

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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): August 31, 2011

GENERAL EMPLOYMENT ENTERPRISES, INC

(Exact name of registrant as specified in its 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, Illinois		60181
(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code: (630) 954-0400

(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 registrant under any of the following provisions (*see* General Instruction A.2. below):

- 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))
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Item 1.01. Entry into a Material Definitive Agreement.

Ashley Ellis Acquisition

On August 31, 2011, General Employment Enterprises, Inc. (the “Company”) entered into and closed an asset purchase agreement with Ashley Ellis LLC, an Illinois limited liability company (“Ashley Ellis”), and Brad A. Imhoff (the “Asset Purchase Agreement”), for the purchase of certain assets of Ashley Ellis, including customer lists, comprising Ashley Ellis’ services business. Ashley Ellis’ services business was operated from offices in Illinois, Texas and Georgia and provided services related to the recruitment and placement of technical personnel. The Asset Purchase Agreement was deemed effective on September 1, 2011. Brad A. Imhoff is the brother of Herbert F. Imhoff, Jr., a director and President of the Company.

As consideration for the assets, the Company paid Ashley Ellis \$200,000 on the date of closing and agreed to pay Ashley Ellis an additional \$200,000 within six months of closing. The Company also agreed to issue to Ashley Ellis 1,250,000 shares of the Company’s common stock (the “Shares”). The total consideration is equal to approximately 3X projected 2011 EBITDA for Ashley Ellis. The Company intends to issue the Shares following receipt of final approval of an additional listing application for such Shares by the NYSE Amex Stock Exchange.

In connection with the transactions contemplated by the Asset Purchase Agreement, on August 31, 2011, the Company and Ashley Ellis entered into a registration rights agreement (the “Registration Rights Agreement”), pursuant to which Ashley Ellis was granted certain piggyback registration rights with respect to the Shares to be issued to Ashley Ellis under the Asset Purchase Agreement. The Registration Rights Agreement contains certain indemnification provisions for the benefit of the Company and Ashley Ellis and other customary provisions.

The foregoing summaries of the Asset Purchase Agreement and the Registration Rights Agreement do not purport to be complete and are qualified in their entirety by reference to the full text of the Asset Purchase Agreement and the Registration Rights Agreement, which are attached hereto as Exhibit 2.1 and 10.1, respectively, and are incorporated herein by reference.

Gallagher Employment Agreement and Change of Control Agreement

In connection with the transactions contemplated by the Asset Purchase Agreement, on August 31, 2011, the Company entered into an employment agreement (the “Gallagher Employment Agreement”) and a change of control agreement (the “Gallagher Change of Control Agreement”) with Katy M. Gallagher. Ms. Gallagher will serve as the Vice President of Operations and the Vice President of the Professional Staffing Division of the Company. The Gallagher Employment Agreement provides for a three-year term ending on September 1, 2014, unless Ms. Gallagher’s employment is earlier terminated in accordance with the provisions thereof. Ms. Gallagher is to receive a base salary at the rate of \$150,000 per year for the term of the Gallagher Employment Agreement. Upon the Death, Disability, expiration of the term of the Gallagher Employment Agreement, or a termination of Ms. Gallagher’s employment with Cause (each as defined in the Gallagher Employment Agreement), the Company’s obligations are limited generally to paying Ms. Gallagher her base salary through the termination date.

The term of the Gallagher Change of Control Agreement commenced on August 31, 2011 and will terminate on the earlier of (i) three years following the date of execution; (ii) termination of Ms. Gallagher's employment; or (iii) the execution of a written agreement between the Company and Ms. Gallagher terminating the Gallagher Change of Control Agreement. Under the Gallagher Change of Control Agreement, in the event that the Company terminates Ms. Gallagher's employment without Cause or Ms. Gallagher resigns with Good Reason after a Change of Control (each as defined in the Gallagher Change of Control Agreement), Ms. Gallagher will receive, subject to her execution of a separation agreement and release of claims in a form reasonably satisfactory to the Company, (i) a lump sum payment equal to all unpaid compensation remaining from the day of separation to the end of the term of the Gallagher Employment Agreement; (ii) continuation of health insurance benefits for six months following her separation from service; (iii) reimbursement for the premiums associated with COBRA for 18 months following the six-month continuation of health insurance period; and (iv) the same percentage of Company-paid group-term life insurance benefits as were provided to Ms. Gallagher and her family under plans of the Company as of the Change of Control for a total of twenty-four months following the year in which Ms. Gallagher separates from service.

The foregoing summaries of the Gallagher Employment Agreement and the Gallagher Change of Control Agreement do not purport to be complete and are qualified in their entirety by reference to the full text of the Gallagher Employment Agreement and the Gallagher Change of Control Agreement, which are attached hereto as Exhibits 10.2 and 10.3, respectively, and are incorporated herein by reference.

Zizza Employment Agreement and Change of Control Agreement

On September 7, 2011, the Company and Salvatore J. Zizza, the Company's Chairman and Chief Executive Officer, entered into an employment agreement (the "Zizza Employment Agreement") and a change of control agreement (the "Zizza Change of Control Agreement"), each dated as of September 1, 2011. The Zizza Employment Agreement provides for a two-year term ending on September 1, 2013, unless Mr. Zizza's employment is earlier terminated by either party in accordance with the provisions thereof. Mr. Zizza is to receive a base salary at the rate of \$120,000 per year, subject to increase in the discretion of the Board of Directors of the Company. Mr. Zizza will also receive a life insurance policy with coverage equal to two times his base salary and a disability income insurance policy with coverage equal to 50% of his base salary. Mr. Zizza will be entitled to receive equity compensation on the same terms and conditions as other executives and members of the Board of Directors of the Company. In the event that Mr. Zizza's employment is terminated (other than as a result of Mr. Zizza's death or disability) either (i) by the Company for a reason other than Cause or (ii) by Mr. Zizza for Good Reason (each as defined in the Zizza Employment Agreement), Mr. Zizza will continue to receive his base salary and other benefits provided under the Zizza Employment Agreement for the remainder of the term of the Zizza Employment Agreement.

The term of the Zizza Change of Control Agreement commenced on September 1, 2011 and will terminate on the earlier of (i) two years following the date of execution; (ii) termination of Mr. Zizza's employment; or (iii) the execution of a written agreement between the Company and Mr. Zizza terminating the Zizza Change of Control Agreement. Under the Zizza Change of Control Agreement, in the event that the Company terminates Mr. Zizza's employment without Cause or Mr. Zizza resigns with Good Reason after a Change of Control (each as defined in the Zizza Change of Control Agreement), Mr. Zizza will receive, subject to his execution of a separation agreement and release of claims in a form reasonably satisfactory to the Company, (i) a lump sum payment equal to all unpaid compensation remaining from the day of separation to the end of the term of the Zizza Employment Agreement; (ii) continuation of health insurance benefits for six months following his separation from service; (iii) reimbursement for the premiums associated with COBRA for 18 months following the six-month continuation of health insurance period; and (iv) the same percentage of Company-paid group-term life insurance benefits as were provided to Mr. Zizza and his family under plans of the Company as of the Change of Control for a total of twenty-four months following the year in which Mr. Zizza separates from service.

The foregoing summaries of the Zizza Employment Agreement and the Zizza Change of Control Agreement do not purport to be complete and are qualified in their entirety by reference to the full text of the Zizza Employment Agreement and the Zizza Change of Control Agreement, which are attached hereto as Exhibits 10.4 and 10.5, respectively, and are incorporated herein by reference.

Item 2.01. Completion of Acquisition or Disposition of Assets.

The information set forth under “Ashley Ellis Acquisition” in Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 3.02. Unregistered Sales of Equity Securities.

The Shares will be issued in reliance upon the exemption from registration under Section 4(2) of the Securities Act of 1933, as amended, in a transaction not involving a public offering.

The information set forth under “Ashley Ellis Acquisition” in Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Departure and Appointment of Certain Officers

On August 31, 2011, Marilyn L. White was terminated from her position as Vice President of the Company.

In connection with the transactions contemplated by the Asset Purchase Agreement, as of August 31, 2011, the Board of Directors of the Company appointed Brad A. Imhoff to serve as the Company’s Chief Operating Officer and President of the Professional Staffing Division. As of August 31, 2011, Herbert F. Imhoff, Jr. no longer serves as Chief Operating Officer of the Company, but has retained his positions as a director and President of the Company.

Brad A. Imhoff, 48, founded Ashley Ellis, a company that provided services related to the recruitment and placement of technical personnel, in January 2009 and served as its Chief Executive Officer and sole member from January 2009 until August 31, 2011, at which time substantially all of the assets of Ashley Ellis were acquired by the Company. Prior to founding Ashley Ellis, Mr. Imhoff worked as a sales consultant and participated in sales training seminars from January 2005 to January 2009. Prior to that, Mr. Imhoff managed and co-owned Camden Aviation LLC, a private jet charter company, from January 2000 to January 2005 and, co-founded and served as Chief Executive Officer of Camden Vale Corporation, an information technology recruiting firm, from January 1995 to October 2001. Mr. Imhoff previously served as Vice President of Staffing of the Company from October 1985 to January 1995.

Certain Relationships and Related Party Transactions

Brad A. Imhoff is the brother of Herbert F. Imhoff, Jr., a director and President of the Company. On August 31, 2011, the Company entered into and closed the Asset Purchase Agreement and purchased certain assets of Ashley Ellis. Brad A. Imhoff and Ashley Ellis, an entity of which Brad A. Imhoff is the sole member and Chief Executive Officer, were parties to the transaction. As consideration for the assets, the Company paid Ashley Ellis \$200,000 on the date of closing and agreed to pay Ashley Ellis an additional \$200,000 within six months of closing. The Company also agreed to issue to Ashley Ellis 1,250,000 shares of the Company's common stock. As the sole member of Ashley Ellis, Brad A. Imhoff has an interest in the entire consideration paid by the Company to Ashley Ellis for the assets.

Imhoff Employment Agreement and Change of Control Agreement

In connection with Brad A. Imhoff's appointment as Chief Operating Officer and President of the Professional Staffing Division of the Company, the Company entered into an employment agreement (the "Imhoff Employment Agreement") and a change of control agreement (the "Imhoff Change of Control Agreement") with Mr. Imhoff, each dated as of August 31, 2011. The Imhoff Employment Agreement provides for a three-year term ending on September 1, 2014, unless Mr. Imhoff's employment is earlier terminated in accordance with the provisions thereof. Mr. Imhoff is to receive a base salary at the rate of \$180,000 per year for the term of the Imhoff Employment Agreement. Mr. Imhoff is also entitled to receive an annual bonus equal to 10% of the increase in profits earned by the Company's Professional Staffing Division over the prior fiscal year minus an agreed upon corporate allocation and not including any profits of acquired entities or assets until the applicable earnout periods related thereto have expired. The fiscal year ending September 30, 2011 will be used as the first baseline to determine the profitability bonus and will be used in subsequent years to determine the profitability bonus to the extent that profits in subsequent years are less than profits for the fiscal year ending September 30, 2011. Upon the expiration of the term of the Imhoff Employment Agreement or termination of Mr. Imhoff's employment by the Company with cause under the circumstances set forth in the Imhoff Employment Agreement, the Company's obligations are limited generally to paying Mr. Imhoff his base salary through the termination date.

The term of the Imhoff Change of Control Agreement commenced on August 31, 2011 and will terminate on the earlier of (i) three years following the date of execution; (ii) termination of Mr. Imhoff's employment; or (iii) the execution of a written agreement between the Company and Mr. Imhoff terminating the Imhoff Change of Control Agreement. Under the Imhoff Change of Control Agreement, in the event that the Company terminates Mr. Imhoff's employment without Cause or Mr. Imhoff resigns with Good Reason after a Change of Control (each as defined in the Imhoff Change of Control Agreement), Mr. Imhoff will receive, subject to his execution of a separation agreement and release of claims in a form reasonably satisfactory to the Company, (i) a lump sum payment equal to all unpaid compensation remaining from the day of separation to the end of the term of the Imhoff Employment Agreement; (ii) continuation of health insurance benefits for six months following his separation from service; (iii) reimbursement for the premiums associated with COBRA for 18 months following the six-month continuation of health insurance period; and (iv) the same percentage of Company-paid group-term life insurance benefits as were provided to Mr. Imhoff and his family under plans of the Company as of the Change of Control for a total of twenty-four months following the year in which Mr. Imhoff separates from service.

The foregoing summaries of the Imhoff Employment Agreement and the Imhoff Change of Control Agreement do not purport to be complete and are qualified in their entirety by reference to the full text of the Imhoff Employment Agreement and the Imhoff Change of Control Agreement, which are attached hereto as Exhibits 10.6 and 10.7, respectively, and are incorporated herein by reference.

Item 8.01. Other Events

On August 31, 2011, the Company issued a press release announcing the entry into the Asset Purchase Agreement. A copy of the press release is attached as Exhibit 99.1 hereto and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(a) *Financial Statements of Businesses Acquired.*

The Company has determined that financial statements of the business acquired are not required to be filed herewith pursuant to Rule 8-04 of Regulation S-X.

(b) *Pro Forma Financial Information.*

The Company has determined that pro forma financial information is not required to be filed herewith pursuant to Rule 8-05 of Regulation S-X.

(d) *Exhibits.*

Exhibit No. Description

2.1	Asset Purchase Agreement, dated as of August 31, 2011, by and among General Employment Enterprises, Inc., Ashley Ellis LLC and Brad A. Imhoff.
10.1	Registration Rights Agreement, dated as of August 31, 2011, by and between General Employment Enterprises, Inc. and Ashley Ellis LLC.
10.2	Employment Agreement, dated as of August 31, 2011, by and between General Employment Enterprises, Inc. and Katy M. Gallagher.
10.3	Change of Control Agreement, dated as of August 31, 2011, by and between General Employment Enterprises, Inc. and Katy M. Gallagher.
10.4	Employment Agreement, dated as of September 1, 2011, by and between General Employment Enterprises, Inc. and Salvatore J. Zizza.
10.5	Change of Control Agreement, dated as of September 1, 2011, by and between General Employment Enterprises, Inc. and Salvatore J. Zizza.
10.6	Employment Agreement, dated as of August 31, 2011, by and between General Employment Enterprises, Inc. and Brad A. Imhoff.
10.7	Change of Control Agreement, dated as of August 31, 2011, by and between General Employment Enterprises, Inc. and Brad A. Imhoff.
99.1	Press Release dated August 31, 2011.

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.

Date: September 7, 2011

**GENERAL EMPLOYMENT ENTERPRISES,
INC.**

By: /s/ James R. Harlan
Name: James R. Harlan
Title: Chief Financial Officer and Treasurer

EXHIBIT INDEX

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement") is made and entered into this 31st day of August, 2011, by and among General Employment Enterprises, Inc., an Illinois corporation ("Purchaser"), Ashley Ellis LLC., an Illinois limited liability company ("Seller"), Brad Imhoff, an individual resident of Illinois (the "Shareholder"). The parties to this Agreement agree that the transactions described in and contemplated by this Agreement shall be deemed to be effective as of 12:01 a.m. on September 1, 2011 (the "Effective Date").

WITNESSETH:

WHEREAS, Seller is engaged in the business of recruitment and placement of technical personnel (the "Business");

WHEREAS, the Shareholder own beneficially and hold of record all of the issued and outstanding shares of capital stock of Seller and will be financially benefitted by the consummation of the transactions described in and contemplated by this Agreement; and

WHEREAS, Seller desires to sell, convey, grant, transfer, assign and deliver to Purchaser, and Purchaser desires to purchase, acquire, assume and accept from Seller, substantially all of the assets owned by Seller which are used, useable or useful in or in connection with the operation of the Business, upon the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties to this Agreement and intending to be legally bound hereby, Seller, the Shareholders and Purchaser agree as follows.

1. **Sale and Purchase of Assets.** Seller hereby sells, conveys, grants, transfers, assigns and delivers to Purchaser, and Purchaser hereby purchases, acquires and accepts from Seller, as of the "Closing Date" (as defined in Section 9 hereof), substantially all of the assets, properties, rights, powers and privileges of Seller, tangible and intangible, whether or not written-off, expensed or fully depreciated, used, useable or useful in or in connection with the operation of the Business, as more specifically described below (collectively, the "Assets"), except the "Excluded Assets" (as defined in Section 2 hereof), free and clear of all liens, claims, charges, pledges, mortgages, security interests, licenses and other encumbrances and rights of any person or entity of any kind, nature or description whatsoever (collectively, "Liens"), except as specifically assumed and accepted by Purchaser pursuant to the terms of this Agreement:
 - (a) all machinery, equipment, furniture, file cabinets, fixtures, office equipment, tools, computer hardware and software, disks, disk drives, electronic databases, including Seller's Internet web site of (as such items have been updated, corrected, enhanced, replaced, and modified) and all documentation related thereto, and all other items of tangible personal property owned by Seller, including, without limitation, those items set forth upon Schedule 1(a) (collectively, "Personal Property");
 - (b) all inventories of maintenance and office supplies, brochures, pamphlets, videos and other marketing pieces owned by Seller;
 - (c) all of Seller's transferrable federal, state, local and foreign licenses, permits, authorizations and registrations, including, without limitation, all exemption, waiver or similar benefits under any "grandfather" or similar provision contained in any federal, state, local or foreign law, statute, ordinance, rule, regulation, policy or order (collectively, "Governmental Laws" and individually, a "Governmental Law"), necessary or useful in connection with the operation of the Business or the ownership and use of the Assets (collectively, the "Permits") which are set forth upon Schedule 1(c);
 - (d) all of Seller's customer and prospective customer lists, accounting and credit records, sales and business records, correspondence, maintenance and operating records, customer complaint records, warranty records, manuals (including those for Personal Property), vendor records and all other documents maintained by Seller relating to the operation of the Business (collectively, "Records");

- (e) all United States and foreign common law and registered intellectual property and proprietary rights owned or used or usable by Seller or developed by Seller or its agents or employees in connection with the operation of the Business, whether acquired by Seller as owner, inventor, employer of an inventor, licensor, licensee or otherwise, whether developed in whole or in part by Seller or its agents or employees in the operation of the Business, including, without limitation, all patent rights, patents, pending patent applications and any patents issuing therefrom, patent renewals or extensions, continuations, continuation-in-part, divisional applications, re-examination certificates, reissues, patent licenses and all rights to sue for all past, future and present patent infringement, registered and common law trademarks, service marks and trademark and service applications, and all rights to sue for all past, future and present trademark or service mark infringement, all goodwill associated with such trademarks and service marks, trade names, including, without limitation, the corporate name "Ashley Ellis", assumed names and all registrations and applications therefor, all domain names, copyrights, copyright applications and all rights to sue for all past, future and present copyright infringement, technical information, inventions, processes and techniques, designs, drawings, research, software, source codes, other know-how, confidential information, trade secrets and other similar intangible property and rights of Seller (collectively, "Intellectual Property");
- (f) those certain agreements with Seller's customers and accepted by Seller for Seller's services and those certain licenses and other contracts and agreements [other than Personal Property Leases (as defined in Section 1(h) hereof), Real Property Lease (as defined in Section 1(g) hereof) and Benefit Plans (as defined in Section 5(l)(i)) or any contracts related thereto], including, without limitation, bids, sales representative agreements, maintenance agreements, confidentiality agreements and non-competition agreements, to which Seller is a party or under which Seller has any type of interest whatsoever which pertain in any way to the operation or safeguard of the Business and that Purchaser agrees to assume pursuant to the terms of this Agreement (collectively, "Contracts") which are set forth upon Schedule 1(f);
- (g) that certain real property lease(s) relating to the Business that Purchaser agrees to assume pursuant to the terms of this Agreement, if assignable (collectively, the "Real Property Lease") which is set forth on Schedule 1(g).;
- (h) those certain personal property leases relating to the Business that Purchaser agrees to assume pursuant to the terms of this Agreement (collectively, the "Personal Property Leases") which are set forth on Schedule 1(h);
- (i) all of Seller's rights, claims and choses in action whatsoever, at law or in equity, now existing or hereafter arising, liquidated or unliquidated, foreseeable or unforeseeable, insured or uninsured, that Seller has or hereafter may have relating to the Assets or the Business against any person or entity other than Purchaser or the Shareholder, including, without limitation, all transferable rights under both express and implied third party warranties with respect to the Personal Property and rights to indemnification under any of the Contracts, Personal Property Leases and the Real Property Lease (collectively, "Choses");
- (j) all of Seller's rights and obligations under those certain contracts of insurance and Benefit Plans (as defined in Section 5(l)(i) hereof) set forth on Schedule 1(j) (the "Assumed Plans"), but only to the extent such obligations arise after the Closing Date. An obligation does not arise after the Closing Date to the extent it is based on an action or inaction of Seller or an event or condition that existed on or before the Closing;
- (k) all of Seller's right, title and interest in and to the telephone and telefax numbers, post office boxes, web sites, domain names, listings and numbers, lock boxes, telex numbers, advertising, telephone and other directory and catalog listings utilized or useful in the operation of the operation of the Business to the extent such rights are transferable; all of which are set forth on Schedule 1(k);
- (l) all maintenance and security deposits, prepaid expenses and purchase order deposits which relate to the Contracts, the Personal Property Leases, or the Real Property Lease (the Personal Property Leases together with the Real Property Lease shall sometimes hereinafter be collectively referred to as the "Leases" and individually as the "Lease") all of which are described on Schedule 1(l); and

2. **Excluded Assets.** Notwithstanding Section 1 of this Agreement, Purchaser is not purchasing the following assets of Seller, which assets shall remain the property of Seller and shall be excluded from the definition of Assets and from this Agreement (collectively, "Excluded Assets"):
- (a) cash (including purchase order deposits and maintenance and security deposits) and cash equivalents, including all account balances and deposits in bank accounts prior to Closing, including a \$9,000.00 security deposit made out to Allen Albus, Seller's Landlord for Seller's personal residence located at 2414 Rivermist Ct., Naperville, IL 60565. A copy of a cancelled check evidencing said security deposit to Seller's Landlord is attached hereto in schedule 2(a);
 - (b) accounts receivable arising from the operation of the Ashley Ellis business prior to Closing, whether or not the receivables were billed prior to Closing. All excluded accounts receivable, whether billed or unbilled, shall be listed on schedule 2(b);
 - (c) all refunds and deposits of all federal, state, local and foreign taxes due to Seller with respect to the Business for any period;
 - (d) all of Seller's corporate stock record books, corporate record books containing minutes of meetings of the Board of Directors and shareholders of Seller and all other records related to Seller's corporate organization and capitalization, tax records and returns, schedules of depreciation and financial statements (collectively, the "Other Records"), provided that, Shareholder and Seller will retain and make available to Purchaser for not less than five (5) years following the Closing Date, for its inspection and copying, upon reasonable request and during normal business hours, the Other Records. If Seller elects to destroy the Other Records after the fifth anniversary of the Closing Date, Seller agrees to give Purchaser thirty (30) days prior written notice thereof and afford Purchaser the opportunity to retain at Purchaser's expense any Other Records Purchaser may select, in Purchaser's sole discretion;
 - (e) any purchase orders, contracts, agreements, licenses and leases not expressly assumed by Purchaser in accordance with Section 3 of this Agreement;
 - (f) those assets and properties listed on Schedule 2(e); and
 - (g) all of Seller's rights and obligations under any Benefit Plan which is not an Assumed Plan; and

3. **Non Assumption of Liabilities.**

- (a) Assumed Liabilities. Purchaser is not assuming and will not be liable for any debts, liabilities or obligations of Seller or the Business, except as follows (collectively, the "Assumed Liabilities"):
 - i) all obligations arising in the ordinary Course of Business after the Closing Date under the Contracts, Leases and Assumed Plans except as otherwise provided in this Agreement, provided however, Purchaser will not assume or be obligated under any Contract or Lease, even if set forth on Schedule 1(f), Schedule 1(g) or Schedule 1(h) which, as of the Closing Date: (i) is in breach or default; (ii) any party claims another party is in breach or default thereunder; (iii) under which a notice of event allowing Seller an opportunity to cure a breach or default has been sent or delivered to Seller, or (iv) is an exception from Seller's and Shareholder's representations and warranties set forth in Sections 5(h)(i) through 5(h)(x) inclusive; and
- (b) Seller's Obligations. Except for the Assumed Liabilities, Purchaser is not assuming, and Purchaser shall not be liable for, any other obligation of Seller or Shareholder, contingent or absolute, known or unknown, all of which shall be and remain the sole obligation of Seller and/or Shareholder, as the case may be, including, but not limited to, without limitation:
 - i) accrued Vacation Pay due and owing to any employee of the Business who is not hired by Purchaser as of the Closing Date, or any accrued vacation Pay, accrued prior to Closing date, due and owing an employee of the Business who is hired by the Purchaser;

- ii) all trade payables and expenses of Seller; and
 - iii) secured obligations, financing obligations any kind, state sales tax, state unemployment compensation liabilities, federal income taxes or any tax levied upon Seller by the State of Illinois for the transactions described herein and any other third party claims against the Assets,
- (c) Assignment and Assumption of Contracts. Seller shall assign to Purchaser and Purchaser shall assume on the Closing Date, all of Seller's rights and obligations with respect to, and Purchaser shall take the position of Seller under, all assumed Contracts and Leases. If before the Closing Date, Seller is unable to secure a duly executed consent, where in the reasonable opinion of Purchaser such consent is necessary to a binding and enforceable conveyance of any Contract or Lease being assigned to Purchaser hereunder, Seller and Shareholder shall cooperate with Purchaser in any reasonable arrangement designed to provide to Purchaser the benefit of any such Contract or Lease, including enforcement of any and all rights Seller has against any other party to such Contract or Lease or arising under such Contract or Lease. Seller shall, after the Closing Date, use its best efforts to secure any such consent if such consent is deemed necessary by Purchaser.
4. **Purchase Price** (Cash Consideration, Stock, Earnout Consideration and Employment Agreement), Method of Payment, and Allocation of Purchase Price.
- (a) Cash Consideration :
- i) Seller shall receive \$200,000.00 upon date of closing;
 - ii) Seller shall receive \$200,000.00 within six (6) months of closing;
- (b) Stock Consideration:
- i) Seller shall receive 1,250,000 shares of JOB restricted common stock. Purchaser shall use reasonable efforts to deliver said shares within 90 calendar days of closing, subject to Purchaser's receipt of stockholder approval, if required, and NYSE Amex Final Approval. The fair market value of the shares of Restricted Stock on the date of grant shall be deemed to be part of the Purchase Price and the shares of Restricted Stock shall be deemed purchased from Purchaser by Seller with Assets having a value equal to the fair market value of the shares of Restricted Stock on the date of the grant, which will be the closing date.
- (c) All Claims by Purchaser pursuant to this Section 4 are subject to the provisions of Section 10.
- (d) The Purchase Price is hereby allocated among the Assets as set forth upon Schedule 4(i), which allocation and Schedule may be amended following the Closing Date to reflect any adjustment to the Purchase Price. Seller and Purchaser shall:
- i) prepare and file all tax returns, reports (including an Asset Acquisition Statement, Form 8594) and supporting schedules consistent with the allocation of the Purchase Price described upon Schedule 4(i), as may be amended; and
 - ii) not claim or assert in any tax audit, review, examination or litigation that the allocation of the Purchase Price is or should be different that or inconsistent with the allocation described upon Schedule 4(i).
5. **Representations and Warranties of Seller and the Shareholder.** For purposes of this Section 5, the term "Seller's knowledge" shall mean the actual knowledge or that knowledge reasonably imputed to a prudent person engaged in the same line of business, or any officer, director or employee of Seller or Shareholder. Seller and the Shareholder, jointly and severally, hereby represent and warrant to Purchaser as follows:

- (a) Existence and Good Standing. Seller is limited liability company duly organized, validly existing and in good standing under the laws of the State of Illinois, having full power and authority to carry on the Business as it has been and is now being conducted. Seller is duly qualified to transact business as a foreign corporation and is in good standing in each jurisdiction in which its operation of the Business and its ownership of the Assets requires it to be so qualified or its failure to do so would not result in an adverse effect on Seller's or Purchaser's Business, operations or financial condition (an "Adverse Effect"). Attached as Schedule 5(a) is a listing of each jurisdiction in which Seller is qualified to conduct business.
- (b) Authority. Seller and Shareholder each have the requisite power and authority to negotiate, execute, deliver and perform this Agreement, their respective covenants, duties and obligations under this Agreement and the transactions described in or contemplated by this Agreement. This Agreement has been duly executed by Seller and Shareholder. Seller has obtained the necessary authorization of its shareholders and its Board of Directors in accordance with all applicable laws and its Articles of Incorporation and By-Laws. This Agreement is the valid, legal and binding obligation of Seller and Shareholder, enforceable against Seller and Shareholder in accordance with its terms. No other action by Seller or Shareholder is necessary to authorize the execution and delivery of this Agreement by Seller and Shareholder, the performance by Seller and Shareholder of their respective covenants, duties and obligations set forth in this Agreement or the consummation by Seller or Shareholder of the transactions described in or contemplated by this Agreement.
- (c) No Conflicts. Neither the execution and delivery of this Agreement, nor the consummation of the transactions described in or contemplated by this Agreement, constitute a default under or conflict with any judgment, decree or order of any court or other federal, state, local or foreign governmental agency or authority (individually, a "Governmental Authority") to which Seller or Shareholder is subject or to any agreement or understanding to which Seller or Shareholder is a party. The execution, delivery and performance of this Agreement by Seller and Shareholder does not require the consent, approval or action of, or any filing with or notice to, any public authority or any other person or entity whatsoever, except as may be required to transfer and assign the Contracts, Leases and the Permits from Seller to Purchaser.
- (d) Seller's Financial Statements. Prior to Closing, Seller has furnished or will furnish to Purchaser copies of financial statements consisting of (i) the balance sheet of Seller as of July 31, 2011 and the related statement of income for the 12 month period then ended, (the "Interim Financials"), and (ii) the balance sheets of Seller as of July 31, 2011) and the related statements of income, retained earnings and cash flow for the years then ended (the "Year-End Financials"), [the Interim Financials and the Year-End Financials shall hereinafter be collectively referred to as "Seller's Financial Statements"]. Seller's Financial Statements are true, correct and complete in all material respects to the extent they refer to dates and periods covered thereby, and present an accurate and complete disclosure of the financial condition and results of operations of Seller as of the respective dates and for the respective periods covered thereby.
- (e) Title to, and Condition of, the Assets. Except as set forth on Schedule 5(e), Seller has good and marketable title to the Assets, free and clear of all Liens. The Assets will be transferred to the Purchaser on the Closing Date free and clear of all Liens. All of the Personal Property material to the Business is in working order, condition and repair, ordinary wear and tear excepted, and fit for the purposes intended in connection with the operation of the Business.
- (f) Permits. Seller currently maintains all material Permits required by all applicable Governmental Authorities for Seller's operation of the Business and Seller's ownership and use of the Assets, and all such Permits are valid and in full force and effect. Except as disclosed upon Schedule 5(f): (i) Seller is in compliance in all material respects with the terms and conditions of all such Permits and, where applicable or necessary, has applied for and obtained renewal of each such Permit, (ii) Seller has not received, nor does Seller anticipate receiving, any notice regarding the revocation or amendment of any Permit, and (iii) there are no pending, or to Seller's knowledge threatened, actions or proceedings relative to the revocation or amendment of any Permit.
- (g) Intellectual Property. Except as set forth on Schedule 5(g) Seller is the sole and exclusive owner of all of the Intellectual Property used in the Business. The Intellectual Property will be transferred to Purchaser on the Closing Date free and clear of all Liens. Set forth upon Schedule 5(g) is a listing by filing office, registration number, filing date and expiration of renewal date of all Intellectual Property that has been registered with, filed in or issued by the United States Patent and Trademark Office, the United States Copyright Office or the corresponding offices of any other countries or any state, which offices are identified on said Schedule, and those so registered or filed in, or issued by, have been properly maintained and renewed in accordance with all applicable provisions of law and administrative regulations of all applicable countries and states.

- i) Seller has not assigned, licensed, sublicensed, encumbered, made subject to a Lien or transferred, in whole or in part, any Intellectual Property utilized in the operation of the Business.
 - ii) With respect to the operation of the Business, to Seller's knowledge, Seller is not infringing upon the patent, copyright, trademark, service mark, trade name, design, trade secret or other intellectual or proprietary property of any other person or entity, and Seller or Shareholder has not received, nor does Seller or Shareholder anticipate receiving, any notice of any such infringement or notice of any need to seek a license for any Intellectual Property nor, to Seller's knowledge, shall Seller's sale, assignment and transfer to Purchaser of the Intellectual Property infringe upon the patent, copyright, trademark, service mark, trade secret, trade name, design or other intellectual property or proprietary right of any other person or entity.
 - iii) To Seller's knowledge, no person or entity has infringed or is infringing upon, or is engaged in any activity which would constitute a misappropriation of, any Intellectual Property of Seller utilized in connection with the operation of the Business.
 - iv) Seller has paid in full through the date of this Agreement all required license fees and other charges associated with Seller's use of software utilized in connection with the operation of the Business.
 - v) No current or former employee of Seller and no other person or entity owns or has any proprietary, financial or other interest or right, direct or indirect, in whole or in part, in any of the Intellectual Property, or in any application therefor, including any right to royalties or other compensation in connection therewith.
 - vi) Except as set forth on Schedule 5(g)(vi), Seller is not obligated to pay any amount, whether as a royalty, license fee or other payment, to any person or entity to use any of the Intellectual Property.
 - vii) Seller has at all times taken all reasonably necessary and appropriate secrecy safeguards and other affirmative acts to maintain the confidentiality of the Intellectual Property.
- (h) Contracts and Leases. Except as disclosed upon Schedule 5(h), with respect to each Contract and Leases being assumed by Purchaser pursuant to the terms of this Agreement:
- i) Seller is not in breach or default in any material respect thereunder and, to Seller's knowledge, no other person or entity to any such Contract or Lease is in breach or default thereunder in any material respect;
 - ii) there are no pending, or to Seller's knowledge threatened, claims or allegations that any person or entity to any such Contract or Lease is in breach or default thereunder in any material respect;
 - iii) Seller has not received, nor does Seller anticipate receiving, and Seller has not given, nor does Seller anticipate giving, any notice of an event of breach or default by any person or entity to a Contract or Lease, notwithstanding any right to cure such breach or default;
 - iv) no Contract or Lease is the subject of any known dispute, litigation, arbitration or alternative dispute resolution proceeding which, if adversely decided, would have a material adverse effect on the Business or the use of the Assets following the Closing Date;
 - v) other than purchase order deposits in the ordinary course of business which are listed upon Schedule 5(h)(v), no customer has prepaid any sum to Seller pursuant to a Contract, including, without limitation, any portion of an open purchase order or services to be performed, by or on behalf of Seller to or for such customer;

- vi) Seller has not prepaid any sum to any vendor or supplier of Seller pursuant to any Contract or Lease (except for insurance premiums);
 - vii) other than purchase orders in the ordinary course of business, an original counterpart or a true, correct and complete copy of each written Contract and Lease has been provided to Purchaser, including all amendments and modifications thereto;
 - viii) subject to the discretion of courts generally and except as enforcement may be limited by laws affecting the rights of creditors generally, each Contract and Lease is a valid and binding obligation of Seller and the other party or parties thereto and is enforceable against Seller and the other party or parties in accordance with its terms and is in full force and effect;
 - ix) Seller has not received, nor does Seller reasonably anticipate receiving, any notice, direction or other communication regarding any change in pricing, payment, volume of business or any other modification of any material term, or the termination, of any Contract, other than in the ordinary course of business; and
 - x) no Contract or business was obtained by Seller as a result of any price reduction, price abatement, price guarantee, discount, rebate or any payment or other remuneration to any of Seller's customers or any of Seller's customers' employees or agents by virtue of any other transaction or arrangement outside of the ordinary course of the Business, including, without limitation, by virtue of an illegal payment or an illegal price reduction.
- (i) **Absence of Undisclosed Liabilities.** Except as set forth in this Agreement and the Schedules hereto, Seller is not obligated for, nor are any of the Assets subject to, any liabilities, claims or obligations, absolute or contingent, which have or could have an impact or effect on the operation of the Business or the sale, conveyance, grant, transfer, assignment and delivery of the Assets to Purchaser in accordance with the terms of this Agreement. Seller is not, and will not as a result of the consummation of the transactions described in or contemplated by this Agreement be, in default with respect to any term or condition of any liability or obligation relating to the operation of the Business or the Assets. There are no debts, liabilities or obligations of Seller, which, not described in the body of, or on a Schedule or Exhibit to this Agreement, in the aggregate equal or exceed Five Thousand Dollars (\$5,000).
- (j) **Insurance.** Schedule 5(j) is a true, correct and complete listing of all the policies of insurance in force as of the Closing Date covering the life, health and disability of Seller's employees and former employees, and their respective dependants or beneficiaries, as the case may be, and covering casualty, property and product liability in connection with the operation of the Business, the Assets and the provision of Seller's services. With respect to each such policy of insurance, Schedule 5(j) lists: (i) the risk insured against; (ii) the name of the insurer; (iii) the policy number; (iv) the amount of coverage, including deductibles and policy limits; (v) the amount of annual premium; (vi) the expiration date; (vii) the property insured; (viii) the name of the owner and beneficiary; and (ix) as to each, whether such policy of insurance insures on an "occurrence" or "claims made" basis. All of the policies of insurance set forth upon Schedule 5(j) are, and through the Closing Date will be, in full force and effect and all premiums, including retrospective premiums, retention amounts and other costs and expenses related thereto due with respect to any period ending on or prior to the Closing Date have been paid in full. Seller has neither received nor been threatened with and, to Seller's knowledge, Seller does not anticipate receiving, any notice of cancellation with respect to any insurance policy listed upon Schedule 5(j). Seller has not been refused any insurance by any insurance carrier to which it has applied for insurance during the last five (5) years. There are no circumstances known to Seller which would enable any insurer to avoid liability under any insurance policy listed upon Schedule 5(j).
- (k) **Labor Relations and Employee Agreements.** Seller has furnished to Purchaser a complete list of all employees of Seller employed, and all independent contractors engaged by Seller concerning the Business as of the day immediately prior to the date of this Agreement. Seller has separately provided to Purchaser such additional information regarding such employees as requested by Purchaser, including, without limitation, to the extent requested, the titles and the following material terms of employment or engagement, as the case may be, of each such employee and independent contractor: current wages, salaries or hourly rate of pay of, and bonus (whether monetary or otherwise) paid since the beginning of the most recently completed fiscal year or payable in the current fiscal year to, each such employee or independent contractor, the date upon which such wage, salary, rate or bonus became effective, the date upon which each such employee or independent contractor was first hired or engaged, as the case may be, by Seller and whether any such employee or independent contractor has a written employment or consulting contract with Seller. Except as set forth on Schedule 5(k):

- i) No employee or independent contractor is on short-term disability, long-term disability leave, extended absence of any kind (including maternity leave), salary continuance or receiving workers' compensation;
 - ii) There are no written contracts of employment or consulting contracts entered into with any employees or independent contractors or any oral contracts of employment or engagement;
 - iii) There are no pending, threatened or, to Seller's knowledge, reasonably anticipated charges against the Business or Seller under any applicable Governmental Law pertaining to the employment or termination of labor, including, without limitation, the Occupational Safety and Health Act, the 1990 Immigration Act and the Immigration and Nationality Act, Part 6 of Subtitle B of Title I of the Employee Retirement Income Security Act of 1974, as amended or, if applicable, Internal Revenue Code Section 4980B (commonly referred to collectively as "COBRA"), the Family and Medical Leave Act, the Health Insurance Portability and Accountability Act (including state counterparts of such statutes), and those other acts relating to wages, hours, collective bargaining, equal employment opportunity and employment and labor in general, and to the payment of social security and similar taxes, and to the extent of any remedial orders issued under any applicable Governmental Law, Seller has fully complied therewith;
 - iv) There are no grievances or arbitration cases pending, threatened, or, to Seller's knowledge, reasonably anticipated, with respect to Seller and any current or former employee of Seller, including, without limitation, with respect to the employment or termination of employment of any such current or former employee or any allegation of harassment or discrimination against any such current or former employee or with respect to any union agreement;
 - v) There are no pending, or to Seller's knowledge threatened, strikes or lockouts by the employees of Seller and Seller has not experienced any work stoppage relating in any manner to its labor practices and relationship with its employees during the prior five (5) year period;
 - vi) Seller is in full compliance with and has not received, nor does Seller anticipate receiving, any notice of violation of any applicable Governmental Law, including, without limitation, Title VII of the Civil Rights Act, Age Discrimination in Employment Act, Americans With Disabilities Act, Rehabilitation Act of 1973, Family and Medical Leave Act, Pregnancy Discrimination Act, COBRA, Fair Labor Standards Act, Equal Pay Act, Portal-to-Portal Act, Davis-Bacon Act, Service Contract Act, Contract Work Hours and Safety Standards Act, Walsh-Healey Government Contracts Act, Executive Order 11246, Vietnam Veterans Readjustment Assistance Act, the 1990 Immigration Act and the Immigration and Nationality Act and the Occupational Safety and Health Act; and
 - vii) None of the employees of Seller is covered by any collective bargaining agreement, and no collective bargaining agreement is currently being negotiated by Seller, no one has petitioned within the last five (5) years, and, to Seller's knowledge, no one is now taking any action with respect to organizing any of Seller's employees.
- (l) Benefit Plans. Other than the Assumed Plans and except as set forth on Schedule 5(l), after the Closing Date, Purchaser will not be obligated or required to continue any bonus plan, vacation policy, commission arrangements, pension plan, insurance or any other employee arrangement, benefit plan or fringe benefit or any other Benefit Plan that may have been in effect prior to the Closing Date and all payments due to employees of the Business or to a Benefit Plan maintained on their behalf which arise or accrue on or prior to the Closing Date (including, without limitation, accrued vacation to those employees who are not hired by Purchaser as of the Closing Date) have been, or will be, paid by Seller on or before the Closing Date.

- i) Schedule 5(1) sets forth a complete list of all "Employee Pension Benefit Plans" ("Pension Plans") or any "Employee Welfare Benefit Plans" ("Welfare Plans") as such terms are defined in Sections 3(2) and 3(1), respectively, of ERISA, which are subject to ERISA and any bonus, pension, profit sharing, deferred compensation, incentive compensation, excess benefit, stock, stock option, severance, termination pay, change in control, fringe benefit or other employee benefit plans, programs or arrangements, including, but not limited to, those providing medical, dental, vision, disability, life insurance and vacation, sick leave, holidays and other paid time off benefits (other than those required to be maintained by law), qualified or unqualified, funded or unfunded, foreign or domestic, and also including, without limitation, the Assumed Plans (individually, a "Benefit Plan" and collectively, the "Benefit Plans"), which Seller maintains or has maintained, or has been obligated to contribute to within the 10-year period ending on the Closing Date. Seller has delivered complete and correct copies of each Benefit Plan and related trust agreement and annuity contract (including amendments to any of the foregoing) and (to the extent applicable) a copy of each Benefit Plan's current summary plan description. In addition, to the extent applicable, Seller has provided to Purchaser a copy of the most recent IRS determination letter issued, copies of the three most recently filed IRS Forms 5500 together with all schedules, actuarial reports and accountants' statements for each Benefit Plan, and a written description of all non-written benefit plans or arrangements and all employee manuals or handbooks.
- ii) To the best of Seller's knowledge, each Assumed Plan has been maintained in compliance with its terms and all provisions of ERISA and the Internal Revenue Code of 1986, as amended (the "Code"), applicable thereto (including rules and regulations thereunder), and other applicable legal requirements.
- iii) Each Benefit Plan which is intended to be "qualified" within the meaning of Section 401(a) of the Code has been determined by the Internal Revenue Service (the "IRS") to be so qualified and each trust created thereunder has been determined by the IRS to be tax exempt under Section 501(a) of the Code except with respect to any amendments for which the remedial amendment period has not expired as of the Closing Date, and no event or condition exists which is reasonably likely to adversely affect the qualified status of each such Benefit Plan or the tax exempt status of each trust created thereunder.
- iv) To the best of Seller's knowledge, none of the Assumed Plans are currently subject to an audit or other investigation by the IRS, the Department of Labor, the Pension Benefit Guaranty Corporation or any other Governmental Authority nor are any subject to any law suits, complaints, claims or legal proceedings of any kind pending or threatened or anticipated, and no filing has been made with respect to any of the Assumed Plans under the IRS Employee Plans Compliance Resolution System, the Voluntary Compliance Resolution Program, the Closing Agreement Program, the Delinquent Filer Voluntary Compliance Program or the Pension Payback Program, or programs which are predecessor thereto, which is reasonably likely to result in liability to Purchaser, now or in the future.
- v) To the best of Seller's knowledge, no "prohibited transaction" as defined in Section 406 of ERISA or Section 4975 of the Code has occurred with respect to any Assumed Plan. No breach of fiduciary responsibility under Part 4 of Title I of ERISA resulting in any liability to Seller, any trustee, administrator or fiduciary of any Assumed Plan has occurred. Neither Seller nor any Commonly Controlled Entity (as defined in Section 5(10)(vii) hereof) has any secondary liability resulting from a transaction described in ERISA Section 4204.
- vi) All contributions required to be paid under the terms of each Assumed Plan have been made by the due date and to the extent not yet due, have been accrued as a liability on the most recent balance sheet.
- vii) At no time during the past seven (7) years has Seller or any trade or business which together with Seller would be treated as a single employer under Section 4001(b)(1) of ERISA or Section 414 of the Code (a "Commonly Controlled Entity"), contributed to, or incurred any liability with respect to, any Pension Plan which is subject to Title IV of ERISA, including any multi-employer plan, as such term is defined in Section 3(37) of ERISA or Section 4001(a)(3); and no event or condition exists with respect to a Benefit Plan which could give rise to a Lien on any of the Assets.

- viii) Each Welfare Plan has at all times been maintained in compliance with its terms and with the provisions of Section 4980 B of the Code and Parts 6 and 7 of Title I of ERISA. Except as required by law neither an Assumed Plan nor the Seller provides or promises post-employment health or life benefits to current or former employees of Seller, and Seller has made no such promises, oral or written to its current or former employees.
- ix) Seller has not incurred, nor is reasonably likely to incur, any liability for any penalty or tax under Chapter 43 of Subtitle D of the Code or Section 502 of ERISA.
- x) No employee, director or independent contractor of Seller will become entitled to any retirement, severance, bonus or similar benefit or enhanced or accelerated benefit solely as a result of the transactions contemplated hereby. Without limiting the generality of the foregoing, no amount required to be paid or payable to or with respect to any employee of Seller in connection with the transaction contemplated hereby (either solely as a result thereof or as a result of such transactions in conjunction with any other event) will be an "excess parachute payment" within the meaning of Section 280G of the Code.
- xi) Seller, and after the Closing Date, Purchaser has the right to amend or terminate any of the Assumed Plans without creating any liability thereunder.
- xii) Except as individually listed by name, Social Security number and election date (or election deadline) on Schedule 5(l), no employees, former employees or their qualified beneficiaries (as defined in Section 607 of ERISA) of the Seller have elected continuation coverage, as defined in COBRA, or have had a qualifying event for which the election period, as defined in COBRA, has not expired.
- (m) Payment of Taxes. Seller has fully and timely reported and fully paid, and will continue to fully and timely report and pay all federal, state and local taxes of every kind, nature and description that are due and payable or accrued with respect to the Business, including, without limitation, all payroll, withholding, sales, use, license, franchise, property and income taxes, which accrue up to and including the Closing Date. Additionally, there are no adverse claims, audit, or other proceedings or investigation by any Governmental Body, or of any position taken on a Tax Return of Sellers, which could reasonably be expected to give rise to an Adverse Claims with respect to any of the Purchased Assets and/or the Business.
- (n) Litigation. Except as disclosed upon Schedule 5(n) there is no litigation, arbitration, proceeding or controversy which is pending before any court or Governmental Authority, or arbitrator or board of arbitrators, to which Seller is a party, or which is affecting or, to Seller's knowledge, may affect or is threatened against, the Business, the Assets or Seller's right to carry on the Business as conducted as of the Closing Date. There is no action, suit or proceeding pending or threatened or, to Seller's knowledge, anticipated before any court or Governmental Authority which would give any party the right to rescind or enjoin the sale and purchase of the Assets in accordance with the terms of this Agreement or any of the other transactions described in or contemplated by this Agreement.
- (o) Computer Systems. Seller's computer systems have been satisfactorily maintained and supported. The computer systems have adequate capability and capacity for the current requirements of the Seller. The Seller has sufficient technically competent and trained employees to ensure proper handling, operation, monitoring and use of the computer systems. The Seller has adequate procedures to ensure internal and external security of the computer systems, including procedures for taking and storing on-site and off-site back-up copies of computer programs and data. Except as set forth on Schedule 5(o), the Seller is the owner of all hardware and is the licensee of software licenses necessary to enable it to keep, copy, maintain, and use the Seller's records in the ordinary course of its business.
- (p) Customers and Suppliers. Seller has used its best business efforts to maintain good working relations with all of its customers and suppliers. Schedule 5(p) contains the following information: (i) a list of the names and sales figures for of each of the ten (10) customers that were the largest dollar volume customers of Seller during the calendar year 2010 and during the interim year from January 1, 2011 through the Closing Date; and (ii) a list of the names and sales figures for each of the ten (10) suppliers of Seller that were the largest dollar volume suppliers of Seller during the calendar year 2010, and during the interim year from January 1, 2011 through the Closing Date. To Seller's knowledge, no existing customer or supplier has given or threatened to give Seller written or oral notice of termination, cancellation or modification of any Contract or agreement to which such customer or supplier, as the case may be, and Seller is a party. Except for ownership of less than five percent (5%) of the stock of companies publicly traded on a national exchange or over-the-counter, there is no financial interest of any kind between any of Seller's suppliers or customers and Seller, Shareholder, or any officer, director or employee of Seller or Shareholder.

- (q) **Compliance with Laws.** The Business is, and will continue to be through the Closing Date, in compliance in all material respects with all Governmental Laws applicable to the Business and Seller has secured all necessary permits, authorizations and licenses issued by Governmental Authorities applicable to the Business and the Assets, where the failure to do so would result in an Adverse Effect.
- (r) **Misstatements or Omissions.** No representation or warranty made by Seller or Shareholder in this Agreement or in any document, written statement, certificate, Schedule or Exhibit furnished to Purchaser or its counsel pursuant to this Agreement, or in connection with the transactions described in or contemplated by this Agreement, contain any untrue statement of fact, or omit to state a fact necessary to make the statements of fact contained therein not misleading. All statements made and data presented by Seller and Shareholder in any document, written statement, certificate, Schedule or Exhibit identified in this Agreement as having been provided to Purchaser pursuant to, or in connection with, this Agreement are deemed to be representations and warranties made by Seller and Shareholder to Purchaser under this Agreement.

6. Representations and Warranties of Purchaser. Purchaser represents and warrants to Seller and Shareholder as follows.

- (a) **Existence and Good Standing.** Purchaser is a corporation duly organized, validly existing and in good standing under the laws of State of Illinois.
- (b) **Authority.** Purchaser has the requisite corporate power and authority to execute, deliver and perform this Agreement, its covenants, duties and obligations under this Agreement and the transactions described in or contemplated by this Agreement. This Agreement has been duly executed by Purchaser and is a valid, legal and binding obligation of Purchaser enforceable against Purchaser in accordance with its terms. No other action by Purchaser is necessary to authorize the execution and delivery by Purchaser of this Agreement, the performance by Purchaser of its covenants, duties and obligations set forth in this Agreement or the consummation of the transactions described in or contemplated by this Agreement.
- (c) **No Conflicts.** Neither the execution and delivery of this Agreement, nor the consummation of the transactions described in or contemplated by this Agreement, constitute a default under or conflict with any judgment, decree or order of any court or other Governmental Authority to which Purchaser is subject or to any agreement or understanding to which Purchaser is a party. The execution, delivery and performance of this Agreement by Purchaser does not require the consent, approval or action of, or any filing with or notice to, any public authority or any other person or entity whatsoever.
- (d) **Misstatements or Omissions.** No representation or warranty made by Purchaser in this Agreement or in any document, written statement, certificate, Schedule or Exhibit furnished to Seller or Shareholder or their respective counsel pursuant to this Agreement, or in connection with the transactions described in or contemplated by this Agreement, contain any untrue statement of fact, or omit to state a fact necessary to make the statements of fact contained therein not misleading. All statements made and data presented by Purchaser in any document, written statement, certificate, Schedule or Exhibit identified in this Agreement as having been provided to Seller or Shareholder pursuant to, or in connection with, this Agreement are deemed to be representations and warranties made by Purchaser to Seller and Shareholder under this Agreement.

7. Covenants of the Parties.

- (a) Employment/Covenant Not To Compete. Contemporaneously with the execution of this Agreement, Brad Imhoff shall enter into, execute and deliver to Purchaser an Employment Agreement and Non-Disclosure and Non-Competition Agreement with Purchaser in the forms attached as **Exhibit 7(a)(i) and Exhibit 7(a)(ii)**, respectively. It is additionally understood and agreed that one of Seller's key employees, Katy M. Gallagher, shall also enter into and execute and deliver to Purchaser an Employment Agreement and Non-Disclosure and Non-Competition Agreement with Purchaser in the forms attached as **Exhibit 7(a)(iii) and Exhibit 7(a) (iv)** respectively.
- (b) Inspection of the Business. As of the date hereof through the Closing Date, Shareholder and Seller will give to Purchaser and its counsel, accountants and other representatives, full access during normal business hours to its offices, properties, agreements, records and affairs relating in any manner to the Business, and will cause Seller's employees to furnish Purchaser with such financial and operating data and other information with respect to the Business and properties of Seller being sold, transferred and assigned to Purchaser as Purchaser may from time to time reasonably request.
- (c) Seller's Name Change. On the Closing Date, Seller will deliver to Purchaser such documents as Purchaser may require in order to change Seller's corporate name with the Department of State of State of Illinois, and all other states in which Seller is qualified to transact business and Shareholder will deliver to Purchaser such documents as Purchaser may require in order to change the name of all other companies owned in whole or in part by Shareholder which contain the phrase "Ashley Ellis" to a dissimilar name and provide Purchaser with resolutions of each such company's Boards of Directors and stockholders as certified by such company's secretary, authorizing such company to change its name to effectuate such name change.
- (d) Consents and Approvals.
 - i) Contemporaneously with the execution of this Agreement, Seller and Purchaser shall enter into, execute and deliver to the other an Assignment and Assumption Agreement in the form attached as Exhibit 7(d).
 - ii) Seller will utilize all commercially reasonable efforts to obtain all necessary consents and approvals of all persons, entities and Governmental Authorities required to effectuate the objects of this Agreement and deemed reasonably necessary by Purchaser.
 - iii) Schedule 7(d)(iii) sets forth both those consents and approvals obtained by Seller prior to the Closing Date and those consents and approvals deemed reasonably necessary by Purchaser but not obtained prior to the Closing Date.
 - iv) To the extent that Seller was unable to procure prior to the Closing Date a duly executed consent to the assignment of any Contract or Lease, where in the reasonable opinion of Purchaser such consent is necessary to the assignment to Purchaser of any such Contract or Lease, Seller will cooperate with Purchaser in any reasonable arrangement designed to provide to Purchaser the benefit of any such Contract or Lease, including, without limitation, enforcement of any and all rights Seller has, or may have, against any other party to such Contract or Lease or arising under such Contract or Lease, until such time as an effective consent to such assignment is procured by Seller or Purchaser. Seller shall, after the date of this Agreement, use its best efforts to secure any such consent if such consent is deemed necessary by Purchaser.
 - v) Seller will utilize all commercially reasonable efforts (but not the payment of money other than nominal transfer fees) to assign and transfer all transferable Permits to Purchaser, and will provide such further assistance as may be reasonably requested, from time to time after the date of this Agreement, by Purchaser to assist Purchaser in obtaining any nontransferable Permits which are necessary by Purchaser to operate the Business.
- (e) Satisfaction of Existing Liabilities of Seller. Following the date of this Agreement, with the exception of the Assumed Liabilities, Seller will continue to pay or otherwise satisfy, in due course, all of Seller's debts, liabilities, accounts payable and other obligations relating to the operation of the Business prior to the date of this Agreement and the ownership or use of the Assets prior to the date of this Agreement, including, without limitation, all taxes, assessments, governmental charges and deposits assessed by all applicable Governmental Authorities with respect to periods prior to the date of this Agreement.

- (f) Prorations and Adjustments. Except for the Assumed Liabilities, effective as of the date of this Agreement, Seller and Purchaser hereby agree to prorate all Leases, maintenance contracts, utilities, Personal Property taxes, assessments and fees and employee vacation, sick leave and holiday payments to be made through the day immediately preceding the Closing Date. Seller and Purchaser agree that the accrued, but unused vacation, sick leave and holiday pay for all of Seller's employees hired by Purchaser as the Closing Date is set forth on Schedule 7(f). It is understood and agreed that Seller will be liable for all liabilities prior and up to closing, and Purchaser will be liable for all **assumed** liabilities subsequent to closing.
- (g) Life Insurance on Shareholder. Shareholders agree that Purchaser may obtain life insurance coverage on Shareholders, at Purchaser's sole cost, in amounts and on such terms as Purchaser deems necessary, in Purchaser's sole discretion, which such insurance shall name Purchaser as the beneficiary thereof.
- (h) Payment of Transfer Taxes. Notwithstanding anything herein to the contrary, the obligation to pay any sales or use tax in connection with the sale and transfer of the Assets will be the obligation of the Shareholder and Seller.
- (i) Further Assurances. Seller, the Shareholder and Purchaser each agree to execute and deliver such additional documents, and take such further actions, as may be necessary or advisable to provide each of the parties to this Agreement with the rights and benefits intended to be afforded to each pursuant to the terms of this Agreement, including, without limitation, cooperating with Purchaser in obtaining the insurance coverage set forth in this Section 7 and in any reasonable arrangement designed to provide Purchaser with the benefit of all Choses assigned to Purchaser by Seller pursuant to the terms of this Agreement.
- (j) Seller's Continuation Coverage. Seller has timely and completely provided, and will continue to provide, all notices and will provide such continuation of health benefits coverage, including, without limitation, medical and dental coverage, as is required to be provided to employees, former employees and the beneficiaries or dependents of such employees and former employees under Part 6 of Subtitle B of Title I of ERISA (without regard to ERISA Section 602(2)(B), Internal Revenue Code Section 4980B (without regard to Section 4980B(f)(2)(B)(ii)) or state continuation coverage laws, to the extent such notices and continuation of health benefits coverage were or are required to be provided by reason of events occurring prior to or as of the date of this Agreement or as a result of the consummation of the transactions described in or contemplated by this Agreement or otherwise.
- (k) Seller's Employee Benefits. Seller shall be responsible for paying, or causing to be paid, directly to Seller's employees and former employees, and their respective beneficiaries or dependents, as the case may be, all benefits to which such employees or such beneficiaries are entitled, including but not limited vacation time or paid time off, under Seller's Benefit Plans, and Purchaser shall assume no liability therefor or with respect thereto. Other than the Assumed Plans, no portion of the assets of any plan, fund, program or arrangement, written or unwritten, heretofore sponsored or maintained by Seller (and no amount attributable to any such plan, fund, program or arrangement) shall be transferred to Purchaser and Purchaser shall not be obligated or liable to continue any such Benefit Plan after the date of this Agreement. Purchaser shall not be liable for any claim for insurance reimbursement or other benefits payable under any of Seller's Benefit Plans.
- (l) Assignment of Real Property Lease, Personal Property Leases and Assumed Plans. Seller covenants and agrees that if Seller is unable to assign any Real Property Lease, Personal Property Lease or Assumed Plan desired by Purchaser, that Seller shall continue to keep such Real Property Lease, Personal Property Lease or Assumed Plan, as the case may be, in full force and effect, such that Purchaser shall receive the full benefit of such leases or plan. Purchaser covenants and agrees to reimburse Seller for Seller's actual out of pocket costs to maintain such leases and plan and the same shall be prorated for any partial month, including, without limitation.

8. Conditions Precedent To Closing.

- (a) Preconditions To Purchaser's Closing. Purchaser's obligation to consummate the transactions contemplated herein shall be subject to the following conditions precedent, each of which must be fulfilled or waived in writing prior to Purchaser being obligated to consummate the transactions contemplated herein. If any of the following conditions precedent are not fulfilled on or before August 31, 2011, or if Purchaser, in Purchaser's sole discretion, determines that any of the following conditions precedent are not capable of being fulfilled on or before August 31, 2011, then Purchaser may terminate this Agreement without any liability to the Shareholder or Seller or any other party:
- i) Due Diligence Review. Purchaser's due diligence review of Seller, the Assets, the Leases, the Contracts, the Business and the Assumed Liabilities must be satisfactory to Purchaser, in Purchaser's sole discretion.
 - ii) Conduct of Business and Absence of Certain Changes. Since June 30, 2011, except as set forth on Schedule 8(a)(ii), there has not been any material adverse change in the Business, the Assets, the Assumed Liabilities or Seller's operations not applicable to businesses in the industry of the Business generally. Without limiting the generality of the foregoing, there has not been, since June 30, 2011:
 - (A) any increase made or promised in the compensation or other remuneration or rates thereof payable, or to become payable, by Seller to any employee of the Business, or any material change in any of the terms and conditions of employment of any of the employees of the Business;
 - (B) any sale or transfer of any Asset other than in the ordinary course of business;
 - (C) any sale, license, assignment or other transfer by Seller of any of the Intellectual Property;
 - (D) any amendment to, or termination of, any Contract or Lease, except for terminations of Contracts and Leases that expire in accordance with the terms thereof;
 - (E) any commitment made by Seller, through negotiations or otherwise, or any liability incurred, to any labor organization with regard to any of Seller's employees;
 - (F) any discharge or satisfaction of any obligation or liability (whether accrued, absolute, fixed or contingent), other than those discharged or satisfied in the ordinary course of business consistent with past practice and without accelerations;
 - (G) the adoption or institution of any new bonus, profit-sharing, pension plan, Benefit Plan or similar arrangement or any changes in any such existing plans;
 - (H) any incurrence (whether discharged or not) of any obligation or liability (whether accrued, absolute, fixed or contingent), other than current liabilities incurred, and obligations entered into, in the ordinary course of business consistent with past practices;
 - (I) any material loss, damage or destruction to any of the Assets, whether or not covered by insurance;
 - (J) any other event or condition of any character which materially and adversely affects or threatens to so affect Seller's financial condition, results of operations, business or prospects;
 - (K) any change in accounting principles or practices from those utilized in the preparation of Seller's Financial Statements, except for changes in accounting principles imposed by the accounting profession generally on businesses in Seller's industry generally; and
 - (L) any transaction relating to the Business entered into by Seller other than in the ordinary course of business consistent with past practice.
 - iii) Representations True and Correct. All of the representations and warranties of Shareholder and Seller hereunder shall remain true and correct in all material respects from the date hereof through, and including, the Closing Date.

- iv) Approval by Purchaser's Board of Directors. Approval of this Agreement, the ancillary agreements relating hereto and the transactions contemplated herein, by Purchaser's and Purchaser's parent company's Boards of Directors, in their sole discretion.
 - v) Approval by Purchaser's shareholders, if required, within 120 calendar days of closing.
 - vi) Consents and Approvals. As of the Closing Date, Shareholder and Seller will have obtained all necessary consents and approvals of all persons, firms, entities and Governmental Authorities required by this Agreement. As of the Closing Date, Purchaser shall have obtained all necessary Permits to operate the Business.
 - vii) Interim Financials. Seller has provided Purchaser the Interim Financials and Purchaser has had the same reviewed to Purchaser's sole satisfaction by Purchaser's accounting/audit firm as the same may be regularly retained by Purchaser from time to time.
- (b) Preconditions To Shareholder's and Seller's Closing. Shareholder's and Seller's obligation to consummate the transactions contemplated herein shall be subject to the condition precedent of all of the representations and warranties of Purchaser hereunder remaining true and correct in all material respects from the date hereof through, and including, the Closing Date. If such condition precedent is not fulfilled on or before August 31, 2011, or if Shareholder and Seller, in their reasonable discretion, determine that such condition precedent is not capable of being fulfilled on or before August 31, 2011, then Shareholder and Seller may terminate this Agreement without any liability to Purchaser or any other party.
9. **Closing Date.** Subject to the satisfaction of the conditions set forth herein, the closing ("Closing") of the transactions contemplated by, and described in, this Agreement with respect to the sale, transfer and assignment of the Assets will take place August 31, 2011 (the "Closing Date") at 10 a.m., central standard time, at General Employment Enterprises, Inc. , One Tower Lane, Suite 2200, Oakbrook Terrace, Illinois 60181, or on another date, or at another time or location as is mutually agreed upon by the parties hereto.
- (a) Seller's and the Shareholder's Deliveries. At Closing Seller and Shareholder hereby deliver, or cause to be delivered, to Purchaser, the following:
- i) such bills of sale, assignments (including, without limitation, recordable assignments of the Intellectual Property, if any), certificates and other instruments of transfer required to effectively transfer and assign absolute, good and marketable title to all of the Assets to Purchaser, free and clear of all Liens, in accordance with the terms of this Agreement;
 - ii) all necessary consents and approvals of all persons, entities and Governmental Authorities required pursuant to the terms of this Agreement to the extent received by Seller or Shareholder prior to or as of the date of this Agreement;
 - iii) certified copies of resolutions duly adopted by the Board of Directors of Seller authorizing the execution of this Agreement and the consummation of the transactions described in and contemplated by this Agreement, including, without limitation, the change of Seller's corporate name and the execution and delivery of all documents described in or contemplated by this Agreement;
 - iv) originally executed Articles of Amendment to the Articles of Incorporation of Seller, which are sufficient in form and substance to properly effectuate a corporate name change upon filing with the appropriate Secretary of State and such other originally executed documents as are necessary to effectuate Seller's name change in all other jurisdictions in which Seller is authorized to conduct business;
 - v) all Records of the Business pursuant to Section 1(d) and physical possession of all tangible Assets;

- vi) the Employment Agreements attached hereto as Exhibits 7(a)(i), 7(a)(ii), 7(a)(iii) as executed by the Shareholder, Brad Imhoff and key employee Katy Gallagher::
 - vii) the Non-Disclosure and Non-Competition Agreement attached hereto as Exhibit 7(a)(iv) as executed by the Seller and Shareholder, Brad Imhoff and key employee Kathy Gallagher.
 - viii) the Assignment and Assumption Agreement attached hereto as Exhibit 7(d) as executed by Seller;
 - ix) a good standing certificate issued by the Secretary of State of each jurisdiction in which Seller is authorized to conduct business, each of which has been issued within ten (10) days of the Closing Date;
 - x) an incumbency certificate;
 - xi) a certificate, signed by the Chief Executive Officer of Seller, to the effect that the representations and warranties made by Seller hereunder are true and correct in all material respects as of the Closing Date;
 - xii) a certificate of the Shareholder to the effect that the representations and warranties made by the Shareholder hereunder are true and correct in all material respects as of the Closing Date;
 - xiii) evidence of financing statement termination to the extent necessary to extinguish any liens against or other security interest in, any of the Assets;
 - xiv) Seller's tax certificates setting forth that all taxes and withholding, including but not limited to, sales, excise, income, FICA, workers' compensation and unemployment, have been paid or will be paid by Seller as they become due; and
 - xv) such other documents and instruments as may be reasonably requested and satisfactory to Purchaser and its counsel in connection with the full performance by Seller and Shareholder of their respective covenants, duties and obligations described in or contemplated by this Agreement.
- (b) Purchaser's Deliveries. At Closing Purchaser hereby delivers, or causes to be delivered, to Seller or Shareholder, as applicable, the following:
- i) Two Hundred Thousand Dollars (\$200,000) via Purchaser's corporate check;
 - ii) Five Hundred Thousand (1,250,000) shares of JOB restricted common stock will be delivered as promptly as possible after receiving shareholder approval, if required, and NYSE Amex final approval.
 - iii) a certified copy of resolutions duly adopted by the Board of Directors of Purchaser authorizing the execution of this Agreement and the consummation of the transactions described in and contemplated by this Agreement;
 - iv) an incumbency certificate;
 - v) the Assignment and Assumption Agreement attached hereto as Exhibit 7(d) as executed by Purchaser; and
 - vi) such other documents and instruments as may be reasonably requested and satisfactory to Seller, Shareholder and their respective counsel in connection with the full performance by Purchaser of its covenants, duties and obligations described in or contemplated by this Agreement.

10. Indemnifications; Survival of Representations, Warranties and Indemnifications.

- (a) Seller's and the Shareholder's Indemnification. Seller and Shareholder, jointly and severally, agree to defend, indemnify and hold Purchaser and its officers, directors, employees, shareholders, successors and permitted assigns (collectively, the "Purchaser Group"), harmless of, from and against any and all loss, claim, damage, liability, penalty or other cost or expense, including, without limitation, reasonable attorneys' fees and costs (collectively "Claims" and individually a "Claim"), incurred or sustained by the Purchaser Group, or any of them, arising from or relating to any of the following: (i) any liability, obligation or claim against Seller arising or accruing prior to the Closing Date other than the Assumed Liabilities; (ii) a misrepresentation or breach by Seller or Shareholder of any term, warranty, covenant or agreement of Seller or Shareholder set forth in this Agreement or in any Exhibit, Schedule, or other document identified in this Agreement as having been delivered by Seller or Shareholder pursuant to, or in accordance with, the terms of this Agreement; (iii) any actions or omissions of Seller or Shareholder and any debts, liabilities, accounts payable, covenants, agreements, contracts, commitments and other obligations of Seller or Shareholder related in any manner to the Business or the Assets prior to the Closing Date; (iv) the non-compliance with or violation of any bulk sales law or any other similar Governmental Law in effect in the State of Illinois or any other jurisdiction in which the Assets are located; (v) the termination of Seller's employees or any claims of Seller's employees arising prior to or effective as of the Closing Date, or claims of Seller's former employees whose employment terminated, for any reason, prior to or as of the Closing Date, arising at any time, for compensation, health and welfare benefits, Accrued Vacation Pay, workers' compensation benefits, benefits under the Benefit Plans (except for any benefit under an Assumed Plan which is fully funded and for which all required contributions have been made on the Closing Date) or otherwise, (including, without limitation, health claims or expenses incurred on or prior to the Closing Date, even if first revealed after the Closing Date and worker's compensation claims based on exposures or injuries occurring on or prior to the Closing Date, even if the claim is first filed after the Closing Date) except for those obligations of Seller expressly assumed by Purchaser under this Agreement; (vi) any Claim arising or accruing on or before the Closing Date or arising out of any act or omission occurring on or before the Closing Date arising out of or relating to the operation and qualification of the Assumed Plans in accordance with the Code and ERISA, any breach of fiduciary duty under ERISA or otherwise with respect to any or all of the Assumed Plans or any penalty tax or other assessment under Chapter 43 of Subtitle D of the Code; (vii) any personal injuries to any employee or former employee of the Business, and any personal injuries or property damage sustained by any person or entity relative to work performed or services rendered by Seller prior to the Closing Date regardless of when the claim for such injury or damage is actually brought; (viii) any claim, assessment, liability or lien by any Governmental Authority for any taxes, interest and penalties accrued or due and owing, directly or indirectly, by Seller on account of income earned, compensation and benefits paid or provided to employees, former employees or their respective dependents or beneficiaries, as the case may be, Seller's ownership, possession, use or transfer of the Assets, the results of operations of the Business or for any other reason whatsoever at any time prior to the Closing Date; (ix) the actual or alleged breach or violation by Seller of any Contract, Lease or other agreement or understanding with any other person or entity; (x) services provided by Seller prior to the Closing Date; (xi) the non-compliance with or violation by Seller of any Governmental Law in connection with the operation of the Business prior to the Closing Date; (xii) any claim of any Governmental Authority relating to Seller's ownership, possession, use or transfer of the Assets, the results of operations of the Business or for any other reason whatsoever at any time prior to the Closing Date; and (xiii) any claim of breach by any party to a Real Property Lease or Personal Property Lease which Seller was unable to assign to Purchaser, which Purchaser receives benefit under Section 7(l) hereunder.
- (b) Purchaser's Indemnification. Purchaser agrees to defend, indemnify and hold Seller, Shareholder and each of their respective officers, directors, employees, successors, heirs and assigns, as the case may be (collectively, the "Seller Group"), harmless of, from and against any and all Claims incurred or sustained by the Seller Group, or any of them, arising from or relating to a material misrepresentation or breach by Purchaser of any term, warranty, covenant or agreement of Purchaser contained in this Agreement or in any Schedule, Exhibit or other document identified in this Agreement as having been delivered pursuant to this Agreement.
- (c) Survival of Representation and Warranties. Notwithstanding the closing of the transactions described in and contemplated by this Agreement, or any investigation made by or on behalf of Seller, Shareholder or Purchaser, the representations and warranties of Seller, Shareholder and Purchaser contained in this Agreement or in any certificate, Exhibit, Schedule or other document delivered pursuant to this Agreement, and the covenants and agreements of Seller, Shareholder and Purchaser to indemnify each other for a breach or violation of this Agreement, will survive the date of this Agreement for three (3) years, except for subsections 10(a)(vii) and 10(a)(x), which will survive for a period commencing as of the date of this Agreement and terminating ninety (90) days following the expiration of the applicable statute of limitation period for which a Claim may be made.

(d) Claim Procedure.

- i) If any member of either the Seller Group or the Purchaser Group, as the case may be (an "Indemnified Party"), receives notice or has knowledge of any matter which it believes another party to this Agreement is obligated to provide indemnification pursuant to this Section 10 (the "Indemnitor"), regardless of whether such Claim is a Claim which has originated directly from the Indemnified Party and does not result from a Claim made by any other person or entity (a "Direct Claim") or a Claim that has originated from a third person or entity and not directly from the Indemnified Party (a "Third Party Claim"), the Indemnified Party will (A) within thirty (30) days of receipt of such notice or otherwise first becoming knowledgeable thereof, give the Indemnitor written notice of the assertion of such Claim; and (B) promptly furnish the Indemnitor with all relevant information and copies of all pertinent documents relating to the Claim in the Indemnified Party's possession or control or within a reasonable period of time after the Indemnified Party's receipt thereof, as the case may be.
- ii) The failure of the Indemnified Party to give notice of the Claim within said thirty (30) day period will not affect the Indemnified Party's rights to indemnification under this Agreement, except if, and only to the extent that, the Indemnitor's defense of such Claim is actually prejudiced by reason of such failure to give timely notice.
- iii) The Indemnitor will promptly undertake and continuously defend such Claim with counsel of reputable standing at the Indemnitor's sole cost and expense, and, in the case of a Third Party Claim, the Indemnified Party shall, at the sole cost and expense of the Indemnitor, fully cooperate with the Indemnitor in the defense of such Claim. The Indemnitor may effect settlement of a Claim on such terms and conditions as it shall determine provided that at such time the Indemnitor acknowledges and reaffirms to the Indemnified Party its financial responsibility for the Claim and the settlement thereof.
- iv) The Indemnitor shall promptly and continuously provide the Indemnified Party with all information regarding the Claim and the defense thereof, and shall permit separate counsel for the Indemnified Party to participate and monitor all proceedings in connection with the Claim and the defense thereof, at the Indemnified Party's sole cost and expense.
- v) If the Indemnified Party is required to pay any amount with respect to a Third Party Claim to which the Indemnified Party is entitled to indemnification under this Agreement, such amount shall be promptly (A) paid by the Indemnitor to the Indemnified Party upon the Indemnified Party giving the Indemnitor a written request therefor; or (B) deducted from the Earn Out Consideration in accordance with this Agreement.
- vi) Provided the Indemnitor promptly undertakes and continuously defends a Third Party Claim in good faith and at its sole cost and expense, neither the Indemnitor nor the Indemnified Party shall admit any liability with respect to any such Claim or settle, compromise or otherwise resolve such Claim without the prior written consent of the other Party, which written consent will not be unreasonably withheld; provided, however, the Indemnitor may consent to a settlement of any Third Party Claim, if, but only if, such settlement shall be effected without admission of liability by the Indemnified Party and solely by virtue of the Indemnitor's monetary payment whereby adequate arrangements for such payment, to the Indemnified Party's reasonable satisfaction, are made by the Indemnitor.
- vii) If the Indemnitor does not timely undertake or continuously defend any Third Party Claim, then, without releasing or affecting any of the Indemnitor's covenants and obligations set forth in this Section 10 or waiving or excusing the Indemnitor's default or breach of this Section 10, the Indemnified Party will have the right, without prejudice to the Indemnified Party's right to indemnification under this Agreement, to employ separate counsel to defend, settle or otherwise resolve such Third Party Claim in any manner and upon any terms as the Indemnified Party deems appropriate or advisable, as if such defense, settlement or other resolution had been undertaken, effected or accomplished by the Indemnitor, and, to the extent the Third Party Claim constitutes a Claim for which the Indemnified Party is entitled to indemnification under this Agreement, the Indemnitor shall immediately pay to the Indemnified Party upon written request therefor all costs and expenses of such defense, settlement or other resolution and the Indemnified Party's separate counsel or, at the sole discretion of the Indemnified Party and if applicable, all such costs and expenses shall be deducted from the Earn Out Consideration in accordance with this Agreement.
- viii) With respect to a Direct Claim, if the Indemnitor and the Indemnified Party agree within fifteen (15) days after notice of said Direct Claim is given to the Indemnitor, as to the validity and amount of such Direct Claim, the full amount of the Direct Claim shall be (A) paid by the Indemnitor to the Indemnified Party upon the Indemnified Party giving the Indemnitor a written request therefor; or (B) deducted from the Earn Out Consideration in accordance with this Agreement, if applicable; provided, however, if the Indemnitor does not agree to the validity or amount of any such Direct Claim, the Indemnitor and the Indemnified Party may litigate such matter.

11. Construction.

- (a) Binding Effect. This Agreement will be binding upon and inure to the benefit of Seller, Shareholder and Purchaser and each of their respective legal representatives, successors and permitted assigns, if any. This Agreement may not be assigned without the prior written consent of the non-assigning party, except that Purchaser may assign this Agreement to a party which, directly or indirectly, is controlled by, controls or is under common control, with Purchaser, without notice to or the consent of Seller or Shareholder. This Agreement is for the benefit of Seller, Shareholder and Purchaser only, and no other person or entity will be deemed a third-party beneficiary of this Agreement.
- (b) Communications. All notices and other communications required or desired to be given pursuant to this Agreement will be given in writing and will be deemed duly given (i) upon personal delivery; (ii) on the third day after mailing if sent by certified mail, postage prepaid, return receipt requested; (iii) on the day after mailing if sent by a nationally recognized overnight delivery service which maintains records of the time, place and recipient of delivery; or (iv) upon receipt of a confirmed transmission, if sent by facsimile transmission, and in each case if addressed as follows:

If to Seller or the Shareholders, then to:

Brad A. Imhoff
c/o Ashley Ellis LLC
184 Shuman Blvd., Ste. 420
Naperville, Illinois 60563
Fax: (630) 839-0867

If to Purchaser, then to:

Salvatore Zizza
c/o Zizza & Co., Ltd
641 Lexington Avenue, 17 Floor
New York, New York 10022
Fax: 212-758-221

Salvatore Zizza
c/o Zizza & Co., Ltd
641 Lexington Avenue, 17 Floor
New York, New York 10022
Fax: 212-758-221

With a copy to (which copy alone shall not constitute notice under shall not constitute notice under this Agreement):

TBD

With a copy to (which copy alone shall not constitute notice under shall not constitute notice under this Agreement):

Matthew T. Zicarelli, Esq.
General Employment Enterprises, Inc.
One Tower Lane, Suite 2200
Oakbrook Terrace, IL 60181

or to such other person, entity, address or facsimile number as a party may respectively designate in like manner, from time to time.

- (c) Amendments. No modifications or amendments of this Agreement will be effective unless made in writing and signed by Seller, Shareholder and Purchaser.
- (d) Governing Law. This Agreement will be construed and enforced in accordance with the laws of the State of Illinois without regard to its choice of law rules. The parties agree that jurisdiction and venue in any action brought by any party pursuant to this Agreement shall non-exclusively lie in any state or federal court located in Cook County, Illinois, irrespective of the fact that such party is not a resident or qualified to do business in such State or County. By execution and delivery of this Agreement, each party irrevocably submits to the jurisdiction of such courts for itself and in respect of its property with respect to such action. The parties irrevocably agree that venue would be proper in such court, and hereby waive any objection that such court is improper or inconvenient forum for the resolution of such action.
- (e) Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument; and that signatures transmitted via facsimile or electronically with electronic receipted delivery shall be deemed original.
- (f) Entire Agreement. This Agreement, together with those documents expressly referred to herein, the Schedules and Exhibits attached, embody the entire agreement and understanding among the parties to this Agreement and supersede any and all prior and contemporaneous agreements and understandings between Seller, Shareholder and Purchaser relating to the subject matter of this Agreement, whether verbal or written.
- (g) Waivers and Consents. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by the written agreement of the party entitled to the benefits of such terms or provisions intended to be waived. Each such waiver or consent will be effective only in the specific instance and for the specific purpose for which it was given, and will not constitute a continuing waiver or consent.
- (h) Headings. The headings and captions of the various Sections and Subsections of this Agreement are for convenience of reference only and will in no way modify or affect the meaning or construction of any of the terms or provisions hereof.
- (i) Expenses. Each of the parties to this Agreement will pay its or his, as the case may be, own respective fees and expenses in connection with this Agreement and the transactions described in and contemplated by this Agreement, including, without limitation, the fees of any attorneys, accountants, appraisers or others engaged by such party.
- (j) Recitals. The recitals set forth at the beginning of this Agreement are hereby incorporated into and made a part of this Agreement as if fully set forth herein.
- (k) Schedules and Exhibits. The Schedules and Exhibits referred to in this Agreement are attached to, made a part of and incorporated in this Agreement by this reference.
- (l) Non-Disclosure. Seller, Shareholders and Purchaser agree that any information or data involving the sale and purchase of the Assets and the consummation of the other transactions described in or contemplated by this Agreement, including, without limitation, the Purchase Price and other terms and provisions set forth herein, is of a confidential nature and not generally known to the public. In order to preserve the confidentiality of all such information and data and the goodwill associated with the sale and purchase of the Assets, Seller, Shareholder and Purchaser agree not to divulge, communicate or disclose any such information or data, except as may be required by law, in connection with the performance of their respective covenants and obligations set forth in this Agreement or Purchaser's operation of the Business on and after the Closing Date and except for their financial and legal advisors.

(m) Press Releases. Neither Seller, Shareholder nor Purchaser will issue any press release or otherwise make any public statement with respect to the transactions described in and contemplated by this Agreement without the prior written consent of the other parties to this Agreement, which written consent shall not be unreasonably withheld, except as may be required by applicable Governmental Law.

(n) Plurality. Whenever required by context, the singular will include the plural and vice versa.

IN WITNESS WHEREOF, Seller, Shareholder and Purchaser have each duly executed this Agreement as of the date first set forth above.

SELLER:

ASHLEY ELLIS LLC.

/s/ Brad A. Imhoff

By: Brad A. Imhoff

Its: Chief Executive Officer

PURCHASER:

GENERAL EMPLOYMENT ENTERPRISES,
INC.

/s/ Salvatore J. Zizza

By: Salvatore J. Zizza

Its: Chief Executive Officer

SHAREHOLDER:

/s/ Brad A. Imhoff

Brad A. Imhoff

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (the “Agreement”) is effective as of August 31, 2011, by and among General Employment Enterprises, Inc., an Illinois corporation (the “Company”), Ashley Ellis LLC, an Illinois limited liability company (the “Selling Shareholder”).

R E C I T A L S:

WHEREAS, the Selling Shareholder, Brad A. Imhoff , and the Company have entered into that certain Asset Purchase Agreement, effective as of August 31, 2011 (the “Asset Purchase Agreement”), which Asset Purchase Agreement provides, among other things, for the sale of certain of the assets of the Selling Shareholder to Company;

WHEREAS, in connection with the Asset Purchase Agreement, the Company agreed to issue to the Selling Shareholder One Million Two Hundred Fifty Thousand (1,250,000) shares of JOB restricted common stock ; and

WHEREAS, as a condition to its willingness to enter into the Asset Purchase Agreement, the Selling Shareholder has required that certain matters be agreed and set forth herein.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

Article I DEFINITIONS

As used herein, the following terms shall have the following respective meanings:

- 1.1 “Affiliate” of a specified Person means a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person.
- 1.2 “Agreement” shall have the meaning set forth in the first paragraph of this Agreement.
- 1.3 “Asset Purchase Agreement” shall have the meaning set forth in the Recitals.
- 1.4 “Closing” shall have the meaning set forth in the Asset Purchase Agreement.
- 1.5 “Commission” shall mean the U.S. Securities and Exchange Commission or any other successor federal agency at the time administering the Securities Act.
- 1.6 “Common Stock” shall have the meaning set forth in the Recitals.
- 1.7 “Company” shall have the meaning set forth in the Recitals.
- 1.8 “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended, or any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

- 1.9 “Holders” shall mean and include the Selling Shareholder and any permitted transferee thereof who holds Registrable Securities of record.
- 1.10 “Indemnified Party” shall have the meaning set forth in Section 5.3.
- 1.11 “Indemnifying Party” shall have the meaning set forth in Section 5.3.
- 1.12 “Person” shall mean an individual, corporation, partnership, limited liability company, association, trust, unincorporated organization or other entity.
- 1.13 “Register,” “registered” and “registration” refer to a registration effected by preparing and filing with the Commission a registration statement in compliance with the Securities Act, and the declaration or ordering by the Commission of the effectiveness of such registration statement.
- 1.14 “Registrable Securities” means, with respect to each Holder, any and all shares of Common Stock that are issued under the terms of the Asset Purchase Agreement, until the earliest to occur of the date on which (i) the resale of such shares of Common Stock has been registered pursuant to the Securities Act and such shares of Common Stock have been disposed of in accordance with the registration statement relating to such resale; and (ii) the entire amount of the Registrable Securities held by such Holder may be sold in a single sale pursuant to Rule 144 of the Securities Act. For the avoidance of doubt, the term “Registrable Securities” shall exclude in all cases, however, such shares of Common Stock (i) following their sale by a Holder to the public pursuant to a registered offering or pursuant to Rule 144 or (ii) sold in a private transaction in which the Holder’s registration rights under this Agreement are not assigned.
- 1.15 “Registration Expenses” shall mean all reasonable and customary expenses incurred by the Company in complying with Articles 2 and 4 hereof, including, without limitation, all registration, qualification and Commission, National Association of Securities Dealers, Inc., stock exchange and other filing fees, printing expenses, duplication expenses relating to copies of any registration statement or prospectus delivered to any Holders, escrow fees, fees and disbursements of legal counsel for the Company, fees and disbursements of the Company’s accountants and blue sky fees and expenses. Registration Expenses shall be distinct from Selling Expenses.
- 1.16 “Rule 144” shall mean Rule 144 under the Securities Act or any other successor rule or regulation then in effect.
- 1.17 “Securities Act” shall mean the Securities Act of 1933, as amended, or any successor federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.
- 1.18 “Selling Expenses” shall mean all underwriting, selling broker or dealer manager fees, discounts and selling commissions applicable to the Registrable Securities registered on behalf of the Holders.

1.19 “Selling Shareholder” shall have the meaning set forth in the first paragraph of this Agreement.

Article 2
COMPANY REGISTRATION

2.1 Notice of Registration to Holders. If at any time or from time to time from and after the date the Company issues the shares of Common Stock to the Selling Shareholder pursuant to the terms of the Asset Purchase Agreement, the Company shall determine to register any of its securities, either for its own account or the account of any security holder or holders, other than (i) a registration relating solely to employee benefit plans on Form S-8 (or any successor form) or relating to a dividend reinvestment plan, stock option plan or other compensation plan, (ii) a registration on Form S-4 (or any successor form) or other registration in connection with mergers, acquisitions, exchange offers or similar transactions, (iii) a registration on any form that does not permit secondary sales or (iv) a registration relating solely to a subscription offering or a rights offering, the Company will:

- a) promptly give to the Holders written notice thereof; and
- b) include in such registration (and any related qualification under blue sky laws or other compliance), and in any underwriting involved therein, all of the Registrable Securities specified in a written request, made within 15 days after receipt of such written notice from the Company described in Section 2.1(a), by the Holders; provided, however, that if the Company is effecting a registration pursuant to a demand request of a shareholder other than a Holder, then the Holders’ right to request registration of their Registrable Securities shall be subject to the contractual rights of such shareholder making the demand request.

2.2 Underwriting.

- a) If the registration of which the Company gives notice is for an offering involving an underwriting, the Company shall so advise the Holders as part of the written notice given pursuant to Section 2.1(a). In such event, the right of the Holders to registration pursuant to this Article 2 shall be conditioned upon a Holder’s participation in such underwriting and the inclusion of such Holder’s Registrable Securities in the underwriting to the extent provided herein. The Holders (together with the Company) shall enter into an underwriting agreement in customary form with the managing underwriter selected for such underwriting solely by the Company; provided, however, that the liability of a Holder thereunder shall in no event exceed the lesser of (i) the Holder’s pro-rata portion of the liability based on the Holder’s shares sold in the offering as compared to the total number of shares sold in the offering, and (ii) an amount equal to the net proceeds from the offering received by such Holder.

- b) Notwithstanding any other provision of this Article 2, if the managing underwriter determines that marketing factors require a limitation of the number of shares to be underwritten, the Company shall so advise the Holders, and the number of shares of Common Stock to be included in such registration shall be allocated as follows: (i) first, for the account of the Company, all shares of Common Stock proposed to be sold by the Company; and (ii) second, for the account of any Holders and any other shareholders of the Company participating in such registration who have contractual rights to be included in such registration similar to the rights of the Holders, the number of shares of Common Stock requested to be included in the registration by such Holders and such other shareholders in proportion, as nearly as practicable, to the respective number of shares that are proposed to be offered and sold by the Holders and such other shareholders at the time of filing the registration statement; provided that, if the Company is effecting a registration pursuant to a demand request of a shareholder, clause (i) of this subsection shall be deemed to cover the shares of Common Stock proposed to be sold by such other shareholder and clause (ii) of this subsection shall include, on a basis *pari passu* with any shareholders who have contractual rights to be included in such registration similar to the rights of the Holders, any shares proposed to be sold by the Company. No Registrable Securities or other shares of Common Stock excluded from the underwriting in this Article 2 by reason of the underwriters' marketing limitation shall be included in such registration.
- c) If a participating Holder disapproves of the terms of any underwriting under this Article 2, such Holder exercising rights pursuant to this Article 2 may elect to withdraw therefrom by written notice to the Company and the managing underwriter. Any securities excluded or withdrawn from such underwriting shall be withdrawn from such registration; provided that the Company may determine, at its election, to increase, on a *pro rata* basis for the securities of shareholders then included in the registration (giving effect to the withdrawal), the number of shares of the other shareholders participating in the registration.
- d) The Company shall have the right to terminate or withdraw any registration initiated by the Company under this Article 2 prior to the effectiveness of such registration, whether or not a Holder has elected to include Registrable Securities in such registration.
- e) For the avoidance of doubt, the Selling Shareholder may not request to include in any piggyback registration under this Article 2 any shares of Common Stock (and shall not exercise piggyback rights with respect thereto or request their inclusion as of a later date) until such time as such shares of Common Stock have been issued to the Selling Shareholder by the Company in accordance with the terms of the Asset Purchase Agreement.

Article 3
EXPENSES OF REGISTRATION

All Registration Expenses incurred in connection with any registration, qualification or compliance pursuant to Articles 2 and 4 hereof shall be borne by the Company. The Holders shall pay all of their own costs and expenses of any sale under this Agreement, including all fees and expenses of any counsel (and any advisers) representing such Holder and any stock transfer taxes. All Selling Expenses relating to Registrable Securities registered on behalf of a Holder shall be borne by such Holder.

Article 4
REGISTRATION PROCEDURES

- a) In the case of each registration effected by the Company pursuant to this Agreement, the Company will keep each Holder advised in writing as to the initiation of each registration and as to the completion thereof. The Company agrees to use its commercially reasonable efforts to effect or cause such registration to permit the sale of the Registrable Securities covered thereby by the Holders thereof in accordance with the intended method or methods of distribution thereof described in such registration statement. In connection with any registration of any Registrable Securities, the Company shall:
- i. prepare and file with the Commission a registration statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become effective;
 - ii. prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus included therein as may be necessary to effect and maintain the effectiveness of such registration statement pursuant to the applicable rules and regulations of the Commission and the instructions applicable to the form of such registration statement (provided, however, that the Company shall not be obliged to maintain the effectiveness of such registration statement longer than through the earlier of (A) six months following the effective date of such registration statement and (B) such time as all Registrable Securities registered thereunder have been sold pursuant to such registration statement), and furnish to the Holders of the Registrable Securities covered thereby copies of any such supplement or amendment prior to its use and/or filing with the Commission;
 - iii. promptly notify the Holders whose Registrable Securities are to be included in a registration statement hereunder, the sales or placement agent, if any, therefor and the managing underwriter of the securities being sold, and confirm such advice in writing, (A) when such registration statement or the prospectus included therein or any prospectus amendment or supplement or post-effective amendment has been filed and, with respect to such registration statement or any post-effective amendment, when the same has become effective, (B) of the issuance by the Commission of any stop order suspending the effectiveness of such registration statement or the initiation of any proceedings for that purpose, (C) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose, (D) of any request by the Commission for any amendment or supplement to a registration statement or related prospectus or related information or (E) if, at any time when a prospectus is required to be delivered under the Securities Act, such registration statement or prospectus, or any document incorporated by reference in any of the foregoing, contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made. In the case of clause (E), the Company shall promptly prepare a supplement or amendment to such registration statement to correct such untrue statement or omission;

- iv. use its commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of such registration statement or any post-effective amendment thereto or of any order suspending or preventing the use of any related prospectus or suspending the qualification of any Registrable Securities included in such registration statement for sale in any jurisdiction at the earliest practicable date;
- v. furnish to each Holder of Registrable Securities to be included in such registration statement hereunder, each placement or sales agent, if any, therefor and each underwriter, if any, thereof, without charge, a conformed copy of such registration statement and any amendment and supplement thereto and such number of copies of the prospectus included in such registration statement (including each preliminary prospectus, any summary prospectus and any free writing prospectus), and any amendment or supplement thereto, as such Holder, agent, if any, and underwriter, if any, may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such Holder, sold by such agent or underwritten by such underwriter and to permit such Holder, agent and underwriter to satisfy the prospectus delivery requirements of the Securities Act;
- vi. use its commercially reasonable efforts to (A) register or qualify the Registrable Securities to be included in such registration statement under such other securities laws or blue sky laws of such states of the United States or the District of Columbia as may be reasonably requested by the Holders of a majority of such Registrable Securities participating in such registration, each placement or sales agent, if any, therefor or the managing underwriter, if any, thereof, (B) keep such registrations or qualifications in effect and comply with such laws at all times during the period described in Section 4(a)(ii) above, and (C) take such actions as may be reasonably necessary to enable such Holder, agent, if any, and underwriter, if any, to consummate the disposition in such jurisdictions of such Registrable Securities; provided, however, that in order to fulfill the foregoing obligations under this Section 4(a)(vi), the Company shall not (unless otherwise required to do so in any jurisdiction) be required to (1) qualify generally to do business as a foreign company or a broker-dealer, (2) execute a general consent to service of process or (3) subject itself to taxation;
- vii. furnish, at the request of the Holders of a majority of such Registrable Securities participating in such registration, on the date that such Registrable Securities are delivered to the underwriters for sale, if such securities are being sold through underwriters, or, if such securities are not being sold through underwriters, on the date that the registration statement with respect to such securities becomes effective, (i) an opinion, dated as of such date, of counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering and reasonably satisfactory to a majority in interest of the Holders, addressed to the underwriters, if any, and to such Holders and (ii) a letter, dated as of such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering and reasonably satisfactory to a majority in interest of the Holders, addressed to the underwriters, if any, and, if permitted by applicable accounting standards, to such Holders; and

viii. otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the Commission in connection with any registration hereunder.

- (b) The Company may require each Holder of Registrable Securities as to which any registration is being effected to furnish in writing to the Company such information regarding such Holder and such Holder's method of distribution of such Registrable Securities as the Company may from time to time reasonably request or as is required to be included in any registration statement filed pursuant to the terms of this Agreement. Each such Holder agrees to notify the Company as promptly as practicable of any inaccuracy or change in information previously furnished by such Holder to the Company or of the occurrence of any event as a result of which any prospectus relating to such registration contains an untrue statement of a material fact regarding such Holder or the distribution of such Registrable Securities or omits to state any material fact regarding such Holder or the distribution of such Registrable Securities required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made, and promptly to furnish to the Company any additional information required to correct and update any previously furnished information or required so that such prospectus shall not contain, with respect to such Holder or the distribution of such Registrable Securities, an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made.
- (c) Each of the Holders shall comply with the provisions of the Securities Act with respect to disposition of the Registrable Securities to be included in any registration statement filed by the Company.
- (d) Notwithstanding anything to the contrary, in connection with any offering of securities of the Company (including without limitation any offering contemplated by Article 2 of this Agreement), each Holder agrees that if such shareholder's Registrable Securities are included in the applicable registration, it will consent and agree to comply with any "hold back" restriction relating to shares of Common Stock or any other securities of the Company then owned by such Holder, that may be reasonably requested by the underwriter(s) or placement or other selling agent(s) of such offering, not to exceed one hundred eighty (180) days, provided that the foregoing limitations shall not apply if all other parties for which shares are being registered in connection with such offering, and all executive officers and directors of the Company, are not subject to similar restrictions.

Article 5 INDEMNIFICATION

- 5.1 The Company will indemnify each Holder, each of its officers, directors, partners and affiliates, such Holder's legal counsel and independent accountants, if any, each person controlling such Holder within the meaning of Section 15 of the Securities Act, each underwriter, if any, and each person who controls any underwriter within the meaning of Section 15 of the Securities Act against all claims, losses, damages, liabilities and expenses (including reasonable attorney fees)(or actions in respect thereof), including any of the foregoing incurred in settlement of any litigation, commenced or threatened, arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any registration statement or prospectus, or any amendment or supplement thereto, or any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or any violation by the Company of any rule or regulation promulgated under the Securities Act or any state securities laws applicable to the Company and relating to action or inaction by the Company in connection with any such registration, qualification or compliance, and will reimburse each such Holder, each of its officers, directors and partners, such Holder's legal counsel and independent accountants, each such underwriter and each person who controls any such underwriter for any legal and other expenses reasonably incurred in connection with investigating, preparing or defending any such claim, loss, damage, liability or action; provided, however, that the Company will not be liable in any such case to the extent that any such expense, claim, loss, damage, liability or action arises out of or is based on any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by such Holder expressly for use in such registration statement or prospectus, or any amendment or supplement thereto.

- 5.2 Each Holder will, if Registrable Securities held by such Holder are included in the securities as to which such registration, qualification or compliance is being effected, severally indemnify the Company, each of its directors, officers, partners and affiliates, their respective legal counsel and independent accountants, each underwriter, if any, of the Company's securities covered by such a registration statement, each person who controls the Company or such underwriter within the meaning of Section 15 of the Securities Act, and each other such Holder, each of its officers, directors, partners, legal counsel and independent accountants, if any, and each person controlling such Holder within the meaning of Section 15 of the Securities Act, against all claims, losses, damages, liabilities and expenses (including reasonable attorney fees) (or actions in respect thereof), including any of the foregoing incurred in settlement of any litigation, commenced or threatened, arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any such registration statement or prospectus, or any amendment or supplement thereto, or any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse the Company, such Holders, such directors, officers, partners, legal counsel, independent accountants, underwriters and control persons for any legal and other expenses reasonably incurred in connection with investigating, preparing or defending any such claim, loss, damage, liability or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement or prospectus or amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such Holder regarding such Holder and/or such Holder's method of distribution expressly for use in such registration statement or prospectus, or any amendment or supplement thereto.
- 5.3 Each party entitled to indemnification under this Article 5 (the "Indemnified Party") shall give notice to the party required to provide indemnification (the "Indemnifying Party") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom, provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld, conditioned or delayed). The Indemnified Party may participate in such defense at such party's expense; provided, however, that the Indemnifying Party shall bear the expense of such defense of the Indemnified Party if representation of both parties by the same counsel would be inappropriate due to actual or potential conflicts of interest. The failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Agreement, unless and only to the extent such failure is materially prejudicial to the ability of the Indemnifying Party to defend the action. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect of such claim or litigation.

5.4 If the indemnification provided for in Section 5.1 or 5.2 is unavailable or insufficient to hold harmless an Indemnified Party, then each Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party as a result of the expenses, claims, losses, damages or liabilities (or actions or proceedings in respect thereof) referred to in Section 5.1 or 5.2, in such proportion as is appropriate to reflect the relative fault of the Company on the one hand and the Holders of Registrable Securities on the other hand in connection with statements or omissions which resulted in such expenses, claims, losses, damages or liabilities (or actions or proceedings in respect thereof), as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Holders of Registrable Securities and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The parties hereto agree that it would not be just and equitable if contributions pursuant to this Section 5.4 were to be determined by pro rata allocation (even if all Holders of Registrable Securities were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the first sentence of this Section 5.4. The amount paid by an Indemnified Party as a result of the expenses, claims, losses, damages or liabilities (or actions or proceedings in respect thereof) referred to in the first sentence of this Section 5.4 shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any claim, action or proceeding which is the subject of this Section 5.4. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The obligations of Holders of Registrable Securities to contribute pursuant to this Section 5.4 shall be several in proportion to the respective amount of Registrable Securities sold by them pursuant to a registration statement.

Article 6
TRANSFER OF REGISTRATION RIGHTS

The rights to cause the Company to register Registrable Securities under Sections 2.1 and 2.2 of this Agreement, together with all related rights and obligations, may be assigned by a Holder to an Affiliate of such Holder; provided, however, that (A) the right to cause the Company to register Registrable Securities under Section 2.1 may only be held by one person or entity with respect to the Registrable Securities owned by him or it, (B) the transferor shall furnish to the Company written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned prior to such transfer and (C) such transferee shall agree in writing to be subject to all applicable restrictions set forth in this Agreement. In each case, such rights may only be transferred together with the underlying Registrable Securities in a transfer permitted by the Securities Act and applicable state securities laws. Subject to the foregoing provision, any such permitted transferee or assignee shall be deemed a Holder hereunder.

Article 7
MISCELLANEOUS

7.1 Governing Law; Forum. The laws of the State of Illinois shall govern the interpretation, validity and performance of the terms of this Agreement, regardless of the law that might be applied under principles of conflicts of law. Each of the parties to this Agreement consents to submit to the personal jurisdiction of any state or federal court sitting in the State of Illinois, in any action or proceeding arising out of or relating to this Agreement, agrees that all claims in respect of the action or proceeding may be heard and determined in any such court, and agrees not to bring any action or proceeding arising out of or relating to this Agreement in any other court. Each of the parties to this Agreement agrees not to assert in any action or proceeding arising out of or relating to this Agreement that the venue is improper, and waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety or other security that might be required of any other party with respect thereto. Each of the parties hereto waives any right to request a trial by jury in any litigation with respect to this Agreement and represents that counsel has been consulted specifically as to this waiver.

7.2 Effectiveness; Termination.

- a) This Agreement shall become effective upon the Closing of the transactions under the Asset Purchase Agreement. In no event shall this Agreement be effective, nor shall any rights or obligations hereunder apply, prior to the Closing.
- b) This Agreement and all rights and obligations hereunder (other than Article 5 which shall survive) shall terminate, with respect to each Holder, upon the earlier of (i) two (2) years following the date of issuance of shares of Common Stock to such Holder under the Asset Purchase Agreement, or (ii) at such time as such Holder no longer holds any Registrable Securities.

- 7.3 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors and assigns of each of the parties hereto and shall inure to the benefit of and be binding upon each Holder of any Registrable Securities.
- 7.4 Entire Agreement. This Agreement constitutes the full and entire understanding and agreement between the parties with regard to the subject matter hereof.
- 7.5 Notices. All notices, requests, consents and other communications hereunder shall be made in writing and shall be deemed given (i) when made if made by hand delivery, (ii) one business day after being deposited with an overnight courier if made by courier guaranteeing overnight delivery, (iii) on the date indicated on the notice of receipt if made by first-class mail, return receipt requested or (iv) on the date of confirmation of receipt of transmission by facsimile, addressed as follows:

(a) If to Company, then to:

Salvatore Zizza
c/o Zizza & Co., Ltd
641 Lexington Avenue, 17 Floor
New York, New York 10022
Fax: 212-758-221

With a copy to

Matthew T. Zicarelli, Esq.
General Employment Enterprises, Inc.
One Tower Lane, Suite 2200
Oakbrook Terrace, IL 60181

(b) If to Selling Shareholder:

Brad A. Imhoff
c/o: General Employment Enterprises, Inc.
One Tower Lane, Suite 2200
Oakbrook Terrace, IL 60181
Fax: (630) 954-0595

With a copy

TBD

- 7.6 Severability. The invalidity, illegality or unenforceability of one or more of the provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of this Agreement, including any such provision, in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.
- 7.7 Titles and Subtitles. The titles of the articles, sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.
- 7.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together constitute one instrument. It is also understood and agreed that signatures transmitted via facsimile or electronically with electronic receipted delivery shall be deemed originals.
- 7.9 Reporting. Company will use commercially reasonable efforts to file all reports, schedules, forms, statements and other documents required to be filed by it with the Commission under the reporting requirements of the Exchange Act and otherwise continue to comply with the disclosure requirements of Rule 144(c) for reporting issuers.
- 7.10 Amendment and Modification. This Agreement may be amended, modified or supplemented in any respect only by written agreement by the Company and Holders representing at least a majority of the Registrable Securities, voting together as a single class; provided, that no such amendment shall unfairly discriminate against a particular Holder relative to the other Holders. Any action taken by the Holders, as provided in this Section 7.10, shall bind all Holders.

IN WITNESS WHEREOF, the undersigned have hereunto affixed their signatures.

ASHLEY ELLIS, LLC

GENERAL EMPLOYMENT ENTERPRISES, INC.

By: /s/ Brad A. Imhoff
Brad A. Imhoff
Chief Executive Officer

By: /s/ Salvatore J. Zizza
Salvatore J. Zizza
Chief Executive Officer

EMPLOYMENT AGREEMENT

This **Employment Agreement** ("Agreement") is made and entered into this 31st day of August, 2011 between General Employment Enterprises, Inc., an Illinois Corporation (the "Company") and **Katy M. Gallagher** ("Executive").

WITNESSETH:

WHEREAS, Contemporaneously hereto, Company has purchased substantially all of the assets owned by Ashley Ellis LLC. ("Ashley Ellis") used or useable in conjunction with the operation of the "Business" (hereinafter defined) and, as a result thereof, a change in management and control of the Company has occurred;

WHEREAS, Executive was an employee of Ashley Ellis, and is familiar with the management and operation of Ashley Ellis' business of recruitment and placement of technical personnel (the "Business");

WHEREAS, Company desires to employ Executive, and Executive desires to be employed by Company;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and covenants hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Employment and Duties.** During the "Term" (hereinafter defined), Executive shall be employed by the Company to perform the covenants, duties and obligations set forth in this Agreement, and such additional duties and responsibilities as may be agreed upon by the parties (sometimes collectively the "Employment Duties") subject to the reasonable overall direction and authority the Chief Operating Officer and President of the Professional Staffing Division, or his designee.
 - (a) Executive shall devote all of Executive's full time, attention, energies and best efforts to fully and timely performing the Employment Duties and to further the business, operations and best interests of Company in an honest and ethical manner in compliance with this Agreement, all applicable laws, ordinances, permits, licenses, governmental rules, regulations, authorizations and requirements, the Company's Employee Handbook, rules and regulations as may be promulgated by Company, from time to time.
 - (b) Executive shall report to the Chief Operating Officer & President of the Professional Staffing Division and such supervisor as may be designated by the President of the Professional Staffing Division, from time to time.
 - (c) Executive shall be employed with the title " Vice President of Operations and Vice President of the Professional Staffing Division" of the Company located at One Tower Lane, Suite 2200, Oakbrook Terrace, IL 60181, or such other title and location as mutually agreed upon by Company and Executive, but in no event, during the Term, shall Executive be required to relocate more than fifty (50) miles outside the Chicago metropolitan area unless mutually agreed upon by Company and Executive in writing.

- (d) The Company's Professional Staffing Division is defined as follows:
- (i) the three Ashley Ellis branch offices that are being acquired pursuant to the certain Asset Purchase Agreement dated August 31, 2011, which subsists of the Naperville, Atlanta, and Houston branch offices of Ashley Ellis.
 - (ii) the Company's branch offices which provide staffing services substantially in the IT, Accounting, Engineering and Clerical area on a contract and direct hire basis..
 - (iii) future branch offices that the Company opens, which provide staffing services substantially in the IT, Accounting, Engineering and Clerical area on a contract and direct hire basis.
 - (iv) any Company acquisition which provides staffing services substantially in the IT, Accounting, Engineering, and Clerical area on a contract and direct hire basis.
 - (v) the Company's Professional Staffing Division will not include branches, affiliates or subsidiaries where a substantial portion of the business is staffing in the Light Industrial or Agricultural area.

2. **Term of Employment.** The period of Company's employment of Executive shall commence as of September 1, 2011 and, unless earlier terminated as provided for herein, will continue for a period of three (3) years thereafter (the "Term").

- (a) The Term shall immediately terminate upon notice to Executive if (each shall be deemed a "breach"):
- (i) Executive dies ("Death") or becomes physically or mentally unable to perform her duties for the Company hereunder and such incapacity has continued for a total of ninety (90) consecutive days or any one hundred eighty (180) days in a period of three hundred sixty-five(365) consecutive days (a "Disability").
 - (ii) Executive uses intoxicants, alcohol, drugs or other stimulants or depressants while performing the Employment Duties and such that the reputation of the Company is adversely affected, as reasonably determined by the Company.
 - (iii) Executive fails or refuses to satisfactorily perform the Employment Duties or any assignment reasonably given to Executive by the officers of Company or Executive's supervisor.
 - (iv) Executive otherwise breaches the terms or conditions of this Agreement or any other policy, rule or regulation of Company's generally in effect from time to time.
 - (v) Executive is convicted of or pleads guilty or *nolo contendere* to any felony charge or commits a fraudulent, dishonest, immoral or unethical act with regard to Company, Company's customers, Company's prospective customers, suppliers, employees, agents or independent contractors.

- (vi) Executive commits an act of moral turpitude.
 - (vii) Executive has been found by a court in a civil action or by the SEC to have violated any federal or state securities law;
- (b) Sections 2(a) (ii) through 2(a)(vii) shall collectively be referred to as “Cause”.
- (c) In the event of Death, Disability, expiration of the Term, termination with Cause, Company shall only be obligated to pay Executive compensation and benefits, if any, up to and including the effective date of such termination or expiration.
- (d) Upon the termination or expiration of the Term, the Term of Executive's employment is **at will**. That is, either Executive or Company may end the employment relationship at any time, for any reason, or for no reason, with or without notice. Executive further understands that no representative of the Company, other than the Chief Executive Officer, has the authority to enter into any agreement for employment for any specified period of time or to make any agreement contrary to the terms or conditions of this Agreement. Therefore, any agreement that changes that at will nature of employment must be in writing and signed by the Chief Executive Officer of the Company.

3. **Compensation.**

- (a) During the Term of this Agreement, the Company shall pay the Executive as compensation for her services a base salary at the annualized rate of One Hundred Fifty Thousand Dollars (\$150,000), less all customary employee withholdings and all other applicable federal, state and local deductions as required by law. Subsequent to the term of this Agreement, as defined in paragraph 2 herein, Executive's compensation and benefits will be determined by Company's compensation committee of the Board of Directors.
- (b) The Company shall reimburse Executive for all normal, reasonable and necessary out-of-pocket expenses incident to the performance of her Employment Duties in accordance with policies adopted by the Company from time to time, upon submission by Executive of an itemized account of such expenses containing such detail and accompanied by such supporting documentation as may be generally required by the Company.

4. **Benefits and Vacation.** Vacation time and all other benefits entitled to the Executive will be governed by the Company's Employee Handbook. Notwithstanding any to the contrary in the Company's Employee Handbook regarding the years of service required to earn vacation time, Executive shall receive 4 weeks of paid time off as vacation yearly.

5. **Confidential Information.** Executive acknowledges and agrees that Executive will have access to and receive certain proprietary and confidential information and trade secrets of Company, including, without limitation, customer lists, the terms of any oral or written agreement or understanding between Company and any customer, sales and business records, price lists and methods, financial and cost information, marketing plans, methods of doing business, methods and processes and business strategy documentation, as well as such other information as Company may designate as confidential from time to time (collectively "Confidential Information"). Executive further acknowledges and agrees that the Confidential Information is the exclusive property of Company, not generally known to the trade or industry and, but for Company's engagement of Executive in accordance with the terms of this Agreement, Executive would not have had any access to the Confidential Information. Therefore, Executive agrees that she shall not disclose to any unauthorized person or use for her own purposes any Confidential Information without the prior written consent of the Company.

- (a) During the Term and for the "Restricted Period" (hereinafter defined) following the effective date of the termination or expiration of the Term, for any or no reason whatsoever, Executive will not, directly or indirectly, for her own benefit or for the benefit of any person or entity, other than Company pursuant to this Agreement, use, divulge, disseminate, disclose or communicate to any person or entity any of the Confidential Information in any manner whatsoever, unless Company otherwise consents to such use or disclosure of any item of the Confidential Information in writing prior to the use or disclosure thereof, in each instance and then only with respect to those items of Confidential Information specifically described, and only to the extent specifically authorized, in such written consent.
- (b) With respect to each item of Confidential Information, the "Restricted Period" shall mean: (i) five (5) years, if such item of Confidential Information does not constitute or ceases to be a trade secret; or (ii) indefinitely, if such item of Confidential Information constitutes a trade secret; provided, however, if an item of Confidential Information ceases to be a trade secret, such item of Confidential Information shall remain confidential and proprietary to Company for a period of not less than five (5) years.
- (c) Notwithstanding the foregoing, Confidential Information does not include information: (i) in the public domain; or (ii) that later becomes public, unless such information is made public by: (x) Executive as a result of the breach of this Agreement; or (y) any other person or entity, directly or indirectly, under an obligation of confidentiality to Company.
- (d) Executive acknowledges and agrees that, under all circumstances, the restrictions upon her and her covenants, duties and obligations unto the Company set forth in this Paragraph 5 are necessary to protect the Company's legitimate business interests, are given as a material inducement to the Company's employment of Executive, are reasonable in scope and duration and will not prevent Executive from pursuing other business ventures and employment opportunities or otherwise cause Executive a financial hardship.
- (e) In the event that Executive reasonably believes, after consultation with counsel, that she is required by law to disclose any Confidential Information, Executive will: (i) provide the Company with prompt notice before such disclosure in order that the Company may attempt to obtain a protective order or other assurance that confidential treatment will be accorded such Confidential Information, and (ii) cooperate with the Company in attempting to obtain such order or assurance.

(f) All Confidential Information, files, records, documents and similar items relating to the business of the Company, and any copies, reproductions or recordings thereof in the Executive's possession or control, whether prepared by Executive or otherwise, shall be and remain the exclusive property of the Company and Executive shall deliver to the Company at the termination or expiration of the Term, or at any other time that the Company may request: (i) all Confidential Information including all copies and reproductions thereof, and all writings and recordings incorporating or referring to the Confidential Information (ii) all other property of Company and (iii) certify in writing to Company that Executive has satisfied all of her covenants, duties and obligations pursuant to this Paragraph 5(g).

6. **Enforcement.** If the duration of Executive's covenants, duties and obligations set forth in Paragraph 5 is held to be excessive, unreasonable, invalid or unenforceable by a court of competent jurisdiction, such duration will be modified so as to be reasonable, valid and enforceable to the maximum extent permitted by law as determined by such court of competent jurisdiction. Because Executive's services are unique and because Executive has access to Confidential Information, the parties hereto agree that money damages would not be an adequate remedy for any breach of this Agreement. Therefore, in the event a breach or threatened breach of this Agreement, the Company or its successors or assigns, in addition to other rights and remedies existing in their favor (including, without limitation Company's right to reduce or eliminate further payment of the Earn Out Consideration as defined in the Asset Purchase Agreement), shall be entitled to specific performance and/or injunctive or other equitable relief from a court of competent jurisdiction in order to enforce, or prevent any violations of, the provisions hereof, without the requirement of posting a bond or security thereof. Executive hereby waives any claim or defense that Company has an adequate remedy at law or is not being irreparably injured and will not raise or suggest any such claim or defense in any action or proceeding initiated by or on behalf of Company. Company's rights and remedies hereunder are cumulative in nature, and no such right or remedy shall be, or be considered to be, Company's sole and exclusive right or remedy.
7. **Executive's Representations.** Executive hereby represents and warrants to the Company that (i) the execution, delivery and performance of this Agreement by Executive does not and shall not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which she is bound, (ii) other than as contained in that certain Non-Disclosure and Non-Competition Agreement of even date herewith by and among Company, Ashley Ellis and Executive, Executive is not a party to or bound by any employment agreement, non-compete agreement or confidentiality agreement with any other person or entity and (iii) upon the execution and delivery of this Agreement by the Company, this Agreement shall be the valid and binding obligation of Executive, enforceable in accordance with its terms. Executive hereby acknowledges and represents that she has consulted with independent legal counsel regarding her rights and obligations under this Agreement and that she fully understands the terms and conditions contained herein.

8. **Compliance with IRC Code Section 409.** This Agreement is intended to comply with IRC Code Section 409A and the interpretative guidance thereunder, including the exceptions for short-term deferrals, separation pay arrangements, reimbursements, and in-kind distributions, and shall be administered accordingly. This Agreement shall be construed and interpreted with such intent. If a payment under this Agreement does not qualify as a short-term deferral under IRC Code Section 409A and Treas. Reg. Section 1.409A-1(b)(4) (or any similar or successor provisions), and the Executive is a Specified Employee (as defined below) as of her termination, distributions to the Executive may not be made before the date that is six months after the date of her termination or, if earlier, the date of the Executive's death (the "Six-Month Delay Rule"). Payments to which the Executive would otherwise be entitled during the first six months following the termination (the "Six-Month Delay") will be accumulated and paid on the first day of the seventh month following the termination. Notwithstanding the Six-Month Delay Rule set forth in this Section:

To the maximum extent permitted under IRC Code Section 409A and Treas. Reg. Section 1.409A-1(b)(9)(iii) (or any similar or successor provisions), during each month of the Six-Month Delay, the Company will pay the Executive an amount equal to the lesser of (i) the total monthly severance provided under this Agreement, or (ii) one-sixth (1/6) of the lesser of (1) the maximum amount that may be taken into account under a qualified plan pursuant to IRC Code Section 401(a)(17) for the year in which the Executive termination occurs, and (2) the sum of the Executive's annualized compensation based upon the annual rate of pay for services provided to the Company for the taxable year of the Executive's preceding the taxable year of the Executive in which her termination occurs (adjusted for any increase during that year that was expected to continue indefinitely if the Executive had not had a termination); provided that amounts paid under this sentence will count toward, and will not be in addition to, the total payment amount required to be made to the Executive by the Company under this Agreement; and

To the maximum extent permitted under IRC Code Section 409A and Treas. Reg. Section 1.409A-1(b)(9)(v)(D) (or any similar or successor provisions), within ten (10) days of the termination, the Company will pay the Executive an amount equal to the applicable dollar amount under IRC Code Section 402(g)(1)(B) for the year of the Executive's termination; provided that the amount paid under this sentence will count toward, and will not be in addition to, the total payment amount required to be made to the Executive by the Company under this Agreement.

For purposes of this Agreement, "Specified Employee" has the meaning given that term in IRC Code Section 409A and Treas. Reg. 1.409A-1(c)(i) (or any similar or successor provisions). The Company's "specified employee identification date" (as described in Treas. Reg. 1.409A-1(c)(i)(3)) will be December 31 of each year, and the Company's 'specified employee effective date' (as described in Treas. Reg. 1.409A-1(c)(i)(4) or any similar or successor provisions) will be February 1 of each succeeding year."

Each payment under this Agreement or any Company benefit plan is intended to be treated as one of a series of separate payments for purposes of IRC Code Section 409A and Treasury Regulation Section 1.409A-2(b)(2)(iii) (or any similar or successor provisions).

9. **Survival.** Paragraphs 5, 6, 7, 8, 9, 10, 11, 14 and 15 shall survive and continue in full force in accordance with its terms, notwithstanding the expiration or termination of the Term for any or no reason whatsoever.

10. **Notices.** Any and all notices, demands, requests, consents, designations and other communications required or desired to be given pursuant to this Agreement will be given in writing and will be deemed duly given upon personal delivery, or on the third day after mailing if sent by certified mail, postage prepaid, return receipt requested, or on the day after deposit with a nationally recognized overnight delivery service which maintains records of the time, place and receipt of delivery, or upon receipt of a confirmed facsimile transmission, and in each case to the person and address set forth below, or to such other person or address which Company or Executive may respectively designate in like manner from time to time.

If to Executive, then to:

Katy M. Gallagher
c/o: General Employment Enterprises, Inc.
One Tower Lane, Suite 2200
Oakbrook Terrace, IL 60181
Fax: (630) 954-0595
With a copy to (which copy alone shall not constitute notice under shall not constitute notice under this Agreement):

TBD

If to Company, then to:

Salvatore Zizza
c/o Zizza & Co., Ltd
641 Lexington Avenue, 17 Floor
New York, New York 10022
Fax: 212-758-221
With a copy to (which copy alone shall not constitute notice under shall not constitute notice under this Agreement):

Matthew T. Ziccarelli, Esq.
General Employment Enterprises, Inc.
One Tower Lane, Suite 2200
Oakbrook Terrace, IL 60181

11. **Severability.** If any provision contained herein is held to be invalid or unenforceable by a court of competent jurisdiction, such provision will be severed herefrom and such invalidity or unenforceability will not affect any other provision of this Agreement, the balance of which will remain in and have its intended full force and effect; provided, however, if such invalid or unenforceable provision may be modified so as to be valid and enforceable as a matter of law, such provision will be deemed to have been modified so as to be valid and enforceable to the maximum extent permitted by law.
12. **Entire Agreement.** This Agreement and those documents expressly referred to herein and other documents of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.
13. **Counterparts.** This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement. Additionally, signatures transmitted via facsimile or electronically with electronic receipted delivery shall be deemed originals.
14. **Successors and Assigns.** This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive, the Company and their respective heirs, successors and assigns. Executive shall not assign her rights or delegate her duties or obligations hereunder.

15. **Governing Law Mutual Arbitration Agreement.** This Agreement will be construed and enforced in accordance with the laws of the State of Illinois without regard to its choice of law rules. Executive and the Company each agree, to the extent permitted by law, to arbitrate before a single neutral arbitrator, in accordance with the national Rules for the Resolution of Employment Disputes of the American Arbitration Association regarding discovery, any dispute or claim arising out of, related to, or connected with Executive's employment, termination of employment, or this Agreement, including the interpretation, validity, construction, performance, breach, or termination thereof, including any claim against any current or former agent or employee of the Company, whether the dispute or claim arises in tort, contract, or pursuant to a statute, regulation, or ordinance now in existence or which in the future may be enacted or recognized, including, but not limited to any claim from fraud, promissory estoppels, breach of contract, breach of the covenant of good faith and fair dealing, wrongful termination, infliction of emotional distress, defamation, interference with contract or prospective economic advantage, unfair business practices, any claim under any and all federal, state, or municipal statutes, regulations, or ordinances that prohibit discrimination, harassment, or retaliation or any kind, any claim for non-payment or incorrect payment of wages, commissions, bonuses, severance, or employee fringe benefits, and any claims regarding stock or stock options, except that any dispute or claims for worker's compensations benefits or unemployment insurance benefits shall be excluded from this mutual agreement to arbitrate.
16. **Exhibits.** The Exhibits referred to in this Agreement are attached to, made a part of and incorporated in this Agreement by this reference.
17. **Waivers and Consents.** The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by the written agreement of the party entitled to the benefits of such terms or provisions intended to be waived. Each such waiver or consent will be effective only in the specific instance and for the specific purpose for which it was given, and will not constitute a continuing waiver or consent.
18. **Assignment.** Executive acknowledges that the services to be rendered by her pursuant to this Agreement are unique and personal and that she may not assign any of her rights or benefits or delegate any of her covenants, duties, agreements or obligations under this Agreement (including the right to payment hereunder). Any attempted assignment, transfer, pledge or hypothecation or other disposition of this Agreement, or of such rights, covenants, or obligations by Executive, will be null and void and of no force or effect whatsoever. The Company may assign this Agreement and any or all of its rights, covenants, duties and obligations under this Agreement upon written notice to Executive.
19. **Amendments.** No modifications or amendments of this Agreement will be effective unless made in writing and signed by Company and Executive.
20. **Recitals.** The recitals set forth at the beginning of this Agreement are hereby incorporated into and made a part of this Agreement as if fully set forth herein.
21. **Headings.** The headings and captions of the various Paragraphs and Subparagraphs of this Agreement are for convenience of reference only and will in no way modify or affect the meaning or construction of any of the terms or provisions hereof.

22. **Knowledge and Understanding.** Executive acknowledges that she has been given the time and opportunity to consult with counsel of Executive's choice prior to executing and delivering this Agreement and that Executive has freely and voluntarily executed and delivered this Agreement with full knowledge and understanding of its content, meaning and intent.

IN WITNESS WHEREOF, the Company and Executive have each duly executed this Agreement as of the date first written above.

GENERAL EMPLOYMENT ENTERPRISES, INC.

EXECUTIVE

By: /s/ Salvatore J. Zizza
Salvatore J. Zizza
Chief Executive Officer

By: /s/ Katy M. Gallagher
Katy M. Gallagher
Executive

Change of Control Agreement

General Employment Enterprises, Inc. (the "Company"), considers it essential to the best interests of its stockholders to attract top executives and to foster the continuous employment of key management personnel. In this connection, the Board of Directors of the Company (the "Board") recognizes that the possibility of a change of control may exist and that such possibility, and the uncertainty and questions which it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its stockholders.

The Board has determined that appropriate steps should be taken to ensure the continuity of management and to foster objectivity in the face of potentially disturbing circumstances arising from the possibility of a change of control of the Company, although no such change is now contemplated. In order to induce you to remain in the employ of the Company and in consideration of your further services to the Company, the Company agrees that effective as of August 31, 2011, you shall receive the severance benefits from the Company, set forth in this letter agreement ("Agreement") in the event you Separate from Service with the Company and all related entities (collectively, "General Employment Enterprises") subsequent to a Change of Control of the Company (as defined in Section 2(d) hereof) under the circumstances described below.

1. Term of Agreement.

This Agreement shall commence on August 31, 2011 and shall continue in effect until the earlier of (i) three years from the date hereof; (ii) termination of employment; or (iii) upon the execution of a written agreement between the Company and you terminating this Agreement.

2. Definitions. As used in this Agreement:

- (a) **"Annual Compensation"** means the total of:
 - one year of base salary, at the highest base salary rate that you were paid by the Company within a 12-month period prior to the date of your Separation from Service (the "Look-Back Period").
 - (b) **"Beneficial Owner"** has the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the "Exchange Act").
 - (c) **"Cause" for termination means**
 - (i) You use intoxicants, alcohol, drugs or other stimulants or depressants while performing your employment duties and such that the reputation of the Company is adversely affected, as reasonably determined by the Company.
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- (ii) You fail or refuse to satisfactorily perform your employment duties or any assignment reasonably given to you by the officers of Company or your supervisor.
- (iii) You otherwise breach the terms or conditions of this Agreement or any other policy, rule or regulation of the Company generally in effect from time to time.
- (iv) You are convicted of or plead guilty or *nolo contendere* to any felony charge or commit a fraudulent, dishonest, immoral or unethical act with regard to Company, Company's customers, Company's prospective customers, suppliers, employees, agents or independent contractors.
- (v) You commit an act of moral turpitude.
- (vi) You have been found by a court in a civil action or by the Securities and Exchange Commission to have violated any federal or state securities law.

(d) **"Change of Control"** of the Company means and includes each and all of the following occurrences:

- (i) an acquisition by a trustee or other fiduciary holding securities under any Employee benefit plan (or related trust) sponsored or maintained by the Company or any person controlled by the Company or by any Employee benefit plan (or related trust) sponsored or maintained by the Company or any person controlled by the Company, or
- (ii) The consummation of the sale or disposition by the Company of all or substantially all the Company's assets; or
- (iii) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation; or
- (iv) A change in the composition of the Board occurring within a two-year period, as a result of which fewer than a majority of the directors are Incumbent Directors. "Incumbent Directors" shall mean directors who either (A) are directors of the Company as of the date hereof, or (B) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of those directors whose election or nomination was not in connection with any transaction described in subsections (i), (ii), or (iii) above, or in connection with an actual or threatened proxy contest relating to the election of directors to the Company.

- (v) Notwithstanding the foregoing, the following events shall not constitute a “Change of Control”: (i) a mere reincorporation of the Company; (ii) a transaction undertaken for the sole purpose of creating a holding company that will be owned in substantially the same proportion by the persons who held the Company’s securities immediately before such transaction; or (iii) a transaction effected primarily for the purpose of financing of the Company with cash (as determined by the Board in its discretion and without regard to whether such transaction is effectuated by a merger, equity financing or otherwise).
- (e) **“Code”** means the Internal Revenue Code of 1986, as amended.
- (f) **“Company”** means General Employment Enterprises, Inc., and any successor as provided in Section 7 hereof.
- (g) **“Disability”** means that, at the time you Separate from Service, you have been unable to perform the duties of your position for a period of 90 consecutive days as the result of your incapacity due to physical or mental illness.
- (h) **“Good Reason”** means the occurrence of one of the following without your express written consent: (i) a material reduction of your duties, position or responsibilities, or your removal from such position and responsibilities, unless you are offered a comparable position (i.e., a position of equal or greater organizational level, duties, authority, compensation, title and status); (ii) a reduction by the Company in your base compensation as in effect immediately prior to such reduction; (iii) a material reduction by the Company in the kind or level of employee benefits to which you are entitled immediately prior to such reduction with the result that your overall benefits package is significantly reduced unless such reduction is applicable to employees generally; (iv) you are requested to relocate (except for office relocations that would not increase your one way commute by more than 50 miles); or (v) the failure of the Company to obtain the assumption of this Agreement pursuant to Section 7. In the event any of the occurrences in (i) through (v) above have occurred, the Company shall be given written notice by you of your intention to so terminate your employment, such notice: (A) to state in detail the particular act or acts or failure or failures to act that constitute the grounds on which the proposed termination for Good Reason is based, (B) to be given within thirty (30) days after you knew of such acts or failures to act, and (C) to state the effective date of the termination which shall be no less than thirty (30) days from the date of the notice. In the event such notice is timely given by you, the Company shall have thirty (30) days after the date that the notice is given in which to cure such conduct, to the extent such cure is possible.
- (i) **“Person”** has the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d) and 14(d) thereof, including a group as defined in Section 13(d) of the Exchange Act but excluding the Company and any subsidiary and any employee benefit plan sponsored or maintained by the Company or any subsidiary (including any trustee of such plan acting as Trustee).

- (j) **“Separation from Service”** or “Separates from Service” means a termination of employment with General Employment Enterprises that the Company determines is a Separation from Service in accordance with Section 409A of the Code.
- (k) **“Severance Payment”** means the payment of severance compensation as provided in Section 3 of this Agreement.

3. Compensation Upon Separation from Service Following a Change of Control.

If you Separate from Service after a Change of Control on account of (i) an involuntary termination without Cause or (ii) a voluntary termination for Good Reason, then subject to your signing and not revoking a separation agreement and release of claims in a form reasonably satisfactory to the Company:

- (a) You will be entitled to a Severance Payment in an amount computed as follows:
 - (i) A lump sum payment equal to all unpaid compensation remaining from day of separation to end of the term of your employment agreement; plus
 - (ii) Continuation of health insurance benefits for 6 months following the Separation from Service, subject to IRS non-discrimination rules; plus
 - (iii) Reimbursement for the premiums associated with COBRA for 18 months following the 6 month continuation of health insurance period, subject to IRS non-discrimination rules; plus
 - (iv) The same percentage of Company-paid group-term life insurance benefits as were provided to you and your family under plans of the Company as of the Change of Control for a total of twenty-four (24) months, following the year in which you Separate from Service. Notwithstanding the foregoing, the Company may, at its option, satisfy any requirement that the Company provides coverage under any plan listed in Section 3(a)(ii)-(iv) by instead providing coverage under a separate plan or plans providing coverage that is no less favorable.
- (b) Notwithstanding anything contained in Section 3(a) above, the Company shall have no obligation to make any payment or offer any benefits to you under Section 3(a) if you Separate from Service prior to a Change of Control or if you Separate from Service after a Change of Control for Cause, death, Disability, retirement or voluntary resignation other than for Good Reason.
- (c) The payments set forth in Section 3(a) above shall be subject to your execution and delivery of a general release (that is no longer subject to revocation under applicable law) of the Company, its parents, subsidiaries and affiliates and each of its officers, directors, employees, agents, successors and assigns in the form that is acceptable to the Company (the “General Release”). All payments under Section 3(a) shall begin within sixty (60) days following a Separation from Service, provided, however, that if the sixty (60) day period begins in one calendar year and ends in the second calendar year, payment will be made on the first day in the second calendar year after your execution and delivery of the General Release (that is no longer subject to revocation under applicable law).

- (d) Notwithstanding the foregoing, in the event that all or a portion of any payment described in Section 3(a) constitutes nonqualified deferred compensation within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and you are at such time a specified employee, such payment or payments that constitute nonqualified deferred compensation within the meaning of the Code shall be made six (6) months and one day after the date you separate from service (within the meaning of the Code).
- (e) Notwithstanding the foregoing, in no event will payments under Section 3(a) exceed 2.99 times your base compensation under Code Section 280(G).

4. Dissolution of Non-Compete upon Separation from Service Following a Change of Control.

If you Separate from Service after a Change of Control on account of (i) an involuntary termination without Cause or (ii) a voluntary termination for Good Reason, then subject to your signing and not revoking the General Release, Section 2(a) of the non-disclosure and non-competition agreement dated August 31, 2011 between you and the Company shall become null and void.

5. No Mitigation.

You shall not be required to mitigate the amount of any payment provided for in Section 3 hereof by seeking other employment or otherwise, nor shall the amount of such payment be reduced by reason of compensation or other income you receive for services rendered after your Separation from Service from the Company.

6. Exclusive Remedy.

In the event of your Separation from Service following a Change of Control on account of an involuntary termination without Cause or a voluntary termination for Good Reason, the provisions of Section 3 and Section 4 are intended to be and are exclusive and in lieu of any other rights or remedies to which you or the Company may otherwise be entitled (including any contrary provisions in any employment agreement you may have with the Company), whether at law, tort or contract, in equity, or under this Agreement.

7. Company's Successors.

The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, to expressly assume and agree to perform the obligations under this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. As used in this Section 7, Company includes any successor to its business or assets as aforesaid which executes and delivers this Agreement or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

8. Notice.

Notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or five (5) days after deposit with postal authorities transmitted by United States registered or certified mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth on the first or last page of this Agreement, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

9. Amendment or Waiver.

No provisions of this Agreement may be amended, modified, waived or discharged unless you and the Company agree to such amendment, modification, waiver or discharge in writing. No amendment, modification, waiver or discharge of this Agreement shall result in the accelerated payment of any Severance Payment provided for in Section 3. No waiver by either party at any time of the breach of, or lack of compliance with, any conditions or provisions of this Agreement shall be deemed a waiver of the provisions or conditions hereof.

10. Sole Agreement.

This Agreement represents the entire agreement between you and the Company with respect to the matters set forth herein and supersedes and replaces any prior agreements in their entirety. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter of this Agreement will be made by either party which are not set forth expressly herein. No future agreement between you and the Company may supersede this Agreement, unless it is in writing and specifically makes reference to this Section 10.

11. Employee's Successors.

This Agreement shall inure to the benefit of and be enforceable by your personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If you should die while any amounts are still payable to you hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to your devisee, legatee, or other designee or, if there be no such designees, to your estate.

12. Funding.

This Agreement shall be unfunded. Any payment made under the Agreement shall be made from the Company's general assets.

13. Waiver.

No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

14. Headings.

All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

15. Validity.

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, which shall remain in full force and effect.

16. Withholding.

All payments made pursuant to this Agreement will be subject to withholding of applicable income and employment taxes.

17. Applicable Law.

This Agreement shall be interpreted and enforced in accordance with the laws of the State of Illinois (with the exception of its conflict of laws provisions). Any action, suit or other legal proceeding that is commenced to resolve any matter arising under or relating to any provision of this Agreement shall be submitted to the exclusive jurisdiction of any state or federal court in DuPage County.

18. Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

If the foregoing conforms to your understanding, please indicate your agreement to the terms hereof by signing where indicated below and returning one copy of this Agreement to the undersigned.

19. Code Section 409A Compliance.

(a) The intent of the parties is that payments and benefits under this Agreement comply with, or be exempt from, Code Section 409A and the regulations and guidance promulgated thereunder (collectively "Code Section 409A").

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment that are considered "nonqualified deferred compensation" under Code Section 409A unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service."

(c) With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Code Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, provided that the foregoing clause (ii) shall not be violated without regard to expenses reimbursed under any arrangement covered by Code Section 105(b) solely because such expenses are subject to a limit related to the period the arrangement is in effect and (iii) such payments shall be made on or before the last day of Executive's taxable year following the taxable year in which the expense occurred.

IN WITNESS WHEREOF, this Agreement is executed effective as of the date set forth above.

Katy M. Gallagher

By: /s/ Katy M. Gallagher

Date: _____

General Employment Enterprises, Inc

By: /s/ Salvatore J. Zizza
Salvatore J. Zizza

Its: _____
Chief Executive Officer

Date: _____

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is made by and between General Employment Enterprises, Inc., an Illinois corporation (the "Company"), and Salvatore J. Zizza ("Executive") effective as of September 1, 2011.

1. Duties and Scope of Employment.

- (a) Position; Commencement Date. Executive's employment with the Company pursuant to this Agreement shall commence upon September 1, 2011 (the "Commencement Date"). As of the Commencement Date, the Company shall employ Executive, and Executive agrees to be employed by the Company, as its Chief Executive Officer and to serve as Chairman of the Board of Directors of the Company.
- (b) Duties; Obligations to the Company. Executive shall report to the Company's Board of Directors ("Board") and shall perform such other duties as the Board may from time to time require, consistent with the general level and type of duties and responsibilities customarily associated with Executive's position as Chief Executive Officer.

Executive agrees that he will at all times conscientiously perform all of the duties and obligations required of him pursuant to the terms of this Agreement. The Company will be entitled to all of the benefits and profits arising from or incident to all such work services and advice. Executive will not directly or indirectly engage or participate in any business that is competitive in any manner with the business of the Company.

- (c) No Conflicting Obligations. Executive represents and warrants to the Company that he is under no obligation or commitment, whether contractual or otherwise, that is inconsistent with his obligations under this Agreement. Executive's employment will not infringe or violate the rights of any other person or entity, and Executive warrants that he will not use or disclose, in connection with his employment by the Company, any trade secrets or other proprietary information or intellectual property in which any other person has any right, title, or interest.

2. Term and Termination.

- (a) Term. The term of this Agreement shall begin on September 1, 2011 (the "Commencement Date") and shall continue for a period of two years. The Term shall automatically terminate in the event of Executive's termination of employment as a result of Executive's (i) death, (ii) the disability of Executive by injury or illness, materially and substantially impairing him from carrying out his duties anticipated under this Agreement for a period of 90 days or longer as determined by the Board of Directors of the Corporation, (such disability shall be established by a certificate from an independent licensed physician, mutually chosen by the parties); or (iii) the written mutual agreement of the Parties. Either party may terminate this Agreement at any time, provided, however, the parties shall continue to be subject to the post-employment obligations contained in Section 2(b) and Section 9 of this Agreement.
- (b) Termination. In the event Executive's employment is terminated other than as a result of Executive's death or disability (as defined in paragraph 2(a) hereinabove) and either (i) by the Company for a reason other than "Cause" or (ii) by the Executive for "Good Reason Executive shall continue to receive the Compensation, Benefits and Perquisites provided under Sections 3 and 4 of this Agreement for the remainder of the Term specified in Section 2(a), above. For purposes of this Agreement, "Cause" means (i) conviction of a felony, (ii) an act of dishonesty or fraud that has a material adverse impact on the business of the Company, or (iii) gross negligence in the performance of his duties as Chief Executive Officer of the Company. "Good Reason" means (i) reduction in the Executive's Compensation under Section 3 of this Agreement or other terms of employment under Section 4 of this Agreement, or (ii) reduction in the Executive's position with the Company.

3. Compensation.

- (a) Base Salary. During the Term, the Company shall pay the Executive as compensation for his services a base salary at the annualized rate of not less than One Hundred Twenty Thousand dollars (\$120,000), less tax and related withholdings. The Board shall review such base salary annually and may increase such amount as it determines, but such amount shall not be reduced. Base salary shall be paid periodically in accordance with normal Company payroll practices and procedures. The annualized base salary to be paid to Executive pursuant to this Section 3(a), together with any subsequent modifications thereto, shall be referred to in this Agreement as the "Base Salary."

4. Vacation, Benefits and Perquisites.
 - (a) Vacation. Executive will be eligible for paid vacation in accordance with the Company's vacation policy applicable to Executive's position and tenure with the Company.
 - (b) Welfare Benefits. The Company shall provide Executive with (i) life insurance equal to two (2) times his Base Salary and (ii) disability income insurance equal to fifty percent (50%) of his Base Salary. It is understood that the benefits provided to the Executive pursuant to this subsection (b) may result in imputed compensation to the Executive.
5. Business Expense Reimbursements. During his employment, Executive shall be authorized to incur ordinary, necessary, and reasonable travel, entertainment, and other business expenses in connection with his duties hereunder. The Company shall reimburse Executive for such reasonable expenses upon presentation of an itemized account and appropriate supporting documentation, all in accordance with the Company's generally applicable reimbursement policies.
6. Equity. During his employment and a member of the Board of Directors, Executive shall be entitled to participate in stock option awards on the same terms and conditions as other executives and members of the Board of Directors.
7. Assignment. This Agreement shall be binding upon and inure to the benefit of (a) the heirs, beneficiaries, executors and legal representatives of Executive upon Executive's death and (b) the Company and any successor of the Company. Any such successor of the Company shall be deemed substituted for the Company under the terms of this Agreement for all purposes. As used herein, "successor" shall include any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company. Executive may not assign this Agreement.

8. Notices. All notices, requests, demands and other communications called for hereunder shall be in writing and shall be deemed given if (a) delivered personally or by facsimile, (b) one (1) day after being sent by Federal Express or a similar commercial overnight service, or (c) three (3) days after being mailed by registered or certified mail, return receipt requested, prepaid and addressed to the parties or their successors in interest at the following addresses, or at such other addresses as the parties may designate by written notice in the manner aforesaid:

If to Company, General Employment Enterprises, Inc.
One Tower Lane, Suite 2200
Oakbrook Terrace, IL 60181

If to Executive: At last known address known by Company

9. Non-solicitation, Non-competition and Non-disclosure.

- (a) Non-solicitation. During the period commencing on the Commencement Date and continuing until the second (2nd) anniversary of the date of termination of Executive's employment, Executive shall not directly or indirectly solicit or attempt to solicit (on Executive's own behalf or on behalf of any other person or entity) the employment or retaining of any employee or consultant of the Company or any of the Company's affiliates.
- (b) Non-competition. During the period commencing on the Commencement Date and continuing until the second (2nd) anniversary of the date of termination of Executive's employment, Executive will not directly or indirectly engage or participate in any business that is competitive in any manner with the business of the Company.

- (c) Non-disclosure. Executive shall not use for his or any third party's benefit or, during the period commencing on Executive's termination of employment, directly or indirectly disclose any Confidential Information of the Company. Confidential Information means that information which has commercial value to Company's business and is confidential or proprietary in nature (including, without limitation, names and expertise of employees and consultants, any other technical, business, financial, plans, strategies and other confidential information). Information that is or becomes (through no improper action or inaction by the Executive) generally available to the public shall not be Confidential Information.
10. Severability. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision.
11. Mutual Arbitration Agreement. Executive and the Company each agree, to the extent permitted by law, to arbitrate before a single neutral arbitrator, in accordance with the National Rules for the Resolution of Employment Disputes of the American Arbitration Association regarding discovery, any dispute or claim arising out of, related to, or connected with Executive's employment, termination of employment, or this Agreement, including the interpretation, validity, construction, performance, breach, or termination thereof, including any claim against any current or former agent or employee of the Company, whether the dispute or claim arises in tort, contract, or pursuant to a statute, regulation, or ordinance now in existence or which in the future may be enacted or recognized, including, but not limited to any claim for fraud, promissory estoppel, breach of contract, breach of the covenant of good faith and fair dealing, wrongful termination, infliction of emotional distress, defamation, interference with contract or prospective economic advantage, unfair business practices, any claim under any and all federal, state, or municipal statutes, regulations, or ordinances that prohibit discrimination, harassment, or retaliation of any kind, any claim for non-payment or incorrect payment of wages, commissions, bonuses, severance, or employee fringe benefits, and any claim regarding stock or stock options, *except that* any dispute or claim for workers' compensation benefits or unemployment insurance benefits shall be excluded from this mutual agreement to arbitrate.
12. Entire Agreement. This Agreement, and the stock documents, if executed, referenced in Section 6, represent the entire agreement and understanding between the Company and Executive concerning Executive's employment relationship with the Company, and supersede and replace any and all prior agreements and understandings concerning Executive's employment relationship with the Company.

13. No Oral Modification, Cancellation or Discharge. This Agreement may only be amended, canceled or discharged in writing signed by Executive and an authorized member of the Board or authorized officer.
14. Governing Law. This Agreement shall be governed by the laws of the State of Illinois without reference to rules relating to conflicts of law.
15. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Additionally, signatures transmitted via facsimile or electronically with electronic receipted delivery shall be deemed originals.
16. Acknowledgment. Executive acknowledges that he has had the opportunity to discuss this matter with and obtain advice from his private attorney, has had sufficient time to, and has carefully read and fully understands all the provisions of this Agreement, and is knowingly and voluntarily entering into this Agreement.

IN WITNESS WHEREOF, the undersigned parties agree to all the promises, covenants and terms contained herein:

GENERAL EMPLOYMENT ENTERPRISES, INC.

 /s/ James R. Harlan Date: _____
 By: James R. Harlan
 Title: Chief Financial Officer and Treasurer

EXECUTIVE
 Salvatore J. Zizza

 /s/ Salvatore J. Zizza Date: _____

Change of Control Agreement

General Employment Enterprises, Inc. (the “Company”), considers it essential to the best interests of its stockholders to attract top executives and to foster the continuous employment of key management personnel. In this connection, the Board of Directors of the Company (the “Board”) recognizes that the possibility of a change of control may exist and that such possibility, and the uncertainty and questions which it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its stockholders.

The Board has determined that appropriate steps should be taken to ensure the continuity of management and to foster objectivity in the face of potentially disturbing circumstances arising from the possibility of a change of control of the Company, although no such change is now contemplated. In order to induce **Salvatore J. Zizza** (“Executive”) to remain in the employ of the Company and in consideration of your further services to the Company, the Company agrees that effective as of September 1, 2011, Executive shall receive the severance benefits from the Company, set forth in this letter agreement (“Agreement”) in the event Executive Separate from Service with the Company and all related entities (collectively, “General Employment Enterprises”) subsequent to a Change of Control of the Company (as defined in Section 2(d) hereof) under the circumstances described below.

1. Term of Agreement.

This Agreement shall commence on September 1, 2011 and shall continue in effect until the earlier of (i) two years from the date hereof; (ii) termination of employment; or (iii) upon the execution of a written agreement between the Company and executive terminating this Agreement.

2. Definitions. As used in this Agreement:

- (a) “**Annual Compensation**” means the total of:

One year of base salary, at the highest base salary rate that you were paid by the Company within a 12-month period prior to the date of your Separation from Service (the “Look-Back Period”);

- (b) “**Beneficial Owner**” has the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

- (c) “**Cause**” means

- (i) Conviction of a felony.
 - (ii) An act of dishonesty or fraud that has a material adverse impact on the business of the Company.
-

- (iii) Gross negligence in the performance of duties and Chief Executive Office of the Company.
- (d) **“Change of Control”** of the Company means and includes each and all of the following occurrences:
 - (i) an acquisition by a trustee or other fiduciary holding securities under any Employee benefit plan (or related trust) sponsored or maintained by the Company or any person controlled by the Company or by any Employee benefit plan (or related trust) sponsored or maintained by the Company or any person controlled by the Company, or
 - (ii) The consummation of the sale or disposition by the Company of all or substantially all the Company’s assets; or
 - (iii) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation; or
 - (iv) A change in the composition of the Board occurring within a two-year period, as a result of which fewer than a majority of the directors are Incumbent Directors. “Incumbent Directors” shall mean directors who either (A) are directors of the Company as of the date hereof, or (B) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of those directors whose election or nomination was not in connection with any transaction described in subsections (i), (ii), or (iii) above, or in connection with an actual or threatened proxy contest relating to the election of directors to the Company.
 - (v) Notwithstanding the foregoing, the following events shall not constitute a “Change of Control”: (i) a mere reincorporation of the Company; (ii) a transaction undertaken for the sole purpose of creating a holding company that will be owned in substantially the same proportion by the persons who held the Company’s securities immediately before such transaction; or (iii) a transaction effected primarily for the purpose of financing of the Company with cash (as determined by the Board in its discretion and without regard to whether such transaction is effectuated by a merger, equity financing or otherwise).
- (e) **“Code”** means the Internal Revenue Code of 1986, as amended.
- (f) **“Company”** means General Employment Enterprises, Inc., and any successor as provided in Section 7 hereof.

- (g) **“Disability”** means that, at the time you Separate from Service, you have been unable to perform the duties of your position for a period of 90 consecutive days as the result of your incapacity due to physical or mental illness.
- (h) **“Good Reason”** means the occurrence of one of the following without your express written consent: (i) a material reduction of Executive’s duties, position or responsibilities, or Executive’s removal from such position and responsibilities, unless Executive is offered a comparable position (i.e., a position of equal or greater organizational level, duties, authority, compensation, title and status); (ii) a reduction by the Company in Executive’s base compensation as in effect immediately prior to such reduction; (iii) a material reduction by the Company in the kind or level of employee benefits to which Executive is entitled immediately prior to such reduction with the result that Executive’s overall benefits package is significantly reduced unless such reduction is applicable to employees generally; or (iv) the failure of the Company to obtain the assumption of this Agreement pursuant to Section 7. In the event any of the occurrences in (i) through (iv) above have occurred, the Company shall be given written notice of Executive’s intention to so terminate employment, such notice: (A) to state in detail the particular act or acts or failure or failures to act that constitute the grounds on which the proposed termination for Good Reason is based, (B) to be given within thirty (30) days after Executive knew of such acts or failures to act, and (C) to state the effective date of the termination which shall be no less than thirty (30) days from the date of the notice. In the event such notice is timely given, the Company shall have thirty (30) days after the date that the notice is given in which to cure such conduct, to the extent such cure is possible.
- (i) **“Person”** has the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d) and 14(d) thereof, including a group as defined in Section 13(d) of the Exchange Act but excluding the Company and any subsidiary and any employee benefit plan sponsored or maintained by the Company or any subsidiary (including any trustee of such plan acting as Trustee).
- (j) **“Separation from Service”** or “Separates from Service” means a termination of employment with General Employment Enterprises that the Company determines is a Separation from Service in accordance with Section 409A of the Code.
- (k) **“Severance Payment”** means the payment of severance compensation as provided in Section 3 of this Agreement.

3. Compensation Upon Separation from Service Following a Change of Control.

If Executive Separates from Service after a Change of Control on account of (i) an involuntary termination without Cause or (ii) a voluntary termination for Good Reason, then subject to Executive signing and not revoking a separation agreement and release of claims in a form reasonably satisfactory to the Company:

- (a) Executive will be entitled to a Severance Payment in an amount computed as follows:
- (i) A lump sum payment equal to all unpaid compensation remaining from day of separation to end of the term of your employment agreement; plus
 - (ii) Continuation of health insurance benefits for 6 months following the Separation from Service, subject to IRS non-discrimination rules; plus
 - (iii) Reimbursement for the premiums associated with COBRA for 18 months following the 6 month continuation of health insurance period, subject to IRS non-discrimination rules; plus
 - (iv) The same percentage of Company-paid group-term life insurance benefits as were provided to you and your family under plans of the Company as of the Change of Control for a total of twenty-four (24) months, following the year in which you Separate from Service. Notwithstanding the foregoing, the Company may, at its option, satisfy any requirement that the Company provides coverage under any plan listed in Section 3(a)(ii)-(iv) by instead providing coverage under a separate plan or plans providing coverage that is no less favorable.
- (b) Notwithstanding anything contained in Section 3(a) above, the Company shall have no obligation to make any payment or offer any benefits to you under Section 3(a) if you Separate from Service prior to a Change of Control or if you Separate from Service after a Change of Control for Cause, death, Disability, retirement or voluntary resignation other than for Good Reason.
- (c) The payments set forth in Section 3(a) above shall be subject to your execution and delivery of a general release (that is no longer subject to revocation under applicable law) of the Company, its parents, subsidiaries and affiliates and each of its officers, directors, employees, agents, successors and assigns in the form that is acceptable to the Company (the "General Release"). All payments under Section 3(a) shall begin within sixty (60) days following a Separation from Service, provided, however, that if the sixty (60) day period begins in one calendar year and ends in the second calendar year, payment will be made on the first day in the second calendar year after your execution and delivery of the General Release (that is no longer subject to revocation under applicable law).
- (d) Notwithstanding the foregoing, in the event that all or a portion of any payment described in Section 3(a) constitutes nonqualified deferred compensation within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and Executive is at such time a specified employee, such payment or payments that constitute nonqualified deferred compensation within the meaning of the Code shall be made six (6) months and one day after the date Executive separates from service (within the meaning of the Code).

- (e) Notwithstanding the foregoing, in no event will payments under Section 3(a) exceed 2.99 times Executive's base compensation under Code Section 280(G).

4. No Mitigation.

Executive shall not be required to mitigate the amount of any payment provided for in Section 3 hereof by seeking other employment or otherwise, nor shall the amount of such payment be reduced by reason of compensation or other income Executive receives for services rendered after your Separation from Service from the Company.

5. Exclusive Remedy.

In the event of Executive's Separation from Service following a Change of Control on account of an involuntary termination without Cause or a voluntary termination for Good Reason, the provisions of Section 3 is intended to be and are exclusive and in lieu of any other rights or remedies to which Executive or the Company may otherwise be entitled (including any contrary provisions in any employment agreement you may have with the Company), whether at law, tort or contract, in equity, or under this Agreement.

6. Company's Successors.

The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, to expressly assume and agree to perform the obligations under this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. As used in this Section 7, Company includes any successor to its business or assets as aforesaid which executes and delivers this Agreement or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

7. Notice.

Notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or five (5) days after deposit with postal authorities transmitted by United States registered or certified mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth on the first or last page of this Agreement, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

8. Amendment or Waiver.

No provisions of this Agreement may be amended, modified, waived or discharged unless Executive and the Company agree to such amendment, modification, waiver or discharge in writing. No amendment, modification, waiver or discharge of this Agreement shall result in the accelerated payment of any Severance Payment provided for in Section 3. No waiver by either party at any time of the breach of, or lack of compliance with, any conditions or provisions of this Agreement shall be deemed a waiver of the provisions or conditions hereof.

9. Sole Agreement.

This Agreement represents the entire agreement between Executive and the Company with respect to the matters set forth herein and supersedes and replaces any prior agreements in their entirety. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter of this Agreement will be made by either party which are not set forth expressly herein. No future agreement between Executive and the Company may supersede this Agreement, unless it is in writing and specifically makes reference to this Section 9.

10. Employee's Successors.

This Agreement shall inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive should die while any amounts are still payable to you hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to your devisee, legatee, or other designee or, if there be no such designees, to your estate.

11. Funding.

This Agreement shall be unfunded. Any payment made under the Agreement shall be made from the Company's general assets.

12. Waiver.

No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

13. Headings.

All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

14. Validity.

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, which shall remain in full force and effect.

15. Withholding.

All payments made pursuant to this Agreement will be subject to withholding of applicable income and employment taxes.

16. Applicable Law.

This Agreement shall be interpreted and enforced in accordance with the laws of the State of Illinois (with the exception of its conflict of laws provisions). Any action, suit or other legal proceeding that is commenced to resolve any matter arising under or relating to any provision of this Agreement shall be submitted to the exclusive jurisdiction of any state or federal court in DuPage County.

17. Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument. Additionally, signatures transmitted via facsimile or electronically with electronic receipted delivery shall be deemed originals.

If the foregoing conforms to your understanding, please indicate your agreement to the terms hereof by signing where indicated below and returning one copy of this Agreement to the undersigned.

18. Code Section 409A Compliance.

(a) The intent of the parties is that payments and benefits under this Agreement comply with, or be exempt from, Code Section 409A and the regulations and guidance promulgated thereunder (collectively "Code Section 409A").

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment that are considered "nonqualified deferred compensation" under Code Section 409A unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service."

(c) With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Code Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, provided that the foregoing clause (ii) shall not be violated without regard to expenses reimbursed under any arrangement covered by Code Section 105(b) solely because such expenses are subject to a limit related to the period the arrangement is in effect and (iii) such payments shall be made on or before the last day of Executive's taxable year following the taxable year in which the expense occurred.

IN WITNESS WHEREOF, this Agreement is executed effective as of the date set forth above.

Executive

General Employment Enterprises, Inc

By: /s/ Salvatore J. Zizza
Salvatore J. Zizza

By: /s/ James R. Harlan
James R. Harlan

Its: Chief Financial Officer and Treasurer

Date: _____

Date: _____

EMPLOYMENT AGREEMENT

This **Employment Agreement** ("Agreement") is made and entered into this 31st day of August, 2011 between General Employment Enterprises, Inc., an Illinois Corporation (the "Company") and **Brad A. Imhoff** ("Executive").

WITNESSETH:

WHEREAS, pursuant to that certain Asset Purchase Agreement dated August 31, 2011, by and between Executive, Ashley Ellis LLC, an Illinois limited liability company ("Ashley Ellis") and Company (the "Asset Purchase Agreement"), contemporaneously hereto Company has purchased substantially all of the assets owned by Seller used or useable in conjunction with the operation of the "Business" (hereinafter defined);

WHEREAS, Executive was an officer, director, shareholder and employee of Ashley Ellis, and is familiar with the management and operation of Ashley Ellis' business of recruitment and placement of technical personnel (the "Business");

WHEREAS, the Asset Purchase Agreement and the transactions consummated pursuant thereto were freely entered into by the parties, each party being represented by counsel of its or his own selection; and

WHEREAS, as a condition precedent to, and in order to induce Company's execution and delivery of, the Asset Purchase Agreement, Executive has agreed to accept employment by the Company pursuant to the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and covenants hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Employment and Duties.** During the "Term" (hereinafter defined), Executive shall be employed by the Company to perform the covenants, duties and obligations set forth in this Agreement, and such additional duties and responsibilities as may be agreed upon by the parties (sometimes collectively the "Employment Duties") subject to the reasonable overall direction and authority the Chief Executive Officer, or his designee.
 - (a) Executive shall devote all of Executive's full time, attention, energies and best efforts to fully and timely performing the Employment Duties and to further the business, operations and best interests of Company in an honest and ethical manner in compliance with this Agreement, all applicable laws, ordinances, permits, licenses, governmental rules, regulations, authorizations and requirements, the Company's Employee Handbook, rules and regulations as may be promulgated by Company, from time to time.
 - (b) Executive shall report to the Chief Executive Officer and such supervisor as may be designated by the Chief Executive Officer, from time to time.
 - (c) Executive shall be employed with the title " Chief Operating Officer and President of the Professional Staffing Division" of the Company located at One Tower Lane, Suite 2200, Oakbrook Terrace, IL 60181, or such other title and location as mutually agreed upon by Company and Executive, but in no event, during the Term, shall Executive be required to relocate more than fifty (50) miles outside the Chicago metropolitan area unless mutually agreed upon by Company and Executive in writing.

- (d) The Company's Professional Staffing Division is defined as follows:
- (i) the three Ashley Ellis branch offices that are being acquired pursuant to the certain Asset Purchase Agreement dated August 31, 2011, which subsists of the Naperville, Atlanta, and Houston branch offices of Ashley Ellis.
 - (ii) the Company's branch offices which provide staffing services substantially in the IT, Accounting, Engineering and Clerical area on a contract and direct hire basis.
 - (iii) future branch offices that the Company opens, which provide staffing services substantially in the IT, Accounting, Engineering and Clerical area on a contract and direct hire basis.
 - (iv) any Company acquisition which provides staffing services substantially in the IT, Accounting, Engineering, and Clerical area on a contract and direct hire basis.

- (v) the Company's Professional Staffing Division will not include branches, affiliates or subsidiaries where a substantial portion of the business is staffing in the Light Industrial or Agricultural area.

2. **Term of Employment.** The period of Company's employment of Executive shall commence as of September 1, 2011 and, unless earlier terminated as provided for herein, will continue for a period of three (3) years thereafter (the "Term").

- (a) The Term shall immediately terminate upon notice to Executive if (each shall be deemed a "breach"):
 - (i) Executive dies or if Executive is unable to carry out the Employment Duties under this Agreement due to illness or injury for a period of ninety (90) days in any 365 day period. Any days of disability separated by thirty (30) days or less shall be considered continuous.
 - (ii) Executive uses intoxicants, alcohol, drugs or other stimulants or depressants while performing the Employment Duties and such that the reputation of the Company is adversely affected, as reasonably determined by the Company.
 - (iii) Executive fails or refuses to satisfactorily perform the Employment Duties or any assignment reasonably given to Executive by the officers of Company or Executive's supervisor.
 - (iv) Executive otherwise breaches the terms or conditions of this Agreement or any other policy, rule or regulation of Company's generally in effect from time to time.
 - (v) Executive is convicted of or pleads guilty or nolo contendere to any felony charge or commits a fraudulent, dishonest, immoral or unethical act with regard to Company, Company's customers, Company's prospective customers, suppliers, employees, agents or independent contractors.
 - (vi) Executive commits an act of moral turpitude.
 - (vii) Executive has been found by a court in a civil action or by the SEC to have violated any federal or state securities law.
- (b) In the event of termination or expiration of the Term, with cause, Company shall only be obligated to pay Executive compensation and benefits, if any, up to and including the effective date of such termination or expiration.
- (c) Upon the termination or expiration of the Term, the Term of Executive's employment is **at will**. That is, either Executive or Company may end the employment relationship at any time, for any reason, or for no reason, with or without notice. Executive further understands that no representative of the Company, other than the Chief Executive Officer, has the authority to enter into any agreement for employment for any specified period of time or to make any agreement contrary to the terms or conditions of this Agreement. Therefore, any agreement that changes that at will nature of employment must be in writing and signed by the Chief Executive Officer of the Company.

3. **Compensation.**

- (a) During the Term of this Agreement, the Company shall pay the Executive as compensation for his services a base salary at the annualized rate of One Hundred Eighty Thousand Dollars (\$180,000), less all customary employee withholdings and all other applicable federal, state and local deductions as required by law. Subsequent to the term of this Agreement, as defined in paragraph 2 herein, Executive's compensation and benefits will be determined by Company's compensation committee of the Board of Directors.
- (b) The Executive shall receive the following bonus: an annual 10% bonus of the increase in profits earned by the Company's Professional Staffing Division, as defined in paragraph 1(d) hereinabove, but will not include profits of acquired entities or assets until applicable earnout periods have expired, over the prior fiscal year, minus an agreed upon corporate allocation. Fiscal year ending September 30, 2011 will be used as the first baseline to determine the profitability bonus. In no event will any baseline year used in the profitability calculations used in this provision be below the September 30, 2011 baseline.

CALCULATION OF EXECUTIVE'S BONUS

- (i) Year 1 Bonus: Executive will earn a 10% bonus of the increase in profits earned by the Company's Professional Staffing Division for fiscal year ending September 30, 2012 over the profits of fiscal year ending September 30, 2011 (Base Year), minus any agreed upon corporate allocation.

- (ii) Year 2 Bonus: Executive will earn a 10% bonus of the increase in profits earned by the Company's Professional Staffing Division for fiscal year ending September 30, 2013 over the profits of fiscal year ending September 30, 2012(Base Year), minus any agreed upon corporate allocation. In the event that the profitability for the Professional Staffing Division for fiscal year ending September 30, 2012 is below its profitability for fiscal year ending September 30, 2011; then the September 30, 2011 base year will be used for determining this Year 2 Bonus.
- (iii) Year 3 Bonus: Executive will earn a 10% bonus of the increase in profits earned by the Company's Professional Staffing Division for fiscal year ending September 30, 2014 over the profits of fiscal year ending September 30, 2013 (Base Year) , minus any agreed upon corporate allocation. In the event that the profitability for the Professional Staffing Division for fiscal year ending September 30, 2013 is below its profitability for fiscal year ending September 30, 2011; then the September 30, 2011 base year will be used for determining this Year 3 Bonus.

As stated herein above, a Company acquisition which provides staffing services substantially in the IT, Accounting, Engineering, and Clerical Area on a contract and direct hire basis, will be considered in the profitability calculations once the applicable earnout period has expired. Subsequent to the earnout period, the profits of the first eligible fiscal year of the acquisition will be added to both the base year and to the bonus year's profitability for calculation of Executive's Bonus. Thereafter, the profits of the acquired company will only be added to the bonus year's profitability for calculation of Executive's bonus.

- (c) The Company shall reimburse Executive for all normal, reasonable and necessary out-of-pocket expenses incident to the performance of his Employment Duties in accordance with policies adopted by the Company from time to time, upon submission by Executive of an itemized account of such expenses containing such detail and accompanied by such supporting documentation as may be generally required by the Company.

4. **Benefits and Vacation.** Vacation time and all other benefits entitled to the Executive will be governed by the Company's Employee Handbook. Notwithstanding any to the contrary in the Company's Employee Handbook regarding the years of service required to earn vacation time, Executive shall receive 4 weeks of paid time off as vacation yearly.

5. **Confidential Information.** Executive acknowledges and agrees that Executive will have access to and receive certain proprietary and confidential information and trade secrets of Company, including, without limitation, customer lists, the terms of any oral or written agreement or understanding between Company and any customer, sales and business records, price lists and methods, financial and cost information, marketing plans, methods of doing business, methods and processes and business strategy documentation, as well as such other information as Company may designate as confidential from time to time (collectively "Confidential Information"). Executive further acknowledges and agrees that the Confidential Information is the exclusive property of Company, not generally known to the trade or industry and, but for Company's engagement of Executive in accordance with the terms of this Agreement, Executive would not have had any access to the Confidential Information. Therefore, Executive agrees that he shall not disclose to any unauthorized person or use for his own purposes any Confidential Information without the prior written consent of the Company.

- (a) During the Term and for the "Restricted Period" (hereinafter defined) following the effective date of the termination or expiration of the Term, for any or no reason whatsoever, Executive will not, directly or indirectly, for his own benefit or for the benefit of any person or entity, other than Company pursuant to this Agreement, use, divulge, disseminate, disclose or communicate to any person or entity any of the Confidential Information in any manner whatsoever, unless Company otherwise consents to such use or disclosure of any item of the Confidential Information in writing prior to the use or disclosure thereof, in each instance and then only with respect to those items of Confidential Information specifically described, and only to the extent specifically authorized, in such written consent.
- (b) With respect to each item of Confidential Information, the "Restricted Period" shall mean: (i) five (5) years, if such item of Confidential Information does not constitute or ceases to be a trade secret; or (ii) indefinitely, if such item of Confidential Information constitutes a trade secret; provided, however, if an item of Confidential Information ceases to be a trade secret, such item of Confidential Information shall remain confidential and proprietary to Company for a period of not less than five (5) years.
- (c) Notwithstanding the foregoing, Confidential Information does not include information: (i) in the public domain; or (ii) that later becomes public, unless such information is made public by: (x) Executive as a result of the breach of this Agreement; or (y) any other person or entity, directly or indirectly, under an obligation of confidentiality to Company.
- (d) Executive acknowledges and agrees that, under all circumstances, the restrictions upon him and his covenants, duties and obligations unto the Company set forth in this Paragraph 5 are necessary to protect the Company's legitimate business interests, are given as a material inducement to the Company's employment of Executive, are reasonable in scope and duration and will not prevent Executive from pursuing other business ventures and employment opportunities or otherwise cause Executive a financial hardship.
- (e) In the event that Executive reasonably believes, after consultation with counsel, that he is required by law to disclose any Confidential Information, Executive will: (i) provide the Company with prompt notice before such disclosure in order that the Company may attempt to obtain a protective order or other assurance that confidential treatment will be accorded such Confidential Information, and (ii) cooperate with the Company in attempting to obtain such order or assurance.
- (f) All Confidential Information, files, records, documents and similar items relating to the business of the Company, and any copies, reproductions or recordings thereof in the Executive's possession or control, whether prepared by Executive or otherwise, shall be and remain the exclusive property of the Company and Executive shall deliver to the Company at the termination or expiration of the Term, or at any other time that the Company may request: (i) all Confidential Information including all copies and reproductions thereof, and all writings and recordings incorporating or referring to the Confidential Information (ii) all other property of Company and (iii) certify in writing to Company that Executive has satisfied all of his covenants, duties and obligations pursuant to this Paragraph 5(g).

6. **Enforcement.** If the duration of Executive's covenants, duties and obligations set forth in Paragraph 5 is held to be excessive, unreasonable, invalid or unenforceable by a court of competent jurisdiction, such duration will be modified so as to be reasonable, valid and enforceable to the maximum extent permitted by law as determined by such court of competent jurisdiction. Because Executive's services are unique and because Executive has access to Confidential Information, the parties hereto agree that money damages would not be an adequate remedy for any breach of this Agreement. Therefore, in the event a breach or threatened breach of this Agreement, the Company or its successors or assigns, in addition to other rights and remedies existing in their favor (including, without limitation Company's right to reduce or eliminate further payment of the Earn Out Consideration as defined in the Asset Purchase Agreement), shall be entitled to specific performance and/or injunctive or other equitable relief from a court of competent jurisdiction in order to enforce, or prevent any violations of, the provisions hereof, without the requirement of posting a bond or security thereof. Executive hereby waives any claim or defense that Company has an adequate remedy at law or is not being irreparably injured and will not raise or suggest any such claim or defense in any action or proceeding initiated by or on behalf of Company. Company's rights and remedies hereunder are cumulative in nature, and no such right or remedy shall be, or be considered to be, Company's sole and exclusive right or remedy.
7. **Executive's Representations.** Executive hereby represents and warrants to the Company that (i) the execution, delivery and performance of this Agreement by Executive does not and shall not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which he is bound, (ii) other than as contained in that certain Non-Disclosure and Non-Competition Agreement of even date herewith by and among Company, Ashley Ellis and Executive, Executive is not a party to or bound by any employment agreement, non-compete agreement or confidentiality agreement with any other person or entity and (iii) upon the execution and delivery of this Agreement by the Company, this Agreement shall be the valid and binding obligation of Executive, enforceable in accordance with its terms. Executive hereby acknowledges and represents that he has consulted with independent legal counsel regarding his rights and obligations under this Agreement and that he fully understands the terms and conditions contained herein.
8. **Compliance with IRC Code Section 409.** This Agreement is intended to comply with IRC Code Section 409A and the interpretative guidance thereunder, including the exceptions for short-term deferrals, separation pay arrangements, reimbursements, and in-kind distributions, and shall be administered accordingly. This Agreement shall be construed and interpreted with such intent. If a payment under this Agreement does not qualify as a short-term deferral under IRC Code Section 409A and Treas. Reg. Section 1.409A-1(b)(4) (or any similar or successor provisions), and the Executive is a Specified Employee (as defined below) as of his termination, distributions to the Executive may not be made before the date that is six months after the date of his termination or, if earlier, the date of the Executive's death (the "Six-Month Delay Rule"). Payments to which the Executive would otherwise be entitled during the first six months following the termination (the "Six-Month Delay") will be accumulated and paid on the first day of the seventh month following the termination. Notwithstanding the Six-Month Delay Rule set forth in this Section:

To the maximum extent permitted under IRC Code Section 409A and Treas. Reg. Section 1.409A-1(b)(9)(iii) (or any similar or successor provisions), during each month of the Six-Month Delay, the Company will pay the Executive an amount equal to the lesser of (i) the total monthly severance provided under this Agreement, or (ii) one-sixth (1/6) of the lesser of (1) the maximum amount that may be taken into account under a qualified plan pursuant to IRC Code Section 401(a)(17) for the year in which the Executive termination occurs, and (2) the sum of the Executive's annualized compensation based upon the annual rate of pay for services provided to the Company for the taxable year of the Executive's preceding the taxable year of the Executive in which his termination occurs (adjusted for any increase during that year that was expected to continue indefinitely if the Executive had not had a termination); provided that amounts paid under this sentence will count toward, and will not be in addition to, the total payment amount required to be made to the Executive by the Company under this Agreement; and

To the maximum extent permitted under IRC Code Section 409A and Treas. Reg. Section 1.409A-1(b)(9)(v)(D) (or any similar or successor provisions), within ten (10) days of the termination, the Company will pay the Executive an amount equal to the applicable dollar amount under IRC Code Section 402(g)(1)(B) for the year of the Executive's termination; provided that the amount paid under this sentence will count toward, and will not be in addition to, the total payment amount required to be made to the Executive by the Company under this Agreement.

For purposes of this Agreement, "Specified Employee" has the meaning given that term in IRC Code Section 409A and Treas. Reg. 1.409A-1(c)(i) (or any similar or successor provisions). The Company's "specified employee identification date" (as described in Treas. Reg. 1.409A-1(c)(i)(3)) will be December 31 of each year, and the Company's 'specified employee effective date' (as described in Treas. Reg. 1.409A-1(c)(i)(4) or any similar or successor provisions) will be February 1 of each succeeding year."

Each payment under this Agreement or any Company benefit plan is intended to be treated as one of a series of separate payments for purposes of IRC Code Section 409A and Treasury Regulation Section 1.409A-2(b)(2)(iii) (or any similar or successor provisions).

9. **Survival.** Paragraphs 5, 6, 7, 8, 9, 10, 11,14 and15 shall survive and continue in full force in accordance with its terms, notwithstanding the expiration or termination of the Term for any or no 'reason whatsoever.
10. **Notices.** Any and all notices, demands, requests, consents, designations and other communications required or desired to be given pursuant to this Agreement will be given in writing and will be deemed duly given upon personal delivery, or on the third day after mailing if sent by certified mail, postage prepaid, return receipt requested, or on the day after deposit with a nationally recognized overnight delivery service which maintains records of the time, place and receipt of delivery, or upon receipt of a confirmed facsimile transmission, and in each case to the person and address set forth below, or to such other person or address which Company or Executive may respectively designate in like manner from time to time.

If to Executive:

Brad A. Imhoff
c/o: General Employment Enterprises, Inc.
One Tower Lane, Suite 2200
Oakbrook Terrace, IL 60181
Fax: (630) 954-0595

With a copy to (which copy alone shall not constitute notice under shall not constitute notice under this Agreement):

TBD

If to Company, then to:

Salvatore Zizza
c/o Zizza & Co., Ltd
641 Lexington Avenue, 17 Floor
New York, New York 10022
Fax: 212-758-221

With a copy to (which copy alone shall not constitute notice under shall not constitute notice under this Agreement):

Matthew T. Zicarelli, Esq.
General Employment Enterprises, Inc.
One Tower Lane, Suite 2200
Oakbrook Terrace, IL 60181

11. **Severability.** If any provision contained herein is held to be invalid or unenforceable by a court of competent jurisdiction, such provision will be severed herefrom and such invalidity or unenforceability will not affect any other provision of this Agreement, the balance of which will remain in and have its intended full force and effect; provided, however, if such invalid or unenforceable provision may be modified so as to be valid and enforceable as a matter of law, such provision will be deemed to have been modified so as to be valid and enforceable to the maximum extent permitted by law.
12. **Entire Agreement.** This Agreement and those documents expressly referred to herein and other documents of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.
13. **Counterparts.** This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement. Additionally, signatures transmitted via facsimile or electronically with electronic receipted delivery shall be deemed originals..
14. **Successors and Assigns.** This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive, the Company and their respective heirs, successors and assigns. Executive shall not assign his rights or delegate his duties or obligations hereunder.
15. **Governing Law Mutual Arbitration Agreement.** This Agreement will be construed and enforced in accordance with the laws of the State of Illinois without regard to its choice of law rules. Executive and the Company each agree, to the extent permitted by law, to arbitrate before a single neutral arbitrator, in accordance with the national Rules for the Resolution of Employment Disputes of the American Arbitration Association regarding discovery, any dispute or claim arising out of, related to, or connected with Executive's employment, termination of employment, or this Agreement, including the interpretation, validity, construction, performance, breach, or termination thereof, including any claim against any current or former agent or employee of the Company, whether the dispute or claim arises in tort, contract, or pursuant to a statute, regulation, or ordinance now in existence or which in the future may be enacted or recognized, including, but not limited to any claim from fraud, promissory estoppels, breach of contract, breach of the covenant of good faith and fair dealing, wrongful termination, infliction of emotional distress, defamation, interference with contract or prospective economic advantage, unfair business practices, any claim under any and all federal, state, or municipal statutes, regulations, or ordinances that prohibit discrimination, harassment, or retaliation or any kind, any claim for non-payment or incorrect payment of wages, commissions, bonuses, severance, or employee fringe benefits, and any claims regarding stock or stock options, except that any dispute or claims for worker's compensations benefits or unemployment insurance benefits shall be excluded from this mutual agreement to arbitrate.

16. **Exhibits.** The Exhibits referred to in this Agreement are attached to, made a part of and incorporated in this Agreement by this reference.
17. **Waivers and Consents.** The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by the written agreement of the party entitled to the benefits of such terms or provisions intended to be waived. Each such waiver or consent will be effective only in the specific instance and for the specific purpose for which it was given, and will not constitute a continuing waiver or consent.
18. **Assignment.** Executive acknowledges that the services to be rendered by him pursuant to this Agreement are unique and personal and that he may not assign any of his rights or benefits or delegate any of his covenants, duties, agreements or obligations under this Agreement (including the right to payment hereunder). Any attempted assignment, transfer, pledge or hypothecation or other disposition of this Agreement, or of such rights, covenants, or obligations by Executive, will be null and void and of no force or effect whatsoever. The Company may assign this Agreement and any or all of its rights, covenants, duties and obligations under this Agreement upon written notice to Executive.
19. **Amendments.** No modifications or amendments of this Agreement will be effective unless made in writing and signed by Company and Executive.
20. **Recitals.** The recitals set forth at the beginning of this Agreement are hereby incorporated into and made a part of this Agreement as if fully set forth herein.
21. **Headings.** The headings and captions of the various Paragraphs and Subparagraphs of this Agreement are for convenience of reference only and will in no way modify or affect the meaning or construction of any of the terms or provisions hereof.
22. **Knowledge and Understanding.** Executive acknowledges that he has been given the time and opportunity to consult with counsel of Executive's choice prior to executing and delivering this Agreement and that Executive has freely and voluntarily executed and delivered this Agreement with full knowledge and understanding of its content, meaning and intent.

IN WITNESS WHEREOF, the Company and Executive have each duly executed this Agreement as of the date first written above.

GENERAL EMPLOYMENT ENTERPRISES, INC.

EXECUTIVE

By: /s/ Salvatore J. Zizza
Salvatore J. Zizza
Chief Executive Officer

By: /s/ Brad A. Imhoff
Brad A. Imhoff
Executive

Change of Control Agreement

General Employment Enterprises, Inc. (the "Company"), considers it essential to the best interests of its stockholders to attract top executives and to foster the continuous employment of key management personnel. In this connection, the Board of Directors of the Company (the "Board") recognizes that the possibility of a change of control may exist and that such possibility, and the uncertainty and questions which it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its stockholders.

The Board has determined that appropriate steps should be taken to ensure the continuity of management and to foster objectivity in the face of potentially disturbing circumstances arising from the possibility of a change of control of the Company, although no such change is now contemplated. In order to induce you to remain in the employ of the Company and in consideration of your further services to the Company, the Company agrees that effective as of August 31, 2011, you shall receive the severance benefits from the Company, set forth in this letter agreement ("Agreement") in the event you Separate from Service with the Company and all related entities (collectively, "General Employment Enterprises") subsequent to a Change of Control of the Company (as defined in Section 2(d) hereof) under the circumstances described below.

1. Term of Agreement.

This Agreement shall commence on August 31, 2011 and shall continue in effect until the earlier of (i) three years from the date hereof; (ii) termination of employment; or (iii) upon the execution of a written agreement between the Company and you terminating this Agreement.

2. Definitions. As used in this Agreement:

- (a) **"Annual Compensation"** means the total of:
 - (i) one year of base salary, at the highest base salary rate that you were paid by the Company within a 12-month period prior to the date of your Separation from Service (the "Look-Back Period");
 - (ii) 100% of the greatest annual bonus for which you were eligible within the Look-Back Period.
 - (b) **"Beneficial Owner"** has the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the "Exchange Act").
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- (c) **“Cause” for termination means**
- (i) You use intoxicants, alcohol, drugs or other stimulants or depressants while performing your employment duties and such that the reputation of the Company is adversely affected, as reasonably determined by the Company.
 - (ii) You fail or refuse to satisfactorily perform your employment duties or any assignment reasonably given to you by the officers of Company or your supervisor.
 - (iii) You otherwise breach the terms or conditions of this Agreement or any other policy, rule or regulation of the Company generally in effect from time to time.
 - (iv) You are convicted of or plead guilty or *nolo contendere* to any felony charge or commit a fraudulent, dishonest, immoral or unethical act with regard to Company, Company’s customers, Company’s prospective customers, suppliers, employees, agents or independent contractors.
 - (v) You commit an act of moral turpitude.
 - (vi) You have been found by a court in a civil action or by the Securities and Exchange Commission to have violated any federal or state securities law.
- (d) **“Change of Control”** of the Company means and includes each and all of the following occurrences:
- (i) an acquisition by a trustee or other fiduciary holding securities under any Employee benefit plan (or related trust) sponsored or maintained by the Company or any person controlled by the Company or by any Employee benefit plan (or related trust) sponsored or maintained by the Company or any person controlled by the Company, or
 - (ii) The consummation of the sale or disposition by the Company of all or substantially all the Company’s assets; or
 - (iii) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation; or
 - (iv) A change in the composition of the Board occurring within a two-year period, as a result of which fewer than a majority of the directors are Incumbent Directors. “Incumbent Directors” shall mean directors who either (A) are directors of the Company as of the date hereof, or (B) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of those directors whose election or nomination was not in connection with any transaction described in subsections (i), (ii), or (iii) above, or in connection with an actual or threatened proxy contest relating to the election of directors to the Company.

- (v) Notwithstanding the foregoing, the following events shall not constitute a “Change of Control”: (i) a mere reincorporation of the Company; (ii) a transaction undertaken for the sole purpose of creating a holding company that will be owned in substantially the same proportion by the persons who held the Company’s securities immediately before such transaction; or (iii) a transaction effected primarily for the purpose of financing of the Company with cash (as determined by the Board in its discretion and without regard to whether such transaction is effectuated by a merger, equity financing or otherwise).
- (e) **“Code”** means the Internal Revenue Code of 1986, as amended.
- (f) **“Company”** means General Employment Enterprises, Inc., and any successor as provided in Section 7 hereof.
- (g) **“Disability”** means that, at the time you Separate from Service, you have been unable to perform the duties of your position for a period of 90 consecutive days as the result of your incapacity due to physical or mental illness.
- (h) **“Good Reason”** means the occurrence of one of the following without your express written consent: (i) a material reduction of your duties, position or responsibilities, or your removal from such position and responsibilities, unless you are offered a comparable position (i.e., a position of equal or greater organizational level, duties, authority, compensation, title and status); (ii) a reduction by the Company in your base compensation (base salary and target bonus) as in effect immediately prior to such reduction; (iii) a material reduction by the Company in the kind or level of employee benefits to which you are entitled immediately prior to such reduction with the result that your overall benefits package is significantly reduced unless such reduction is applicable to employees generally; (iv) you are requested to relocate (except for office relocations that would not increase your one way commute by more than 50 miles); or (v) the failure of the Company to obtain the assumption of this Agreement pursuant to Section 7. In the event any of the occurrences in (i) through (v) above have occurred, the Company shall be given written notice by you of your intention to so terminate your employment, such notice: (A) to state in detail the particular act or acts or failure or failures to act that constitute the grounds on which the proposed termination for Good Reason is based, (B) to be given within thirty (30) days after you knew of such acts or failures to act, and (C) to state the effective date of the termination which shall be no less than thirty (30) days from the date of the notice. In the event such notice is timely given by you, the Company shall have thirty (30) days after the date that the notice is given in which to cure such conduct, to the extent such cure is possible.

- (i) **“Person”** has the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d) and 14(d) thereof, including a group as defined in Section 13(d) of the Exchange Act but excluding the Company and any subsidiary and any employee benefit plan sponsored or maintained by the Company or any subsidiary (including any trustee of such plan acting as Trustee).
- (j) **“Separation from Service”** or “Separates from Service” means a termination of employment with General Employment Enterprises that the Company determines is a Separation from Service in accordance with Section 409A of the Code.
- (k) **“Severance Payment”** means the payment of severance compensation as provided in Section 3 of this Agreement.

3. Compensation Upon Separation from Service Following a Change of Control.

If you Separate from Service after a Change of Control on account of (i) an involuntary termination without Cause or (ii) a voluntary termination for Good Reason, then subject to your signing and not revoking a separation agreement and release of claims in a form reasonably satisfactory to the Company:

- (a) You will be entitled to a Severance Payment in an amount computed as follows:
 - (i) A lump sum payment equal to all unpaid compensation remaining from day of separation to end of the term of your employment agreement; plus
 - (ii) Continuation of health insurance benefits for 6 months following the Separation from Service, subject to IRS non-discrimination rules; plus
 - (iii) Reimbursement for the premiums associated with COBRA for 18 months following the 6 month continuation of health insurance period, subject to IRS non-discrimination rules; plus
 - (iv) The same percentage of Company-paid group-term life insurance benefits as were provided to you and your family under plans of the Company as of the Change of Control for a total of twenty-four (24) months, following the year in which you Separate from Service. Notwithstanding the foregoing, the Company may, at its option, satisfy any requirement that the Company provides coverage under any plan listed in Section 3(a)(ii)-(iv) by instead providing coverage under a separate plan or plans providing coverage that is no less favorable.
- (b) Notwithstanding anything contained in Section 3(a) above, the Company shall have no obligation to make any payment or offer any benefits to you under Section 3(a) if you Separate from Service prior to a Change of Control or if you Separate from Service after a Change of Control for Cause, death, Disability, retirement or voluntary resignation other than for Good Reason.

- (c) The payments set forth in Section 3(a) above shall be subject to your execution and delivery of a general release (that is no longer subject to revocation under applicable law) of the Company, its parents, subsidiaries and affiliates and each of its officers, directors, employees, agents, successors and assigns in the form that is acceptable to the Company (the "General Release"). All payments under Section 3(a) shall begin within sixty (60) days following a Separation from Service, provided, however, that if the sixty (60) day period begins in one calendar year and ends in the second calendar year, payment will be made on the first day in the second calendar year after your execution and delivery of the General Release (that is no longer subject to revocation under applicable law).
- (d) Notwithstanding the foregoing, in the event that all or a portion of any payment described in Section 3(a) constitutes nonqualified deferred compensation within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and you are at such time a specified employee, such payment or payments that constitute nonqualified deferred compensation within the meaning of the Code shall be made six (6) months and one day after the date you separate from service (within the meaning of the Code).
- (e) Notwithstanding the foregoing, in no event will payments under Section 3(a) exceed 2.99 times your base compensation under Code Section 280(G).

4. Dissolution of Non-Compete upon Separation from Service Following a Change of Control.

If you Separate from Service after a Change of Control on account of (i) an involuntary termination without Cause or (ii) a voluntary termination for Good Reason, then subject to your signing and not revoking the General Release, Section 2(a) of the non-disclosure and non-competition agreement dated August 31, 2011 between you and the Company shall become null and void.

5. No Mitigation.

You shall not be required to mitigate the amount of any payment provided for in Section 3 hereof by seeking other employment or otherwise, nor shall the amount of such payment be reduced by reason of compensation or other income you receive for services rendered after your Separation from Service from the Company.

6. Exclusive Remedy.

In the event of your Separation from Service following a Change of Control on account of an involuntary termination without Cause or a voluntary termination for Good Reason, the provisions of Section 3 and Section 4 are intended to be and are exclusive and in lieu of any other rights or remedies to which you or the Company may otherwise be entitled (including any contrary provisions in any employment agreement you may have with the Company), whether at law, tort or contract, in equity, or under this Agreement.

7. Company's Successors.

The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, to expressly assume and agree to perform the obligations under this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. As used in this Section 7, Company includes any successor to its business or assets as aforesaid which executes and delivers this Agreement or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

8. Notice.

Notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or five (5) days after deposit with postal authorities transmitted by United States registered or certified mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth on the first or last page of this Agreement, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

9. Amendment or Waiver.

No provisions of this Agreement may be amended, modified, waived or discharged unless you and the Company agree to such amendment, modification, waiver or discharge in writing. No amendment, modification, waiver or discharge of this Agreement shall result in the accelerated payment of any Severance Payment provided for in Section 3. No waiver by either party at any time of the breach of, or lack of compliance with, any conditions or provisions of this Agreement shall be deemed a waiver of the provisions or conditions hereof.

10. Sole Agreement.

This Agreement represents the entire agreement between you and the Company with respect to the matters set forth herein and supersedes and replaces any prior agreements in their entirety. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter of this Agreement will be made by either party which are not set forth expressly herein. No future agreement between you and the Company may supersede this Agreement, unless it is in writing and specifically makes reference to this Section 10.

11. Employee's Successors.

This Agreement shall inure to the benefit of and be enforceable by your personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If you should die while any amounts are still payable to you hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to your devisee, legatee, or other designee or, if there be no such designees, to your estate.

12. Funding.

This Agreement shall be unfunded. Any payment made under the Agreement shall be made from the Company's general assets.

13. Waiver.

No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

14. Headings.

All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

15. Validity.

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, which shall remain in full force and effect.

16. Withholding.

All payments made pursuant to this Agreement will be subject to withholding of applicable income and employment taxes.

17. Applicable Law.

This Agreement shall be interpreted and enforced in accordance with the laws of the State of Illinois (with the exception of its conflict of laws provisions). Any action, suit or other legal proceeding that is commenced to resolve any matter arising under or relating to any provision of this Agreement shall be submitted to the exclusive jurisdiction of any state or federal court in DuPage County.

18. Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

If the foregoing conforms to your understanding, please indicate your agreement to the terms hereof by signing where indicated below and returning one copy of this Agreement to the undersigned.

19. Code Section 409A Compliance.

(a) The intent of the parties is that payments and benefits under this Agreement comply with, or be exempt from, Code Section 409A and the regulations and guidance promulgated thereunder (collectively "Code Section 409A").

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment that are considered "nonqualified deferred compensation" under Code Section 409A unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service."

(c) With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Code Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, provided that the foregoing clause (ii) shall not be violated without regard to expenses reimbursed under any arrangement covered by Code Section 105(b) solely because such expenses are subject to a limit related to the period the arrangement is in effect and (iii) such payments shall be made on or before the last day of Executive's taxable year following the taxable year in which the expense occurred.

IN WITNESS WHEREOF, this Agreement is executed effective as of the date set forth above.

Brad A. Imhoff

General Employment Enterprises, Inc

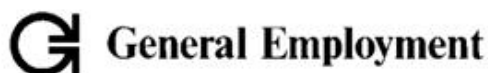
By: /s/ Brad A. Imhoff

By: /s/ Salvatore J. Zizza
Salvatore J. Zizza

Its: _____
Chief Executive Officer

Date: _____

Date: _____



News Release

General Employment Enterprises, Inc., Oakbrook Terrace Tower, Suite 2200, Oakbrook Terrace, IL 60181, (630) 954-0400

FOR IMMEDIATE RELEASE :

August 31, 2011

COMPANY: General Employment Enterprises, Inc.

CONTACT: Salvatore J. Zizza
 Chief Executive Officer
 Phone: (630) 954-0400 Fax: (630) 954-0595
 E-mail: invest@genp.com

General Employment Enterprises, Inc. Announces Definitive Agreement to Acquire Assets of Ashley Ellis, LLC

General Employment Enterprises, Inc. (NYSE Amex: JOB) (the "Company") today announced that on August 31, 2011, it entered into an asset purchase agreement with Ashley Ellis, LLC www.ashleyellis.com ("Ashley Ellis") and Brad Imhoff for the purchase of substantially all of the assets of Ashley Ellis, including properties, rights, powers and privileges of Ashley Ellis. Ashley Ellis is an Information Technology Recruiting and Staffing firm with offices located in Naperville, Illinois; Atlanta, Georgia and Houston, Texas.

Salvatore J. Zizza, General Employment's Chief Executive Officer stated, "We are very pleased to announce that we entered into this definitive acquisition agreement with Ashley Ellis. Ashley Ellis will be a complementary addition to our core business and will also strengthen our operation with the addition of two talented Ashley Ellis executives who will join our General Employment staff – Brad Imhoff, former CEO of Ashley Ellis, will serve as the Chief Operating Officer of General Employment and President of the Company's Professional Staffing Division and Katy Gallagher, former COO of Ashley Ellis, will serve as the Vice President of Operations. Brad and Katy are sure to bring innovative ideas and new perspectives to our organization and they will play an important role in our organic growth. I am very excited about our future and the prospect of our continued growth both organically and through future acquisitions."

About General Employment

General Employment Enterprises, Inc. provides contract and direct hire staffing services for business and industry. The Company operates three divisions: the Professional Staffing Division is a nationwide network of offices that specialize in the placement of information technology, engineering and accounting professionals; its Light Industrial Division operates offices in Ohio and Pennsylvania and provides labor and human resource solutions, including temporary staffing, human resources and payroll outsourcing services; and its Agricultural Division provides contract staffing services to the agricultural industry in Florida.

Forward-Looking Statements

The statements made in this press release which are not historical facts are forward-looking statements. 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, those factors set forth under the heading "Forward-Looking Statements" in our annual report on Form 10-K for the fiscal year ended September 30, 2010, 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.