the Imhoff Employment Agreement (except with respect to his accrued vacation and his vested benefits under the Company's Executive Retirement Plan).

The Imhoff Employment Agreement provides, among other things, that Mr. Imhoff: will serve as Chairman of the Board, Chief Executive Officer and President; will have a continuous three-year term of employment with the Company at a minimum annual base salary of $450,000 (although Mr. Imhoff agreed to reduce that base salary to $350,000 for the year ending December 31, 2009); and will be eligible to earn an annual performance bonus and be entitled to receive certain other perquisites and benefits. In addition, the Imhoff Employment Agreement provides that in the event the Company terminates Mr. Imhoff's employment for any reason other than for "cause," Mr. Imhoff would be entitled to receive outplacement assistance; a lump sum cash payment equal to the sum of his base salary (calculated at the $450,000 base salary amount) and average annual performance bonus that would have been payable for the remainder of the term of the Imhoff Employment Agreement; a severance bonus based on a fraction of his average annual performance bonus; and continuation of certain perquisites and fringe benefits for the remainder of the term of the Imhoff Employment Agreement. Also, in the event that any payment, benefit or distribution under the terms of the Imhoff Employment Agreement was determined to be an "excess parachute payment" pursuant to section 280G of the Internal Revenue Code, with the effect that he would become liable for the payment of an excise tax, Mr. Imhoff would be entitled to receive an additional gross-up payment.

The foregoing description of the Imhoff Employment Agreement does not purport to be complete and is qualified in its entirety by reference to the Imhoff Employment Agreement, a copy of which (including the amendments thereto) is filed as Exhibit 10.10 to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2001, Exhibit 10.18 to the Company's Annual Report on Form 10-KSB for the fiscal year ended September 30, 2007 and Exhibit 10.01 to the Company's Current Report on Form 8-K dated March 25, 2009, and the Imhoff Employment Agreement (including the amendments thereto) is incorporated herein by reference.

ITEM 3.02 UNREGISTERED SALES OF EQUITY SECURITIES.

The information set forth in Item 1.01 above is incorporated by reference into this Item 3.02.

The shares of Common Stock that will be issued to Purchaser under the Share Purchase, if it is consummated, and the shares of Common Stock that will be issued to Mr. Imhoff under the Consulting Agreement, if that agreement becomes effective, will be issued in

private placement transactions made in reliance upon exemptions from registration pursuant to Section 4(2) under the Securities Act of 1933, as amended, and/or Rule 506 promulgated thereunder. Each of Purchaser and Mr. Imhoff has represented to the Company that they are accredited investors as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended.

ITEM 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.

The information set forth under Item 1.01 above is incorporated by reference into this Item 5.02.

DIRECTORS

Pursuant to the Purchase Agreement and as requested by Purchaser, Messrs. Brottman, Hunter, Kosnik and Yauch will be resigning from the Board of Directors of the Company upon the occurrence of the Closing. There are no disagreements between any of such directors and the Company on any matter relating to the Company's operations, policies or practices which resulted in them tendering their resignations to be effective upon the occurrence of the Closing.

Pursuant to the Purchase Agreement and as requested by Purchaser, upon the occurrence of the Closing, Stephen Pence, Charles (Chuck) W.B. Wardell III and Jerry Lancaster will be appointed by the Board to serve as non-employee directors on the Board of Directors of the Company.

Stephen B. Pence, 55, is currently a retired colonel from the United States Army Reserve, where he served as a federal military judge, and is also of counsel with Martin, Ogburn & Zipperle, in Louisville, Kentucky, assisting clients involved in human resource staffing and workers' compensation insurance. In 2001, Mr. Pence was nominated by President Bush and confirmed by the U.S. Senate to the position of United States Attorney for the Western District of Kentucky. From 2003 to 2007, Mr. Pence served as Lieutenant Governor of Kentucky, which included roles as the Secretary of the Justice and Public Safety Cabinet and Commissioner of State Police. Mr. Pence received his bachelor's degree in business and his masters of business administration, with a concentration on economics, from Eastern Kentucky University, and his juris doctorate degree from the University of Kentucky.

Charles W.B. Wardell III, 56, served as Senior Advisor to the Chief Executive Officer of Korn/Ferry International, a multi-national executive recruitment service with currently more than 90 offices in

40 countries, from 1992 through 2007. Between 1990 and 1992, Mr. Wardell operated as President of Nordeman Grimm, a New York based boutique executive placement firm with specialization on placement with marketing and financial services companies. In 1978, he joined American Express as Special Assistant to the Chief Executive Officer, although he also held roles, between 1978 and 1990, of Regional Vice President and General Manager of American Express Company Middle East and Senior Vice President and Chief Operating Officer of Global Private Banking at American Express International Banking Corporation. His experience also encompasses Senior Vice President, both at Travelers and Mastercard International, as well as Executive Vice President of Diners Club at Citicorp. Mr. Wardell graduated cum laude from Harvard College with an A.B. degree.

Jerry Lancaster, 74, has been employed with Imperial Casualty and Indemnity Company since 1997, where he is currently the Chairman and the Director of Marketing. He has worked in a variety of capacities involving workers' compensation programs and holds General Lines Agent and Managing General Agent licenses from the State of Texas. Mr.

Lancaster graduated from Southern Methodist University with a degree in mathematics.

The Board of Directors will determine which committees Messrs. Pence, Wardell and Lancaster will serve on at their first scheduled meeting after the Closing occurs. If the Closing occurs and Messrs. Pence, Wardell and Lancaster become members of the Board of Directors of the Company, they will receive compensation as directors in line with the Company's current compensation arrangement for non-employee directors, which will entitle each of them to a monthly retainer fee of $2,000. Directors do not receive any additional compensation for attendance at meetings of the Board of Directors or its committees, except that the Chairman of the Audit Committee receives an additional monthly retainer fee of $500.

CHIEF EXECUTIVE OFFICER AND PRESIDENT

In connection with Mr. Imhoff's agreement to resign as Chief Executive Officer and President of the Company if the Closing occurs, Purchaser has requested, and the Board of Directors has approved, the appointment of Ronald E. Heineman to serve as Chief Executive Officer and President of the Company effective upon Mr. Imhoff's resignation.

Mr. Heineman has agreed to an initial annual salary of $1 and a grant of 150,000 stock options on the date of the Closing pursuant to and in accordance with the Company's Amended and Restated 1997 Stock Option Plan (the "1997 Option Plan"), with such options to be fully vested on the date of issuance. The grant of such options was made subject to the approval of the Company's shareholders of an increase in the number of authorized shares of Common Stock available for issuance under the 1997 Plan to accommodate such stock option issuance, which shareholder approval will be sought at the Company's 2010 Annual Meeting of Shareholders or at such earlier special meeting

of shareholders as may be called in accordance with the Company's By-laws, provided that such meeting will not be called for prior to the date of the Closing.

There are no family relationships among Mr. Heineman and any directors or other executive officers of the Company, including the persons that would become directors of the Company if the Closing occurs. Other than the transactions described in Item 1.01 above, including the provisions in the Purchase Agreement providing for Mr. Heineman to be appointed as Chief Executive Officer and President of the Company upon the occurrence of the Closing, the Company is not aware of any transaction in which Mr. Heineman has an interest requiring disclosure under Item 404(a) of Regulation S-K.

ITEM 5.03 AMENDMENTS TO ARTICLES OF INCORPORATION OR BYLAWS; CHANGE IN FISCAL YEAR.

The information set forth under Items 1.01 and 5.02 above is incorporated by reference into this Item 5.03.

The Company's By-laws previously provided that the Board of Directors of the Company could not fill vacancies in the Board in between shareholder meetings held for that purpose with respect to more than 33-1/3% of the total membership of the Board. In order to satisfy Purchaser's request and the requirement in the Purchase Agreement that the Board appoint to the Board the three members designated by Purchaser, effective upon the occurrence of the Closing, the Board of Directors amended the Company's By-laws effective as of March 27, 2009 to remove therefrom the limitation on the number of vacancies in the Board that can be filled by the Board in between meetings of shareholders specified for that purpose.

The foregoing description of the amendment to the By-laws described above does not purport to be complete and is qualified in

its entirety by reference to the amendment, a copy of which is filed herewith as Exhibit 3.1 and is incorporated herein by reference.

ITEM 8.01 OTHER INFORMATION.

On March 30, 2009, the Company issued a press release relating to the Purchase Agreement. A copy of the press release is filed herewith as Exhibit 99.1 and is incorporated herein by reference.

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CAUTIONARY STATEMENTS

The Purchase Agreement has been included to provide investors and security holders with information regarding its terms. It is not intended to provide any other factual information about the Company. The representations, warranties and covenants contained in the Purchase Agreement were made only for purposes of such agreement and

as of specific dates, were solely for the benefit of the parties to such agreement, and are subject to limitations agreed upon by the contracting parties, including being qualified, modified or limited by confidential disclosures exchanged between the parties in connection with the execution of the Purchase Agreement. The representations and warranties may have been made for the purposes of allocating contractual risk between the parties to the agreement instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Investors are not third-party beneficiaries under the Purchase Agreement and should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of the Company or Purchaser or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Purchase Agreement, which subsequent information may or may not be fully reflected in the Company's public disclosures. Accordingly, the representations and warranties in the Purchase Agreement should not be viewed or relied upon as statements of actual facts or the actual state of affairs of the Company.

The Offer described in this Current Report on Form 8-K has not yet been commenced. Such description is for informational purposes only and is not an offer to buy or the solicitation of an offer to sell any securities. The solicitation and the offer to buy shares of the Common Stock of the Company will be made only pursuant to an offer to purchase on Schedule TO and related materials that Purchaser intends to file with the Securities and Exchange Commission (the "SEC"). In connection with the Offer, Purchaser will file with the SEC a tender offer statement and related offer to purchase on Schedule TO that provides the terms of the Offer and the Company will file with the SEC a solicitation/recommendation statement on Schedule 14D-9 and a related information statement, as well as a proxy statement relating to the shareholder approval of the proposed Share Purchase. Shareholders are urged to read these documents carefully and in their entirety if and when they become available because they will contain important information about the Offer and/or the proposed Share Purchase.

When the offer to purchase, solicitation/recommendation statement, proxy statement and/or information statement become available, they will be mailed to the shareholders of the Company who are entitled to receive such documents. In addition, the tender offer statement and related offer to purchase, solicitation/recommendation statement, proxy statement and/or information statement as well as other filings containing information about the Company, the Offer and the Share Purchase, if and when filed with the SEC, will be available free of charge at the SEC's Internet Web site, www.sec.gov. In addition,

investors and security holders may obtain free copies of the solicitation/recommendation statement, proxy statement and/or information statement as well as other filings containing information

about the Company, the Offer and the Share Purchase that are filed with the SEC by the Company, if and when available, by contacting Kent Yauch, Chief Financial Officer, at (630) 954-0495.

The Company and its directors and officers and other members of management and employees may be deemed to be participants in the solicitation of proxies with respect to the proxy statement that will be used in connection with the Share Purchase. Information regarding the Company's directors and executive officers is detailed in its proxy statements and annual reports on Form 10-KSB, previously filed with the SEC, and the information statement and/or proxy statement, when filed, relating to the Offer and the Share Purchase, when it becomes available.

FORWARD-LOOKING STATEMENTS

The statements made in this Current Report on Form 8-K which are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements include statements regarding the commencement of, and the acquisition of shares pursuant to, the Offer, the consummation of the Share Issuance, the filing of documents and information with the SEC, other future or anticipated matters regarding the transactions discussed in this release and the timing of such matters. Such forward-looking statements often contain or are prefaced by words such as "will" and "expect." As a result of a number of factors, the Company's actual results could differ materially from those set forth in the forward-looking statements. Certain factors that might cause our actual results to differ materially from those in the forward-looking statements include, without limitation: (i) the risk that the conditions to the closing of the Offer or the Share Purchase set forth in the Purchase Agreement will not be satisfied, (ii) changes in the Company's business during the period between the date of this Current Report on Form 8-K and the Closing, (iii) obtaining regulatory approvals (if required) for the transaction, (iv) the risk that the transaction will not be consummated on the terms or timeline first announced and (v) those factors set forth in the "Forward-Looking Statements" section of the Company's filings with the SEC, including its most recent Annual Report on Form 10-KSB. 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.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) EXHIBITS.

EXHIBIT NO.	DESCRIPTION
2.1	Securities Purchase and Tender Offer Agreement, dated as of March 30, 2009, by and among General Employment Enterprises, Inc. and PSQ, LLC.*
3.1	Amendment to the By-Laws of General Employment Enterprises, Inc.
10.1	Escrow Agreement, dated as of March 30, 2009, by and among General Employment Enterprises, Inc., PSQ, LLC and Park Avenue Bank, as escrow agent.
10.2	Consulting Agreement, dated as of March 30, 2009, by and among Herbert F. Imhoff, Jr., General Employment Enterprises, Inc. and PSQ, LLC.
10.3	Registration Rights Agreement, dated as of March 30, 2009, by and between General Employment Enterprises, Inc., PSQ, LLC and Herbert F. Imhoff, Jr.
10.4	Employment Agreement between General Employment Enterprises, Inc. and Herbert F. Imhoff, Jr., as amended. (Incorporated by reference to Exhibit 10.10 to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2001, Exhibit 10.18 to the Company's Annual Report on Form 10-KSB for the fiscal year ended September 30, 2007, and Exhibit 10.01 to the Company's Current Report on Form 8-K dated March 25, 2009.)
99.1	Press Release, dated March 30, 2009.

*The schedules to the Purchase Agreement have been omitted from this filing pursuant to Item 601(b)(2) of Regulation S-K. The Company will furnish copies of such schedules to the U.S. Securities and Exchange Commission upon request.

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.

Date: March 30, 2009 By: /s/ Kent M. Yauch

Name: Kent M. Yauch

Title: Vice President, Chief Financial Officer and Treasurer

EXHIBIT INDEX

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99.1	Press Release, dated March 30, 2009.

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*The schedules to the Purchase Agreement have been omitted from this filing pursuant to Item 601(b)(2) of Regulation S-K. The Company will furnish copies of such schedules to the U.S. Securities and Exchange Commission upon request.

EXHIBIT 2.1

THE SECURITY PURCHASE AND TENDER OFFER AGREEMENT (THE "PURCHASE AGREEMENT") HAS BEEN INCLUDED TO PROVIDE INVESTORS AND SECURITY HOLDERS WITH INFORMATION REGARDING ITS TERMS. IT IS NOT INTENDED TO PROVIDE ANY OTHER FACTUAL INFORMATION ABOUT THE COMPANY. THE REPRESENTATIONS, WARRANTIES AND COVENANTS CONTAINED IN THE PURCHASE AGREEMENT WERE MADE ONLY FOR PURPOSES OF SUCH AGREEMENT AND AS OF SPECIFIC DATES, WERE SOLELY FOR THE BENEFIT OF THE PARTIES TO SUCH AGREEMENT, AND ARE SUBJECT TO LIMITATIONS AGREED UPON BY THE CONTRACTING PARTIES, INCLUDING BEING QUALIFIED, MODIFIED OR LIMITED BY CONFIDENTIAL DISCLOSURES EXCHANGED BETWEEN THE PARTIES IN CONNECTION WITH THE EXECUTION OF THE PURCHASE AGREEMENT. THE REPRESENTATIONS AND WARRANTIES MAY HAVE BEEN MADE FOR THE PURPOSES OF ALLOCATING CONTRACTUAL RISK BETWEEN THE PARTIES TO THE AGREEMENT INSTEAD OF ESTABLISHING THESE MATTERS AS FACTS, AND MAY BE SUBJECT TO STANDARDS OF MATERIALITY APPLICABLE TO THE CONTRACTING PARTIES THAT DIFFER FROM THOSE APPLICABLE TO INVESTORS. INVESTORS ARE NOT THIRD-PARTY BENEFICIARIES UNDER THE PURCHASE AGREEMENT AND SHOULD NOT RELY ON THE REPRESENTATIONS, WARRANTIES AND COVENANTS OR ANY DESCRIPTIONS THEREOF AS CHARACTERIZATIONS OF THE ACTUAL STATE OF FACTS OR CONDITION OF THE COMPANY OR PURCHASER OR ANY OF THEIR RESPECTIVE SUBSIDIARIES OR AFFILIATES. MOREOVER, INFORMATION CONCERNING THE SUBJECT MATTER OF THE REPRESENTATIONS AND WARRANTIES MAY CHANGE AFTER THE DATE OF THE PURCHASE AGREEMENT, WHICH SUBSEQUENT INFORMATION MAY OR MAY NOT BE FULLY REFLECTED IN THE COMPANY'S PUBLIC DISCLOSURES. ACCORDINGLY, THE REPRESENTATIONS AND WARRANTIES IN THE PURCHASE AGREEMENT SHOULD NOT BE VIEWED OR RELIED UPON AS STATEMENTS OF ACTUAL FACTS OR THE ACTUAL STATE OF AFFAIRS OF THE COMPANY.

SECURITIES PURCHASE AND TENDER OFFER AGREEMENT

This Securities Purchase and Tender Offer Agreement ("Agreement") is dated as of March 30, 2009, between General Employment Enterprises, Inc., an Illinois corporation ("Company"), and PSQ, LLC, a newly formed Kentucky limited liability company created as a special purpose vehicle as purchaser of the securities that are the subject of this Agreement ("Purchaser").

WHEREAS, subject to the terms and conditions set forth in this Agreement, the Company desires to issue and sell to Purchaser, and Purchaser desires to purchase from the Company, newly-issued shares of Common Stock (as defined below) of the Company as more fully described in this Agreement; and

WHEREAS, each of the respective Boards of Member-Managers or Directors of Purchaser and the Company has determined it is in the best interests of their respective stockholders or members for the Purchaser to also offer to acquire up to 2,500,000 shares of the Common Stock of the Company ("Maximum Number of Shares") at a price of

$.60 in cash per share pursuant to a cash tender offer ("Offer") upon the terms and conditions set forth herein.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable

consideration the receipt and adequacy of which are hereby acknowledged, the Company and Purchaser agree as follows:

ARTICLE I.
DEFINITIONS

1.1 DEFINITIONS. In addition to the terms defined elsewhere in this Agreement, for all purposes of this Agreement, the following terms have the meanings set forth in this Section 1.1:

"Action" shall have the meaning ascribed to such term in Section 3.2(j).

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person as such terms are used in and construed under Rule 405 under the Securities Act. With respect to Purchaser, any investment fund or managed account that is managed on a discretionary basis by the same investment manager as Purchaser will be deemed to be an Affiliate of Purchaser.

"Board of Directors" means the board of directors of the Company from time to time as constituted.

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"Closing" means the simultaneous consummation of the purchase and sale of the Securities to be acquired by the Purchaser pursuant to Section 2.1 hereof and the consummation of the Offer described in Section 2.3 hereof.

"Closing Date" means the Trading Day when the Closing occurs.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the common stock of the Company, no par value, and any other class of securities into which such securities may hereafter be reclassified or changed into.

"Common Stock Equivalents" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

"Company Counsel" means Schiff Hardin LLP, with offices located at 6600 Sears Tower, Chicago, Illinois 60606.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated there under.

"GAAP" shall have the meaning ascribed to such term in Section 3.2(h).

"Indebtedness" shall have the meaning ascribed to such term in Section 3.2(x).

"Intellectual Property Rights" shall have the meaning ascribed to such term in Section 3.2(o).

"Liens" means a lien, charge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

"Material Adverse Effect" shall have the meaning assigned to such term in Section 3.1.

"Material Permits" shall have the meaning ascribed to such term in Section 3.2(m).

"Offer" shall mean the tender offer Purchaser shall commence (within the meaning of Rule 14d-2 under the Exchange Act) within ten (10) business days of the date hereof, as described in this Agreement.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Required Approvals" shall have the meaning ascribed to such term in Section 3.2(e).

"Registration Rights Agreement" means the agreement that is one of the Transaction Documents ancillary to this Agreement to be executed by the Purchaser, the Company and Herbert F. Imhoff, Jr.

"SEC Reports" shall have the meaning ascribed to such term in Section 3.2(h).

"Securities" means the Shares of Common Stock to be sold to Purchaser by the Company pursuant to this Agreement.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated there under.

"Shares" means shares of Common Stock.

"Short Sales" means all "short sales" as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include the location and/or reservation of borrowable shares of Common Stock).

"Trading Day" means a day on which the Common Stock is traded on the Trading Market or an over-the-counter market, if applicable.

"Trading Market" means the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: NYSE Amex.

"Transaction Documents" means this Agreement and any other documents or agreements executed in connection with the transactions contemplated hereunder.

"Transfer Agent" means Continental Stock Transfer & Trust

Company.

ARTICLE II.
PURCHASE AND SALE

2.1 CLOSING.

(a) The Closing shall occur no later than the third Business Day after satisfaction of the conditions set forth in Section 2.5 (other than those conditions that by their nature are to be satisfied at Closing).

(b) On the Closing Date, upon the terms and subject to the conditions set forth herein, immediately after the consummation of the Offer on the Closing Date, the Company agrees to sell, and the Purchaser agrees to purchase, an aggregate of 7,700,000 Shares of Common Stock at the Purchase Price set forth below. On the Closing Date, Purchaser shall direct the Escrow Agent (as defined below) to deliver to the Company from the Escrow Account (as defined below), via wire transfer, immediately available funds equal to the Purchase Price and the Company shall deliver to Purchaser duly authorized certificates representing the Securities.

(c) As soon as reasonably practicable after the Closing, Purchaser shall instruct the Escrow Agent to mail to each holder of record of a certificate or certificates that, immediately prior to the Closing, evidenced outstanding Shares (the "Certificates"), (i) a form of letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon proper delivery of the Certificates to the Escrow Agent, and shall be in such form and have such other provisions as are reasonable and customary in transactions such as the Offer) and (ii) instructions for use in effecting the surrender of the Certificates in exchange for the Per Share Offer Consideration to be paid therefore pursuant to Section 2.2(b), and, if applicable, a new Certificate representing any Shares represented by the surrendered Certificate that were not surrendered or accepted for surrender in the Offer. Upon surrender of a Certificate to the Escrow Agent together with such letter of transmittal, duly executed, and such other customary documents as may be required pursuant to such instructions, the holder of such Certificate shall be entitled to receive from Purchaser in exchange therefor cash in an amount equal to the product of (i) the number of Shares theretofore represented by such Certificate that were validly tendered on or prior to the Final Expiration Date (as defined below) and not timely withdrawn, subject to reduction pursuant to Section 2.3.1(c), and (ii) the Per Share Offer Consideration. If the Certificate represented more Shares than the number of Shares validly tendered by the holder thereof (and not withdrawn) prior to the Final Expiration Date after taking into account any reduction pursuant to Section 2.3.1(c), then the Company shall issue a new Certificate to the surrendering holder thereof representing the number of Shares represented by the surrendered Certificate that were not so tendered or accepted for tender in the Offer. No interest shall be paid or accrued on any cash payable upon the surrender of any Certificate. If payment is to be made to a person other than the person in whose name the surrendered Certificate is registered, it shall be a condition of payment that the Certificate so surrendered shall be properly endorsed or otherwise in proper form for transfer and that the person requesting such payment shall pay any transfer or other taxes required by reason of the payment to a person other than the registered holder of the surrendered Certificate or established to the satisfaction of Purchaser and the Company that such taxes have been paid or are not applicable. Any portion of the Escrow Amount which remains undistributed to the holders of Certificates one year after the

Closing shall be delivered to Purchaser, upon demand, and any holders of Certificates that have not theretofore complied with this Section 2.1(c) shall thereafter look only to Purchaser, and only as general creditors thereof, for payment of their claim for any Per Share Offer Consideration. None of Purchaser, the Company or the Escrow Agent shall be liable to any person in respect of any payments or distributions payable from the Escrow Amount delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

(d) The Closing shall occur at the offices of Company Counsel or such other location as the parties shall mutually agree.

2.2 PURCHASE PRICE.

(a) The Company has agreed to issue and sell to the Purchaser and the Purchaser has agreed to purchase the Securities at a price equal to $.25 per Share, for an aggregate purchase price of $1,925,000 ("Purchase Price").

(b) In addition, in accordance with Section 2.3, below, Purchaser has agreed to consummate the Offer for a maximum of 2,500,000 Shares of the Company's outstanding Common Stock (subject to satisfaction of the conditions described in Section 2.5(b)), at a price of $.60 per Share ("Per Share Offer Consideration"), for a maximum aggregate Offer amount of $1,500,000.

(c) Simultaneous with the execution of this Agreement, Purchaser has caused to be deposited into a financial institution escrow account ("Escrow Account") with Park Avenue Bank, 460 Park Avenue, New York, NY 10022 ("Escrow Agent") the maximum aggregate Purchase Price totaling $1,925,000 ("Purchase Escrow Amount"), and no later than three (3) days prior to the Closing, Purchaser shall provide written evidence satisfactory to the Company of the availability of the aggregate maximum amount of the consideration needed to consummate the Offer totaling $1,500,00 ("Maximum Offer Amount").The Purchase Escrow Amount shall be subject to the terms of an escrow agreement entered into between the Company, Purchaser and the Escrow Agent on the date hereof which, among other things, provides for a return of the Escrow Amount to the Purchaser in the event of any termination of this Agreement, except if such termination provides for the payment of damages to the Company as provided for in Section 6.2.

2.3 TENDER OFFER.

2.3.1 TERMS OF TENDER OFFER.

(a) Provided that this Agreement shall not have been terminated in accordance with Section 6.1 hereof, Purchaser shall commence (within the meaning of Rule 14d-2 under the Exchange Act) the Offer within ten (10) business days of the date hereof. Consummation of the Offer will be subject only to the satisfaction or waiver of the conditions set forth in Section 2.5(b) hereof, any of which conditions may be waived in the sole discretion of Purchaser. Assuming all of the conditions to consummation of the Offer are satisfied, Purchaser shall consummate the Offer as promptly as possible to the extent necessary to acquire the Maximum Number of Shares (taking into account the Shares validly tendered and not timely withdrawn as of the Final Expiration Date).

(b) Purchaser agrees that upon the terms and subject to the conditions of this Agreement, Purchaser shall accept for payment all

Shares (including any Securities), up to the Maximum Number of Shares, that are validly tendered on or prior to the Final Expiration Date and not timely withdrawn, as soon as it is permitted to do so under applicable law, and shall pay for such Shares promptly thereafter.

(c) In the event that the number of Shares that are validly tendered on or prior to the Final Expiration Date and not timely withdrawn exceed the Maximum Number of Shares, the final number of Shares deemed validly tendered by each stockholder of the Company as of the Final Expiration Date shall be reduced to be an amount equal to the product of: (i) the number of Shares validly tendered by such stockholder (and not withdrawn) as of the Final Expiration Date and (ii) the quotient of (A) 2,500,000 over (B) the total number of Shares validly tendered (and not withdrawn) by all stockholders of the Company as of the Final Expiration Date.

(d) The Offer shall initially be scheduled to expire seventy-five (75) days following the commencement thereof; provided that, unless this Agreement shall have been terminated pursuant to Section 6.1 hereof, Purchaser shall be required to extend the Offer from time-to-time until the Closing Date in the event that, at a then-scheduled expiration date, the conditions to Closing set forth in Section 2.5 have not been satisfied (such final expiration date of the Offer being referred to herein as the "Final Expiration Date"); provided further that, under no circumstances shall any such extension be less than the minimum number of days required by the Exchange Act or the rules and regulations promulgated thereunder or by applicable law.

(e) As promptly as practicable on the date of commencement of the Offer, Purchaser shall file with the United States Securities and Exchange Commission ("SEC") a Tender Offer Statement on Schedule TO (together with all amendments and supplements thereto, the "Schedule TO") with respect to the Offer which shall comply as to form in all material respects with the provisions of applicable federal securities laws. The Schedule TO shall contain or incorporate by reference an offer to purchase ("Offer to Purchase") and forms of the related letter of transmittal and all other ancillary Offer documents (collectively, together with all amendments and supplements thereto, the "Offer Documents"). The Company and Purchaser shall cause the Offer Documents to be disseminated to the holders of the Shares as and to the extent required by applicable federal securities laws. Purchaser, on the one hand, and the Company, on the other hand, will promptly correct any information provided by it for use in the Offer Documents if and to the extent that it shall have become false or misleading in any material respect, and Purchaser will cause the Offer Documents as so corrected to be filed with the SEC and to be disseminated to holders of the Shares, in each case as and to the extent required by applicable federal securities laws. In conducting the Offer, Purchaser shall comply in all material respects with the provisions of the Exchange Act and any other applicable law. The Company and its counsel shall be given a reasonable opportunity to review and comment upon the Schedule TO before it is filed with the

SEC. In addition, Purchaser agrees to provide the Company and its counsel with any comments, whether written or oral, that Purchaser or its counsel may receive from time-to-time from the SEC or its staff with respect to the Offer Documents promptly after the receipt of such

comments and to consult with the Company and its counsel prior to responding to any such comments.

(f) For the avoidance of doubt, without the prior written consent of the Company, Purchaser shall not (i) decrease or change the form of the Per Share Offer Consideration described in Section 2.2(b) above, (ii) amend any term of the Offer in any manner adverse to holders of Shares of Common Stock, or (iii) change any of the closing conditions to the Offer described in Section 2.5(b) or impose any additional conditions to the Offer.

2.3.2 COMPANY ACTION.

(a) The Company hereby approves of and consents to the Offer and represents and warrants that the Company's Board of Directors, at a meeting duly called and held, has (i) determined that the terms of the Offer are fair to and in the best interests of the stockholders of the Company, (ii) approved this Agreement, the Offer and the other transactions contemplated hereby and (iii) resolved (subject to the limitations contained herein) to recommend that the stockholders of the Company accept the Offer, tender their Shares to Purchaser thereunder and approve and adopt this Agreement. Subject to Section 4.3 below, the Company hereby consents to the inclusion in the Offer Documents of the Board's recommendation described in the immediately preceding sentence. The Company has been authorized by Prairie Capital Advisors, Inc., the Company's financial advisor, to permit the inclusion of a copy its fairness opinion with regard to the transactions contemplated hereby.

(b) On the date the Offer Documents are filed with the SEC, the Company shall file with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 with respect to the Offer (such Schedule 14D-9, as amended or supplemented from time to time, the "Schedule 14D-9") containing, subject to Section 4.3 below, the recommendations referred to in paragraph (a) above and shall mail the Schedule 14D-9 to the record holders of Shares as required by law. Purchaser will promptly supply to the Company in writing, for inclusion in the Schedule 14D-9, all information concerning Purchaser as required by Section 14(f) of the Exchange Act and Rule 14F-1 thereunder, and the Company shall include such information in the Schedule 14D-9. Each of the Company and Purchaser shall promptly correct any information provided by it for use in the Schedule 14D-9 if and to the extent that such information shall have become false or misleading in any material respect, and the Company shall take all steps necessary to amend or supplement the Schedule 14D-9 and to cause the Schedule 14D-9 as so amended or supplemented to be filed with the SEC and disseminated to the Company's stockholders, in each case as and to the extent required by or deemed advisable under applicable federal securities laws.

Purchaser and its counsel shall be given reasonable opportunity to review and comment upon the Schedule 14D-9 prior to its filing with the SEC or dissemination to stockholders of the Company. The Company shall provide Purchaser and its counsel in writing with any written comments (and orally, any oral comments) the Company or its counsel may receive from the SEC or its staff with respect to the Schedule 14D-9 promptly after the receipt of such comments and shall consult with Purchaser and its counsel prior to responding to such comments.

(c) The Company shall promptly furnish Purchaser with mailing labels containing the names and addresses of all record holders of Shares and with security position listings of Shares held in stock depositories, each as of a recent date, together with all other available listings and computer files containing names, addresses and security position listings of record holders and beneficial owners of Shares. The Company shall furnish Purchaser with such additional

information, including, without limitation, updated listings and computer files of stockholders, mailing labels and security position listings, and such other assistance as the Company, Purchaser or their agents may reasonably require in communicating the Offer to the record and beneficial holders of Shares. Subject to the requirements of applicable law, and except for such steps as are necessary to disseminate the Offer Documents and any other documents necessary to consummate the Offer, the Purchaser and its Affiliates shall hold in confidence the information contained in such labels, listings and files, shall use such information solely in connection with the Offer, and, if this Agreement is terminated in accordance with Section 6.1 hereof, shall promptly deliver or cause to be delivered to the Company all copies of such information, labels, listings and files then in their possession or in the possession of their agents or representatives.

2.4 COMPANY STOCKHOLDERS MEETING; PREPARATION OF THE PROXY STATEMENT.

(a) As soon as practicable following the date hereof, the Company shall use its commercially reasonable efforts to take all action necessary, in accordance with the Illinois Business Corporation Act of 1983, as amended ("Illinois Business Act"), the Exchange Act and other applicable law and its certificate of incorporation and bylaws to convene and hold a meeting of the stockholders of Company (the "Stockholders Meeting") for the purpose of considering and voting upon the sale by the Company of Securities to Purchaser as contemplated by this Agreement and to solicit proxies pursuant to a proxy statement of the Company to be filed by the Company in connection therewith ("Company Proxy Statement"). Subject to the provisions of Section 4.3 below, the Board of Directors shall recommend that the holders of Shares vote in favor of the sale by the Company of Securities to Purchaser as contemplated by this Agreement at the Stockholders Meeting and shall cause such recommendation to be included in the Company Proxy Statement.

(b) As soon as practicable following the date hereof, the Company, in consultation with Purchaser, shall prepare and file the Company Proxy Statement with the SEC in accordance with the Exchange Act and the rules and regulations thereunder. Each of the Company and Purchaser shall promptly correct any information provided by it for use in the Company Proxy Statement if and to the extent that such information shall have become false or misleading in any material respect, and the Company shall take all steps necessary to amend or supplement the Company Proxy Statement and to cause the Company Proxy Statement as so amended or supplemented to be filed with the SEC and disseminated to the Company's stockholders, in each case as and to the extent required by or deemed advisable under applicable federal securities laws, state law or the requirements of any securities exchange on which the Company's Shares are listed. Purchaser and its counsel shall be given reasonable opportunity to review and comment upon the Company Proxy Statement prior to its filing with the SEC or dissemination to stockholders of the Company. The Company shall provide Purchaser and its counsel in writing with any written comments (and orally, any oral comments) the Company or its counsel may receive from the SEC or its staff with respect to the Company Proxy Statement promptly after the receipt of such comments and shall consult with Purchaser and its counsel prior to responding to such comments.

2.5 CLOSING CONDITIONS.

(a) The obligations of the Company hereunder in connection with the Closing are subject to the following conditions being met or waived by the Company at or prior to the Closing, provided, however,

that the Company may not rely on the failure of any of the following conditions in this Section 2.5(a) to be satisfied if such failure was caused by the Company's failure to act in good faith or to use best efforts to cause the Closing to occur, as required by Section 4.2:

(i) the approval of the sale by the Company of the Securities to Purchaser as contemplated hereby by affirmative vote (by a majority of votes cast) by the holders of shares of Common Stock;

(ii) there is no order, litigation, injunction, administrative stop order or other legal restraint pending against the Company at the Closing Date that would limit or prohibit the Closing of the transactions contemplated by this Agreement;

(iii) the accuracy in all material respects on the Closing Date of the representations and warranties of the Purchaser contained herein as though made as of such time, except to the extent that such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct in all material respects as of such earlier date); and

(iv) all obligations, covenants and agreements of Purchaser required to be performed at or prior to the Closing Date pursuant to the terms hereof shall have been performed in all material respects.

(b) The respective obligations of the Purchaser hereunder in connection with the Closing are subject to the following conditions being met or waived by Purchaser at or prior to the Closing, provided, however, that Purchaser may not rely on the failure of any of the following conditions in this Section 2.5(b) to be satisfied if such failure was caused by Purchaser's failure to act in good faith or to use best efforts to cause the Closing to occur, as required by Section 4.2:

(i) the accuracy on the Closing Date of the representations and warranties of the Company contained herein as though made as of such time, except to the extent that such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct as of such earlier date), in each case except for inaccuracies or breaches as to matters that, individually or in the aggregate, would not have a Material Adverse Effect;

(ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the Closing Date pursuant to the terms hereof shall have been performed in all material respects; and

(iii) there shall have been no Material Adverse Effect (as defined in Section 3.1 below) with respect to the Company since the date hereof.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES

3.1 GENERAL.

In this Agreement, any reference to a "Material Adverse Effect" with respect to the Company means any event, change or effect that:

(a) is materially adverse to the financial condition, properties, assets (including intangible assets), liabilities (including contingent liabilities), business, operations or results of operations of the Company and its Subsidiaries, taken as a whole, except to the extent of any event, change or effect resulting from or

arising in connection with:

(i) any change in general economic, business, regulatory, market conditions or political conditions, in each case both regional, domestic and international, including changes or disruptions in capital or financial markets;

(ii) natural disasters, acts of God, any outbreak or escalation of hostilities, declared or undeclared acts of war or terrorism or civil unrest;

(iii) any change in applicable laws of any governmental entity or interpretations thereof by any governmental entity or in GAAP;

(iv) any change generally affecting the industry in which the Company conducts its business;

(v) the execution, announcement or performance of this Agreement or consummation of the transactions contemplated hereby, including any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of the Company with any of its customers, employees, shareholders, financing sources or vendors as a direct result thereof or in connection therewith;

(vi) any change in the market price or trading volume of the securities of the Company (it being understood that the causes underlying such change in market price or trading volume may be taken into account in determining whether a Material Adverse Effect has occurred), or any suspension of trading in securities generally on any securities exchange on which the securities of the Company trade;

(vii) the failure of the Company in and of itself to meet any internal or public projections, forecasts or estimates of revenues or earnings (it being understood that the causes underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred);

(viii) any event, change or effect resulting from declines in the operational or financial performance of the Company that are not materially worse than the trends experienced by the Company in the quarter ended December 31, 2008;

(ix) any actions taken (or omitted to be taken) at the written request of Purchaser;

(x) any action taken by the Company that is required pursuant to this Agreement; or

(xi) any of the matters specifically disclosed in the Disclosure Schedule (as defined below);

provided, however, that with respect to clauses (i) and (iv) such matter does not have a materially disproportionate effect on the Company, relative to comparable entities operating in the Company's business, and references in certain sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretative for purposes of determining whether a "Material Adverse Effect" has occurred; or

(b) would prevent the Company from performing its material obligations under this Agreement in any material respect.

In this Agreement, the words "Aware," "Knowledge" or similar words, expressions or phrases with respect to a party means the actual knowledge of such party's directors.

The Company represents and warrants to Purchaser that the statements contained in this Article III are true and correct, except as set forth in the Disclosure Schedule, if any, delivered by the Company to Purchaser immediately prior to the execution and delivery of this Agreement (the "Disclosure Schedule"). Reference to any section in the Disclosure Schedule in this Article III shall be deemed to be a reference to all other sections in the Disclosure Schedule. Any reference in this Article III to an agreement being "Enforceable" shall be deemed to be qualified to the extent such enforceability is subject to (i) laws of general application relating to bankruptcy, insolvency, moratorium, fraudulent conveyance and the relief of debtors and (ii) the availability of specific performance, injunctive relief and other equitable remedies.

3.2 REPRESENTATIONS AND WARRANTIES OF THE COMPANY. Except as set forth in the SEC Reports, which SEC Reports shall qualify any representation or warranty otherwise made herein to the extent of such disclosure, the Company hereby makes the following representations and warranties set forth below to Purchaser:

(a) SUBSIDIARIES. The Company owns, directly or indirectly, all of the capital stock or other equity interests of each of its direct and indirect subsidiaries (individually, a "Subsidiary") free and clear of any Liens, and all of the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities.

(b) ORGANIZATION AND QUALIFICATION. The Company and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization (as applicable), with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation or default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents. Each of the Company and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in a Material Adverse Effect on the Company, and no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

(c) AUTHORIZATION; ENFORCEMENT. The Company has the requisite corporate power and authority to enter into and, subject to the approval of its stockholders with respect to the sale by the Company

to Purchaser of the Securities as contemplated hereby, to consummate the transactions contemplated by each of the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of each of the Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company subject to the aforementioned stockholder approval and, except for obtaining such stockholder approval, no further action is required by the Company, the Board of Directors or the Company's stockholders in connection therewith other than in connection with the Required Approvals. Each Transaction Document has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) that rights to indemnification and contribution there under may be limited by federal or state securities laws or public policy relating thereto.

(d) NO CONFLICTS. The execution, delivery and performance of the Transaction Documents by the Company, the issuance and sale of the Securities and the consummation by the Company of the other transactions contemplated hereby and thereby do not and will not (i) conflict with or violate any provision of the Company's or any Subsidiary's certificate or articles of incorporation, bylaws or other organizational or charter documents, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) or other understanding to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected (except as may have been waived) or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as would not have a Material Adverse Effect.

(e) FILINGS, CONSENTS AND APPROVALS. The Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents, other than (i) compliance with any applicable requirements of the Exchange Act, (ii) the filings contemplated by Sections 2.3.2 and 2.4 hereof, (iii) obtaining approval of its stockholders with respect to the sale by the Company to Purchaser of the Securities as contemplated hereby, (iv) filings required pursuant to Section 4.1 of this Agreement, (v) application(s) to each applicable Trading Market for the listing of the Securities for trading thereon in the time and manner required thereby and (vi) such filings as are required to be made under applicable state securities laws, FINRA and the Trading Market (collectively, the

"Required Approvals").

(f) ISSUANCE OF THE SECURITIES. The Securities are duly authorized and, when issued and paid for in accordance with this Agreement, will be duly and validly issued, fully paid and non-assessable, free and clear of all Liens imposed by the Company other than any restrictions on transfer provided herein.

(g) CAPITALIZATION. The capitalization of the Company is as described in the most recent applicable SEC Reports. The Company has not issued any capital stock since its most recently filed periodic report under the Exchange Act, other than as described in the SEC Reports, or pursuant to the exercise of employee stock options under the Company's stock option plans, the issuance of shares of Common Stock to employees pursuant to the Company's employee stock purchase plans and pursuant to the conversion or exercise of Common Stock Equivalents. No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. Except as a result of the purchase and sale of the Securities and as described in the SEC Reports, there are no outstanding options, warrants, scrip rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire, any shares of Common Stock, or contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to issue additional shares of Common Stock or Common Stock Equivalents. Except as disclosed in the SEC Reports, the issuance and sale of the Securities will not obligate the Company to issue shares of Common Stock or other securities to any Person (other than the Purchaser) and will not result in a right of any holder of Company securities to adjust the exercise, conversion, exchange or reset price under any of such securities. All of the outstanding shares of capital stock of the Company are validly issued, fully paid and non-assessable, have been issued in compliance with all federal and state securities laws, and none of such outstanding shares was issued in violation of any

preemptive rights or similar rights to subscribe for or purchase securities. Except for approval by the Company's stockholders, no approval or authorization of the Board of Directors or others is required for the issuance and sale of the Securities. Except as described in the SEC Reports, there are no stockholders agreements, voting agreements or other similar agreements with respect to the Company's capital stock to which the Company is a party.

(h) SEC REPORTS; FINANCIAL STATEMENTS. The Company has complied in all material respects with requirements to file all reports, schedules, forms, statements and other documents required to be filed by the Company under the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the year preceding the date hereof (or such shorter period as the Company was required by law or regulation to file such material) (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "SEC Reports") on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and the rules and regulation of the Commission promulgated there under, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The

financial statements of the Company included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis during the periods involved ("GAAP"), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

(i) MATERIAL CHANGES; UNDISCLOSED EVENTS, LIABILITIES OR DEVELOPMENTS. Since the date of the latest audited financial statements included within the SEC Reports except as disclosed in the SEC Reports, (i) there has been no event, occurrence or development that has had or that would result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Company's financial statements pursuant to GAAP or disclosed in filings made with the

Commission, (iii) the Company has not altered its method of accounting except as required by law or GAAP, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock and (v) the Company has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing Company equity compensation plans. The Company does not have pending before the Commission any request for confidential treatment of information. Except with respect to the transactions contemplated by this Agreement or as set forth in the SEC Reports, since the end of the period covered by the last SEC report, no event, liability or development has occurred or exists with respect to the Company or its Subsidiaries or their respective business, properties, operations or financial condition, that would be required to be disclosed by the Company under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed prior to the date of this Agreement.

(j) LITIGATION. Except as disclosed in the SEC Reports, there is no action, suit, or proceeding or, to the knowledge of the Company, investigation, pending or, to the knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "Action") in effect as of the date hereof which (i) challenges the legality, validity or enforceability of any of the Transaction Documents or (ii) would, if there were an unfavorable decision, have a Material Adverse Effect. Neither the Company nor any Subsidiary, nor, to the knowledge of the Company, any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. To the knowledge of the Company, there is not pending or contemplated any investigation by the Commission involving the Company or any current or former director or officer of the Company. To the knowledge of the Company, the Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company or any Subsidiary under the Exchange Act or the Securities Act.

(k) LABOR RELATIONS. No material labor dispute exists or, to the knowledge of the Company, is imminent with respect to any of the employees of the Company which would have a Material Adverse Effect. No executive officer, to the knowledge of the Company, is in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant, and, to the Company's knowledge, the continued employment of each such executive officer does not subject the Company or any of its Subsidiaries to any liability with respect to any of the foregoing matters. The Company and its Subsidiaries are in compliance with all U.S. federal, state, local and foreign laws and regulations relating

to employment and employment practices, terms and conditions of employment and wages and hours, except where the failure to be in compliance would not, individually or in the aggregate, have a Material Adverse Effect.

(l) COMPLIANCE. Except as disclosed in the SEC Reports, neither the Company nor any Subsidiary (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any Subsidiary under), nor has the Company or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any order of any court, arbitrator or governmental body, or (iii) is or has been in violation of any statute, rule or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws applicable to its business and all such laws that affect the environment, except in each case as would not have a Material Adverse Effect.

(m) REGULATORY PERMITS. Except as disclosed in the SEC Reports, the Company and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as described in the SEC Reports, except where the failure to possess such permits would not have a Material Adverse Effect ("Material Permits"), and neither the Company nor any Subsidiary has received any notice of proceedings in the last year relating to the revocation or modification of any Material Permit.

(n) TITLE TO ASSETS. The Company and the Subsidiaries have good title in fee simple to all real property owned by them and good title in all personal property owned by them that is material to the business of the Company and the Subsidiaries, in each case free and clear of all Liens, except for Liens that do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries and Liens for the payment of federal, state or other taxes, the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by the Company and the Subsidiaries are held by them under valid, subsisting and enforceable leases with which the Company and the Subsidiaries are in compliance.

(o) PATENTS AND TRADEMARKS. The Company and the Subsidiaries have, or have rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights necessary or material for use in

connection with their respective businesses as described in the SEC

Reports and which the failure to so have would have a Material Adverse Effect (collectively, the "Intellectual Property Rights"). Neither the Company nor any Subsidiary has received a notice (written or otherwise) in the last year that any of the Intellectual Property Rights used by the Company or any Subsidiary violates or infringes upon the rights of any Person. To the knowledge of the Company, there is no existing infringement by another Person of any of the Intellectual Property Rights. The Company and its Subsidiaries have taken reasonable measures to protect the secrecy, confidentiality and value of all of their intellectual properties, except where failure to do so would not, individually or in the aggregate, have a Material Adverse Effect.

(p) INSURANCE. The Company and the Subsidiaries have insurance policies against such losses and risks and in such amounts as management for the Company believes is appropriate for the businesses in which the Company and the Subsidiaries are engaged, including, but not limited to, directors and officers insurance coverage. To the knowledge of the Company, such insurance contracts are accurate and complete.

(q) TRANSACTIONS WITH AFFILIATES AND EMPLOYEES. Except as set forth in the SEC Reports, none of the officers or directors of the Company and, to the knowledge of the Company, none of the employees of the Company is presently a party to any transaction with the Company or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner, other than for (i) payment of salary or consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Company and (iii) other employee benefits, including stock option agreements or any other similar arrangements under any equity plan of the Company.

(r) SARBANES-OXLEY; INTERNAL ACCOUNTING CONTROLS. The Company is in material compliance with all provisions of the Sarbanes-Oxley Act of 2002 which are applicable to it as of the Closing Date. The Company and the Subsidiaries maintain a system of internal accounting controls that is designed to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company has established disclosure controls and procedures (as defined

in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company that are designed to ensure that information required to be disclosed by

the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. The Company's certifying officers have evaluated the effectiveness of the Company's disclosure controls and procedures required under the Exchange Act.

(s) CERTAIN FEES. Except as otherwise provided in the Transaction Documents, no brokerage or finder's fees or commissions are or will be payable by the Company to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents. The Purchasers shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due from the Company in connection with the transactions contemplated by the Transaction Documents.

(t) INVESTMENT COMPANY. The Company is not, and immediately after receipt of payment for the Securities, will not be an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(u) REGISTRATION RIGHTS. Except as disclosed in the SEC Reports, no Person has any right to cause the Company to effect the registration under the Securities Act of any securities of the Company, which rights are currently not satisfied.

(v) LISTING AND MAINTENANCE REQUIREMENTS. The Common Stock is registered pursuant to Section 12(b) or 12(g) of the Exchange Act, and the Company has taken no action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act nor has the Company received any notification that the Commission is contemplating terminating such registration. The Company has not, in the 12 months preceding the date hereof, received notice from any Trading Market on which the Common Stock is or has been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such Trading Market.

(w) APPLICATION OF TAKEOVER PROTECTIONS. The Company and the Board of Directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's certificate of incorporation (or similar charter documents) or the laws of its state of incorporation that is or could become applicable to the Purchaser as a result of the Purchaser and the Company fulfilling their obligations or exercising their rights under the Transaction Documents, including without limitation as a result of

the Company's issuance of the Securities and the Purchaser ownership of the Securities.

(x) "Indebtedness" The SEC Reports sets forth as of the dates specified therein all outstanding secured and unsecured Indebtedness of the Company or any Subsidiary, or for which the Company or any Subsidiary has commitments. For the purposes of this Agreement, "Indebtedness" means (a) any liabilities for borrowed money or amounts owed in excess of $50,000 (other than trade accounts payable incurred in the ordinary course of business) and (b) all guaranties, endorsements and other contingent obligations in respect of indebtedness of others, whether or not the same are or should be reflected in the Company's balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit

or collection or similar transactions in the ordinary course of business. Neither the Company nor any Subsidiary is in default with respect to any Indebtedness.

(y) TAX STATUS. Except for matters that would not, individually or in the aggregate, have a Material Adverse Effect, the Company and each Subsidiary has filed all necessary federal, state and foreign income and franchise tax returns and has paid or accrued all taxes shown as due thereon, and the Company has no knowledge of a tax deficiency which has been asserted or threatened against the Company or any Subsidiary in the last year.

(z) FOREIGN CORRUPT PRACTICES. Neither the Company, nor to the knowledge of the Company, any agent or other person acting on behalf of the Company, has (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company (or made by any person acting on its behalf of which the Company is aware) which is in violation of law, or (iv) violated in any material respect any provision of the Foreign Corrupt Practices Act of 1977, as amended.

(aa) Except for the representations and warranties of the Company contained in this Section 3.2, neither the Company nor any other Person on behalf of the Company makes any other express or implied representation or warranty with respect to the Company or any of its Affiliates or with respect to any other information provided by the Company or any of its Affiliates.

3.3 REPRESENTATIONS AND WARRANTIES OF THE PURCHASER. Purchaser hereby represents and warrants as of the date hereof and as of the Closing Date to the Company as follows:

(a) ORGANIZATION; AUTHORITY. Purchaser is an entity duly organized, validly existing and in good standing under the laws of the

jurisdiction of its organization with full right, limited liability company power and authority to enter into and to consummate the transactions contemplated by this Agreement and the other Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and the other Transaction Documents and performance by Purchaser of the transactions contemplated by this Agreement and the other Transaction Documents have been duly authorized by all necessary limited liability company or similar action on the part of Purchaser. Each Transaction Document to which it is a party has been duly executed by Purchaser, and when delivered by Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of Purchaser, enforceable against it in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) OWN ACCOUNT. Purchaser is acquiring the Shares (including the Securities) contemplated by this Agreement as principal for its own account and not with a view to or for distributing or reselling such Shares or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of

distributing any of such Shares in violation of the Securities Act or any applicable state securities law and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Shares (this representation and warranty not limiting Purchaser's right to sell the Shares otherwise in compliance with applicable federal and state securities laws) in violation of the Securities Act or any applicable state securities law.

(c) PURCHASER'S FUNDS. Purchaser has available all the funds necessary to consummate the Offer and the purchase of the Securities contemplated hereby, and to make all other necessary payments of fees and expenses required to be paid by Purchaser relating to such transactions, and Purchaser (i) has deposited the Purchase Escrow Amount with the Escrow Agent on the date hereof, and (ii) shall have provided written evidence satisfactory to the Company of the availability of the aggregate maximum amount of the consideration needed to consummate the Offer totaling $1,500,00 no later than three (3) days prior to the Closing Date.

(d) PURCHASER STATUS. At the time Purchaser was offered the Securities, it was, and at the date hereof it is an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act. Purchaser is not required to be registered as a broker-dealer under Section 15 of the Exchange Act.

(e) CERTAIN FEES. Except for fees payable by Purchaser to MC Capital Funding Group and except as otherwise provided in the Transaction Documents, no brokerage or finder's fees or commissions are or will be payable by the Purchaser to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other person with respect to the transactions contemplated by the Transaction Documents. Otherwise, Purchaser shall have no obligation with respect to any such fees or with respect to any claims made by or on behalf of other persons for fees of a type contemplated in this Section.

(f) EXPERIENCE OF PURCHASER. Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Shares to be acquired hereunder, and has so evaluated the merits and risks of such investment. Purchaser acknowledges that an investment in such Shares involves a high degree of risk and that Purchaser is able to bear the economic risk of an investment in such Shares and, at the present time, is able to afford a complete loss of such investment.

(g) LITIGATION. There is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Purchaser, threatened against or affecting the Purchaser, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "Action") which (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Securities or (ii) would, if there were an unfavorable decision, have a Material Adverse Effect. There has not been, and to the knowledge of the Purchaser, there is not pending or contemplated, any investigation by the Commission involving the Purchaser or any current or former member or officer of the Purchaser.

(h) FILINGS, CONSENTS AND APPROVALS. The Purchaser is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court

or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Purchaser of the Transaction Documents, other than filings required pursuant to Section 2.3 of this Agreement.

(i) SHORT SALES AND CONFIDENTIALITY PRIOR TO THE DATE HEREOF. Other than consummating the transactions contemplated hereunder, Purchaser has not, nor has any Person acting on behalf of or pursuant to any understanding with Purchaser, directly or indirectly executed any purchases or sales, including Short Sales, of the securities of the Company during the period commencing from the time that Purchaser and its Affiliates first submitted a term sheet (written or oral) to the Company setting forth the material terms of the transactions contemplated hereunder. Neither Purchaser nor any of its Affiliates

owns, directly or indirectly, beneficially or of record, any Shares, and none of Purchaser or any of its Affiliates holds any rights to acquire Shares except pursuant to this Agreement. Other than to other Persons party to this Agreement, Purchaser has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction). The Purchaser acknowledges that it has read the SEC Reports. The Purchaser has not received any written documents that would constitute an offer to sell, or the solicitation of an offer to buy the Securities or that would constitute a prospectus under the Securities Act.

(j) INTERIM OPERATIONS OF PURCHASER. Purchaser was formed solely for the purpose of engaging in the transactions contemplated by this Agreement and has not engaged in any business activities or conducted any operations other than in connection with the transactions contemplated by this Agreement.

(k) DISCLOSURE. None of the information supplied or to be supplied by Purchaser for inclusion in the Schedule 14D-9 or the Offer Documents or the Company Proxy Statement, including any amendment or supplement to the Schedule 14D-9 or the Offer Documents or the Company Proxy Statement, will, at the respective times such documents are filed, contain any untrue statement of a material fact, or omit to state any material fact necessary in order to make the statements made therein in light of the circumstances under which they are made not misleading.

ARTICLE IV.
OTHER AGREEMENTS OF THE PARTIES

4.1 SECURITIES LAWS DISCLOSURE; PUBLICITY. The Company shall (a) by 9:30 a.m. (New York City time) on the Business Day immediately following the date hereof, issue a press release disclosing the material terms of the transactions contemplated hereby, and (b) within the time period prescribed by the Exchange Act, file a Current Report on Form 8-K disclosing the material terms of the transactions contemplated hereby and including this Agreement as an exhibit thereto. The Company shall provide the Purchaser a reasonable opportunity to review and comment upon the press release and the Current Report on Form 8-K to be filed by the Company in accordance with the Exchange Act prior to the release or filing thereof. The Company and Purchaser shall consult with each other in issuing any other press releases with respect to the transactions contemplated hereby, and neither the Company nor Purchaser shall issue any such press release or otherwise make any such public statement without the prior consent of the Company, with respect to any press release of the Purchaser, or without the prior consent of Purchaser, with respect to any press release of the Company, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law

or the rules of any listing agreement with any securities exchange, in

which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication..

4.2 ADDITIONAL AGREEMENTS; COOPERATION.

(a) Subject to the terms and conditions herein provided, each of the parties hereto agrees to use its best efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement, and to cooperate with each other in connection with the foregoing, including using its best efforts (i) to obtain all necessary waivers, consents and approvals from other parties to loan agreements, material leases and other material contracts, (ii) to obtain all necessary consents, approvals and authorizations as are required to be obtained under any federal, state or foreign law or regulations, (iii) to defend all lawsuits or other legal proceedings challenging this Agreement or the consummation of the transactions contemplated hereby, (iv) to lift or rescind any injunction or restraining order or other order adversely affecting the ability of the parties to consummate the transactions contemplated hereby, (v) to effect all necessary registrations and filings, including, but not limited to, submissions of information requested by governmental authorities, (vi) to provide all necessary information for the Company Proxy Statement and (vii) to fulfill all conditions to this Agreement.

(b) Each of the parties hereto agrees to furnish to the other party hereto such necessary information and reasonable assistance as such other party may request in connection with its preparation of necessary filings or submissions to any regulatory or governmental agency or authority, including, without limitation, any filing necessary under any applicable Federal or state statute. At any time upon the written request of Purchaser, the Company shall advise Purchaser of the number of Shares outstanding.

4.3 NO SOLICITATION.

(a) Neither the Company nor any of its affiliates will, directly or indirectly, through any directors, officers, employees, agents, representatives or otherwise, solicit, initiate, facilitate or encourage (including by way of furnishing or disclosing non-public information) any inquiries or the making of any proposal with respect to any merger, consolidation or other business combination involving the Company or its Subsidiaries or the acquisition of all or any significant assets or capital stock of the Company and its Subsidiaries taken as a whole ("Acquisition Proposal") or negotiate, explore or otherwise engage in discussions with any person (other than Purchaser and its representatives) with respect to any Acquisition Proposal or enter into any agreement, arrangement or understanding requiring it to abandon, terminate or fail to consummate the transactions contemplated hereby.

(b) Notwithstanding the provisions of Section 4.3(a) hereof, in

the event that prior to the consummation of the transactions contemplated by this Agreement, the Board of Directors determines in good faith, after consultation with outside counsel, that it is necessary to respond to an Unsolicited Superior Proposal (as defined below) or an Acquisition Proposal that it reasonably believes could lead to an Unsolicited Superior Proposal in order to comply with its fiduciary duties to the Company's stockholders under applicable law, (i) the Company may directly or indirectly through any directors, officers, employees, agents, representatives or otherwise (x) participate in discussions or negotiations with the Person making such proposal and (y) provide to such Person non-public information and access to properties, books, records and personnel of the Company, subject to entering into, and providing the Purchaser with a copy of, a confidentiality agreement entered into with such Person in such form as is reasonably acceptable to the Company, and (ii) the Board of Directors may (x) withdraw or modify its approval or recommendation of this Agreement or (y) approve or recommend an Unsolicited Superior Proposal or terminate this Agreement (and concurrently with or after such termination, if it so chooses, cause the Company to enter into any agreement with respect to any Unsolicited Superior Proposal), but in each of the cases set forth in this clause (ii)(y), no action shall be taken by the Company pursuant to clause (ii)(y) until a time that is after the fifth (5th) business day following Purchaser's receipt of written notice advising Purchaser that the Board of Directors has received an Unsolicited Superior Proposal, specifying the material terms and conditions of such Unsolicited Superior Proposal and identifying the person making such Unsolicited Superior Proposal, to the extent such identification of the person making such proposal does not breach the fiduciary duties of the Board of Directors as advised by outside legal counsel. For purposes of this Agreement, an "Unsolicited Superior Proposal" means any bona fide, unsolicited, written proposal made by a third party to acquire, directly or indirectly, for consideration consisting of cash and/or securities, more than 50% of the voting power of the shares of Company Common Stock then outstanding or all or substantially all the assets of the Company and otherwise on terms that the Board of the Company determines in its good faith judgment (after consultation with its financial advisor) to be more favorable to the Company's stockholders than the transactions contemplated by this Agreement.

(c) In addition to the obligations of the Company set forth in paragraphs (a) and (b) of this Section 4.3, the Company shall immediately advise Purchaser orally and in writing of any request for non-public information from any Person in connection with making an Acquisition Proposal or of any Acquisition Proposal, the material terms and conditions of such request or Acquisition Proposal, and to the extent such disclosure is not a breach of the fiduciary duties of the Board of Directors as advised by outside legal counsel, the identity of the person making such request or Acquisition Proposal.

(d) Nothing contained in this Section 4.3 shall prohibit the Company from taking and disclosing to its stockholders a position contemplated by Rule 14e-2(a) promulgated under the Exchange Act, or from making any disclosure to the Company's stockholders if, in the good faith judgment of the Board of Directors, after consultation with outside counsel, failure to disclose would be inconsistent with its fiduciary duties to the Company's stockholders under applicable law; provided, however, that neither the Company nor the Board of Directors nor any committee thereof shall, except as permitted by Section 4.3(b), withdraw or modify, or propose publicly to withdraw or modify, its position with respect to this Agreement or approve or recommend, or propose publicly to approve or recommend, a Acquisition Proposal.

4.4 ACCESS TO INFORMATION.

(a) From the date of this Agreement until the Closing Date, the Company will give Purchaser and its authorized representatives (including counsel, environmental and other consultants, accountants and auditors) full access during normal business hours to all facilities, personnel and operations and to all books, records, documents, contracts, and financial statements of it and its Subsidiaries, provided such access does not unreasonably disrupt the Company's operations, and will cause its officers and those of its Subsidiaries to furnish Purchaser with such financial and operating data and other information regularly prepared by the Company with respect to its business and properties as Purchaser may from time to time reasonably request.

(b) Purchaser acknowledges that information received by it or them concerning the Company and its operations is subject to the Confidentiality Agreement dated February 11, 2009 between Purchaser and the Company ("Confidentiality Agreement""), which remains in full force and effect. Without limiting the foregoing, Purchaser will not, and will cause its Affiliates and representatives not to, use any information obtained pursuant to Section 4.4(a) for any purpose unrelated to the consummation of the transactions contemplated by this Agreement.

4.5 NOTIFICATION OF CERTAIN MATTERS. The Company or Purchaser, as the case may be, shall promptly notify the other of (i) its obtaining of actual knowledge as to the occurrence, or failure to occur, of any event, which occurrence or failure to occur would be likely to cause or result in the failure of a condition to Closing specified in Section 2.5 hereof; provided, however, that no such notification shall affect the representations or warranties of the parties or the conditions to the obligations of the parties hereunder.

4.6 RESIGNATION AND APPOINTMENT OF CERTAIN DIRECTORS AND OFFICERS. At or prior to the Closing Date, (a) the Company shall deliver to Purchaser the resignations of (i) Sheldon Brottman, Edward Hunter, Thomas Kosnik and Kent Yauch from their positions as directors of the Company, and (ii) Herbert F. Imhoff, Jr. from his officer

positions as Chief Executive Officer of the Company and Chairman of the Board (such resignation shall not, however, include Mr. Imhoff's resignation as a member of the Board), with such resignations, in the case of each of clauses (i) and (ii), to be effective as of the Closing, and (b) the Company shall cause (i) each of Stephen Pence, Charles (Chuck) W.B. Wardell III and Jerry Lancaster to be appointed to the Board, and (ii) Ronald E. Heineman to be appointed as Chief Executive Officer of the Company and Stephen Pence to be appointed as Chairman of the Board, with such appointments, in the case of each of clauses (i) and (ii), to be effective as of the Closing and immediately after the resignations described in the foregoing clause (a).

4.7 DIRECTORS' AND OFFICERS' INSURANCE.

(a) Purchaser shall cause to be maintained in effect for not less than six (6) years from the Closing Date the current policies of the directors' and officers' liability insurance maintained by the Company (provided that Purchaser may substitute therefore policies of at least the same coverage containing terms and conditions which are no less advantageous) with respect to matters occurring on or prior to the Closing Date; provided, that in no event shall Purchaser or the Company be required to expend annually more than 150% of the amount that the Company spent for these purposes in the last fiscal year to maintain or procure insurance coverage pursuant hereto.

(b) From and after the Closing Date, Purchaser shall cause the Company to indemnify and hold harmless each person who is now, at any time has been or who becomes prior to the Closing Date a director or officer of Company or any of its Subsidiaries, and their heirs and personal representatives (the "Indemnified Parties"), against any and all expenses incurred in connection with any claim, suit, investigation or proceeding arising out of or pertaining to any action or omission occurring on or prior to the Closing Date (including, without limitation, any claim, suit, investigation or proceeding which arises out of or relates to the transactions contemplated by this Agreement), and shall promptly pay to each Indemnified Party expenses incurred by each Indemnified Party in connection with and in advance of the final disposition of any such claim, suit, investigation or proceeding, in each case, to the full extent permitted by law.

(c) The certificate of incorporation and by-laws of the Company shall contain the provisions with respect to indemnification set forth in the certificate of incorporation and by-laws of Company as of the Closing, which provisions shall not be amended, repealed or otherwise modified after the Closing in any manner that would adversely affect the rights thereunder of the Indemnified Parties in respect of actions or omissions occurring at or prior to the Closing (including, without limitation, the transactions contemplated by this Agreement).

(d) The provisions of this Section 4.7 are intended to be for the benefit of, and shall be enforceable by, each of the Indemnified Parties, his or her heirs and his or her personal representatives.

4.8 FEES AND EXPENSES. Except as otherwise provided in Section 6.2, whether or not the transactions contemplated by this Agreement are consummated, the Company and Purchaser shall bear their respective expenses incurred in connection with this Agreement, including, without limitation, the preparation, execution and performance of this Agreement and the transactions contemplated hereby, and all fees and expenses of investment bankers, finders, brokers, agents, representatives, counsel and accountants.

4.9 STOCKHOLDER LITIGATION. Each of the Company and Purchaser shall give the other the reasonable opportunity to participate in the defense of any stockholder litigation against or in the name of the Company or Purchaser, as applicable, and/or their respective directors relating to the transactions contemplated by this Agreement.

4.10 STOCKHOLDER RIGHTS PLAN. Prior to the earlier of the Closing and the termination of this Agreement, no claim will be made or enforced by the Company or, with the consent of the Company, any other Person, that the Purchaser is an "Acquiring Person" under any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or similar anti-takeover plan or arrangement in effect or hereafter adopted by the Company, or that Purchaser could be deemed to trigger the provisions of any such plan or arrangement, by virtue of receiving Securities under the Transaction Documents or under any other agreement between the Company and the Purchasers.

4.11 RESERVATION OF COMMON STOCK. As of the date hereof, the Company has reserved and the Company shall continue to reserve and keep available at all times, free of preemptive rights, a sufficient number of shares of Common Stock for the purpose of enabling the Company to issue Securities pursuant to this Agreement.

4.12 PURCHASE OR SALES AFTER THE DATE HEREOF. Purchaser covenants that neither it nor any Affiliate acting on its behalf or pursuant to any understanding with it will execute any purchase or sale of the Company's Common Stock during the period commencing on the date hereof and ending at the Closing Date.

4.13 RESTRICTED TRANSACTIONS. For a period of three years after the Closing Date, neither the Company nor any of its Subsidiaries shall, and Purchaser shall not cause or permit the Company or any of its Subsidiaries to: (a) declare, set aside or pay any cash dividend in respect of its capital stock or purchase, redeem or otherwise acquire any shares of its own capital stock or any of its Subsidiaries, or (b) enter into any management agreement, advisory agreement, consulting agreement or similar agreement with, or pay any

fees to, Purchaser or any of its Affiliates, including River Falls Financial Services, Inc. or any of its Affiliates.

ARTICLE V.
CONDUCT OF BUSINESS OF PURCHASER AND THE COMPANY PENDING THE CLOSING DATE

5.1 CONDUCT OF BUSINESS OF THE COMPANY PENDING THE CLOSING DATE.

(a) Except as contemplated by this Agreement, or as expressly agreed to in writing by Purchaser, during the period from the date of this Agreement until the Closing Date, each of the Company and its Subsidiaries will conduct their respective operations according to its ordinary course of business consistent with past practice, and will use all commercially reasonable efforts to preserve intact its business organization, to keep available the services of its officers and employees and to maintain satisfactory relationships with suppliers, distributors, customers and others having business relationships with it and will take no action which would materially adversely affect the ability of the parties to consummate the transactions contemplated by this Agreement. Without limiting the generality of the foregoing, and except as otherwise expressly provided in this Agreement, prior to the Closing Date, the Company will not nor will it permit any of its Subsidiaries to, without the prior written consent of Purchaser, which consent shall not be unreasonably withheld:

(i) amend its certificate of incorporation or bylaws or other organizational documents, except that the Company shall be allowed to amend its bylaws to eliminate the provision therein that limits the number of vacancies on the Board that can be filled by the Board;

(ii) authorize for issuance, issue, sell, deliver, grant any options for, or otherwise agree or commit to issue, sell or deliver any shares of any class of its capital stock or any securities convertible into shares of any class of its capital stock, except pursuant to and in accordance with the terms of currently outstanding options and except for the issuance of Securities contemplated hereby;

(iii) split, combine or reclassify any shares of its capital stock, declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of its capital stock or purchase, redeem or otherwise acquire any shares of its own capital stock or of any of its Subsidiaries, except as otherwise expressly provided in this Agreement;

(iv) (i) create, incur, assume, maintain or permit to exist

any debt for borrowed money other than under existing lines of credit in the ordinary course of business consistent with past practice; (ii) assume, guarantee, endorse or otherwise become liable or responsible

(whether directly, contingently or otherwise) for the obligations of any other person except for its wholly owned subsidiaries, in the ordinary course of business and consistent with past practices; or (iii) make any loans, advances or capital contributions to, or investments in, any other person in an aggregate amount exceeding $50,000;

(v) (i) increase in any manner the compensation of any employee, director or officer except in the ordinary course of business consistent with past practice or except as required under currently existing agreements, plans or arrangements; (ii) pay or agree to pay any pension, retirement allowance or other employee benefit not required, or enter into or agree to enter into any agreement or arrangement with such director or officer or employee, whether past or present, relating to any such pension, retirement allowance or other employee benefit, except as required under currently existing agreements, plans or arrangements; (iii) grant any severance or termination pay to, or enter into any employment or severance agreement with any employee, officer or director except consistent with commercially acceptable standards or except as required under currently existing agreements, plans or arrangements; or (iv) except as may be required to comply with applicable law, become obligated (other than pursuant to any new or renewed collective bargaining agreement) under any new pension plan, welfare plan, multiemployer plan, employee benefit plan, benefit arrangement, or similar plan or arrangement, which was not in existence on the date hereof, including any bonus, incentive, deferred compensation, stock purchase, stock option, stock appreciation right, group insurance, severance pay, retirement or other benefit plan, agreement or arrangement, or employment or consulting agreement with or for the benefit of any person, or amend any of such plans or any of such agreements in existence on the date hereof; provided, however, that this clause (iv) shall not prohibit the Company from renewing any such plan, agreement or arrangement already in existence on terms no more favorable to the parties to such plan, agreement or arrangement;

(vi) except as otherwise expressly contemplated by this Agreement, enter into any material agreements, commitments or contracts, except for (i) agreements, commitments or contracts for the purchase, sale or lease of goods or services involving payments or receipts by the Company or its Subsidiaries not in excess of $50,000 individually, or (ii) agreements, commitments or contracts (or amendments thereof) otherwise entered into in the ordinary course of the Company's current business;

(vii) except as otherwise expressly contemplated by this Agreement, authorize, recommend, propose or announce an intention to authorize, recommend or propose, or enter into any agreement in principle or an agreement with respect to, any plan of liquidation or dissolution, any acquisition of a material amount of assets or securities, any sale, transfer, lease, license, pledge, mortgage, or

other disposition or encumbrance of a material amount of assets or securities or any material change in its capitalization;

(viii) authorize or commit to make capital expenditures in excess of $50,000;

(ix) make any change in the accounting methods or accounting practices followed by the Company, except as required by GAAP;

(x) settle any action, suit, claim, investigation or proceeding (legal, administrative or arbitrative) in excess of $50,000 without the consent of Purchaser;

(xi) make any election under the Internal Revenue Code which would have a Material Adverse Effect; or

(xii) agree to do any of the foregoing.

5.2 CONDUCT OF BUSINESS OF PURCHASER PENDING THE CLOSING DATE. Except as contemplated by this Agreement or as expressly agreed to in writing by the Company, during the period from the date of this Agreement to the Closing Date on which the transactions contemplated herein are consummated, Purchaser will use all commercially reasonable efforts to keep substantially intact its business, properties and business relationships and will take no action which would materially adversely affect the ability of the parties to consummate the transactions contemplated by this Agreement.

ARTICLE VI.
MISCELLANEOUS

6.1 TERMINATION. This Agreement may be terminated and abandoned at any time prior to the Closing, whether before or after approval by the stockholders of the Company of the issuance of Securities to Purchaser contemplated hereby:

(a) by mutual written consent of Purchaser and the Company;

(b) by either Purchaser or the Company:

(i) if, upon a vote at the Stockholders Meeting, or any adjournment thereof, the approval of the issuance of Securities to Purchaser as contemplated by this Agreement by the stockholders of Company required by the Illinois Business Act or by the applicable rules of the Trading Market shall not have been obtained;

(ii) if, without any material breach by the terminating party of its obligations under this Agreement, the issuance of Securities to Purchaser contemplated hereby and the Offer shall not have been consummated on or before the ninety-fifth (95th) day from the date of this Agreement (the "Termination Trigger Date"); provided, however, that if the Closing has not occurred on or prior to such 95th

day, and if the SEC has elected to review and/or comment upon any of the Schedule TO, any other Offer Document, the Schedule 14D-9 or the Company Proxy Statement, then the Termination Trigger Date shall be extended until the close of business on the 50th day after the last date on which the SEC completes its review of and has no further comments to the Schedule TO, any other Offer Document, the Schedule 14D-9 and the Company Proxy Statement; or

(iii) if any Governmental Entity shall have enacted, entered, promulgated or enforced a final and non-appealable order, decree or injunction which prohibits the consummation of the transactions contemplated hereby (provided that the party seeking to

rely upon this condition has fully complied with and performed its obligations pursuant to Section 4.2(a) hereof), or permanently enjoins the acceptance for payment of, or payment for, Shares pursuant to the Offer or Securities pursuant to the proposed sale and purchase of Securities contemplated hereby;

(c) by the Company if (i) Purchaser shall have failed to commence the Offer within ten (10) Business Days following the date hereof, or (ii) any change to the Offer is made in contravention of the provisions of Article II;

(d) by the Company, if Purchaser shall materially breach any of its representations, warranties or obligations hereunder which breach cannot be or has not been cured within 30 days after the giving of written notice to Purchaser, but only if such breach, individually or together with all other such breaches, is reasonably likely to materially and adversely affect Purchaser's ability to consummate the Offer or the purchaser of Securities to be sold to Purchaser hereunder; provided, however, that no cure period shall be applicable under any circumstances with respect to the matter set forth in Section 6.1(b)(i); or

(e) by either Purchaser or the Company if the Company enters into a definitive agreement to effect a Superior Proposal.

Section 6.2 EFFECT OF TERMINATION.

(a) AGREEMENT VOID. In the event of the termination and abandonment of this Agreement pursuant to Section 6.1, the terminating party shall provide written notice of such termination to the other party (which notice shall specify the applicable provision of Section 6.1 under which such termination is being effected), this Agreement shall forthwith become void and have no effect, without any liability on the part of any party hereto or its Affiliates, directors, officers or stockholders and all rights and obligations of any party hereto shall cease except for agreements contained in Sections 6.4, 6.5, 6.7, 6.8, 6.9, 6.11, 6.13, 6.14, 6.16, 6.17, 6.18 and this Section 6.2, provided, however, that nothing contained in this Section shall relieve any party from liability for fraud or any intentional breach of this Agreement prior to such termination.

(b) TERMINATION FEE.

(i) If this Agreement is terminated pursuant to Section 6.l(e), then the Company shall (provided that Purchaser is not then in material breach of its obligations under this Agreement) (A) pay to Purchaser promptly and in any event within two Business Days of such termination $175,000 in cash and (B) reimburse Purchaser promptly and in any event within seven Business Days of such termination for any of Purchaser's documented out-of-pocket expenses (including without limitation fees and expenses of outside professionals) incurred in connection with the transactions contemplated hereby up to an aggregate reimbursement amount pursuant to this clause (B) of $150,000, in each case, by wire transfer of immediately available funds to an account specified by Purchaser. The rights of Purchaser to receive the payments contemplated by this Section 6.2(b)(i) shall be in lieu of any damages remedy or other claim by Purchaser in respect of the transactions contemplated hereby.

(ii) If this Agreement is terminated pursuant to Section 6.l(c) or Section 6.1(d), then Purchaser shall (provided that the Company is not then in material breach of its obligations under this Agreement) (A) pay to the Company promptly and in any event within two Business Days of such termination $175,000 in cash and (B) reimburse the Company promptly and in any event within seven Business Days of

such termination for any of the Company's documented out-of-pocket expenses (including without limitation fees and expenses of outside professionals) incurred in connection with the transactions contemplated hereby up to an aggregate reimbursement amount pursuant to this clause (B) of $150,000, in each case, by wire transfer of immediately available funds to an account specified by the Company. The rights of the Company to receive the payments contemplated by this Section 6.2(b)(ii) shall be in lieu of any damages remedy or other claim by the Company in respect of the transactions contemplated hereby.

6.3 NON-SURVIVAL OF REPRESENTATIONS AND WARRANTIES; COVENANTS. None of the representations or warranties contained in this Agreement or the covenants to be performed prior to the Closing shall survive the Closing, and thereafter there shall be no liability on the part of any party hereto or any of their respective officers, directors or stockholders in respect thereof. The covenants and agreements contained herein to be performed or complied with at or after the Closing shall survive the execution and delivery of this Agreement, the Closing and the consummation of the transactions contemplated hereby.

6.4 TRANSFER AGENT FEES. The Company shall pay all Transfer Agent fees, stamp taxes and other similar taxes and duties levied in connection with the delivery of any Securities to the Purchaser.

6.5 ENTIRE AGREEMENT. This Agreement, together with the other Transaction Documents, and the exhibits and schedules hereto and

thereto, and the Confidentiality Agreement, contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

6.6 NOTICES. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto prior to 5:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the 2nd Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

6.7 AMENDMENTS; WAIVERS. No provision of this Agreement may be waived or amended except in a written instrument signed, in the case of an amendment, by the Company and the Purchaser, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought; provided, however, that after stockholder approval at the Stockholders Meeting of the issuance of Securities contemplated hereby, no amendment shall be made which by law requires further approval by stockholders of the Company without obtaining such approval. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right

hereunder in any manner impair the exercise of any such right.

6.8 HEADINGS. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

6.9 SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Purchaser. The Purchaser may not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Company.

6.10 NO THIRD-PARTY BENEFICIARIES. This Agreement is intended for the benefit of the parties hereto and their respective successors and

permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth in Sections 4.7, 4.13 and 4.14.

6.11 GOVERNING LAW. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of Illinois, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of Chicago. Each party hereby irrevocably submits to the exclusive jurisdiction of the United States District Court for the Northern District of Illinois for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If either party shall commence an action or proceeding to enforce any provisions of the Transaction Documents, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

6.12 EXECUTION. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and

effect as if such facsimile or ".pdf" signature page were an original thereof.

6.13 SEVERABILITY. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

6.14 REPLACEMENT OF SECURITIES. If any certificate or instrument evidencing any Securities is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof (in the case of mutilation), or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction. The applicant for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs (including customary indemnity) associated with the issuance of such replacement Securities.

6.15 REMEDIES. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Purchaser and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agrees to waive and not to assert in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

6.16 LIQUIDATED DAMAGES. The Company's or Purchaser's, as the case may be, obligations to pay any partial liquidated damages pursuant to Section 6.2 (if applicable) or other amounts owing under this Agreement or the other Transaction Documents is a continuing obligation of such party and shall not terminate until all unpaid partial liquidated damages and other amounts have been paid notwithstanding the fact that the instrument or security pursuant to which such partial liquidated damages or other amounts are due and payable shall have been canceled.

6.17 SATURDAYS, SUNDAYS, HOLIDAYS, ETC. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

6.18 CONSTRUCTION. The parties agree that each of them and/or their respective counsel has reviewed and had an opportunity to revise this Agreement and the other Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments hereto or thereto.

6.19 WAIVER OF JURY TRIAL. In any action, suit or proceeding in any jurisdiction brought by any party against any other party, the parties each knowingly and intentionally, to the greatest extent permitted by applicable law, hereby absolutely, unconditionally, irrevocably and expressly waives forever trial by jury.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase and Tender Offer Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

GENERAL EMPLOYMENT ENTERPRISES, INC.

By: /s/ Kent M. Yauch

Name: Kent M. Yauch
Title: Vice President, Chief Financial Officer and Treasurer

One Tower Lane
Suite 2200
Oakbrook Terrace, Illinois 60181
Attention: Chief Executive Officer
Fax: (630) 954-0595

With a copy to (which shall not constitute notice):

Schiff Hardin LLP
6600 Sears Tower
Chicago, Illinois 60606
Attention: Steve E. Isaacs, Esq.
Fax: (312) 258-5600

PSQ, LLC

By: /s/ Stephen B. Pence

Name: Stephen B. Pence
Title: Member

Hurstbourne Place, Suite 1205
9300 Shelbyville Road
Louisville, Kentucky 40222
Telephone: (502) 736-6200
Facsimile: (502) 736-6205
Attention: Ronald E. Heineman
With a copy to (which shall not constitute notice):

Law Office of Gregory Bartko, LLC
Professional Limited Liability Company
3475 Lenox Road, Suite 400
Atlanta, Georgia 30326
Attention: Gregory Bartko, Esq.
Fax: 866-342-4092

EXHIBIT 3.1

AMENDMENT

TO

BY-LAWS (AS AMENDED)

OF

GENERAL EMPLOYMENT ENTERPRISES, INC.

The following amendment to the By-Laws (as amended) of General Employment Enterprises, Inc. (the "Company") was unanimously approved by the Company's Board of Directors on March 27, 2009:

1. Article III, Section 8 of the By-Laws was amended and restated in its entirety as follows:

"SECTION 8. VACANCIES. Any vacancy occurring in the board of directors and directorship to be filled by reason of an increase in the number of directors may be filled by election at an annual meeting or special meeting of shareholders called for that purpose or a majority of directors may fill one or more vacancies arising between meetings of shareholders by reason of an increase in the number of directors or otherwise. A director elected to fill a vacancy shall serve until the next annual meeting of shareholders."

EXHIBIT 10.1

ESCROW AGREEMENT

This is an Escrow Agreement dated as of March 30, 2009, among PSQ, LLC, a Kentucky limited liability company ("PSQ"), General Employment Enterprises, Inc., an Illinois corporation ("GEE") (PSQ and GEE being the "Parties") and The Park Avenue Bank (the "Escrow Agent") (the Parties and the Escrow Agent being collectively the "parties").

RECITALS

Whereas, GEE and PSQ have entered into a Securities Purchase and Tender Offer Agreement dated the date hereof (the "Purchase Agreement") pursuant to which, among other things, PSQ has agreed to purchase 7,700,000 shares of GEE common stock for $1,925,000 (the "Shares" and "Purchase Price," respectively); and

Whereas, PSQ and GEE have agreed that PSQ will deposit the Purchase Price into escrow with the Escrow Agent upon execution of the Purchase Agreement to (i) secure (a) payment of the Purchase Price to GEE upon consummation of the purchase and sale of the Shares contemplated by the Purchase Agreement, or (b) payment of a termination fee and reimbursement of expenses to GEE if the Purchase Agreement is terminated under certain circumstances, or (ii) be returned to PSQ if the Purchase Agreement is terminated under circumstances not requiring payment of such termination fee and reimbursement of such expenses to GEE, as more fully set forth in the Purchase Agreement.

Now, therefore, the parties agree as follows:

AGREEMENTS

1. AGENCY. The Escrow Agent shall act as escrow agent for GEE and PSQ in accordance with the terms and conditions of this Agreement.

2. DEPOSIT. PSQ has deposited the Purchase Price with Escrow Agent, and the Escrow Agent hereby acknowledges the receipt from PSQ of the Purchase Price and agrees that the Purchase Price is to be held in escrow by the Escrow Agent on the terms hereinafter set forth. The Parties hereby direct the Escrow Agent to deposit the Purchase Price in the following negotiable securities which qualify for immediate withdrawal of the Purchase Price ("Permitted Investments"): debt securities issued or guaranteed by the United States Government, FDIC fully-insured Non-Interest Bearing Transaction Account with a bank, such as and including the Park Avenue Bank of 460 Park Avenue, New York, NY 10022, with total resources (assets) of at least $500,000,000, prime commercial paper, or such other debt securities agreed to by the Parties. The collective amount of the Purchase Price and the Escrow Earnings (as defined below) is referred to herein as the "Escrow Fund", and the funds included in the Escrow Fund are referred to herein as the "Escrowed Funds".

3. EARNINGS ON ESCROW FUND. Earnings on Permitted Investments (including, without limitation, any interest accrued thereon and any other profit realized therefrom) shall be credited, and any loss resulting from Permitted Investments shall be charged to, the Escrow Fund (the actual amount of such earnings (and interest or other profit) and losses from time to time is referred to herein as the "Escrow Earnings"). The Escrow Earnings shall include the earnings

earned with respect to (a) the Escrow Fund and (b) the Escrow Earnings previously earned with respect to such Escrow Fund, and shall become a part of, and shall be included in, the Escrow Fund.

4. RELEASE OF ESCROWED FUNDS.

4.1 The Escrow Agent shall hold the Escrowed Funds in its possession in an escrow account in the name of the Escrow Agent until authorized or required to deliver all or any portion of such Escrowed Funds as follows:

(a) Upon receipt of a certificate requesting the delivery of Escrowed Funds signed by GEE and PSQ (a "Joint Certificate"), the Escrow Agent shall deliver all or a portion of the Escrowed Funds to GEE and/or PSQ as directed in such certificate, to the extent there are Escrowed Funds remaining in the Escrow Fund; or

(b) Upon receipt of a final, non-appealable award or order of a court of competent jurisdiction forwarded by GEE or PSQ and certified in writing by the party making such delivery as genuine and binding upon the parties with respect to payment of all or any portion of the Escrow Fund ("Judgment"), the Escrow Agent shall deliver the amount of the Escrowed Funds contained in such award or order to GEE and/or PSQ, to the extent there are remaining Escrowed Funds, as directed in such award or order.

4.2 If the Closing (as defined in the Purchase Agreement) occurs, GEE and PSQ agree to deliver to the Escrow Agent no later than the Closing Date (as defined in the Purchase Agreement) a Joint Certificate directing the Escrow Agent to distribute to GEE out of the Escrowed Funds an amount equal to the Purchase Price by wire transfer of immediately available funds on the Closing Date to an account specified by GEE.

4.3 If the Purchase Agreement is terminated under circumstances in which PSQ is required to pay a termination fee and reimburse expenses to GEE as specified in Section 6.2(b) of the Purchase Agreement, GEE and PSQ agree to deliver to the Escrow Agent no later than three days after the termination of the Purchase Agreement a Joint Certificate directing the Escrow Agent to distribute

(a) first, to GEE out of the Escrow Fund, within two days after the Escrow Agent's receipt of such Joint Certificate, an amount equal to the termination fee and the expense reimbursement amounts specified in Section 6.2(b) of the Purchase Agreement, which distribution shall be made to GEE by wire transfer of immediately available funds to an account specified by GEE, and (b) second, to PSQ, the remaining Escrowed Funds (if any), within two days after the Escrow Agent's receipt of such Joint Certificate, which distribution shall be made to PSQ by wire transfer of immediately available funds to an account specified by PSQ.

4.4 If the Purchase Agreement is terminated under circumstances in which PSQ is not required to pay a termination fee or reimburse expenses to GEE as specified in Section 6.2(b) of the Purchase Agreement, GEE and PSQ agree to deliver to the Escrow Agent no later than three days after the termination of the Purchase Agreement a Joint Certificate directing the Escrow Agent to distribute to PSQ the Escrowed Funds within two days after the Escrow Agent's receipt of such Joint Certificate, which distribution shall be made to PSQ by wire transfer of immediately available funds to an account specified by PSQ.

5. TAXES AND CHARGES ON ESCROW FUND. PSQ shall be responsible for and shall pay and discharge all taxes, assessments and governmental charges imposed on or with respect to the Escrow Fund. If requested by the Escrow Agent, PSQ agrees to provide the Escrow

Agent with a certified tax identification number by signing and returning a Form W-9, regardless of whether or not PSQ is exempt from reporting or withholding requirements under the Internal Revenue Code of 1986.

6. TERMINATION. Escrow Agent's services hereunder shall terminate upon the disbursement of all of the Escrowed Funds from the Escrow Fund in accordance with paragraph 4 above.

7. FEE. Escrow Agent shall receive a fee of $500.00 for its services hereunder, along with reimbursement for out-of-pocket expenses incurred in connection with such services and this Agreement. PSQ shall be responsible for all of the Escrow Agent's fees and expenses.

8. PROVISIONS CONCERNING THE ESCROW AGENT.

8.1 Escrow Agent may resign and be discharged from its duties hereunder at any time by giving notice of such resignation to the Parties specifying a date when such resignation shall take effect. The Parties may remove the Escrow Agent as escrow agent by giving joint notice of such removal to the Escrow Agent and specifying a date when such removal shall take effect. Upon such notice, the Parties shall jointly appoint a successor escrow agent, such successor escrow agent to become escrow agent hereunder upon the resignation or removal date specified in the appropriate notice. Escrow Agent shall continue

to serve until its successor accepts its appointment as successor Escrow Agent and receives the Escrowed Funds.

8.2 Escrow Agent undertakes to perform such duties as are specifically set forth herein and may conclusively rely, and shall be protected in acting or refraining from acting, on any written notice, instrument, or signature believed by it to be genuine and to have been signed or presented by the proper party or parties duly authorized to do so.

8.3 The Escrow Agent shall not be liable for any action taken or omitted to be taken by it in good faith and believed by it to be authorized hereby or within the rights or powers conferred upon it hereunder, nor for any action taken or omitted to be taken by it in good faith, and in accordance with the advice of counsel (which counsel may be of Escrow Agent's own choosing), and shall not be liable for any mistake of fact or error of judgment or for any acts or omissions of any kind unless caused by willful misconduct or gross negligence.

8.4 The Parties agree to indemnify the Escrow Agent and hold it harmless against any and all liabilities incurred by it hereunder, except in the case where such liabilities result from its own willful misconduct or gross negligence.

9. MISCELLANEOUS.

9.1 This Agreement and the legal relations among the parties shall be governed by and construed in accordance with the laws of the state of New York, without regard to conflicts of laws principles.

9.2 All notices and other communications shall be in writing, shall be given either by telecopy to the numbers set forth after the parties name or such other telecopy number as shall be given to such party.

9.3 This Agreement may be amended, supplemented or modified, and any provision hereof may be waived, only pursuant to a written instrument making specific reference to this Agreement signed

by each of the parties hereto.

9.4 This Agreement and the Purchase Agreement constitute the entire agreement among the parties pertaining to the subject matter contained herein.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement as of the date first above written.

THE PARK AVENUE BANK
ESCROW AGENT:

By: /s/ Matthew L. Morris
Matthew L. Morris
Title: SVP
Fax# 212-223-8086

GENERAL EMPLOYMENT ENTERPRISES, INC.

By: /s/ Kent M. Yauch
Title: Vice President, Chief Financial Officer and Treasurer
Fax# 630-954-0595

PSQ, LLC

By: /s/ Stephen B. Pence
Stephen B. Pence, sole member
Fax# 502-736-6205

EXHIBIT 10.2

CONSULTING AGREEMENT

This Consulting Agreement (the "Agreement") is entered into effective as of this 30th day of March, 2009, among PSQ, LLC (the "PSQ"), General Employment Enterprises, Inc. (the "Company"), and Herbert F. Imhoff, Jr. (the "Consultant").

WHEREAS, the Company and PSQ have entered into a Securities Purchase and Tender Offer Agreement (the "Purchase Agreement"), on the date hereof.

WHEREAS, the Consultant and the Company are parties to an Employment Agreement effective as of August 1, 2001, as amended (the "Employment Agreement"); and

WHEREAS, contemporaneous with and contingent upon the occurrence of the Closing Date (as defined in the Purchase Agreement), the Consultant's employment with the Company will terminate and the parties to this Agreement now desire to enter into this consulting arrangement.

NOW, THEREFORE, in consideration of the covenants and agreements herein set forth and of the mutual benefits accruing to the Company, PSQ, and the Consultant from the consulting relationship to be established between the parties by the terms of this Agreement, the Company, PSQ, and the Consultant agree as follows:

1. CONSULTING RELATIONSHIP. The Company hereby retains the Consultant, and the Consultant hereby agrees to be retained by the Company, as an independent consultant, and not as an employee.

2. TERM. The term of this Agreement shall begin on the Closing Date and shall continue for three (3) years thereafter (the "Term"). No party may terminate this Agreement prior to the Closing Date, except that if the Purchase Agreement terminates prior to the Closing Date, this Agreement shall terminate simultaneous with the termination of the Purchase Agreement without any action on the part of any party hereto, and shall thereafter be void ab initio and of no further force and effect. If the Closing Date occurs, after the Closing Date, any party may terminate this Agreement for any reason prior to the expiration of the Term by delivering written notice to the other party. In the event the Agreement is terminated by any party for any reason prior to the expiration of the Term, within thirty (30) days of such termination, the Company shall continue making payments to the Consultant for the remainder of the Term as set forth in Sections 4(a) and 5; except that, if at any time during the Term, the Company fails to make a monthly payment required under Section 4(a) or Section 5 by the latest of five (5) calendar days after (A) the last day of the month for which the payment is due or (B) the date the Consultant gives the Company notice that a monthly payment is overdue, in which case, the Company shall make a lump sum cash payment to the Consultant within thirty (30) days equal to the remaining payments left in the Term as set forth in Sections 4(a) and 5 in accordance with Section 409A of the Internal Revenue Code of 1986, as amended, and Section 1.409A-3(g) of the Treasury Regulations (or any similar or successor provision).

3. CONSULTING SERVICES. The Consultant agrees that during the Term of this Agreement:

a. ASSISTANCE AND ADVICE. Upon the Company's reasonable request, the Consultant shall assist and advise the Company with

respect to matters related to the Consultant's areas of responsibility at the Company prior to the Closing Date and provide such other services as requested by the Company consistent with the nature of the duties performed by the Consultant during his active service with the Company. It is anticipated that the Consultant shall assist the Company and its management in maintaining the key customer relationships the Consultant established while serving as the Chief Executive Officer of the Company.

b. BOARD OF DIRECTORS. The Consultant shall continue to serve on the Board of Directors of the Company for the duration of the Term at the same level and form of compensation and benefits as other outside directors of the Company, but in no event shall the Consultant receive less than $2,000 per month for such services.

c. REPORTING STRUCTURE. The Consultant shall report directly to the Company's Chief Executive Officer.

d. AVAILABILITY. The Consultant shall be available to render services to the Company under this Agreement for not more than forty (40) hours during any week during the Term.

e. LOCATION OF SERVICES. Unless otherwise mutually agreed to by the Company and the Consultant, the Consultant shall provide the services required under this Agreement at the principal offices of the Company in Oakbrook Terrace, Illinois, although the Consultant's physical presence at the principal offices will not be required unless the Company specifically requests it and such presence is reasonably necessary for the Consultant to be able to provide the services.

4. COMPENSATION. The Company and the Consultant hereby agree that:

a. ANNUAL FEE. During the Term of this Agreement, the Company shall pay the Consultant at the rate of $300,000 per year, payable in equal monthly installments.

b. TERMINATION OF EMPLOYMENT AGREEMENT AND RIGHTS TO PAYMENTS THEREUNDER. Contemporaneous with and contingent upon the occurrence of the Closing Date, the Employment Agreement shall be terminated without any further action and the Consultant shall have no further claims against the Company under the Employment Agreement, including, but not limited to, the right to lump sum payment upon the termination of Consultant's employment with the Company and a Gross-Up Payment under Sections 2(b) and (c) of the Employment Agreement, other than as set forth in this Agreement. As a material inducement to the Company to enter into this Agreement and in consideration of the rights and benefits to be provided by the Company to the Consultant as described herein, the Consultant, on behalf of himself, his representatives, agents, estate, heirs, successors and assigns, and with full understanding of the contents and legal effect of this release and having the right and opportunity to consult with his counsel, releases and discharges the Company, its shareholders, officers, directors, employees, agents, representatives and affiliates from any and all claims, actions, causes of action, grievances, suits, charges, or complaints of any kind or nature whatsoever, that he had or now has, whether fixed or contingent, liquidated or unliquidated, known or unknown, suspected or unsuspected, and whether arising in tort, contract, statute, or equity, before any court, agency, arbitrator, mediator, or other entity, regardless of the relief or remedy; provided, however, this release is not intended to and does not apply to any claims that may arise (i)

after the Closing Date or (ii) in connection with the breach or enforcement of this Agreement. Furthermore, in consideration for terminating employment with the Company and terminating the Employment Agreement, the Company releases and discharges the Consultant from any and all claims, actions, causes of action, grievances, suits, charges, or complaints of any kind or nature whatsoever that the Company had or now has, whether fixed or contingent, liquidated or unliquidated, known or unknown, suspected or unsuspected, and whether arising in tort, contract, statute, or equity, before any court, agency, arbitrator, mediator, or other entity, regardless of the relief or remedy; provided, however, this release is not intended to and does not apply to any claims that may arise (i) after the Closing Date or (ii) in connection with the breach or enforcement of this Agreement.

c. CANCELLATION OF STOCK OPTIONS. The Company and the Consultant agree that contemporaneous with and contingent upon the occurrence of the Closing Date, the 192,193 vested stock options in the Company held by the Consultant shall be canceled without any further action on the part of the Company or the Consultant.

d. SHARE ISSUANCE. In consideration for (1) the Consultant's agreeing to (i) terminate his Employment Agreement

and release his rights thereunder (except as specified herein), (ii) cancel his options as described in Section 4(c) above, (iii) grant a release in favor of the Company as described in Section 4(b) above, and (iv) enter into the non-competition and non-solicitation covenants in Section 9 below, and (2) the other benefits to be provided by the Consultant hereunder, contemporaneous with and contingent upon the occurrence of the Closing Date, the Company will issue to the Consultant 500,000 fully vested shares of Common Stock of the Company (the "Acquired Stock") for no additional consideration.

5. BENEFITS. The Consultant shall continue to be eligible to participate in the Company's group health benefit plan, at the Company's expense, until the Consultant becomes entitled to Medicare coverage. In addition, during the Term, the Company agrees to reimburse the Consultant for the premiums paid on the Consultant's current life insurance policy, face value of $1 million. The Consultant shall also be entitled to his benefits earned as an employee of the Company under (i) the General Employment Enterprises, Inc. Executive Retirement Plan and related "Rabbi" trust and (ii) the Company's vacation pay plan.

6. EXPENSE REIMBURSEMENT. If the Consultant agrees to travel, the Company agrees to reimburse the Consultant for all travel and other costs and expenses reasonably incurred by the Consultant at the request of the Company in the performance of his duties hereunder. The Company shall timely reimburse the Consultant for all such expenses submitted with reasonable documentation in a manner consistent with the travel and expense policies of the Company.

7. SUPPORT, SUPPLIES, AND OFFICE SPACE. The Company will provide the Consultant with all reasonable administrative support during the Term including, among other things, secretarial support, photocopying and facsimile services, voicemail access, remote e-mail access, message taking services, mail receipt, office furniture, utilities, office equipment, and office supplies.

8. INDEMNIFICATION. The Company shall indemnify the Consultant for any and all actions taken by him in the performance of the consulting services under this Agreement to the same extent the Company provides indemnification for actions taken by directors or

officers of the Company.

9. NON-COMPETE; NON-SOLICIT. Without the prior written consent of the Company, the Consultant will not, during the Term and for a period of two (2) years thereafter, directly or indirectly: (i) engage in, or be employed in an executive capacity by or render executive, consulting or other services to any person, firm, corporation, or association engaged in the staffing services business, (ii) render any services or give any advice similar to the services and advice required to be rendered by the Consultant to the Company

hereunder, or (iii) solicit any current or future customers, clients or employees of the Company by, or on behalf of, a firm or organization described in subsection (i) above.

10. GENERAL PROVISIONS.
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a. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the Company, PSQ, and the Consultant, and states fully all agreements, understandings, promises, and commitments between the parties as it relates to the consulting relationship between the Company and the Consultant.

b. AMENDMENT. This Agreement may only be amended by written agreement between a duly authorized officer of the Company, a duly authorized member or manager of PSQ, and the Consultant.

c. APPLICABLE LAW. This Agreement will be governed by and construed under the laws of the State of Illinois, determined without regard to its conflicts of law rules, except as such laws are preempted by the laws of the United States. The jurisdiction and venue for any disputes arising under, or any action brought to enforce (or otherwise relating to), this Agreement shall be exclusively in the courts of the State of Illinois, County of Cook, including the Federal courts located therein (should Federal jurisdiction exist).

d. TAXES AND STATUTORY OBLIGATIONS. As an independent contractor, the Consultant will be solely responsible for all taxes, withholdings, and other similar statutory obligations, including, but not limited to, Workers' Compensation Insurance laws.

e. COUNTERPARTS. This Agreement may be executed in any number of counterparts with the same effect as if each of the parties had signed the same document. All counterparts shall be construed together and shall constitute one and the same instrument.

f. NOTICE. Any notice or request specifically provided for or permitted to be given under this Agreement must be in writing. Notice may be served in any manner, including by facsimile or nationally recognized overnight courier service, but shall be deemed delivered and effective as of the time of actual delivery thereof to the addressee. For purposes of notice, the addresses of the parties shall be as follows:

If to PSQ, to:
PSQ, LLC
11921 Brinley Ave.
Louisville, KY. 40243
Attention: Chief Executive Officer

If to the Company, to:
One Tower Lane
Suite 2200
Oakbrook Terrace, IL 60181

If to the Consultant, to:
Herbert F. Imhoff, Jr.
2005 Mustang Drive
Naperville, IL 60565

g. ASSIGNABILITY. This Agreement may not be assigned by any party without the prior written consent of the other parties, except that no consent is necessary for the Company or PSQ to assign this Agreement to any entity succeeding to substantially all of the assets or business of the Company or PSQ whether by merger, consolidation, acquisition, or otherwise. This Agreement shall be binding upon the Consultant, his heirs, and permitted assigns, the Company, its successors, and permitted assigns, and PSQ, its successors, and permitted assigns.

h. SEVERABILITY. Each of the sections of this Agreement shall be enforceable independently of every other section in this Agreement, and the invalidity or nonenforceability of any section shall not invalidate or render nonenforceable any other section contained herein. If any section or provision in a section is found invalid or unenforceable, it is the intent of the parties that a court of competent jurisdiction shall reform the section or provisions to produce its nearest enforceable economic equivalent.

i. CONSTRUCTION. The headings in this Agreement are inserted for convenience and identification only and are not intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provision hereof. Each party has cooperated in the preparation of this Agreement. As a result, this Agreement shall not be construed against any party on the basis that the party was the draftsperson.

j. SURVIVAL. All sections of this Agreement survive beyond the Term except as otherwise specifically stated.

k. GUARANTEE BY PSQ. In the event the Company fails to make any payment or provide any benefit required by this Agreement, PSQ guarantees that PSQ will be liable to the

Consultant for all payments and benefits required by this Agreement.

11. INVESTMENT ASSURANCES.
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a. NOT A REGISTERED OFFERING. The Consultant understands and acknowledges that (i) the Acquired Stock is being offered and sold under one or more of (A) the exemptions from registration provided for in Section 4(2), 4(6) or 3(b) of the Securities Act of 1933, as amended (the "Securities Act"), including Regulation D promulgated thereunder, and (B) the exemptions from registration under any other applicable securities laws, (ii) the

Consultant is acquiring the Acquired Stock without being offered or furnished any offering literature or prospectus, and (iii) the issuance of the Acquired Stock has not been reviewed or approved by the United States Securities and Exchange Commission or by any regulatory authority charged with the administration of the securities laws of any state or foreign country.

b. NATURE OF CONSULTANT. The Consultant either (i) is an "accredited investor" as defined in Rule 501 promulgated under the Securities Act; or (ii) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment.

c. SUITABILITY. The Consultant understands and has fully considered the risks of this investment and understands that (i) this investment is suitable only for an investor who is able to bear the economic consequences of losing his entire investment, (ii) the acquisition of the Acquired Stock is a speculative investment which involves a high degree of risk of loss by the Consultant of his entire investment, and (iii) there are restrictions on the transferability of the Acquired Stock, and accordingly, it may not be possible for an indeterminate period of time to liquidate his investment in the Acquired Stock (if ever). Furthermore, the Consultant represents that he has sufficient liquid assets so that the lack of liquidity associated with this investment will not cause any undue financial difficulties or affect the ability of the Consultant to provide for his current needs and possible financial contingencies.

d. ACCESS TO INFORMATION. The Consultant, in making his decision to acquire the Acquired Stock, has relied solely upon the Consultant's independent investigations and has, if requested, been given reasonable opportunity to investigate the proposed business and operations of the Company and to review such documents, materials and information as the Consultant deems necessary or appropriate for evaluating an investment in the Acquired Stock or the Company.

e. INVESTMENT INTENT. The Acquired Stock is being acquired by the Consultant solely for the Consultant's own account, for investment purposes only, and not with a view to, or in connection with, any resale or distribution of the Acquired Stock. The Consultant has no contract, undertaking, understanding, agreement or arrangement, formal or informal, with any person to sell, transfer or pledge to any person any interest or rights in any of the Acquired Stock. The Consultant has no present plans to enter into any such obligation.

f. LEGEND. The Consultant acknowledges and agrees that the Acquired Shares that are certificated will bear the following legend (or one to substantially similar effect):

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY BE OFFERED AND SOLD ONLY IF SO REGISTERED OR IN A MANNER EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT."

* * *

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and the year first above written.

PSQ, LLC HERBERT F. IMHOFF, JR.

By: /s/ Stephen B. Pence /s/ Herbert F. Imhoff, Jr.

Its: Sole Member

GENERAL EMPLOYMENT ENTERPRISES, INC.

By: /s/ Kent M. Yauch
Its: Vice President, Chief Financial Officer
and Treasurer

EXHIBIT 10.3

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (this "AGREEMENT") is made as of March 30, 2009 by and among (i) General Employment Enterprises, Inc., an Illinois corporation (the "COMPANY"), (ii) PSQ, LLC, a Kentucky limited liability company ("PSQ"), and (iii) Herbert F. Imhoff, Jr. ("MR. IMHOFF"). Capitalized terms used but not otherwise defined herein have the meanings assigned such terms in SECTION 8 hereof.

WHEREAS, the Company and PSQ are parties to a Securities Purchase and Tender Offer Agreement entered into on the date hereof (the "PURCHASE AGREEMENT") pursuant to which, subject to the terms and conditions of the Purchase Agreement, among other things, PSQ has agreed to (i) purchase from the Company 7,700,000 newly issued shares of common stock, no par value (the "COMMON STOCK"), of the Company, and (ii) commence a cash tender offer to purchase from the Company's shareholders up to 2,500,000 outstanding shares of Common Stock;

WHEREAS, Mr. Imhoff, the Company and PSQ are parties to a Consulting Agreement entered into on the date hereof (the "CONSULTING AGREEMENT") pursuant to which, subject to the terms and conditions of the Consulting Agreement, among other things, the Company will issue to Mr. Imhoff 500,000 shares of Common Stock at the closing of the transactions contemplated by the Purchase Agreement; and

WHEREAS, in order to induce PSQ to enter into the Purchase Agreement and Mr. Imhoff to enter into the Consulting Agreement, the Company has agreed to provide the registration rights set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

1. DEMAND REGISTRATIONS.

(a) REQUESTS FOR REGISTRATION. At any time after the two-year anniversary of the Closing Date, PSQ may request registration under the Securities Act of all or any portion of its Registrable Securities on Form S-1 or any similar long-form registration ("LONG-FORM REGISTRATION"), or, if available, Form S-2 or S-3 or any similar Short-Form Registration ("SHORT-FORM REGISTRATIONS"). All registrations requested pursuant to this SECTION 1(a), SECTION 1(b) or SECTION 1(c) are referred to herein as "DEMAND REGISTRATIONS". Each request for a Demand Registration made pursuant to this SECTION 1(a) shall specify the approximate number of PSQ Registrable Securities requested to be registered and the anticipated per share price range of such offering. Within ten days after receipt of any such request, the Company shall give written notice of such requested registration to the holders of Imhoff Registrable Securities, and shall include in such registration all Imhoff Registrable Securities with respect to which the Company has received written requests for inclusion therein within 20 business days after the receipt of the Company's notice.

(b) LONG-FORM REGISTRATIONS. PSQ shall be entitled to request two Long-Form Registrations in which the Company shall pay all Registration Expenses ("COMPANY-PAID LONG-FORM REGISTRATIONS"). A registration shall not count as one of the permitted Long-Form Registrations until it has become effective and no Company-paid Long-

Form Registration shall count as one of the permitted Long-Form Registrations unless the holders of Registrable Securities are able to register and sell at least 90% of the Registrable Securities requested to be included in such registration; PROVIDED, that in any event the Company shall pay all Registration Expenses in connection with any registration initiated as a Company-paid Long-Form Registration whether or not it has become effective and whether or not such registration has counted as one of the permitted Company-paid Long-Form Registrations.

(c) SHORT-FORM REGISTRATIONS. In addition to the Long-Form Registrations provided pursuant to SECTION 1(b), at any time after the two-year anniversary of the Closing Date, PSQ shall be entitled to request unlimited Short-Form Registrations. Each request for a Short Form Registration under this subsection (c) shall specify the approximate number of Registrable Securities requested to be registered and the anticipated per share price range of such offering. Within ten days after receipt of any such request, the Company shall give written notice of such requested registration to the holders of Imhoff Registrable Securities and shall include in such registration all Imhoff Registrable Securities with respect to which the Company has received written requests for inclusion therein within 20 business days after the receipt of the Company's notice. The Company shall pay all Registration Expenses in connection with a Short-Form Registration. Demand Registrations shall be Short-Form Registrations whenever the Company is permitted to use any applicable short form. The Company shall use its reasonable best efforts to make Short-Form Registrations on Form S-3 available for the sale of Registrable Securities. The Registrable Securities initially proposed to be included in any Short Form Registration shall have an aggregate offering value of at least $500,000 (determined as of the date of the demand).

(d) PRIORITY ON DEMAND REGISTRATION. The Company shall not include in any Demand Registration any securities which are not Registrable Securities without the prior written consent of PSQ. If a Demand Registration is an underwritten offering and the managing underwriters advise the Company in writing that in their opinion the number of Registrable Securities and, if permitted hereunder, securities requested to be included in such offering exceeds the number of Registrable Securities and other securities, if any, which

can be sold in an orderly manner in such offering within the price range acceptable to PSQ without adversely affecting the marketability of the offering, the Company shall include in such registration prior to the inclusion of any securities which are not Registrable Securities, the number of Registrable Securities requested to be included which in the opinion of such underwriters can be sold in an orderly manner within the price range of such offering, pro rata among the holders of Registrable Securities to be included in such registration on the basis of the amount of Registrable Securities owned by each such holder. Without the consent of the Company and the holders of a majority of the Registrable Securities included in such registration, any Persons (other than holders of Registrable Securities) who participate in Demand Registrations which are not at the Company's expense must pay their share of the Registration Expenses as provided in SECTION 4 hereof.

(e) RESTRICTIONS ON LONG-FORM REGISTRATIONS. The Registrable Securities proposed to be included in any Long Form Demand Registration shall have an aggregate offering value of at least $1,000,000 (determined as of the date of the demand). The Company shall not be obligated to effect any Long-Form Registration within 180 days after the effective date of a previous Long-Form Registration in which there was no reduction in the number of Registrable Securities requested to be included. The Company may postpone for up to 90 days the filing or the effectiveness of a registration statement for a Demand Registration if the Company, by a vote of a majority of the

Board of Directors of the Company, agrees that such Demand Registration would reasonably be expected to have a material adverse effect on any proposal or plan by the Company or any of its subsidiaries to engage in any acquisition of assets (other than in the ordinary course of business), stock or any merger, consolidation, tender offer, reorganization or similar transaction; PROVIDED that in such event, the holders of Registrable Securities initially requesting such Demand Registration shall be entitled to withdraw such request and, if such request is withdrawn, such Demand Registration shall not count as one of the permitted Demand Registrations hereunder and the Company shall pay all Registration Expenses in connection with such registration. The Company may delay a Demand Registration hereunder no more than twice in any twelve-month period.

(f) SELECTION OF UNDERWRITERS. PSQ shall have the right to select the investment banker(s) and manager(s) to administer the offering in any Demand Registration.

2. HOLDBACK AGREEMENTS.

(a) Each holder of Registrable Securities shall not effect any public sale or distribution (including sales pursuant to Rule 144) of equity securities of the Company, or any securities convertible into or exchangeable or exercisable for such securities, during the seven days prior to and the 180-day period beginning on the effective

date of any underwritten Demand Registration in which Registrable Securities are included (except as part of such underwritten registration), unless the underwriters managing the registered public offering otherwise agree.

(b) The Company shall not effect any public sale or distribution of its equity securities, or any securities convertible into or exchangeable or exercisable for such securities, during the seven days prior to and during the 180-day period beginning on the effective date of any underwritten Demand Registration (except as part of such underwritten registration or pursuant to registrations on Form S-8 or any successor form), unless the underwriters managing the registered public offering otherwise agree.

3. REGISTRATION PROCEDURES.

(a) Whenever the holders of Registrable Securities have requested that any Registrable Securities be registered pursuant to this Agreement, the Company shall use its reasonable best efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof, and pursuant thereto the Company shall as expeditiously as possible use its reasonable best efforts to:

(i) prepare and file with the Securities and Exchange Commission a registration statement with respect to such Registrable Securities and use reasonable efforts to cause such registration statement to become effective (provided that before filing a registration statement or prospectus or any amendments or supplements thereto, the Company shall furnish to the counsel selected by the holders of a majority of the Registrable Securities covered by such registration statement copies of all such documents proposed to be filed, which documents shall be subject to the review and comment of such counsel);

(ii) notify each holder of Registrable Securities of the effectiveness of each registration statement filed hereunder and prepare and file with the Securities and Exchange Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be

necessary to keep such registration statement effective for a period of not less than 180 days and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such registration statement;

(iii) furnish to each seller of Registrable Securities such number of copies of such registration statement, each amendment and supplement thereto, the prospectus included in such registration statement (including each preliminary

prospectus) and such other documents as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller;

(iv) register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as any seller reasonably requests and do any and all other acts and things which may be reasonably necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller (provided that the Company shall not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subparagraph, (ii) subject itself to taxation in any such jurisdiction or (iii) consent to general service of process in any such jurisdiction);

(v) notify each seller of such Registrable Securities, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement contains an untrue statement of a material fact or omits any fact necessary to make the statements therein not misleading, and, at the request of any such seller, the Company shall prepare a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading;

(vi) cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed;

(vii) provide a transfer agent and registrar for all such Registrable Securities not later than the effective date of such registration statement;

(viii) enter into such customary agreements (including underwriting agreements in customary form) and take all such other actions as the holders of a majority of the Registrable Securities being sold or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities (including effecting a stock split or a combination of shares);

(ix) make available for inspection by any underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other agent retained by any such seller or underwriter, all financial and other records, pertinent corporate documents and properties of the Company, and cause the Company's officers, directors, employees and

independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such registration statement;

(x) otherwise comply with all applicable rules and regulations of the Securities and Exchange Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months beginning with the first day of the Company's first full calendar quarter after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder;

(xi) in the event of the issuance of any stop order suspending the effectiveness of a registration statement, or of any order suspending or preventing the use of any related prospectus or suspending the qualification of any common stock included in such registration statement for sale in any jurisdiction, promptly to obtain the withdrawal of such order;

(xii) cause such Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the sellers thereof to consummate the disposition of such Registrable Securities; and

(xiii) obtain a cold comfort letter from the Company's independent public accountants in customary form and covering such matters of the type customarily covered by cold comfort letters as the holders of a majority of the Registrable Securities being sold reasonably request (provided that such Registrable Securities constitute at least 10% of the securities covered by such registration statement).

(b) Each seller of Registrable Securities shall deliver to the Company such requisite information as the Company may reasonably request for the purposes of completing any prospectus or preliminary prospectus as is necessary to comply with all applicable rules and regulations of the Securities and Exchange Commission.

4. REGISTRATION EXPENSES.

(a) All expenses incident to the Company's performance of or compliance with this Agreement, including without limitation all registration and filing fees, fees and expenses of compliance with securities or blue sky laws, printing expenses, messenger and delivery expenses, fees and disbursements of custodians, and fees and disbursements of counsel for the Company and independent certified public accountants, underwriters (excluding discounts and commissions) and other persons retained by the Company (all such expenses being

herein called "REGISTRATION EXPENSES"), shall be borne as provided in this Agreement, except that the Company shall, in any event pay its internal expenses (including, without limitation, all salaries and expenses of its officers employees performing legal or accounting duties), the expense of any annual audit or quarterly review, the expense of any liability insurance and the expenses and fees for listing the securities to be registered on each securities exchange on which similar securities issued by the Company are then listed or on the NASD automated quotation system.

(b) In connection with each Demand Registration, the Company shall reimburse the holders of Registrable Securities included in such registration for the reasonable fees and disbursements of one

counsel chosen by the holders of a majority of the Registrable Securities included in such registration.

(c) To the extent Registration Expenses are not required to be paid by the Company, each holder of securities included in any registration hereunder shall pay those Registration Expenses allocable to the registration of such holder's securities so included, and any Registration Expenses not so allocable shall be borne by all sellers of securities included in such registration in proportion to the aggregate selling price of the securities to be so registered.

5. INDEMNIFICATION.

(a) The Company agrees to indemnify, to the extent permitted by law, each holder of Registrable Securities, its officers and directors and each Person who controls such holder (within the meaning of the Securities Act) against all losses, claims, damages, liabilities and expenses (including reasonable attorneys fees and expenses) arising out of or based upon any untrue or alleged untrue statement of material fact contained in any registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as the same was made in reliance upon and in conformity with any information furnished in writing to the Company by such holder expressly for use therein or was caused by such holder's failure to deliver a copy of the registration statement or prospectus or any amendments or supplements thereto after the Company has furnished such holder with a sufficient number of copies of the same. In connection with an underwritten offering, the Company shall indemnify such underwriters, their officers and directors and each Person who controls such underwriters (within the meaning of the Securities Act) to the same extent as provided above with respect to the indemnification of the holders of Registrable Securities.

(b) In connection with any registration statement in which a holder of Registrable Securities is participating, each such holder

shall furnish to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with any such registration statement or prospectus and, to the extent permitted by law, shall indemnify the Company, its directors and officers and each Person who controls the Company (within the meaning of the Securities Act) against any losses, claims, damages, liabilities and expenses arising out of or based upon any untrue or alleged untrue statement of material fact contained in the registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission was made in reliance upon and in conformity with any information or affidavit so furnished in writing by such holder; PROVIDED that the obligation to indemnify shall be individual, not joint and several, for each holder and shall be limited to the net amount of proceeds received by such holder from the sale of Registrable Securities pursuant to such registration statement.

(c) Any Person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give prompt notice shall not impair any Person's right to indemnification hereunder to the extent such failure has not prejudiced the indemnifying party) and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such

claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, (i) the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent shall not be unreasonably withheld) and (ii) the indemnified party shall consent to any settlement, compromise or discharge of a claim that the indemnifying party may recommend and that by its terms requires that the indemnifying party pay the full amount of the liability in connection therewith, that otherwise releases the indemnified party completely and with prejudice in connection with such claim and that would not otherwise adversely affect the indemnified party. An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim.

(d) The indemnification provided for under this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and shall survive the

transfer of securities. The Company also agrees to make such provisions, as are reasonably requested by any indemnified party, for contribution to such party in the event the Company's indemnification is unavailable for any reason.

(e) If the indemnification provided for in this SECTION 5 is unavailable to or is insufficient to hold harmless an indemnified party under the provisions above in respect to any losses, claims, damages or liabilities referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect not only the relative benefits received by the Company on the one hand and the sellers of Registrable Securities and any other Person participating in the registration statement on the other from the sale of Registrable Securities pursuant the registered offering of securities as to which indemnity is sought but also the relative fault of the indemnified party and the indemnifying party as well as any other relevant equitable considerations or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and of the sellers of Registrable Securities and any other sellers participating in the registration statement on the other in connection with the statement or omissions which resulted in such losses, claims, damages or liabilities, as well any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the sellers of Registrable Securities and any other sellers participating in the registration statement on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) to the Company bear to the total net proceeds from the offering (before deducting expenses) to the sellers of Registrable Securities and by other sellers participating in the registration statement. The relative fault of the Company on the one hand and of the sellers of Registrable Securities and any other sellers participating in the registration statement on the other shall be determined by reference to, among other things, whether such untrue or alleged omission to state a material fact relates to information supplied by the Company, by the sellers of Registrable Securities or other sellers participating in the registration statement and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

6. PARTICIPATION IN UNDERWRITTEN REGISTRATIONS. No person may participate in any registration hereunder which is underwritten unless such person (i) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Person or Persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements; PROVIDED that no

holder of Registrable Securities included in any underwritten registration shall be required to make any representations or warranties to the Company or the underwriters (other than representations and warranties regarding such holder and such holder's intended method of distribution) or to undertake any indemnification obligations to the Company or the underwriters with respect thereto, except as otherwise provided in SECTION 5 HEREOF.

7. RULE 144. The Company covenants that, at its own expense, it will file the reports required to be filed by it under the Securities Act and the Exchange Act (or, if the company is not required to file such reports, it will, upon the request of PSQ, make publicly available such necessary information for so long as necessary to permit sales pursuant to Rule 144 under the Securities Act or any similar rule or regulation hereafter adopted by the SEC), and it will take such further action as PSQ may reasonably request, all to the extent required from time to time to enable PSQ to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 under the Securities Act. Upon the request of PSQ, the Company, at its own expense, will promptly deliver to PSQ (i) a written statement as to whether it has complied with such requirements (and such Investor or Executive shall be entitled to rely upon the accuracy of such written statement), (ii) a copy of the most recent annual or quarterly report of the Company, if not filed electronically with the SEC and (iii) such other reports and documents as PSQ may reasonably request in order to avail itself of Rule 144 under the Securities Act.

8. DEFINITIONS.

(a) "CLOSING DATE" shall have the meaning ascribed to such term in the Purchase Agreement.

(b) "CONSULTING AGREEMENT" has the meaning set forth in the Recitals, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

(c) "IMHOFF REGISTRABLE SECURITIES" means (i) any Common Stock issued to Mr. Imhoff or hereafter acquired by Mr. Imhoff, (ii) any other Common Stock issued or issuable with respect to the securities referred to in clause (i) by way of a stock dividend or stock split or in connection with an exchange or combination of shares, recapitalization, merger, consolidation or other reorganization, and (iii) any other shares of Common Stock held by Persons holding securities described in clauses (i) and (ii), inclusive, above.

(d) "PSQ REGISTRABLE SECURITIES" means (i) any Common Stock issued to PSQ or hereafter acquired by PSQ, (ii) any other Common Stock issued or issuable with respect to the securities referred to in clause (i) by way of a stock dividend or stock split or in connection

with an exchange or combination of shares, recapitalization, merger, consolidation or other reorganization, and (iii) any other shares of Common Stock held by Persons holding securities described in clauses (i) and (ii), inclusive, above.

(e) "PURCHASE AGREEMENT" has the meaning set forth in the Recitals, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

(f) "REGISTRABLE SECURITIES" means PSQ Registrable Securities and Imhoff Registrable Securities. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when they have been distributed to the public pursuant to a offering registered under the Securities Act or sold to the public through a broker, dealer or market maker in compliance with Rule 144 under the Securities (or any similar rule then in force). For purposes of this Agreement, a Person shall be deemed to be a holder of Registrable Securities whenever such Person has the right to acquire such Registrable Securities (upon conversion or exercise in connection with a transfer of securities or otherwise, but disregarding any restrictions or limitations upon the exercise of such right), whether or not such acquisition has actually been effected.

Unless otherwise stated, other capitalized terms contained herein have the meanings set forth in the Purchase Agreement.

9. MISCELLANEOUS.

(a) EFFECTIVE TIME; TERMINATION. This Agreement will become effective on the Closing Date upon the consummation of the transactions contemplated by the Purchase Agreement. If the Purchase Agreement is terminated prior to the Closing Date, this Agreement shall automatically terminate simultaneous therewith without any further action on the part of the parties hereto and shall thereafter be void ab initio and of no further force or effect.

(b) NO INCONSISTENT AGREEMENTS. The Company shall not hereafter enter into any agreement with respect to its securities which is inconsistent with or violates the rights granted to the holders of Registrable Securities in this Agreement.

(c) REMEDIES. Any Person having rights under any provision of this Agreement shall be entitled to enforce such rights specifically to recover damages caused by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or other security) for specific performance and for other

injunctive relief in order to enforce or prevent violation of the provisions of this Agreement.

(d) AMENDMENTS AND WAIVERS. Except as otherwise provided herein, the provisions of this Agreement may be amended or waived only upon the prior written consent of the Company, PSQ and Mr. Imhoff.

(e) SUCCESSORS AND ASSIGNS. Whether or not any express assignment has been made, the provisions of this Agreement which are for the benefit of purchasers or holders of Registrable Securities are also for the benefit of and enforceable by any subsequent holder of Registrable Securities; provided that the right of PSQ to make a Demand Registration pursuant to SECTION 1 hereof shall only be transferable (in whole, and not in part) to a transferee of a majority of the PSQ Registrable Securities acquired by PSQ on the Closing Date

(both in the share purchase from the Company and the tender offer from the Company's shareholders), subject to compliance with the thresholds and other terms contained in SECTION 1.

(f) SEVERABILITY. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

(g) COUNTERPARTS. This Agreement may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same Agreement

(h) DESCRIPTIVE HEADINGS. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

(i) GOVERNING LAW. The construction, validity, interpretation and enforcement of this Agreement shall be governed by, and construed in accordance with, the laws of the State of Illinois, without giving effect to any choice of law or conflict of rules or provisions (whether of the State of Illinois or any other jurisdiction) that would cause supplication of the laws of any jurisdiction other than the State of Illinois.

(j) NOTICES. All notices, demands or other communications to be given or ordered under or by reason of the provisions of this Agreement shall be given in the manner and to the address provided under the Purchase Agreement.

* * * * * *

IN WITNESS WHEREOF, the parties hereto have executed this RegistrationRights Agreement on the day and year first above written.

GENERAL EMPLOYMENT ENTERPRISES, INC.

By: /s/ Kent M. Yauch
Name: Kent M. Yauch
Title: Vice President, Chief
Financial Officer and
Treasurer

PSQ, LLC

By: /s/ Stephen B. Pence
Name: Stephen B. Pence
Title: Sole Member

/s/ Herbert F. Imhoff, Jr.
Herbert F. Imhoff, Jr.

EXHIBIT 99.1

THE FOLLOWING IS A PRESS RELEASE ISSUED BY GENERAL EMPLOYMENT ENTERPRISES, INC. ON MARCH 30, 2009 ANNOUNCING THE PROPOSED SHARE PURCHASE AND TENDER OFFER.

[General Employment letterhead]

FOR IMMEDIATE RELEASE: March 30, 2009

COMPANY: General Employment Enterprises, Inc.

CONTACT: Herbert F. Imhoff, Jr.
Chief Executive Officer and President
Phone: (630) 954-0495 Fax: (630) 954-0595
E-mail: invest@genp.com

GENERAL EMPLOYMENT SIGNS DEFINITIVE AGREEMENT TO SELL CONTROL TO PSQ, LLC

OAKBROOK TERRACE, IL -- General Employment Enterprises, Inc. (NYSE Amex: JOB) announced today that it has signed a definitive securities purchase and tender offer agreement under which PSQ, LLC will acquire a controlling interest in General Employment.

Under the terms of the agreement, PSQ has agreed to (1) purchase from General Employment 7,700,000 newly issued shares of Common Stock of General Employment at a purchase price of $0.25 per share for a total purchase price of $1,925,000, and (2) commence a cash tender offer to purchase from General Employment's shareholders up to 2,500,000 outstanding shares of Common Stock at a purchase price of $0.60 per share. If more than 2,500,000 shares of Common Stock are tendered in the tender offer, the number of shares tendered by each tendering shareholder will be cut back proportionately by a percentage amount equal to the quotient of 2,500,000 over the number of shares of Common Stock tendered in the tender offer.

The transaction documents also provide that, upon the closing of the share purchase and the tender offer, (1) Sheldon Brottman, Edward Hunter, Thomas Kosnik and Kent Yauch will resign from General Employment's Board of Directors, and their vacancies will be filled with the appointments of Stephen Pence, Charles (Chuck) W.B. Wardell III and Jerry Lancaster to the Board, (2) Herbert F. Imhoff, Jr. will resign as Chief Executive Officer and President of the Company and will resign his office as Chairman of the Board of Directors (but will remain as a member of the Board), and will also terminate his employment agreement with General Employment and enter into a consulting agreement with General Employment, (3) Ronald E. Heineman will be appointed to serve as Chief Executive Officer and President of the Company, and (4) Stephen Pence will be appointed to serve as Chairman of the Board of Directors of the Company.

The transactions have been approved by the board of directors of General Employment and by the member-manager of PSQ, and are not contingent on receipt of financing by PSQ. The share purchase and the tender offer are subject to certain customary closing conditions, including receipt of approval from General Employment's shareholders in favor of the share purchase. The consummation of the tender offer is not subject to any condition regarding any minimum number of shares

being validly tendered in the offer.

General Employment expects the tender offer to be commenced by PSQ not later than April 13, 2009. The tender offer will remain open for 75 days from commencement, subject to extension under certain circumstances.

Prairie Capital Advisors, Inc. acted as financial advisor and Schiff Hardin LLP acted as legal counsel to General Employment. The Law Office of Gregory Bartko, LLC of Atlanta, Georgia acted as legal counsel to PSQ.

ABOUT GENERAL EMPLOYMENT

General Employment provides professional staffing services through a network of 16 branch offices located in nine states, and specializes in information technology, accounting and engineering placements.

ADDITIONAL INFORMATION ABOUT THE TENDER OFFER AND SHARE PURCHASE MERGER AND WHERE TO FIND IT

This press release is being made in connection with the proposed share purchase from General Employment by PSQ and the proposed tender offer for shares of General Employment to be made by PSQ. This press release is for informational purposes only and is not an offer to buy or the solicitation of an offer to sell any securities. The solicitation and the offer to buy shares of General Employment Common Stock will be made only pursuant to an offer to purchase on Schedule TO and related materials that PSQ intends to file with the Securities and Exchange Commission (the "SEC"). In connection with the tender offer, PSQ will file with the SEC a tender offer statement and related offer to purchase on Schedule TO that provides the terms of the tender offer and General Employment will file with the SEC a solicitation/ recommendation statement on Schedule 14D-9 and a related information statement, as well as a proxy statement relating to shareholder approval of the proposed share purchase. Shareholders and investors are urged to read these documents carefully and in their entirety if and when they become available because they will contain important information about the tender offer and/or the proposed share purchase.

When the offer to purchase, solicitation/recommendation statement, proxy statement and/or information statement become available, they will be mailed to General Employment shareholders who

are entitled to receive such documents. In addition, the tender offer statement and related offer to purchase, solicitation/recommendation statement, proxy statement and/or information statement as well as other filings containing information about General Employment, the tender offer and the share purchase, if and when filed with the SEC, will be available free of charge at the SEC's Internet Web site, www.sec.gov. In addition, investors and shareholders may obtain free copies of the solicitation/recommendation statement, proxy statement and/or information statement as well as other filings containing information about General Employment, the tender offer and the share purchase that are filed with the SEC by General Employment, if and when available, by contacting Kent Yauch, Chief Financial Officer, at (630) 954-0495.

General Employment and its directors and officers and other members of management and employees may be deemed to be participants in the solicitation of proxies with respect to the proxy statement that will be used in connection with the share purchase. Information regarding General Employment's directors and executive officers is detailed in its proxy statements and annual reports on Form 10-KSB, previously filed with the SEC, and the proxy statement, when filed, relating to the share purchase, when it becomes available.

FORWARD-LOOKING STATEMENTS

The statements made in this press release which are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements include statements regarding the commencement of, and the acquisition of shares pursuant to, the tender offer, the consummation of the share purchase, the filing of documents and information with the SEC, other future or anticipated matters regarding the transactions discussed in this release and the timing of such matters. Such forward-looking statements often contain or are prefaced by words such as "will" and "expect." 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 our actual results to differ materially from those in the forward-looking statements include, without limitation: (1) the risk that the conditions to the closing of the tender offer or the share purchase set forth in the securities purchase and tender offer agreement will not be satisfied, (2) changes in General Employment's business during the period between the date of this press release and the closing, (3) obtaining regulatory approvals (if required) for the transaction, (4) the risk that the transactions will not be consummated on the terms or timeline first announced, and (5) those factors set forth under the heading "Forward-Looking Statements" in our annual report on Form 10-KSB for the fiscal year ended September 30, 2008, and in our other filings with the SEC. General Employment 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.