

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): April 23, 2013

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))

Item 1.01. Entry into a Material Definitive Agreement.

Amendment to the Asset Purchase Agreement

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

In summary, the Company has agreed to pay Sellers additional cash consideration of between \$550,000 and \$650,000 depending on payment schedule and 1,100,000 shares of Parent common stock, which at the time was valued at approximately \$320,000 for full satisfaction of all amounts owed to Seller, related to the Asset Purchase Agreement. A copy of the Amendment to the Asset Purchase Agreement is included as Exhibit 10.1 to this Current Report on Form 8-K.

Settlement Agreement and Release

Although the Company does not considers the workers compensation dispute with Ohio to be material, the Company announced today that on April 15, 2013 the Company completed a settlement with WORKERS COMP CLAIMS BWC PREMIUM CLAIMS (“BWC”) with the payment of \$56,501.05. BWC and its agents, attorneys, representatives and assigns, released and forever discharged BMPS, Inc., Triad Personnel Services, Inc., and the Company from any and all claims, rights, demands, actions, causes of action, debts and liabilities, whether fixed or contingent, matured or unmatured, anticipated or unanticipated, known or unknown, arising out of or in any way connected with any successor claim involving RFFG or Cleveland, LLC and Ameritemps owed to the BWC and/or BWC Policy/Risk No. 1570005-01. A copy of the Settlement Agreement and Release is included as Exhibit 10.2 to this Current Report on Form 8-K.

On April 23, 2013 a press release announcing the Amendment to the Asset Purchase Agreement and the Settlement Agreement and Release was issued. A copy of the press release is included as Exhibit 99.1 to this Current Report on Form 8-K.

Item 2.02. Results of Operations and Financial Condition

General Employment Enterprises, Inc. (the “Company”) (NYSE MKT: JOB) today announced the financial results for the first quarter ended, December 31, 2012. A copy of the release is attached as Exhibit 99.1.

The information furnished herein, including Exhibit 99.1, is not deemed to be "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. This information will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates them by reference.

Item 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing

General Employment Enterprises, Inc. (the “Company”) (NYSE MKT: JOB) today announced that on April 17, 2013 the Company received notice from the NYSE MKT LLC (“NYSE MKT” or the “Exchange”) staff stating that the Company has resolved the continued listing deficiency with respect to Sections 134 and 1101 of the NYSE MKT Company Guide referenced in a the Exchange’s letter dated February 21, 2013.

On April 23, 2013 a press release announcing the NYSE MKT LLC notice was issued. A copy of the press release is included as Exhibit 99.1 to this Current Report on Form 8-K.

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 “Amendment to Asset Purchase Agreement” in Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

Exhibit No. Description

10.1	Amendment to the Asset Purchase Agreement, dated as of April 17, 2013,
10.2	Settlement Agreement and Release with Workers Comp Premium Claims BWC Premium Claims c/o State of Ohio,
99.1	Press Release dated April 23, 2013.

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: April 24, 2013

GENERAL EMPLOYMENT ENTERPRISES, INC.

By: /s/ Andrew J. Norstrud

Name: Andrew J. Norstrud

Title: Chief Financial Officer and Treasurer

EXHIBIT INDEX

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[10.2](#) Settlement Agreement and Release with Workers Comp Premium Claims BWC Premium Claims c/o State of Ohio,

[99.1](#) Press Release dated April 23, 2013.

AMENDMENT TO ASSET PURCHASE AGREEMENT

THIS AMENDMENT TO ASSET PURCHASE AGREEMENT (the "Amendment") is entered into as of the 22nd day of April, 2013, by and among DMCC STAFFING, LLC, an Ohio limited liability company, RFFG OF CLEVELAND, LLC, an Ohio limited liability company (each a "Seller" and together, "Sellers"), General Employment Enterprises, Inc., an Illinois corporation ("Parent"), and Triad Personnel Services, Inc., an Illinois corporation and wholly owned subsidiary of Parent ("Buyer").

RECITALS

WHEREAS, Sellers, Thomas J. Bean ("Mr. Bean"), Parent and Buyer entered into that certain Asset Purchase Agreement (the "APA") dated as of October 29, 2010, whereby Buyer purchased certain assets of Sellers for the consideration set forth therein; and

WHEREAS, Sellers have asserted certain claims against Buyer and Parent related to payment of the Earnout Payments (the "RFFG Claims"); and

WHEREAS, in May of 2012, Parent made certain payments on behalf of the Sellers in the amount of \$60,000 in connection with the RFFG Litigation Matters (defined below) (the "Prior Payments"); and

WHEREAS, in August of 2012, the Cuyahoga County Common Pleas Court issued a judgment lien against BMPS, Inc., a wholly owned subsidiary of Buyer ("BMPS"), in favor of the Ohio Bureau of Workers' Compensation pursuant to Case No. JL-12-507995, in the amount of \$237,000 plus accrued interest (the "BMPS BWC Lien"), for workers' compensation premiums owed by Sellers and/or their Affiliates for time periods prior to the Closing Date; and

WHEREAS, in November of 2012, the Ohio Department of Job and Family Services ("ODJFS") made an inquiry of BMCH, Inc., a wholly owned subsidiary of Buyer ("BMCH"), about the possibility of "transfer in whole" issues that relate to the assets purchased by Buyer from Sellers and Buyer's management of the Managed Entities (defined below), the letter from the ODJFS also listed the Managed Entities, and such inquiry has created concern as to potential claims that may be made by the ODJFS against BMCH and/or Buyer following their investigation (the "ODJFS Matter"); and

WHEREAS, RFFG, LLC, an Ohio limited liability company and the parent of Sellers ("RFFG"), Sellers, Buyer and Parent entered into (i) that certain Forbearance Agreement dated February 8, 2013, pursuant to which the APA was amended and Parent made certain payments with respect to the RFFG Claims in the amount of \$50,000 and (ii) that certain Forbearance Agreement dated March 27, 2013, pursuant to which Parent made certain payments with respect to the RFFG Claims in the amount of \$50,000 (together, the "Forbearance Payments"); and

WHEREAS, Buyer has asserted certain claims against RFFG and Sellers related to unpaid management fees owed by TJB HR Solutions, TBS Staffing LLC, Akron Staffing LLC and RHDC Staffing, LLC (collectively, the “Managed Entities”), which Managed Entities are affiliates of RFFG and Sellers, to Buyer in an amount estimated to be \$133,000 for management and other services to be performed by Buyer for the Managed Entities pursuant to the Management Agreement (the “Unpaid Management Fees”); and

WHEREAS, Parent and Buyer are aware of certain litigation captioned *RFFG, LLC v. Extinct Temps, Inc. et al*, Case No. CV-2010-08-5925 in the Common Pleas Court of Summit County and *State of Ohio, ex rel., RFFG, LLC v. Ohio Bureau of Workers’ Compensation* Case No. 11APA08-647 in the Tenth District Court of Appeals (together, the “RFFG Litigation Matters”), and are concerned that if RFFG is required to make any payments related to either litigation and should fail to do so, that Extinct Temps Inc. and/or the Ohio Bureau of Workers’ Compensation, as applicable, may attempt to assert claims for payment against Parent, Buyer and/or their respective Affiliates; and

WHEREAS, the Purchase Price to be paid under the APA was based upon, among other factors, the assumption that Buyer would manage the Managed Entities pursuant to the Management Agreement for the entire term set forth therein, however, the Management Agreement was prematurely terminated by RFFG and the Managed Entities allegedly causing a reduction in the value of the transaction to Buyer in the amount of \$600,000 (the “Management Agreement Offset Amount”); and

WHEREAS, as a result of foregoing claims of the Parties, the Parties desire to amend the APA to provide that the RFFG Claims, as well as any Cash Consideration to paid by Buyer to Sellers in the future, be reduced by the amount of the Forbearance Payments, the Prior Payments, the BMPS BWC Lien, the Unpaid Management Fees and the Management Agreement Offset Amount, and be paid out over time, and that the APA be revised to reflect such reduction in the Cash Consideration and the new payment terms upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the covenants, terms and conditions as set forth hereinafter, and in consideration of other good and valuable consideration, the receipt and sufficiency of which is hereby accepted and acknowledged, the parties hereby agree to amend the APA as follows:

1. Section 2.5(a). The clause “or additional shares of stock of the Parent (the “Additional Stock Consideration”),” should be inserted after “(the “Cash Consideration”)” and before “as provided in Section 2.5(c) below” in Section 2.5(a).

2. Section 2.5(c). Section 2.5(c) shall be deleted in its entirety and the following inserted in its place:

“(c) The Cash Consideration and Additional Stock Consideration shall be payable by Buyer to Sellers as follows:

- (i) four (4) monthly payments of \$50,000 each, payable on the same day of each month, the first payment to be made on April 22, 2013; and then
- (ii) one (1) monthly payment of \$350,000 to be made following the fourth payment to be made under Section 2.5(c)(i), but before August 31, 2013; and in addition
- (iii) Buyer will deliver to Sellers (titled as directed by Sellers) one million one hundred thousand (1,100,000) shares of the common stock of Parent as Additional Stock Consideration which shall be delivered as promptly as practicable following the approval of the New York Stock Exchange. Such amount shall be appropriately adjusted in the event of any split, reverse split or stock dividend as to such common shares. The certificates representing the same shall bear a restrictive legend in accordance with Rule 144 of the Securities Act of 1933, as amended.

Notwithstanding the foregoing, in Buyer’s sole discretion, Buyer may elect to defer making the payment required by Section 2.5(c)(ii) above, in which case Buyer shall be required to pay to Sellers \$450,000 in twenty-four monthly installments of \$18,750 each, payable on the same day of each month commencing September 23, 2013 (the “Deferred Payment Option”). The Parties hereby acknowledge and agree that the difference between the Cash Consideration and all of the payments to be made by Buyer pursuant to Sections 2.5(c)(i) - (iii) above has already been satisfied in full by Buyer, and the amounts to be paid pursuant to Sections 2.5(c)(i) – (iii) above represent all of the amounts that are owed by Buyer to Sellers, or any of their respective Affiliates, as of the date of the Amendment. All of the cash payments to be made pursuant to this Section 2.5(c) shall be made by Buyer to Sellers pursuant to the wire transfer instructions given by Sellers to parent.

Subject to the Deferred Payment Option, in the event that Buyer fails to make any of the payments of Cash Consideration described in this Section 2.5(c) (a “Default”), Sellers shall notify Buyer in writing of such Default (the “Notice”), and Buyer shall have fifteen (15) days following its receipt of the Notice to cure the same; provided that, Buyer shall pay Sellers a late fee equal to \$1,000 if Buyer has not cured such Default within five (5) business days following Buyer’s receipt of the Notice. If Buyer does not cure such Default within such 15-day grace period, then such late payment shall bear interest at the rate of ten percent (10%) per annum until such amount is paid in full. If Buyer does not cure such Default within ninety (90) days following Buyer’s receipt of the Notice, then Buyer shall deliver to Sellers \$100,000 worth of shares of common stock of Parent, and if Buyer does not cure such Default within one hundred eighty (180) days following Buyer’s receipt of the Notice, then Buyer shall deliver to Sellers an additional \$100,000 worth of shares of common stock of Parent, up to a maximum of \$200,000 worth of shares of common stock of Parent, all of which shares shall be subject to the terms and conditions set forth in Section 2.5(c) (iv) above. The Parties agree that any shares delivered due to a Default shall be valued at the average closing price for shares on the shares’ principal trading market for the 20 trading days prior to the date of Default in respect of which shares are paid.”

3. Section 2.5(d). Section 2.5(d) shall be deleted in its entirety and the following inserted in its place “Intentionally deleted.”
4. Section 2.6. Section 2.6 shall be deleted in its entirety and the following inserted in its place “Intentionally deleted.”
5. Section 2.7. Section 2.7 shall be deleted in its entirety and the following inserted in its place “Intentionally deleted.”
6. Section 7.1. The following shall be inserted after “Buyer” in Section 7.1 “and Parent”. The following shall be inserted after “Buyer’s” in the first parenthetical in Section 7.1 “and Parent’s respective.”
7. Section 7.1(iv). The following shall be inserted at the end of Section 7.1(iv): “including, without limitation, the RFFG Litigation Matters.”
8. Mutual Release. (a) Sellers and RFFG, on behalf of themselves and all persons claiming by or through them, including, without limitation, any of their respective officers, employees, directors, shareholders, agents, subsidiaries, affiliates, heirs, personal representatives, successors and assigns, or any other person, firm or entity directly or indirectly controlling, controlled by or affiliated with any or all of them (collectively, the “RFFG Group”), hereby releases and forever discharges Buyer and Parent and their respective officers, employees, directors, shareholders, agents, subsidiaries, affiliates, successors and assigns, and any other person, firm or entity directly or indirectly controlling, controlled by or affiliated with any or all of them (collectively, the “GEE Group”), from any and all losses, claims, damages, demands, lawsuits, actions or causes of action, and/or liabilities (collectively, “Losses”) that any or all of the RFFG Group now has, has had, or may hereafter have against any member of the GEE Group, of whatever kind or description whatsoever, whether arising out of tort, contract, common law, statute, or otherwise, in law or in equity, based on, arising out of, or in connection with the RFFG Claims or the Earnout Payments. These claims and causes of action, if any, from which the RFFG Group releases the GEE Group include, but are not limited to, any claims for reasonable counsel fees and costs and any action sounding in tort, contract, and discrimination of any kind, except as such waiver is prohibited by law. To be clear, the RFFG Group is not releasing the GEE Group from any of the GEE Group’s obligations under this Amendment.

(b) The GEE Group hereby releases and forever discharges the RFFG Group, from any and all Losses that any or all of the GEE Group now has, has had, or may hereafter have against any member of the RFFG Group, of whatever kind or description whatsoever, whether arising out of tort, contract, common law, statute, or otherwise, in law or in equity, based on, arising out of, or in connection with the Forbearance Payments, the Prior Payments, BMPS BWC Lien, the Unpaid Management Fees, the Management Agreement Offset Amount and the payment obligations under the Management Agreement. These claims and causes of action, if any, from which the GEE Group releases the RFFG Group include, but are not limited to, any claims for reasonable counsel fees and costs and any action sounding in tort, contract, and discrimination of any kind, except as such waiver is prohibited by law. To be clear, the GEE Group is not releasing the RFFG Group from any of the RFFG Group's obligations under this Amendment, or from any Losses related to the ODJFS Matter or the RFFG Litigation Matters.

9 . Representations Of the Parties. Each Party to this Amendment hereby warrants and represents to the other that: (a) it has all requisite power and legal authority to execute, deliver and perform this Amendment; (b) this Amendment has been duly executed and delivered and constitutes a legal, valid and binding obligation of such party; (c) no order, consent, approval or authorization of this Amendment by any court or governmental or corporate bodies required in connection with the execution, delivery or performance of this Amendment; (d) this Amendment has been written in understandable language, and all provisions hereof are understood by each Party; (e) each Party has been advised in writing to consult with an attorney prior to the execution of this Amendment; (f) as of the date of this Amendment, it has no knowledge of any matter which is or may reasonably be expected to be indemnifiable hereunder or under the APA, other than the matters identified herein. In addition, RFFG and the Sellers, jointly and severally, represent and warrant to Parent and Buyer that Mr. Bean is not required to be a party to this Amendment and that they will jointly and severally indemnify, defend and hold Parent and Buyer harmless for any and all Losses incurred by either Parent or Buyer as a result of Mr. Bean not being a party to this Amendment, and in addition will pay to Parent and Buyers the sum of \$10,000 for a breach of the foregoing representation and warranty.

10. Confidentiality. Each Party agrees to keep this Amendment and each of the terms and provisions hereof strictly confidential and to not use or disclose the same for any purpose whatever except to its attorneys or accountants; provided that either party may disclose the terms and conditions of this Amendment (i) as required by any court or other governmental body, or (ii) as otherwise required by law.

11. Miscellaneous. The terms and conditions of the APA, as amended, are incorporated herein and made a part hereof by reference as though fully rewritten herein. Except as modified by this Amendment, the terms and conditions of the APA, as amended, shall remain in full force and effect and shall bind and inure to the benefit of the Parties hereto and their respective successors and assigns. In the event of a conflict between the terms of the APA and the terms of this Amendment, the terms of this Amendment shall control. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures transmitted via facsimile or PDF shall be deemed to be original signatures. The recitals are an integral part hereof and are hereby incorporated by reference. Capitalized terms not otherwise defined in this Amendment, including the recitals hereto, shall have the meaning ascribed to them in the APA.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto, individually or by their duly appointed representative, have hereunto set their hands and seals effective as of the date set forth above.

SELLERS:

DMCC STAFFING, LLC

By: /s/ Brandon Simmons

Name: Brandon Simmons

Title: Manager

RFFG OF CLEVELAND, LLC

By: /s/ Brandon Simmons

Name: Brandon Simmons

Title: Manager

BUYER:

TRIAD PERSONNEL SERVICES, INC.

By: /s/ Michael Schroering

Name: Michael Schroering

Title: CEO

PARENT:

GENERAL EMPLOYMENT ENTERPRISES, INC.

By: /s/ Michael Schroering

Name: Michael Schroering

Title: CEO

The undersigned hereby signs this Amendment and agreed to be bound by the provisions of Sections 8, 9 and 10.

RFFG, LLC

By: /s/ Brandon Simmons

Name: Brandon Simmons

Title: Manager

Signature Page to Amendment to Asset Purchase Agreement

SETTLEMENT AGREEMENT AND RELEASE

RE: **WORKERS COMP PREMIUM CLAIMS BWC PREMIUM CLAIMS c/o State of Ohio vs. BMPS, Inc**

Account No: 10019688

Risk No: 1570005-0

Case No: JL-12-507995

WITNESSETH:

That each of the parties hereto, in consideration of payment in the sum of \$56,501.05 by BMPS, Inc. ("BMPS"), or by General Employment Enterprises, Inc. ("GEE"), on BMPS's behalf, to WORKERS COMP PREMIUM CLAIMS BWC PREMIUM CLAIMS ("BWC") c/o State of Ohio on or before April 15, 2013.

BWC and its agents, attorneys, representatives and assigns, hereby releases, acquits and forever discharges BMPS, Inc., Triad Personnel Services, Inc. ("Triad"), and GEE, and any and all of their respective predecessors, successors, subsidiaries, affiliates, past and present officers, directors, and shareholders, employees, agents, insurers, attorneys, representatives and assigns (collectively, the "BMPS Affiliates") from any and all claims, rights, demands, actions, causes of action, debts and liabilities, whether fixed or contingent, matured or unmatured, anticipated or unanticipated, known or unknown, arising out of or in any way connected with any successor claim involving RFFG of Cleveland, LLC and Ameritemps owed to the BWC and/or BWC Policy/Risk No. 1570005-01.

This settlement agreement and release does not release or include RFFG of Cleveland, LLC and Ameritemps or any of the successors in interest to RFFG of Cleveland, LLC or Ameritemps other than BMPS, Triad and GEE and the BMPS Affiliates.

The parties hereto agree that in making this release, each party is relying upon its own judgment, belief, and knowledge as to all aspects of its losses, damages, claims and causes of action and demands or possible claims that it may have, and that each party is not relying on representations or statements made by any of the persons or entities hereby released or anyone representing them or employed by them.

It is further understood and agreed that the payment of \$56,501.05 and the execution of this release is not to be construed as an admission of liability on the part of any party to this agreement, liability being by all parties hereto expressly denied. This settlement is a settlement of all claims that were or could have been brought by BWC against BMPS regarding any successor claim involving RFFG of Cleveland, LLC and Ameritemps owed to the BWC and/or BWC Policy/Risk No. 1570005-01. The above referenced State Judgment lien against BMPS shall be released.

This agreement may be signed in counterparts. All such counterparts taken together shall constitute a single agreement.

All agreements and understandings between the parties hereto are contained within this release and expressed herein, and the terms of this release are contractual and not a mere recital.

The undersigned state that they have read the foregoing release and fully understand it and further warrant and represent that they have full authority and capacity to execute this release on behalf of their respective principal.

Dated this _____ day of _____, 20____.

WORKERS COMP PREMIUM CLAIMS BWC
PREMIUM CLAIMS c/o State of Ohio

By: _____

Its _____

Dated this _____ day of _____, 20____.

BMPS, Inc

By: _____

Its _____



News Release

General Employment Enterprises, Inc., Oakbrook Terrace Tower, Suite 2200, Oakbrook Terrace, IL 60181, (630) 954-040

FOR IMMEDIATE RELEASE:

April 23, 2013

COMPANY: General Employment Enterprises, Inc.

CONTACT: Michael K. Schroering
Chairman of the Board & Chief Executive Officer
Phone: (630) 954-0400 Fax: (630) 954-0595
E-mail: invest@genp.com

- 14.5% REVENUE GROWTH
- INCREASED PROFITABILITY
- COMPLIANCE WITH NYSE MKT LLC
- AMENDMENT TO ASSET PURCHASE AGREEMENT WITH RFFG OF CLEVELAND LLC
- SETTLEMENT AGREEMENT AND RELEASE WITH BWC

General Employment Enterprises, Inc. (the “Company”) (NYSE MKT: JOB) today announced the financial results for the first quarter ended, December 31, 2012 and several other events.

Net revenues for the first quarter ended December 31, 2012, increased over 14.5% to approximately \$14.6 million, compared to approximately \$12.8 million for the same period in the prior year. The increase in revenue was due to a significant increase in revenue from contract services and direct hire placements, which was partially offset by the loss of a major customer in the Agriculture division. The increase in contract services was attributable to Hurricane Sandy cleanup efforts, the opening of a new office and growing our customer base.

Cost of contract services for the first quarter ended December 31, 2012 increased by approximately 12% to approximately \$10.4 million compared with the prior period of approximately \$9.3 million. The overall increase in cost of contract services was directly related to the increase in revenue. The decrease of approximately 1.6% of cost of contract services as a percentage of contract services revenue was related to the increase in Professional Contract services and the decrease in the agricultural business, the amount was slightly off-set by an increase of Industrial Contract services to one customer that has a lower than average margin.

With the filing of the financial statements for the first quarter ended December 31, 2012 on form 10-Q, the Company received notice from the NYSE MKT LLC (“NYSE MKT” or the “Exchange”) staff stating that the Company has resolved the continued listing deficiency with respect to Sections 134 and 1101 of the NYSE MKT Company Guide referenced in a the Exchange’s letter dated February 21, 2013.

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

In summary, the Company has agreed to pay Sellers additional cash consideration of between \$550,000 and \$650,000 depending on payment schedule and 1,100,000 shares of Parent common stock, which at the time was valued at approximately \$320,000 for full satisfaction of all amounts owed to Seller, related to the Asset Purchase Agreement.

The Company completed a settlement with WORKERS COMP CLAIMS BWC PREMIUM CLAIMS (“BWC”) with the payment of \$56,501.05 on April 15, 2013. BWC and its agents, attorneys, representatives and assigns, released and forever discharged BMPS, Inc., Triad Personnel Services, Inc., and the Company from any and all claims, rights, demands, actions, causes of action, debts and liabilities, whether fixed or contingent, matured or unmatured, anticipated or unanticipated, known or unknown, arising out of or in any way connected with any successor claim involving RFFG or Cleveland, LLC and Ameritemps owed to the BWC and/or BWC Policy/Risk No. 1570005-01.

Michael Schroering, Chief Executive Officer of General Employment Enterprises, Inc. commented, “Since joining the Company late last year we have been working to clean up the past issues, while also growing the Company. This hard work is beginning to show in our financial results and with the resolution of these issues. Management will continue our strategic initiatives that are intended to return General Employment Enterprises to sustained profitability and rapidly grow the Company over the next three years”.

Andrew J. Norstrud, Chief Financial Officer of General Employment Enterprises, Inc., commented, “During tough economic conditions we were able to continue to grow the Company and maintain profitability. Our general and administrative expenses are expected to be significantly higher than usual in the second quarter ended March 31, 2013, due to the significant professional fees incurred, including, but not limited to audit fees, consulting fees and legal fees of more than \$500,000”. Mr. Norstrud also commented, “We are now able to move on to the future and can focus our efforts on our strategic business plan”.

Business Information

General Employment Enterprises, Inc. (the “Company”) was incorporated in the State of Illinois in 1962 and is the successor to employment offices doing business since 1893. The Company’s segments consist of the following: (a) professional placement services specializing in the placement of information technology, engineering, and accounting professionals for direct hire and contract staffing, (b) temporary staffing services in the agricultural industry and (c) temporary staffing services in light industrial staffing.

Forward-Looking Statements

The statements made in this press release which are not historical facts, including the preliminary financial results, 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, 2011, 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.

-Tables Follow-

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

(In Thousands, Except Per Share Data)

	Three Months Ended December 31,	
	2012	2011
NET REVENUES:		
Contract staffing services	\$ 12,487	\$ 10,907
Direct hire placement services	2,156	1,873
NET REVENUES	14,643	12,780
Cost of contract services	10,437	9,322
Selling, general and administrative expenses	3,871	3,283
Amortization of intangible assets	79	100
INCOME FROM OPERATIONS	256	75
Interest expense	(70)	(52)
NET INCOME	\$ 186	\$ 23
NET INCOME PER SHARE - BASIC	\$ 0.01	\$ 0.00
NET INCOME PER SHARE - DILUTED	\$ 0.01	\$ 0.00
WEIGHTED AVERAGE NUMBER OF SHARES - BASIC	21,699	21,699
WEIGHTED AVERAGE NUMBER OF SHARES - DILUTED	22,107	21,928

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

(In Thousands)

	December 31, 2012	September 30, 2012
ASSETS		
CURRENT ASSETS:		
Cash	\$ 247	\$ 364
Accounts receivable, less allowances (December - \$220; September - \$259)	7,611	6,761
Other	216	246
Total current assets	<u>8,074</u>	<u>7,371</u>
Property and equipment, net	563	518
Goodwill	1,106	1,106
Intangible assets, net	<u>2,125</u>	<u>2,204</u>
TOTAL ASSETS	\$ 11,868	\$ 11,199
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term debt	\$ 3,095	\$ 2,404
Accounts payable	121	173
Accrued compensation	2,952	3,068
Other current liabilities	<u>1,216</u>	<u>1,196</u>
Total current liabilities	<u>7,384</u>	<u>6,841</u>
Long-term liabilities	<u>191</u>	<u>253</u>
Commitments and Contingencies		
SHAREHOLDERS' EQUITY		
Preferred stock; authorized - 100 shares; no par value; issued and outstanding - none	-	-
Common stock, no-par value; authorized - 50,000 shares; issued and outstanding - 21,699 shares at December 31, 2012 and September 30, 2012	10,455	10,453
Accumulated deficit	<u>(6,162)</u>	<u>(6,348)</u>
Total Shareholders' Equity	<u>4,293</u>	<u>4,105</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 11,868	\$ 11,199