

GENERAL EMPLOYMENT ENTERPRISES INC  
Form 10-Q  
August 13, 2009

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 10-Q

Quarterly Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2009

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number 1-05707

GENERAL EMPLOYMENT ENTERPRISES, INC.  
(Exact name of registrant as specified in its charter)

Illinois  
(State or other jurisdiction of incorporation or organization)

36-6097429  
(I.R.S. Employer Identification  
Number)

One Tower Lane, Suite 2200, Oakbrook Terrace, Illinois 60181  
(Address of principal executive offices)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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

The number of shares outstanding of the registrant's common stock as of June 30, 2009 was 13,365,265.

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## PART I - FINANCIAL INFORMATION

## Item 1, Financial Statements.

GENERAL EMPLOYMENT ENTERPRISES, INC.  
CONSOLIDATED BALANCE SHEET

(In Thousands)	June 30 2009 (Unaudited)	September 30 2008
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,081	\$ 4,165
Accounts receivable, less allowances (June 2009 – \$128; Sept. 2008 – \$151)	1,104	1,314
Other current assets	498	313
<b>Total current assets</b>	<b>4,683</b>	<b>5,792</b>
Property and equipment, net	629	791
Deferred compensation plan assets	—	419
<b>Total assets</b>	<b>\$ 5,312</b>	<b>\$ 7,002</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accrued compensation	\$ 1,103	\$ 1,001
Other current liabilities	833	506
<b>Total current liabilities</b>	<b>1,936</b>	<b>1,507</b>
Long-term obligations	665	419
Shareholders' equity:		
Preferred stock, authorized – 100 shares; issued and outstanding – none	—	—
Common stock, no-par value; authorized – 20,000 shares; issued and outstanding – 13,365 shares in June 2009 and 5,165 shares in September 2008	6,781	4,987
Retained earnings (accumulated deficit)	(4,070)	89
<b>Total shareholders' equity</b>	<b>2,711</b>	<b>5,076</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 5,312</b>	<b>\$ 7,002</b>

See notes to consolidated financial statements.



GENERAL EMPLOYMENT ENTERPRISES,  
INC.CONSOLIDATED STATEMENT OF  
OPERATIONS (Unaudited)

(In Thousands, Except Per Share Amounts)	Three Months Ended June 30		Nine Months Ended June 30	
	2009	2008	2009	2008
Net revenues:				
Contract services	\$ 1,490	\$ 1,805	\$ 4,433	\$ 5,665
Placement services	1,030	1,817	3,446	5,810
Net revenues	2,520	3,622	7,879	11,475
Cost of contract services	1,040	1,207	3,093	3,816
Selling, general and administrative expenses	3,809	3,011	8,895	9,055
Loss from operations	(2,329)	(596 )	(4,109)	(1,396 )
Investment income (loss)	34	14	(50 )	64
Net loss	\$ (2,295)	\$ (582 )	\$ (4,159)	\$ (1,332 )
Average number of shares – basic and diluted	5,165			