GEE Group Inc.
Form DEFR14A
July 12, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant x

Filed by a Party other than the registrant o

Check the appropriate box:

¨ **Preliminary Proxy Statement**

GEE GROUP INC.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.
¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

¨ Fee paid previously with preliminary materials:
¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

1) Amount previously paid:

GEE GROUP INC.

184 Shuman Blvd., Suite 420

Naperville, Illinois 60563

TO THE STOCKHOLDERS OF

GEE GROUP INC.:

You are cordially invited to attend the Annual Meeting of stockholders of GEE Group Inc. (the "Company" or "GEE Group") to be held on August 16, 2017. At the meeting, you will be asked to consider proposals to approve (i) the Company's issuance of up to approximately 5,926,000 shares of its common stock in connection with the conversion of its Series B Convertible Preferred Stock, without par value ("Series B Convertible Preferred Stock") into shares of common stock (the "Preferred Conversion Proposal"), (ii) the Company's issuance of up to approximately 3,061,000 shares of its common stock in connection with the conversion of its 9.5% Convertible Subordinated Notes (" 9.5% Notes") into shares of common stock and/or the payment of interest on the 9.5% Notes in shares of common stock (the "Note Conversion Proposal"), (iii) the election of seven members of our Board of Directors (the "Board Election Proposal"), (iv) the ratification of the appointment of Friedman LLP as our independent registered public accounting firm for the fiscal year ending September 30, 2017 (the "Auditor Ratification Proposal"), (v) the approval of an amendment to our 2013 Incentive Stock Plan (the "2013 Plan") to increase the number of shares of common stock issuable pursuant to awards granted under the 2013 Plan from 1,000,000 to 4,000,000 (the "2013 Plan Amendment Proposal"), (vi) a non-binding advisory resolution to approve executive compensation (the "Say on Pay Resolution") and (vii) a non-binding advisory resolution to determine the frequency of the non-binding advisory vote on executive compensation (the "Say on Pay Frequency Resoluton"). The Company issued an aggregate of approximately 5,926,000 shares of Series B Convertible Preferred Stock and $12.5 million in aggregate principal amount of its 9.5% Notes on or about April 3, 2017 in connection with its acquisition of SNI Holdco, a Delaware corporation ("SNIH") and its wholly-owned subsidiary, SNI Companies, Inc., a Delaware corporation ("SNI Companies") pursuant to an Agreement and Plan of Merger dated as of March 31, 2017 (the "Merger Agreement") by and among the Company, GEE Portfolio Group, Inc., a Delaware corporation ("GEE Portfolio"), SNIH, Smith Holdings, LLC a Delaware limited liability company, Thrivent Financial for Lutherans, a Wisconsin corporation, organized as a fraternal benefits society, Madison Capital Funding, LLC, a Delaware limited liability company and Ronald R. Smith, in his capacity as a stockholder and Ronald R. Smith in his capacity as the representative of the SNIH Stockholders. The Merger Agreement provided for the merger subject to the terms and conditions set forth in the Merger Agreement of SNIH with and into GEE Portfolio pursuant to which GEE Portfolio was the surviving corporation (the "Merger"). The Merger was consummated on April 3, 2017. As a result of the Merger, GEE Portfolio became the owner of 100% of the outstanding capital stock of SNI Companies. You will also be asked to vote on a proposal to approve any adjournment of the Annual Meeting, including, if necessary, to solicit additional proxies in favor of the Preferred Conversion Proposal and/or the Note Conversion Proposal if there are not sufficient votes to approve those Proposals.

The Preferred Conversion Proposal, the Note Conversion Proposal, the Board Election Proposal, the Auditor Ratification Proposal, the 2013 Plan Amendment Proposal, the Say on Pay Resolution, the Say on Pay Frequency Resolution and the Merger are described in greater detail in the enclosed materials, which we urge you to read

carefully.

The Annual Meeting will be held at 10:00 a.m., Eastern time, on August 16, 2017, at The Washington Hilton, Jay Room, 1919 Connecticut Ave NW, Washington DC 20009. At this important meeting, you will be asked to consider and vote upon the following:

- The Preferred Conversion Proposal:

Pursuant to the rules of the NYSE MKT, the exchange on which the Company's common stock is listed, the approval of the Preferred Conversion Proposal and the approval of the Note Conversion Proposal is required because the aggregate number of shares of common stock proposed to be issued by the Company in connection with (i) the conversion in full of the Series B Preferred Stock into shares of common stock, (ii) the conversion in full of the 9.5% Notes into shares of common stock and (iii) the payment of interest on the 9.5% Notes in shares of common stock constitutes more than 19.99% of the Company's outstanding common stock prior to the Merger. Pursuant to the rules of the NYSE MKT, the approval of the 2013 Plan Amendment Proposal is also required.

Until such time as the stockholders of the Company approve the Preferred Conversion Proposal, the holders of Series B Preferred Stock may not convert any shares of Series B Preferred Stock into shares of common stock to the extent that such conversion, when taken together with (i) all prior conversions of Series B Preferred Stock into shares of common stock, (ii) all prior conversions of 9.5% Notes into shares of common stock, (iii) all prior issuances of common stock as interest payments on the 9.5% Notes and (iv) all other shares of common stock that were previously issued in connection with the issuance of the 9.5% Notes would constitute more than 19.99% of the Company's outstanding common stock immediately prior to the Merger (the "Conversion Limit"). Until such time as the stockholders of the Company approve the Note Conversion Proposal, the holders of 9.5% Notes may not convert any 9.5% Notes into shares of common stock to the extent that such conversion, when taken together with (i) all prior conversions of Series B Preferred Stock into shares of common stock, (ii) all prior conversions of 9.5% Notes into shares of common stock, (iii) all prior issuances of common stock as interest payments on the 9.5% Notes and (iv) all other shares of common stock that were previously issued in connection with the issuance of the 9.5% Notes would exceed the Conversion Limit. Until such time as the stockholders of the Company approve the Note Conversion Proposal, the Company may not make any interest payment on the 9.5% Notes in shares of common stock to the extent that such issuance of common stock when taken together with (i) all prior conversions of Series B Preferred Stock into shares of common stock, (ii) all prior conversions of 9.5% Notes into shares of common stock (iii) all prior issuances of common stock as interest payments on the 9.5% Notes and (iv) all other shares of common stock that were previously issued in connection with the issuance of the 9.5% Notes would exceed the Conversion Limit.

Until such time as the stockholders of the Company approve the 2013 Plan Amendment Proposal, the Company may not issue more than 1,000,000 shares of common stock pursuant to awards granted under the 2013 Plan. As of July 5, 2017, the Company had issued awards with respect to 748,005 shares of common stock under the 2013 Plan.

Pursuant to the rules of the NYSE MKT, the approval of each of the Preferred Conversion Proposal, the Note Conversion Proposal and the 2013 Plan Amendment Proposal requires the affirmative vote of at least a majority of the votes cast by the Company stockholders entitled to vote on such proposal. If you "Abstain" from voting, it will have the same effect as an "Against" vote on each of the Preferred Conversion Proposal, the Note Conversion Proposal and the 2013 Plan Amendment Proposal. Failure to vote, including broker non-votes, will have no effect with respect to the requirement under the NYSE MKT rules that each of the Preferred Conversion Proposal, the Note Conversion Proposal and the 2013 Plan Amendment Proposal be approved by the affirmative vote of at least a majority of the votes cast by stockholders entitled to vote on such proposal.

Based on the 9,878,892 shares of common stock outstanding on July 5, 2017, assuming the conversion in full of the Series B Preferred Stock into shares of common stock, the former stockholders of SNIH will own approximately 37.5% of the then outstanding common stock of the Company. Based on the 9,878,892 shares of common stock outstanding on July 5, 2017, assuming the conversion in full of all of the Series B Preferred Stock and all of the 9.5% Notes into shares of common stock, the former stockholders of SNIH will own approximately 45% of the then outstanding common stock of the Company.

After careful consideration of all relevant factors, the Company's Board of Directors has determined that each of the Preferred Conversion Proposal, the Note Conversion Proposal, the Board Election Proposal, the Auditor Ratification Proposal, the 2013 Plan Amendment Proposal, the Say on Pay Resolution, a vote of every "three years" for the Say on Pay Frequency Resolution and the Adjournment Proposal is fair to and in the best interests of the Company and its stockholders, and has recommended that you vote or give instruction to vote "FOR" adoption of Preferred Conversion Proposal, "FOR" adoption of the Note Conversion Proposal, "For" adoption of the Board Election Proposal, "FOR" adoption of the Auditor Ratification Proposal, "FOR" adoption of the 2013 Plan Amendment Proposal and to approve the Say on Pay Resolution, a vote of every "three years" for the Say on Pay Frequency Resolution and the Adjournment Proposal.

Enclosed is a notice of Annual Meeting and proxy statement containing detailed information concerning the Preferred Conversion Proposal, the Note Conversion Proposal, the Merger, the Board Election Proposal, the Auditor Ratification Proposal, the 2013 Plan Amendment Proposal, the Say on Pay Resolution, the Say on Pay Frequency Resolution, the Adjournment Proposal and the Annual Meeting. Whether or not you plan to attend the meeting, we urge you to read carefully this entire proxy statement, its annexes and the information incorporated by reference into this proxy statement and vote your shares.

I look forward to seeing you at the meeting.

Sincerely,

/s/ Derek E. Dewan
Derek E. Dewan
Chairman of the Board of Directors

Your vote is important. Whether you plan to attend the Annual Meeting or not, please sign, date and return the enclosed proxy card in the envelope provided as soon as possible. You may also vote by telephone or the Internet, as described on the proxy card.

GEE GROUP INC.

184 Shuman Blvd., Suite 420

Naperville, Illinois 60563

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD AUGUST 16, 2017

TO THE STOCKHOLDERS OF

GEE GROUP INC.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of stockholders of GEE Group Inc., a Illinois corporation, will be held at 10:00 a.m., Eastern time, on August 16, 2017, at The Washington Hilton, Jay Room, 1919 Connecticut Ave NW, Washington DC 20009 to consider and vote upon proposals to approve:

- The issuance by the Company of up to approximately 5,926,000 shares of its common stock in connection with the conversion of its Series B Convertible Preferred Stock into shares of common stock (the "Preferred Conversion Proposal");

The Board of Directors has fixed the record date as the close of business on July 5, 2017, the date for determining the Company's stockholders entitled to receive notice of and vote at the Annual Meeting and any adjournment thereof. Only holders of record of the Company's common stock on that date are entitled to have their votes counted at the Annual Meeting or any adjournment. These proxy materials are dated July 11, 2017 and are first being mailed to the Company's stockholders on or about July 14, 2017.

Your vote is important. Please sign, date and return your proxy card as soon as possible to make sure that your shares are represented at the Annual Meeting. You may also vote by telephone or the Internet, as described on the proxy card. If you are a stockholder of record, you may also cast your vote in person at the Annual Meeting. If your shares are held in an account at a brokerage firm or bank, you must instruct your broker or bank how to vote your shares, or you may cast your vote in person at the Annual Meeting by obtaining a proxy from your brokerage firm or bank. Your failure to vote or instruct your broker or bank how to vote will have the same effect as voting against the proposals.

After careful consideration of all relevant factors, the Company's Board of Directors has determined that each of the Preferred Conversion Proposal, the Note Conversion Proposal, the Board Election Proposal, the Auditor Ratification Proposal, the 2013 Plan Amendment Proposal, the Say on Pay Resolution, the Say on Pay Frequency Resolution and the Adjournment Proposal is fair to and in the best interests of the Company and its stockholders, and has recommended that you vote or give instruction to vote **"FOR"** adoption of each of these proposals and resolutions and **"FOR"** a vote of every "Three Years" for the Say on Pay Frequency Resolution.

By Order of the Board of Directors,

Dated: July 11, 2017

/s/ Derek E. Dewan
Derek E. Dewan

Chairman of the Board of Directors

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Annexes

H - Consent of Friedman LLP

I - Consent of RSM US LLP

J - Form of Proxy Card

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Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on August 16, 2017.

This Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended September 30, 2016, the Quarterly Report on Form 10-Q for the Three Months ended December 31, 2016 and the Quarterly Report on Form 10-Q for the Six Months Ended March 31, 2017 are available at http://www.cstproxy.com/generalemployment/2017.

If you would like additional copies of this Proxy Statement, the Company's Annual Report on Form 10-K for the year ended September 30, 2016, the Company's Quarterly Report on Form 10-Q for the Three Months ended December 31, 2016 or the Company's Quarterly Report on Form 10-Q for the Six Months ended March 31, 2017, or if you have questions about the Preferred Conversion Proposal, the Note Conversion Proposal, the Board Election Proposal, the Auditor Ratification Proposal, the Plan Amendment Proposal, the Say on Pay Resolution, the Say on Pay Frequency Resolution or the Adjournment Proposal then you should contact:

Andrew J. Norstrud

12950 Race Track Road, Suite 216

Tampa, FL 33626

813-803-8275

To obtain timely delivery of requested materials, security holders must request the information no later than five business days before the date they submit their proxies or attend the Annual Meeting. The latest date to request the information to be received timely is August 8, 2017.

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SUMMARY

The following summary term sheet highlights selected information in this proxy statement and may not contain all the information that may be important to you. Accordingly, we encourage you to read carefully this entire Proxy Statement, its Annexes and the documents and information incorporated by reference into this Proxy Statement, which includes important business and financial information filed with the Securities and Exchange Commission (the "SEC") regarding the Company.

The Companies

GEE Group Inc.

Together with our subsidiaries, we are a provider of permanent and temporary professional, industrial and physician assistant staffing and placement services in and near several major U.S. cities. We specialize in the placement of information technology, engineering, medical data entry assistants (medical scribes) who specialize in electronic medical records (EMR) services for emergency departments, specialty physician practices and clinics and accounting professionals for direct hire and contract staffing for our clients. Our industrial staffing business provides weekly temporary staffing for light industrial clients, primarily in Ohio.

Our staffing services are provided through a network of branch offices located in major metropolitan areas throughout the United States. We have one office located in each of Arizona, Colorado, Georgia, Indiana, Illinois and Massachusetts, two offices in each of California and Texas, three offices in Florida and seven offices in Ohio.

Our principal executive offices are located at 184 Shuman Blvd., Suite 420, Naperville, IL 60563 and our telephone number is (630) 954-0400. Our website address is geegroup.com.

The Company and its subsidiaries provide the following services: (a) professional placement services specializing in the placement of information technology, engineering, medical data entry assistants (medical scribes) who specialize in electronic medical records (EMR) services for emergency departments, specialty physician practices and clinics and accounting professionals for direct hire and contract staffing, (b) temporary staffing services in light industrial staffing.

SNIH and SNI Companies

SNIH through its wholly-owned subsidiary, SNI Companies is a premier provider of recruitment and staffing services specializing in administrative, finance, accounting, banking, technology, and legal professions. Through its Staffing Now®, Accounting Now®, SNI Technology®, SNI Financial®, Legal Now®, SNI Energy® and SNI Certes® divisions, SNI Companies delivers staffing solutions on a temporary/contract, temp/contract-to hire, full time and direct hire basis, across a wide range of disciplines and industries including finance, accounting, banking, technical, software, tax, human resources, legal, engineering, construction, manufacturing, natural resources, energy and administrative professional. SNI Companies has offices in Colorado, Connecticut, Washington DC, Georgia, Illinois, Iowa, Louisiana, Maryland, Massachusetts, Minnesota, New Jersey, Pennsylvania, Texas and Virginia.

The assets of the Acquired Companies primarily consist of accounts receivable, unbilled revenue, deposit, leases, customer contracts, fixed assets and other current assets. In addition, the purchase price paid in the Merger for the Acquired Companies includes value derived from goodwill and the talented sales and recruiting personnel employed by the Acquired Companies.

The principal executive offices of SNI Companies is located at 4500 Westown Pkwy, Suite 120, West Des Moines, IA 50266.

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The Annual Meeting

At the Annual Meeting, holders of the Company's common stock will be asked to approve:

- The issuance by the Company of up to approximately 5,926,000 shares of its common stock in connection with the conversion of its Series B Convertible Preferred Stock into shares of common stock (the "Preferred Conversion Proposal");
- The issuance by the Company of up to approximately 3,061,000 shares of its common stock in connection with the conversion of its 9.5% Convertible Subordinated Notes ("9.5% Notes") into shares of common stock and/or in connection with the payment of interest on the 9.5% Notes in shares of common stock (the "Note Conversion Proposal");
- The election of seven members of our Board of Directors (the "Board Election Proposal");
- The ratification of the appointment of Friedman LLP as our independent registered public accounting firm for the fiscal year ending September 30, 2017 (the "Auditor Ratification Proposal");
- The approval of an amendment to our 2013 Incentive Stock Plan (the "2013 Plan") to increase the number of shares of common stock issuable pursuant to awards granted under the 2013 Plan from 1,000,000 shares to 4,000,000 shares (the "2013 Plan Amendment Proposal");
- A non-binding advisory resolution to approve executive compensation (the "Say on Pay Resolution");
- A non-binding advisory resolution to determine the frequency of the non-binding advisory vote on executive compensation (the "Say on Pay Frequency Resolution"); and
- The approval of any adjournment or postponement of the Annual Meeting for the purpose of soliciting additional proxies if there are not sufficient votes at the time of the Annual Meeting to approve the Preferred Conversion Proposal and/or the Note Conversion Proposal (the "Adjournment Proposal").

Voting

Only holders of record of common stock at the close of business on July 5, 2017 are entitled to vote at the Annual Meeting. A quorum is necessary to hold a valid meeting of stockholders. For each of the proposals to be presented at the Annual Meeting, the holders of shares of our common stock outstanding on July 5, 2017, the record date, representing 4,939,446 votes must be present at the Annual Meeting, in person or by proxy. If you vote including by Internet, or proxy card your shares voted will be counted towards the quorum for the Annual Meeting. Abstentions and broker non-votes are counted as present for the purpose of determining a quorum.

Pursuant to the rules of the NYSE MKT, the approval of each of the Preferred Conversion Proposal and the Note Conversion Proposal requires the affirmative vote of at least a majority of the votes cast by the Company

stockholders entitled to vote on the matter, provided that there is a quorum. If you "Abstain" from voting, it will have the same effect as an "Against" vote on the Preferred Conversion Proposal and the Note Conversion Proposal. Failure to vote, including broker non-votes, will have no effect with respect to the requirement under the NYSE MKT rules that each of the Preferred Conversion Proposal and the Note Conversion Proposal be approved by the affirmative vote of at least a majority of the votes cast by stockholders entitled to vote on the matter.

The Board Election Proposal requires the affirmative vote of shares of Common Stock representing a plurality of the votes cast on the proposal at the Annual Meeting. This means that the seven nominees will be elected if they receive more affirmative votes than any other person. You may not cumulate your votes for the election of directors. Brokers may not use discretionary authority to vote shares on the election of directors if they have not received specific instructions from their clients. For your vote to be counted in the election of directors, you will need to communicate your voting decisions to your bank, broker or other nominee before the date of the Annual Meeting in accordance with their specific instructions.

The Auditor Ratification Proposal requires the affirmative vote of shares of Common Stock representing a majority of votes cast on the proposal at the Annual Meeting. For the purpose of the vote on this proposal, abstentions, broker non-votes and other shares not voted will not be counted as votes cast and will have no effect on the result of the vote, although all shares for which proxies have been given will be considered present for the purpose of determining the presence of a quorum.

Pursuant to the rules of the NYSE MKT, the 2013 Plan Amendment Proposal requires the affirmative vote of at least a majority of the votes cast by the Company stockholders entitled to vote on the matter, provided that there is a quorum. If you "Abstain" from voting, it will have the same effect as an "Against" vote on the 2013 Plan Amendment Proposal. Failure to vote, including broker non-votes, will have no effect with respect to the requirement under the NYSE MKT rules that the 2013 Plan Amendment Proposal be approved by the affirmative vote of at least a majority of the votes cast by stockholders entitled to vote.

The Adjournment Proposal and the Say on Pay Resolution each requires the affirmative vote of a majority of the votes cast by the stockholders entitled to vote on the matter. For purposes of the vote on this proposal and resolution, abstentions, broker non-votes and other shares not voted will not be counted as votes cast and will have no effect on the result of the vote although all shares for which proxies have been given will be considered present for the purpose of determining the presence of a quorum.

The Say on Pay Frequency Resolution requires a plurality of the votes cast for one of the choices presented. For purposes of the vote on this resolution, broker non-votes and other shares not voted will not be counted as votes cast and will have no effect on the result of the vote although all shares for which proxies have been given will be considered present for the purpose of determining the presence of a quorum.

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Change of Vote and Revocation of Proxies

If you are a registered stockholder and would like to change your vote after submitting your proxy but prior to the Annual Meeting, you may do so by (a) signing and submitting another proxy with a later date, (b) voting again by telephone or the Internet or (c) voting at the Annual Meeting. Alternatively, if you would like to revoke your proxy, you may submit a written revocation of your proxy to our Corporate Secretary at GEE Group Inc. 184 Shuman Blvd., Suite 420, Naperville, Illinois 60563.

The Merger

The Company entered into an Agreement and Plan of Merger dated as of March 31, 2017 (the "Merger Agreement") by and among the Company, GEE Group Portfolio, Inc., a Delaware corporation and a wholly owned subsidiary of the Company, ("GEE Portfolio"), SNI Holdco Inc., a Delaware corporation ("SNIH"), Smith Holdings, LLC a Delaware limited liability company, Thrivent Financial for Lutherans, a Wisconsin corporation, organized as a fraternal benefits society ("Thrivent"), Madison Capital Funding, LLC, a Delaware limited liability company ("Madison") and Ronald R. Smith, in his capacity as a stockholder ("Mr. Smith" and collectively with Smith Holdings, LLC, Thrivent and Madison, the "Principal Stockholders") and Ronald R. Smith in his capacity as the representative of the SNIH Stockholders ("Stockholders' Representative"). The Merger Agreement provided for the merger subject to the terms and conditions set forth in the Merger Agreement of SNI Holdco with and into GEE Portfolio pursuant to which GEE Portfolio would be the surviving corporation (the "Merger"). The Merger was consummated on April 3, 2017 (the "Closing") and did not require stockholder approval in order to be completed. As a result of the merger, GEE Portfolio became the owner of 100% of the outstanding capital stock of SNI Companies, Inc., a Delaware corporation and a wholly-owned subsidiary of SNI Holdco ("SNI Companies" and collectively with SNI Holdco, the "Acquired Companies").

Merger Consideration

The aggregate consideration paid for the shares of SNI Holdco (the "Merger Consideration") was approximately $66,300,000, plus or minus the "NWC Adjustment Amount" or the difference in the book value of the Closing Net Working Capital (as defined in the Merger Agreement) of the Acquired Companies as compared to the Benchmark Net Working Capital (as defined in the Merger Agreement) of the Acquired Companies of $9.2 million. The consideration by the Company paid to the former stockholders of SNIH in the Merger consisted of (i) an aggregate of approximately $24,485,000 in cash, (ii) an aggregate of $12.5 million in aggregate principal amount of its 9.5% Notes and (iii) an aggregate of approximately 5,926,000 shares of its Series B Convertible Preferred Stock (with an approximate value of approximately $29,300,000 based on the closing stock price of GEE Group, Inc. common stock of $4.95). For a description of the terms of the Series B Convertible Preferred Stock please see "Proposal 1—The

Preferred Conversion Proposal—Material Terms of Series B Convertible Preferred Stock " on pages 22-23 of this Proxy Statement. For a description of the terms of the 9.5% Notes, please see "Proposal 2—The Note Conversion Proposal—Material Terms of 9.5% Notes " on pages 49-51 of this Proxy Statement.

Indemnification

The SNIH Stockholders have agreed to indemnify the Company with respect to the breach of the representations and warranties set forth in the Merger Agreement. The relative responsibility and Indemnification Ceiling of each SNIH Stockholder is determined as set forth in the Merger Agreement and is described in more detail on page 26 of this Proxy Statement. In addition, the indemnification obligations of the SNIH Stockholders are subject to certain overall baskets, deductibles and ceilings as set forth in the Merger Agreement. The Company is entitled to seek 'set off' or 'recoupment' for indemnification with respect to a respective SNIH Stockholder's 9.5% Notes or stock or other property, as may be owned by that SNIH Stockholder and held in escrow. $8.6 million in aggregate principal amount of the 9.5% Notes will be held in escrow by the Escrow Agent against which the Company may seek set-off in the event of certain indemnification obligations of the SNIH Stockholders. These 9.5% Notes will be released from escrow after a period of eighteen months if there are no outstanding claims for indemnification, but not if there are outstanding claims for indemnification.

Registration Rights

The Company has agreed to provide the SNIH Stockholders with certain piggyback and demand registration rights with respect to the shares of Common Stock that are issuable upon the conversion of the Series B Convertible Preferred Stock and the 9.5% Notes and that are issued as payment of interest with respect to the 9.5% Notes, as more fully described on page 27 of this Proxy Statement.

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Regulatory Approvals

No federal or state regulatory approvals were required to be obtained prior to the consummation of the Merger.

Accounting Treatment

The Company accounts for business combinations pursuant to Accounting Standards Codification ASC 805, *Business Combinations.* In accordance with ASC 805, the Company uses it best estimates and assumptions to accurately assign fair value to the assets acquired and the liabilities assumed at the acquisition date. Goodwill as of the acquisition date is measured as the excess of the purchase consideration over the fair value of the assets acquired and the liabilities assumed. The results of the Acquired Companies have been included in the consolidated financial statements of the Company since the date of the Merger.

Material Federal Income Tax Consequences

We have not obtained a tax opinion from legal counsel or tax experts on the Merger. The Merger is intended for federal income tax purposes to qualify as one or more reorganizations within the meaning of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder. Based on the provisions of the Internal Revenue Code of 1986, as amended, existing United States Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, all as in effect as of the date hereof and all of which are subject to change (possibly with retroactive effect), we do not believe that the Merger will give rise to the recognition of gain or loses to us or our stockholders for U.S. federal income tax purposes, however management has estimated a $12,000,000 deferred tax liability based on the inability for the Company to deduct the amortization of intangible assets. The foregoing summary is for general information only and does not discuss any state, local, foreign or other tax consequences.

Opinion of Financial Advisor

Stifel, Nicolaus & Company, Incorporated, or Stifel, delivered its opinion to the Company's Board of Directors on March 31, 2017 that, as of the date of the opinion and based upon and subject to the factors, considerations, qualifications, limitations and assumptions set forth therein, the Merger Consideration to be paid by the Company in the Merger pursuant to the Merger Agreement was fair to the Company from a financial point of view.

The full text of the written opinion of Stifel, dated March 31, 2017, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex D to this Proxy Statement. Our stockholders should read the opinion in its entirety, as well as the section of this Proxy Statement entitled “The Merger – Opinion of Financial Advisor” beginning on page 29 of this Proxy Statement. Stifel provided its opinion for the information and assistance of the Company’s Board in connection with the Board’s consideration of the Merger. The opinion of Stifel is not a recommendation to the Company’s Board as to how the Board should vote on any aspect of the Merger and its opinion does not constitute a recommendation to any stockholder of the Company as to how such stockholder should vote at the Annual Meeting with respect to the Preferred Conversion Proposal, the Note Conversion Proposal or as to any other action that a stockholder should take with respect to the Preferred Conversion Proposal or the Note Conversion Proposal.

Dissenters Rights

Illinois law does not provide the Company’s stockholders with dissenter or appraisal rights in connection with the Preferred Conversion Proposal, the Note Conversion Proposal, the Board Election Proposal, the Auditor Ratification Proposal, the 2013 Plan Amendment Proposal or the Adjournment Proposal.

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Unaudited Pro Forma Financial Information

Unaudited Pro Forma Financial Information reflecting the Merger is included elsewhere in this Proxy Statement and should be read in its entirety by our stockholders. See "Unaudited Pro forma Financial Information" beginning on page 39 of this Proxy Statement.

Information Regarding the Preferred Conversion Proposal and the Note Conversion Proposal

Although the Company was not required to seek the approval of its stockholders in connection with the consummation of the Merger, the Company is required to seek the approval of its stockholders in connection with the conversion of shares of Series B Convertible Preferred and/or the conversion of 9.5% Notes into shares of common stock to the extent that such conversions would exceed the "Conversion Limit" (as defined below). Pursuant to the terms of the Merger Agreement, we are obligated to call a meeting of our stockholders for the purpose of seeking the approval of our stockholders of the Preferred Conversion Proposal and the Note Conversion Proposal. In the event that we do not obtain the approval of our stockholders at this meeting of the Preferred Conversion Proposal and/or the Note Conversion Proposal, we have agreed to promptly take all actions necessary to hold a subsequent meeting of our stockholders for the purpose of obtaining the approval of the Preferred Conversion Proposal and/or the Note Conversion Proposal and to continue to do so until such proposals are approved.

Because our common stock is listed on the NYSE MKT, we are subject to the rules set forth in the NYSE MKT Company Guide. Section 712 of the NYSE MKT Company Guide requires stockholder approval to be obtained if a listed company issues common stock or securities convertible into or exercisable for common stock as sole or partial consideration for an acquisition of the stock or assets of another company where the present or potential issuance of common stock, or securities convertible into common stock, could result in an increase in outstanding common shares of 20% or more.

The conversion in full of the Series B Convertible Preferred Stock would result in the issuance of approximately an additional 5,926,000 shares of common stock which would have constituted 37.5% of our then outstanding common stock, based on the new shares issued and the outstanding shares as of April 3, 2017, the date of the consummation of the Merger. The conversion in full of the 9.5% Notes would result in the issuance of approximately an additional 2,144,100 shares of common stock, which would constituted 45% of our then outstanding common stock, based on the new shares issued and the outstanding shares as of April 3, 2017, the date of the consummation of the Merger. In addition, the payment in full of all potential interest payments on the 9.5% Notes in shares of common stock prior to the stated maturity date of the 9.5% Notes would result in the issuance of approximately an additional 916,900 shares of common stock, which would have constituted 47.6% of our then outstanding common stock, based on the new shares issued and the outstanding shares as of April 3, 2017.

Until such time as the Preferred Conversion Proposal has been approved, holders of the Series B Convertible Preferred Stock will not be permitted to effect any conversion of any shares of Series B Convertible Preferred Stock to the extent that the shares of common stock issuable upon such conversion when taken together with the shares of common stock previously issued with respect to (i) prior conversions of shares of Series B Convertible Preferred Stock, and/or (ii) prior conversions of any 9.5% Notes and/or (iii) the payment of dividends on any 9.5% Notes in shares of common stock and/or (iv) otherwise in connection with the issuance of the 9.5% Notes would result in the issuance of shares of common stock that exceed 19.99% of the outstanding shares of common stock as of April 3, 2017 (the “Conversion Limit”).

Until such time as the Note conversion Proposal has been approved, holders of the 9.5% Notes will not be permitted to effect any conversion of any 9.5% Notes to the extent that the shares of common stock issuable upon such conversion when taken together with the shares of common stock previously issued with respect to (i) prior conversions of shares of Series B Convertible Preferred Stock, and/or (ii) prior conversions of any 9.5% Notes and/or (iii) the payment of dividends on any 9.5% Notes in shares of common stock and/or (iv) otherwise in connection with the issuance of the 9.5% Notes would result in the issuance of shares of common stock that exceed the Conversion Limit.

Until such time as the Note Conversion Proposal has been approved, the Company will not be permitted to make any payments of interest on the 9.5% Notes in shares of common stock to the extent that the shares of common stock issuable as such interest payments when taken together with the shares of common stock previously issued with respect to (i) prior conversions of shares of Series B Convertible Preferred Stock, and/or (ii) prior conversions of any 9.5% Notes and/or (iii) the payment of dividends on any 9.5% Notes in shares of common stock and/or (iv) otherwise in connection with the issuance of the 9.5% Notes would result in the issuance of shares of common stock that exceed the Conversion Limit.

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Board Election Proposal

Upon the recommendation of the Nominating Committee of the Board of Directors, our Board of Directors has nominated for re-election at the Annual Meeting each of Mr. Derek Dewan, Dr. Arthur Laffer, Mr. Thomas Williams, Mr. Peter Tanous, Mr. William Isaac, Mr. George A. Bajalia and Mr. Ronald R. Smith each to stand for re-election for a new term expiring at the 2018 Annual Meeting of stockholders or until their successors are duly elected and qualified. Six of the nominees are currently serving as a member of our Board of Directors and Mr. Smith is being nominated for the first time.

Auditor Ratification Proposal

The Audit Committee of our Board of Directors has appointed Friedman LLP ("Friedman") to serve as our independent registered public accounting firm for the fiscal year ending September 30, 2017. Friedman has served in this capacity since November 29, 2012. We are asking our stockholders to ratify the appointment of Friedman as our independent registered public accounting firm.

2013 Plan Amendment Proposal

Our Board has approved, and has recommended that our stockholders approve an amendment to our 2013 Incentive Stock Plan to increase Stock Plan to increase the number of shares of common stock available for awards under the 2013 Plan (“Awards”) from 1,000,000 shares to 4,000,000 shares. Because our common stock is listed on the NYSE MKT, we are subject to the rules set forth in the NYSE MKT Company Guide. Section 711 of the NYSE MKT Company Guide requires (subject to certain exceptions) stockholder approval to be obtained if a listed company establishes or materially amends a stock option or purchase plan or other equity compensation arrangement pursuant to which options or stock may be acquired by officers, directors, employees, or consultants, regardless of whether or not such authorization is required by law or by the company's charter. As of July 5, 2017, approximately 251,955 shares of common stock remained available for grant pursuant to Awards under the 2013 Plan. The Board believes that the availability of additional shares of common stock for Awards granted under the 2013 Plan is needed to enable the Company to meet its anticipated equity compensation needs to attract, motivate and retain qualified employees, officers and directors.

Say on Pay Resolution

The Company is providing stockholders an advisory vote to approve executive compensation as required by Section 14A of the Securities Exchange Act of 1934, as amended. The Company is asking stockholders to indicate their support for the Company's executive compensation program as described in this proxy statement. This resolution commonly known as a "say on pay" proposal gives stockholders the oppotunity to express their views on the Company's named executive officers' compensation. Although this advisory vote is not binding on the Board of Directors, we are asking our stockholders to approve our executive compensation.

Say on Pay Frequency Resolution

The Company is providing stockholders an advisory vote to inform the Company as to how often you wish the Company to include a “say on pay” proposal similar to the Say on Pay Resolution in our proxy statement. This resolution is required pursuant to Section 14A of the Securities Exchange Act. While our Board of Directors intends to carefully consider the stockholder vote resulting from the Say on Pay Frequency Resolution, the final vote will not be binding on us and is advisory in nature. The Board of Directors believes that a vote of once every three years is optimal because the Company’s executive compensation policies and practices are designed to maximize long term stockholder value and will therefore provide stockholders with an appropriate timeframe to evaluate the effective of the Company’s executive compensation program in achieving this objective.

The Adjournment Proposal

The Adjournment Proposal would allow our Board of Directors to adjourn the Annual Meeting to a later date or dates, if necessary, to permit further solicitation of proxies in the event there are not sufficient votes at the time of the Annual Meeting to approve the Preferred Conversion Proposal and/or the Note Conversion Proposal.

Board Recommendations

On the basis of the factors described in this Proxy Statement, the Board of Directors has unanimously determined, that each of (i) the Preferred Conversion Proposal, (ii) the Note Conversion Proposal; (iii) the Board Election Proposal; (iv) the Auditor Ratification proposal; (v) the 2013 Plan Amendment Proposal and (vi) the Adjournment Proposal is advisable and fair to, and in the best interests of, the Company and recommends that the stockholders of the Company vote:

1. **FOR** the Preferred Conversion Proposal;
2. **FOR** the Note Conversion Proposal;
3. **FOR** the Board Election Proposal;
4. **FOR** the Auditor Ratification Proposal;
5. **FOR** the 2013 Plan Amendment Proposal;
6. **FOR** the Say on Pay Resolution;
7. **FOR** a vote for every "Three Years" for the Say on Pay Frequency Resolution; and
8. **FOR** the Adjournment Proposal.

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GEE GROUP, INC.

184 SHUMAN BLVD., SUITE 420
NAPERVILLE, ILLINOIS 60563

PROXY STATEMENT

THIS PROXY STATEMENT SETS FORTH INFORMATION RELATING TO THE SOLICITATION OF PROXIES BY THE BOARD OF DIRECTORS OF GEE GROUP, INC. (THE "COMPANY") IN CONNECTION WITH THE COMPANY'S ANNUAL MEETING OF STOCKHOLDERS OR ANY ADJOURNMENT OR POSTPONEMENT OF THE ANNUAL MEETING. THE ANNUAL MEETING

WILL TAKE PLACE ON AUGUST 16, 2017 AT THE WASHINGTON HILTON, JAY ROOM,

1919 CONNECTICUT AVE NW, WASHINGTON DC 20009 AT 10:00 A.M., EASTERN DAYLIGHT TIME.

THIS PROXY STATEMENT AND FORM OF PROXY WILL BE MAILED ON OR ABOUT JULY 14, 2017,

TO OUR STOCKHOLDERS OF RECORD AS OF THE CLOSE OF BUSINESS ON JULY 5, 2017, THE RECORD DATE.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

These Questions and Answers are only summaries of the matters they discuss. Please read this entire proxy statement.

Q. Why am I receiving this Proxy Statement?

A. You are receiving this Proxy Statement because you have been identified as a stockholder of the Company as of the record date and thus you are entitled to vote at the Annual Meeting. This document serves as a proxy statement of the Company to solicit proxies for the Annual Meeting. This document contains important information about the Annual Meeting and you should read it carefully.

Q. What is being voted on at the Annual Meeting?

A. You are being asked to vote on the following proposals:

- The issuance by the Company of up to 5,926,000 shares of its common stock in connection with the conversion of its Series B Convertible Preferred Stock into shares of common stock (the “Preferred Conversion Proposal”);
-

The issuance by the Company of up to 3,061,000 shares of its common stock in connection with the conversion of its 9.5% Convertible Subordinated Notes (“9.5% Notes”) into shares of common stock and/or the payment of interest on the 9.5% Notes in shares of common stock (the “Note Conversion Proposal”);

- The election of seven (7) members of our Board of Directors (the “Board Election Proposal”);
- The ratification of the appointment of Friedman LLP as our independent registered public accounting firm for the fiscal year ending September 30, 2017 (the “Auditor Ratification Proposal”);
- The approval of an amendment to our 2013 Incentive Stock Plan (the “2013 Plan”) to increase the number of shares of common stock issuable pursuant to awards granted under the 2013 Plan from 1,000,000 shares to 4,000,000 shares (the “2013 Plan Amendment Proposal”);
- A non-binding advisory resolution to approve executive compensation (the "Say on Pay Resolution");
- A non-binding advisory resolution to determine the frequency of the non-binding advisory vote on executive compensation (the "Say on Pay Frequency Resolution"); and
- The approval of any adjournment or postponement of the Annual Meeting for the purpose of soliciting additional proxies if there are not sufficient votes at the time of the Annual Meeting to approve the Preferred Conversion Proposal and/or the Note Conversion Proposal (the "Adjournment Proposal").
- You may also be asked to consider such other business as may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.
- In addition, senior management of the Company will be available to respond to your questions.

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Q. Why did the Company issue the Series B Preferred Stock and the 9.5% Notes?

A. The Company issued an aggregate of approximately 5,926,000 shares of Series B Convertible Preferred Stock and $12.5 million in aggregate principal amount of its 9.5% Convertible Subordinated Notes (9.5% Notes") on or about April 3, 2017 in connection with its acquisition of SNI Holdco, a Delaware corporation ("SNIH") and its wholly-owned subsidiary, SNI Companies, Inc., a Delaware corporation ("SNI Companies" and collectively with SNIH, the "Acquired Companies") pursuant to an Agreement and Plan of Merger dated as of March 31, 2017 (the "Merger Agreement") by and among the Company, GEE Portfolio Group, Inc., a Delaware corporation ("GEE Portfolio"), SNIH, Smith Holdings, LLC a Delaware limited liability company, Thrivent Financial for Lutherans, a Wisconsin corporation, organized as a fraternal benefits society, Madison Capital Funding, LLC, a Delaware limited liability company and Ronald R. Smith, in his capacity as a stockholder and Ronald R. Smith in his capacity as the representative of the SNIH Stockholders. The Merger Agreement provided for the merger subject to the terms and conditions set forth in the Merger Agreement of SNIH with and into GEE Portfolio pursuant to which GEE Portfolio was the surviving corporation (the "Merger"). The Merger was consummated on April 3, 2017. As a result of the Merger, GEE Portfolio became the owner 100% of the outstanding capital stock of SNI Companies. For a more detailed description of the terms of the Series B Convertible Preferred Stock please see "Proposal 1—The Preferred Conversion Proposal—Stockholder Approval Requirement for Preferred Conversion Proposal" beginning on page 24 of this Proxy Statement. For a more detailed description of the terms of the 9.5% Notes please see "Proposal 2—The Note Conversion Proposal—Stockholder Approval Requirement for Note Conversion Proposal" beginning on page 51 of this Proxy Statement. For a more detailed discussion of the Merger, please see "Proposal 1—The Preferred Conversion Proposal—The Merger" beginning on page 25 of this Proxy Statement.

Q. Where can I find out more information with respect to the Merger?

A. The following is a brief summary of the terms of the Merger. For a more detailed discussion of the Merger please see "Proposal 1—The Preferred Conversion Proposal—The Merger" beginning on page 25 of this Proxy Statement.

We consummated our acquisition of SNIH and SNI Companies on April 3, 2017 pursuant to the Merger Agreement.

Following the consummation of the Merger, SNI Companies became a wholly-owned subsidiary of GEE Group.

The aggregate consideration paid for the shares of SNI Holdco (the "Merger Consideration") was approximately $66,300,000, plus or minus the "NWC Adjustment Amount" or the difference in the book value of the Closing Net Working Capital (as defined in Merger Agreement) of the Acquired Companies as compared to the Benchmark Net Working Capital (as defined in the Merger Agreement) of the Acquired Companies of $9.2 million. The consideration by the Company paid to the former stockholders of SNIH in the Merger

consisted of (i) an aggregate of approximately $24,485,000 in cash, (ii) an aggregate of $12.5 million in aggregate principal amount of its 9.5% Notes and (iii) an aggregate of approximately 5,926,000 shares of its Series B Convertible Preferred Stock (with an approximate value of approximately $29,300,000 based on the closing stock price of GEE Group, Inc. common stock of $4.95 on March 31, 2017).

Pursuant to the Merger Agreement, the former stockholders of SNIH have agreed to indemnify the Company with respect to the breach of the representations and warranties set forth in the Merger Agreement. The relative responsibility and indemnification ceiling of each former SNIH stockholder is determined as set forth in the Merger Agreement. The indemnification obligations of the former stockholders of SNIH are subject to certain overall baskets, deductibles and ceilings as set forth in the Merger Agreement. $8.6 million in aggregate principal amount of the 9.5% Notes was placed in escrow against which the Company may seek set-off in the event of certain indemnification obligations of the former stockholders of SNIH. These 9.5% Notes will be released from escrow after a period of eighteen months if there are no outstanding claims for indemnification, but not if there are outstanding claims for indemnification.

The Company has agreed to provide the SNIH Stockholders with certain piggyback and demand registration rights with respect to the shares of Common Stock that are issuable upon the conversion of the Series B Convertible Preferred Stock and the 9.5% Notes.

For a more detailed description of the Merger, please see “Preferred Conversion Proposal —The Merger” beginning on page 25 of this Proxy Statement.

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Q. Why is the Company seeking stockholder approval with respect to the potential conversion of the Series B Preferred Stock, the potential conversion of the 9.5% Notes and the payment of interest on the 9.5% Notes in shares of common stock?

A. Because our common stock is listed on the NYSE MKT, we are subject to the rules set forth in the NYSE MKT Company Guide. Section 712 of the NYSE MKT Company Guide requires stockholder approval to be obtained if a listed company issues common stock or securities convertible into or exercisable for common stock as sole or partial consideration for an acquisition of the stock or assets of another company where the present or potential issuance of common stock, or securities convertible into common stock, could result in an increase in outstanding common shares of 20% or more.

The conversion in full of the Series B Convertible Preferred Stock would result in the issuance of approximately an additional 5,926,000 shares of common stock which would have constituted 37.5% of our then outstanding common stock, based on the new shares issued and the outstanding shares as of April 3, 2017, the date of the consummation of the Merger. The conversion in full of the 9.5% Notes would result in the approximate issuance of an additional 2,144,100 shares of common stock, which would have constituted 45% of our then outstanding common stock, based on the new shares issued and the outstanding shares as of April 3, 2017, the date of the consummation of the Merger. In addition, the payment in full of all potential interest payments on the 9.5% Notes in shares of common stock prior to the stated maturity date of the 9.5% Notes would result in the approximate issuance of an additional 916,900 shares of common stock, which would have constituted 47.6% of our then outstanding common stock, based on the new shares issued and the outstanding shares as of April 3, 2017.

Currently, holders of the Series B Convertible Preferred Stock are not permitted to effect any conversion of any shares of Series B Convertible Preferred Stock to the extent that the shares of common stock issuable upon such conversion when taken together with the shares of common stock previously issued with respect to (i) prior conversions of shares of Series B Convertible Preferred Stock, and/or (ii) prior conversions of any 9.5% Notes and/or (iii) the payment of dividends on any 9.5% Notes in shares of common stock and/or (iv) otherwise in connection with the issuance of the 9.5% Notes would result in the issuance of shares of common stock that exceed 19.99% of the outstanding shares of common stock as of April 3, 2017 (the “Conversion Limit”) unless and until such time as the Company has received approval of the Preferred Conversion Proposal.

Currently, holders of the 9.5% Notes are not permitted to effect any conversion of any 9.5% Notes to the extent that the shares of common stock issuable upon such conversion when taken together with the shares of common stock previously issued with respect to (i) prior conversions of shares of Series B Convertible Preferred Stock, and/or (ii) prior conversions of any 9.5% Notes and/or (iii) the payment of dividends on any 9.5% Notes in shares of common stock and/or (iv) otherwise in connection with the issuance of the 9.5% Notes would result in the issuance of shares of common stock that exceed the Conversion Limit unless and until such time as the Company has received approval of the Note

Conversion Proposal.

Currently, the Company is not permitted to make any payments of interest on the 9.5% Notes in shares of common stock to the extent that the shares of common stock issuable as such interest payments when taken together with the shares of common stock previously issued with respect to (i) prior conversions of shares of Series B Convertible Preferred Stock, and/or (ii) prior conversions of any 9.5% Notes and/or (iii) the payment of dividends on any 9.5% Notes in shares of common stock and/or (iv) otherwise in connection with the issuance of the 9.5% Notes would result in the issuance of shares of common stock that exceed the Conversion Limit unless and until such time as the Company has received approval of the Note Conversion Proposal.

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Q. What will happen if stockholder approval is not obtained with respect to the Preferred Conversion Proposal and/or the Note Conversion Proposal?

A. Pursuant to the terms of the Merger Agreement, we are obligated to call a meeting of our stockholders for the purpose of seeking the approval of our stockholders of the Preferred Conversion Proposal and the Note Conversion Proposal. In the event that we do not obtain the approval of our stockholders at this meeting of the Preferred Conversion Proposal and/or the Note Conversion Proposal, we have agreed to promptly take all actions necessary to hold a subsequent meeting of our stockholders for the purpose of obtaining the approval of the Preferred Conversion Proposal and/or the Note Conversion Proposal and to continue to do so until such proposals are approved.

Until such time as the Preferred Conversion Proposal and the Note Conversion Proposal are approved, holders of Series B Convertible Preferred Stock and holders of 9.5% Note, as the case may be, will continue to be limited in their ability to convert their shares of Series B Convertible Preferred Stock and/or their 9.5% Notes into shares of common stock as described above. In addition, until such time as the Note Conversion Proposal has been approved, the Company will continue to be limited in its ability to pay interest on the 9.5% Notes in shares of common stock as described above.

Q. How much of the Company's common stock will the former stockholders of SNIH hold assuming the conversion in full of the Series B Preferred Stock?

A. There are 9,878,892 shares of the Company's common stock currently outstanding. Assuming the conversion in full of the Series B Preferred Stock into shares of common stock, the former stockholders of SNIH will own approximately 5,926,000 shares of common stock or 37.5% of the then outstanding common stock of the Company.

Q. How much of the Company's common stock will the former stockholders of SNIH hold assuming the conversion in full of the 9.5% Notes and the payment of all interest on the 9.5% Notes in shares of common stock?

A. Assuming the conversion in full of the 9.5% Notes into shares of common stock, the former stockholders of SNIH will own approximately 2,144,100 shares of common stock or 17.8% of the then outstanding common stock of the Company. Assuming the payment of all interest on the 9.5% Notes in shares of common stock and the conversion in full of the 9.5% Notes into shares of common stock, the former stockholders of SNIH will own approximately 3,061,000 shares of common stock or 23.7% of the then outstanding common stock of the Company.

Q. How much of the Company's common stock will the former stockholders of SNIH hold assuming the conversion in full of the Series B Preferred Stock and the 9.5% Notes?

A. Assuming the conversion in full of all of the 9.5% Notes and all of the Series B Convertible Preferred Stock into shares of common stock, the former stockholders of SNIH will own approximately 8,070,100 shares of common stock or 45% of the then outstanding common stock of the Company.

Q. Why is the Company seeking stockholder approval with respect to the 2013 Plan Amendment Proposal?

A. Because our common stock is listed on the NYSE MKT, we are subject to the rules set forth in the NYSE MKT Company Guide. Section 711 of the NYSE MKT Company Guide requires (subject to certain exceptions) stockholder approval to be obtained if a listed company establishes or materially amends a stock option or purchase plan or other equity compensation arrangement pursuant to which options or stock may be acquired by officers, directors, employees, or consultants, regardless of whether or not such authorization is required by law or by the company's charter.

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Q. What will happen if stockholder approval is not obtained with respect to the 2013 Plan Amendment Proposal?

A. If stockholder approval is not obtained with respect to the 2013 Plan Amendment Proposal, the Company may not issue more than 1,000,000 shares of common stock pursuant to awards granted under the 2013 Plan. As of July 5, 2017, the Company had issued awards with respect to 748,005 shares of common stock under the 2013 Plan. The Company believes that its ability to issue additional awards under the 2013 Plan will help the Company attract, motivate and retain qualified officers, directors and employees.

Q. Do the Company's stockholders have dissenter or appraisal rights under Illinois law in connection with any of the Proposals presented at the Annual Meeting?

A. No. Illinois law does not provide for dissenter or appraisal rights in connection with the Preferred Conversion Proposal, the Note Conversion Proposal, the Board Election Proposal, the Auditor Ratification Proposal, the 2013 Plan Amendment Proposal or the Adjournment Proposal.

Q. Who can vote at the Annual Meeting?

A. You can vote at the Annual Meeting if, as of the close of business on July 5, 2017, the record date, you were a holder of record of the Company's common stock. As of the record date, there were issued and outstanding 9,878,892 shares of common stock, each of which is entitled to one vote on each matter to come before the Annual Meeting.

Q. How many shares must be present to conduct business at the Annual Meeting?

A. A quorum is necessary to hold a valid meeting of stockholders. For each of the proposals to be presented at the Annual Meeting, the holders of shares of our common stock outstanding on July 5, 2017, the record date, representing 4,939,446 votes must be present at the Annual Meeting, in person or by proxy. If you vote including by Internet, or proxy card your shares voted will be counted towards the quorum for the Annual Meeting. Abstentions and broker non-votes are counted as present for the purpose of determining a quorum.

Q. What vote is required to approve the Preferred Conversion Proposal, the Note Conversion Proposal, the Board Election

A. Pursuant to the rules of the NYSE MKT, the approval of each of the Preferred Conversion Proposal and the Note Conversion Proposal requires the affirmative vote of at least a majority of the votes cast by the Company stockholders entitled to vote on the matter, provided that there is a quorum. If you "Abstain" from voting, it will have the same effect as an "Against" vote on the Preferred Conversion Proposal and the Note Conversion Proposal. Failure to vote, including broker non-votes, will have no effect with respect to the requirement under the NYSE MKT rules that each of the Preferred Conversion Proposal and the Note Conversion Proposal be approved by the affirmative vote of at least a majority of the votes cast by stockholders entitled to vote on the matter.

Proposal, the Auditor Ratification Proposal, the 2013 Plan Amendment Proposal, the Say on Pay Resolution, the Say on Pay Frequency Resolution and the Adjournment Proposal?

The Board Election Proposal requires the affirmative vote of shares of Common Stock representing a plurality of the votes cast on the proposal at the Annual Meeting. This means that the seven nominees will be elected if they receive more affirmative votes than any other person. You may not cumulate your votes for the election of directors. Brokers may not use discretionary authority to vote shares on the election of directors if they have not received specific instructions from their clients. For your vote to be counted in the election of directors, you will need to communicate your voting decisions to your bank, broker or other nominee before the date of the Annual Meeting in accordance with their specific instructions.

The Auditor Ratification Proposal requires the affirmative vote of shares of Common Stock representing a majority of votes cast on the proposal at the Annual Meeting. For the purpose of the vote on this proposal, abstentions, broker non-votes and other shares not voted will not be counted as votes cast and will have no effect on the result of the vote, although all shares for which proxies have been given will be considered present for the purpose of determining the presence of a quorum.

Pursuant to the rules of the NYSE MKT, the 2013 Plan Amendment Proposal requires the affirmative vote of at least a majority of the votes cast by the Company stockholders entitled to vote on the matter, provided that there is a quorum. If you "Abstain" from voting, it will have the same effect as an "Against" vote on the 2013 Plan Amendment Proposal. Failure to vote, including broker non-votes, will have no effect with respect to the requirement under the NYSE MKT rules that the 2013 Plan Amendment Proposal be approved by the affirmative vote of at least a majority of the votes cast by stockholders entitled to vote.

The Adjournment Proposal and the Say on Pay Resolution each requires the affirmative vote of a majority of the votes cast by the stockholders entitled to vote on the matter. For purposes of the vote on this proposal and this resolution abstentions, broker non-votes and other shares not voted will not be counted as votes cast and will have no effect on the result of the vote, although all shares for which proxies have been given will be considered present for the purpose of determining the presence of a quorum.

The Say on Pay Frequency Resolution requires a plurality of the votes cast for one of the choices presented. For purposes of the vote on this resolution, broker non-votes and other shares not voted will not be counted as votes cast and will have no effect on the result of the vote.

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Q. How do I vote?

A. **Registered Stockholders**. If you are a registered stockholder (*i.e.*, you hold your shares in your own name through our transfer agent, Continental Stock Transfer & Trust Co., referred to herein as "Continental"), you may vote by proxy via the Internet, or by mail by following the instructions provided on the proxy card. Stockholders of record who attend the Annual Meeting may vote in person by obtaining a ballot from the inspector of elections.

Beneficial Owners. If you are a beneficial owner of shares (*i.e.*, your shares are held in the name of a brokerage firm, bank or a trustee), you may vote by proxy by following the instructions provided in the vote instruction form or other materials provided to you by the brokerage firm, bank, or other nominee that holds your shares. To vote in person at the Annual Meeting, you must obtain a legal proxy from the brokerage firm, bank or other nominee that holds your shares.

Q. What is the deadline to vote?

A. If you hold shares as the stockholder of record, your vote by proxy must be received before the polls close at the Annual Meeting. If you are the beneficial owner of shares, please follow the voting instructions provided by your broker, trustee or other nominee.

Q. How will the persons named as proxies vote?

A. If you complete and submit a proxy, the persons named as proxies will follow your instructions. If you submit a proxy but do not provide instructions, or if your instructions are unclear, the persons named as proxies will vote as recommended by our Board of Directors or, if no recommendation is given, in their own discretion.

Q. Where can I find the results of the voting?

A. We intend to announce preliminary voting results at the Annual Meeting and will publish final results through a Current Report on Form 8-K to be filed with the Securities and Exchange Commission ("SEC") within four business days after the Annual Meeting. The Current Report on Form 8-K will be available on the Internet at our website, www.generalemployment.com.

Q. Do I need a ticket to attend the Annual Meeting?

A. Yes, you will need an admission card to enter the Annual Meeting. You may request tickets by providing the name under which you hold shares of record or, if your shares are held in the name of a bank, broker or other holder of record, the evidence of your beneficial ownership of the shares, the number of tickets you are requesting and your contact information. You can submit your request in the following ways:

- by sending an e-mail to andrew.norstrud@geegroup.com; or
- by calling us at (813) 803-8275.

Stockholders also must present a form of personal photo identification in order to be admitted to the Annual Meeting.

Q. Who will pay for the cost of soliciting

A. We will pay for the cost of soliciting proxies. Our directors, officers and other employees, without additional compensation, may solicit proxies personally, in writing, by telephone, by email or otherwise. As is customary, we will reimburse brokerage firms,

	proxies?	fiduciaries, voting trustees, and other nominees for forwarding our proxy materials to each beneficial owner of Common Stock held of record by them.
Q.	**What is "householding" and how does it affect me?**	A. In accordance with notices to many stockholders who hold their shares through a bank, broker or other holder of record (a "street-name stockholder") and share a single address, only one copy of our proxy statement and included periodic reports to stockholders is being delivered to that address unless contrary instructions from any stockholder at that address were received. This practice, known as "householding," is intended to reduce our printing and postage costs. However, any such street-name stockholder residing at the same address who wishes to receive a separate copy of this proxy statement may request a copy by contacting the bank, broker or other holder of record, or by sending a written request to: GEE Group, Inc., 184 Shuman Blvd, Suite 420, Naperville, Illinois 60563, Attn.: Chief Financial Officer or by contacting our CFO by telephone at (630) 954-0400. The voting instruction form sent to a street-name stockholder should provide information on how to request (1) householding of future Company materials or (2) separate materials if only one set of documents is being sent to a household. A stockholder who would like to make one of these requests should contact us as indicated above.

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Q. If I am not going to attend the Annual Meeting in person, should I return my proxy card instead?

A. Yes. After carefully reading and considering the information in this document, please fill out and sign your proxy card. Then return it in the return envelope as soon as possible, so that your shares may be represented at the Annual Meeting. You may also vote by telephone or internet, as explained on the proxy card. A properly executed proxy will be counted for the purpose of determining the existence of a quorum.

Q. How do I change my vote?

A. You may revoke your proxy and change your vote at any time before the final vote at the Annual Meeting. You may change your vote by voting again on a later date on the Internet (only your latest Internet proxy submitted prior to the Annual Meeting will be counted), signing and returning a new proxy card with a later date, or attending the Annual Meeting and voting in person. However, your attendance at the Annual Meeting will not automatically revoke any prior proxy unless you vote again at the Annual Meeting or specifically request in writing that your prior proxy be revoked.

Q. If my shares are held in "street name," will my broker automatically vote them for me?

A. No. NYSE MKT rules do not permit brokers discretionary authority to vote on the approval of the Preferred Conversion Proposal, the Note Conversion Proposal, the Board Election Proposal or the 2013 Plan Amendment Proposal. Your broker can vote your shares only if you provide instructions on how to vote. You should instruct your broker to vote your shares. Your broker can tell you how to provide these instructions..

Q. Who can help answer my questions?

A. If you have questions, you may write or call GEE Group, Inc. 184 Shuman Blvd., Suite 420, Naperville, Illinois 60563, 630-954-0400, Attention: Secretary.

Q. Where will the Annual Meeting be held?

A. The meeting will be held at The Washington Hilton, Jay Room, 1919 Connecticut Ave NW, Washington DC 20009**.**

Q. What is the Board of Directors recommendation in voting the proposals and resolutions?

A. On the basis of the factors described herein, the Board of Directors has unanimously determined, that each of (i) the Preferred Conversion Proposal, (ii) the Note Conversion Proposal; (iii) the Board Election Proposal; (iv) the Auditor Ratification proposal; (v) the 2013 Plan Amendment Proposal; (vi) the Say on Pay Resolution; (vii) a vote for every "Three Years" for the Say on Pay Frequency Resolution and (viii) the Adjournment Proposal is advisable and fair to, and in the best interests of, the Company and recommends that the stockholders of the Company vote:

1. **FOR** the Preferred Conversion Proposal;

2. **FOR** the Note Conversion Proposal;

3. **FOR** the Board Election Proposal;

4. **FOR** the Auditor Ratification Proposal;

5. **FOR** the 2013 Plan Amendment Proposal;

6. **FOR** the Say on Pay Resolution;

7. **FOR** a vote for every "Three Years" for the Say on Pay Frequency Resolution; and

8. **FOR** the Adjournment Proposal.

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The Company's Annual Meeting

The Company is furnishing this proxy statement to its stockholders as part of the solicitation of proxies by the Board of Directors for use at its Annual Meeting of stockholders. This document provides you with the information you need to know to be able to vote or instruct your vote to be cast at the Annual Meeting.

Date, Time and Place of Meeting. The Company will hold the Annual Meeting at 10:00 a.m., Eastern time, on August 16, 2017, at The Washington Hilton, Jay Room, 1919 Connecticut Ave NW, Washington DC 20009 to vote on the proposals specified below.

Purpose. At the Annual Meeting, holders of the Company's common stock will be asked to approve:

- The issuance by the Company of up to 5,926,000 shares of its common stock in connection with the conversion of its Series B Convertible Preferred Stock into shares of common stock (the "Preferred Conversion Proposal");

The Company's Board of Directors determined that each of (i) the Preferred Conversion Proposal, (ii) the Note Conversion Proposal, (iii) the Board Election Proposal, (iv) the Auditor Ratification Proposal, (v) the 2013 Plan Amendment Proposal, (vi) the Say on Pay Resolution, (vii) a vote for every "Three Years" for the Say on Pay Frequency Resolution and (viii) the Adjournment Proposal is fair to and in the best interests of the Company and its stockholders, and recommends that the Company's stockholders vote "**FOR**" the Preferred Conversion Proposal, "**FOR**" the Note Conversion Proposal, "**FOR**" the Board Election Proposal, "**FOR**" the Auditor Ratification Proposal, "**FOR**" the 2013 Plan Amendment Proposal, "**FOR**" the Say on Pay Resolution, "**FOR**" a vote for every "Three Years" for the Say on Pay Frequency Resolution and "**FOR**" the Adjournment Proposal.

Record Date and Shares Entitled to Vote

Only stockholders owning our common stock at the close of business on July 5, 2017 (the" Record Date") are entitled to (a) receive notice of the Annual Meeting, (b) attend the Annual Meeting and (c) vote on all matters that properly come before the Annual Meeting.

At the close of business on the Record Date, 9,878,892 shares of our common stock were outstanding and entitled to vote. Each share is entitled to one vote on each matter to be voted upon at the Annual Meeting**.**

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Voting Procedures

If you are a registered stockholder (*i.e.*, you hold your shares in your own name through our transfer agent, Continental Stock Transfer & Trust Co., referred to herein as "Continental"), you may vote by proxy via the Internet, or by mail by following the instructions provided on the proxy card. Stockholders of record who attend the Annual Meeting may vote in person by obtaining a ballot from the inspector of elections. If you are a beneficial owner of shares (*i.e.*, your shares are held in the name of a brokerage firm, bank or a trustee), you may vote by proxy by following the instructions provided in the vote instruction form or other materials provided to you by the brokerage firm, bank, or other nominee that holds your shares. To vote in person at the Annual Meeting, you must obtain a legal proxy from the brokerage firm, bank or other nominee that holds your shares.

Quorum

A quorum of stockholders is necessary to validly hold the Annual Meeting. A quorum will be present if a majority of the outstanding shares of our common stock on the Record Date are represented at the Annual Meeting, either in person or by proxy. Your shares will be counted for purposes of determining a quorum if you vote via the Internet, by telephone or by submitting a properly executed proxy card or voting instruction form by mail, or if you vote in person at the Annual Meeting. Abstentions will be counted for determining whether a quorum is present for the Annual Meeting. A quorum is only needed to approve the Preferred Conversion Proposal, the Note Conversion Proposal, the Board Election Proposal, the Auditor Ratification Proposal and the 2013 Plan Amendment Proposal and not to approve the Say on Pay Resolution, the Say on Pay Frequency Resolution or the Adjournment Proposal.

Vote Required

Pursuant to the rules of the NYSE MKT, the approval of each of the Preferred Conversion Proposal and the Note Conversion Proposal requires the affirmative vote of at least a majority of the votes cast by the Company stockholders entitled to vote on the matter, provided that there is a quorum. If you "Abstain" from voting, it will have the same effect as an "Against" vote on the Preferred Conversion Proposal and the Note Conversion Proposal. Failure to vote, including broker non-votes, will have no effect with respect to the requirement under the NYSE MKT rules that each of the Preferred Conversion Proposal and the Note Conversion Proposal be approved by the affirmative vote of at least a majority of the votes cast by stockholders entitled to vote on the matter.

The Board Election Proposal requires the affirmative vote of shares of Common Stock representing a plurality of the votes cast on the proposal at the Annual Meeting. This means that the seven nominees will be elected if they receive more affirmative votes than any other person. You may not cumulate your votes for the election of directors. Brokers

may not use discretionary authority to vote shares on the election of directors if they have not received specific instructions from their clients. For your vote to be counted in the election of directors, you will need to communicate your voting decisions to your bank, broker or other nominee before the date of the Annual Meeting in accordance with their specific instructions.

The Auditor Ratification Proposal requires the affirmative vote of shares of Common Stock representing a majority of votes cast on the proposal at the Annual Meeting. For the purpose of the vote on this proposal, abstentions, broker non-votes and other shares not voted will not be counted as votes cast and will have no effect on the result of the vote, although all shares for which proxies have been given will be considered present for the purpose of determining the presence of a quorum.

Pursuant to the rules of the NYSE MKT, the 2013 Plan Amendment Proposal requires the affirmative vote of at least a majority of the votes cast by the Company stockholders entitled to vote on the matter, provided that there is a quorum. If you "Abstain" from voting, it will have the same effect as an "Against" vote on the 2013 Plan Amendment Proposal. Failure to vote, including broker non-votes, will have no effect with respect to the requirement under the NYSE MKT rules that the 2013 Plan Amendment Proposal be approved by the affirmative vote of at least a majority of the votes cast by stockholders entitled to vote.

The Adjournment Proposal and the Say on Pay Resolution each requires the affirmative vote of a majority of the votes cast by the stockholders entitled to vote on the matter. For purposes of the vote on this proposal and resolution abstentions, broker non-votes and other shares not voted will not be counted as votes cast and will have no effect on the result of the vote, although all shares for which proxies have been given will be considered present for the purpose of determining the presence of a quorum.

The Say on Pay Frequency Resolution requires a plurality of the votes cast for one of the choices presented. For puposes of the vote on this resolution, broker non-votes and other shares not voted will not be counted as votes cast and will have no effect on the result of the vote.

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NYSE MKT rules do not permit brokers discretionary authority to vote on the approval of the Preferred Conversion Proposal, the Note Conversion Proposal, the Board Election Proposal or the 2013 Plan Amendment Proposal. Therefore, if you hold shares of our common stock in street name and do not provide voting instructions to your broker, your shares will not be voted on the proposals. Your failure to vote or instruct your broker or bank how to vote will have the same effect as voting against these proposals.

Approval of the Adjournment Proposal and approval of the Say on Pay Resolution each requires that the number of votes cast FOR exceed the number of votes cast AGAINST, whether or not a quorum is present. Abstentions are not considered as voting FOR or AGAINST the Adjournment Proposal or the Say on Pay Resolution and will have no effect on the outcome of the Adjournment Proposal or the Say on Pay Resolution. The Say on Pay Frequency Resolution requires a plurality of the votes cast for one of the choices presented. Abstentions are not considered as voting with respect to the Say on Pay Frequency Resolution and will have no effect on the Say on Pay Frequency Resolution.

Proxy Solicitation

We bear the cost of soliciting your vote. In addition to mailing these proxy materials, our directors, officers or employees may solicit proxies or votes in person, by telephone or by electronic communication. They will not receive any additional compensation for these solicitation activities.

We will enlist the help of banks and brokerage firms in soliciting proxies from their customers and reimburse the banks and brokerage firms for related out-of-pocket expenses.

Change of Vote and Revocation of Proxies

If you are a registered stockholder and would like to change your vote after submitting your proxy but prior to the Annual Meeting, you may do so by (a) signing and submitting another proxy with a later date, (b) voting again by telephone or the Internet or (c) voting at the Annual Meeting. Alternatively, if you would like to revoke your proxy, you may submit a written revocation of your proxy to our Corporate Secretary at GEE Group Inc. 184 Shuman Blvd., Suite 420, Naperville, IL 60563.

If your shares are held in street name, contact your bank, broker or other nominee for specific instructions on how to change or revoke your vote. Please refer to the section of this Proxy Statement entitled “Questions and Answers” for

additional details about voting.

GEE Group's Auditors

Representatives of Friedman LLP are expected to be present at the Annual Meeting and will have the opportunity to make a statement and to respond to any questions.

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PROPOSAL 1: THE PREFERRED CONVERSION PROPOSAL

Background

We are submitting the Preferred Conversion Proposal to you as a result of our issuance on April 3, 2017 of approximately 5,926,000 shares of our Series B Convertible Preferred Stock (with an approximate value of $29,300,000 based on the closing stock price of GEE Group, Inc. common stock of $4.95 on March 31, 2017) to certain former stockholders of SNIH in connection with the consummation of the Merger which resulted in our acquisition of SNIH and SNI Companies. Because our common stock is listed on the NYSE MKT, we are subject to the rules set forth in the NYSE MKT Company Guide. Section 712 of the NYSE MKT Company Guide requires stockholder approval to be obtained if a listed company issues common stock or securities convertible into or exercisable for common stock as sole or partial consideration for an acquisition of the stock or assets of another company where the present or potential issuance of common stock, or securities convertible into common stock, could result in an increase in outstanding common shares of 20% or more.

Each share of Series B Convertible Preferred Stock may be converted into one share of common stock (subject to adjustment in certain circumstances as set forth in the Statement of Resolution Establishing Series of the Series B Convertible Preferred Stock, a copy of which is filed as Annex B hereto or the "Resolution Establishing Series") at the option of the holder thereof; provided, however, that holders of Series B Convertible Preferred Stock are not permitted to effect any conversion of any shares of Series B Convertible Preferred Stock to the extent that the shares of common stock issuable upon such conversion when taken together with the shares of common stock previously issued with respect to (i) prior conversions of shares of Series B Convertible Preferred Stock, and/or (ii) prior conversions of any 9.5% Notes and/or (iii) the payment of dividends on any 9.5% Notes in shares of common stock and/or (iv) otherwise in connection with the issuance of the 9.5% Notes would result in the issuance of shares of common stock that exceed 19.99% of the outstanding shares of common stock as of April 3, 2017 (the "Conversion Limit") unless and until such time as the Company has received approval of the Preferred Conversion Proposal.

Approval of the Preferred Conversion Proposal could result in the issuance of an additional 5,926,000 shares of our common stock, assuming that all of the holders of outstanding Series B Convertible Preferred Stock choose to convert their shares into shares of common stock. Based on the 9,878,892 shares of common stock that were outstanding as of the Record Date, conversion in full of the Series B Convertible Preferred Stock would result in the issuance of shares of common stock that would represent approximately 37.5% of the outstanding common stock of the Company.

We chose to issue shares of Series B Convertible Preferred Stock as a portion of the consideration paid to the former stockholders of SNIH in the Merger rather than shares of common stock because the issuance of 5,926,000 shares of common stock would have required us to obtain stockholder approval pursuant to the rules of the NYSE MKT prior to

the closing of the Merger since that number of shares exceeded 19.99% of the outstanding shares of common stock as of April 3, 2017. This would have delayed completion of the Merger. Any delay in consummating the Merger could have subjected the transaction to risk of competing bidders or other risks to the successful consummation of the transaction. The former stockholders of SNIH agreed to accept Series B Convertible Preferred Stock in lieu of common stock as a portion of the Merger Consideration provided we agreed to promptly seek the approval of our stockholders of the Preferred Conversion Proposal. We are now asking you for this approval.

Material Terms of the Series B Convertible Preferred Stock

The following is a summary of the material terms of the Series B Convertible Preferred Stock:

Liquidation Preference

The Series B Convertible Preferred Stock has a liquidation preference equal to $4.86 per share and ranks senior to all "Junior Securities" (including the Company's common stock) with respect to any distribution of assets upon liquidation, dissolution or winding up of the Company, whether voluntary or involuntary.

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Dividends

In the event that the Company declares or pays a dividend or distribution on its common stock, whether such dividend or distribution is payable in cash, securities or other property, including the purchase or redemption by the Company or any of its subsidiaries of shares of common stock for cash, securities or property, the Company is required to simultaneously declare and pay a dividend on the Series B Convertible Preferred Stock on a pro rata basis with the common stock determined on an as-converted basis assuming all shares had been converted as of immediately prior to the record date of the applicable dividend or distribution.

Voting

Except as set forth in the Resolution Establishing Series or as may be required by Illinois law, the holders of the Series B Convertible Preferred Stock have no voting rights. Pursuant to the Resolution Establishing Series, without the prior written consent of holders of not less than a majority of the then total outstanding Shares of Series B Convertible Preferred Stock, voting separately as a single class, the Company shall not create, or authorize the creation of, any additional class or series of capital stock of the Company (or any security convertible into or exercisable for any class or series of capital stock of the Company) that ranks pari passu with or superior to the Series B Convertible Preferred Stock in relative rights, preferences or privileges (including with respect to dividends, liquidation or voting).

Conversion

Each share of Series B Convertible Preferred Stock is convertible at the option of the holder thereof into one share of common stock at an initial conversion price equal to $4.86 per share, each as subject to adjustment in the event of stock splits, stock combinations, capital reorganizations, reclassifications, consolidations, mergers or sales, as set forth in the Resolution Establishing Series: provided, however, that unless and until such time as the Company has received approval of the Preferred Conversion Proposal a holder of Shares of Series B Convertible Preferred Stock shall not be permitted to effect any conversion of any shares of Series B Convertible Preferred Stock to the extent that the shares of common stock issuable upon such conversion when taken together with the shares of common stock previously issued with respect to (i) prior conversions of shares of Series B Convertible Preferred Stock, and/or (ii) prior conversions of any 9.5% Notes and/or (iii) the payment of dividends on any 9.5% Notes in shares of common stock and/or (iv) otherwise in connection with the issuance of the 9.5% Notes would result in the issuance of shares of common stock that exceed the Conversion Limit.

Offering of Series B Convertible Preferred Stock

None of the shares of Series B Convertible Preferred Stock issued to the former stockholders of SNIH were registered under the Securities Act of 1933, as amended (the "Securities Act"). Each of the former stockholders of SNIH who received shares of Series B Convertible Preferred Stock is an accredited investor. The issuance of the shares of Series B Convertible Preferred Stock to such former stockholders of SNIH was exempt from the registration requirements of the Act in reliance on an exemption from registration provided by Section 4(2) of the Securities Act.

Registration Rights

The holders of Series B Convertible Preferred Stock have certain demand and piggyback registration rights with respect to the shares of common stock that are issued upon conversion of the Series B Convertible Preferred Stock. For a description of these registration rights see—"The Merger Agreement—Registration Rights" beginning on page 27 of this Proxy Statement.

Effect of Failure to Obtain Stockholder Approval of the Preferred Conversion Proposal

If our stockholders do not approve the Preferred Conversion Proposal, we are obligated, pursuant to the terms of the Merger Agreement to take all actions necessary to hold a subsequent meeting of our stockholders for the purpose of obtaining the approval of the Preferred Conversion Proposal and to continue to do so until such proposal is approved. Until such time as the Preferred Conversion Proposal is approved, holders of Series B Convertible Preferred Stock will continue to be limited in their ability to convert their shares of Series B Convertible Preferred Stock into shares of common stock as described above.

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Effect of Stockholder Approval of the Preferred Conversion Proposal

If our stockholders approve the Preferred Conversion Proposal the holders of our Series B Convertible Preferred (other than Thrivent Financial for Lutherans or "Thrivent") will immediately be able to convert any or all of their shares of Series B Convertible Preferred Stock into shares of common stock. On April 3, 2017, the Company and Thrivent entered into an Agreement which restricts Thrivent from converting all or any portion of its shares of Series B Convertible Preferred Stock to the extent that after giving effect to such conversion as set forth in a written election to the Company to convert the Series B Convertible Preferred Stock, Thrivent (together with its affiliates, and any other person or entity acting as a group together with Thrivent or any of its affiliates), would beneficially own common stock in excess of 4.99% of the number of shares of the common stock outstanding immediately after giving effect to the issuance of shares of common stock issuable upon conversion of Thrivent's Series B Convertible Preferred Stock (the "Beneficial Ownership Limitation"). The Beneficial Ownership Limitation may be waived by Thrivent, upon not less than 61 days' prior notice to the Company that Thrivent would like to waive the Beneficial Ownership Limitation with regard to any or all shares of Common Stock issuable upon conversion of the Series B Convertible Preferred Stock.

The issuance by the Company of a substantial number shares of common stock upon the conversion of the Series B Convertible Preferred Stock will result in a dilution in voting power of the Company's current stockholders. The issuance by the Company of a substantial number of shares of common stock upon the conversion of the Series B Convertible Preferred Stock could also result in a dilution of earnings per share with respect to the outstanding common stock which could have a depressive effect on the market price of our common stock. The shares of common stock issuable upon conversion of the Series B Convertible Preferred Stock are expected to be listed on the NYSE MKT. The future prospect of sales of a significant amount of shares of common stock could also affect the market price of our common stock if the marketplace does not orderly adjust to the increase in shares in the market and the value of your investment in the Company may decrease.

Stockholder Approval Requirement for Preferred Conversion Proposal

Our common stock is listed on the NYSE MKT and we are subject to the rules set forth in the NYSE MKT Company Guide. Section 712 of the NYSE MKT Company Guide requires stockholder approval to be obtained if a listed company issues common stock or securities convertible into or exercisable for common stock as sole or partial consideration for an acquisition of the stock or assets of another company where the present or potential issuance of common stock, or securities convertible into common stock, could result in an increase in outstanding common shares of 20% or more. Although we were not required to obtain stockholder approval in connection with the issuance of the Series B Convertible Preferred Stock (which has no voting rights on matters presented to the holders of our common stock and which contains a restriction on the ability of holders to convert their shares) or the acquisition of SNIH and SNI Companies pursuant to the Merger, we are required to seek stockholder approval for the conversion of shares of Series B Convertible Preferred Stock to the extent that such conversion, when taken together with (i) all prior conversions of Series B Preferred Stock into shares of common stock, (ii) all prior conversions of 9.5% Notes into

shares of common stock, (iii) all prior issuances of common stock as interest payments on the 9.5% Notes and (iv) all other shares of common stock that were previously issued in connection with the issuance of the 9.5% Notes would result in the issuance of shares of common stock in excess of the Conversion Limit. Therefore we are seeking stockholder approval for the Preferred Conversion Proposal.

Interest of the Director Nominee in the Preferred Conversion Proposal

Mr. Ronald R. Smith, a nominee for election to the Company's Board of Directors, is the beneficial owner of 4,434,169 shares of Series B Convertible Preferred Stock. In the event that our stockholders approve the Preferred Conversion Proposal, Mr. Smith would be able to convert these shares into 4,434,169 shares of our common stock.

Recommendation of the Board of Directors

The Board of Directors has determined that the Preferred Conversion Proposal is in the best interests of the Company’s stockholders and recommends that you vote “FOR” the Preferred Conversion Proposal.

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THE MERGER

The Company entered into an Agreement and Plan of Merger dated as of March 31, 2017 (the "Merger Agreement") by and among the Company, GEE Group Portfolio, Inc., a Delaware corporation and a wholly owned subsidiary of the Company, ("GEE Portfolio"), SNI Holdco Inc., a Delaware corporation ("SNIH"), Smith Holdings, LLC a Delaware limited liability company, Thrivent Financial for Lutherans, a Wisconsin corporation, organized as a fraternal benefits society ("Thrivent"), Madison Capital Funding, LLC, a Delaware limited liability company ("Madison") and Ronald R. Smith, in his capacity as a stockholder ("Mr. Smith" and collectively with Smith Holdings, LLC, Thrivent and Madison, the "Principal Stockholders") and Ronald R. Smith in his capacity as the representative of the SNIH Stockholders ("Stockholders' Representative"). The Merger Agreement provided for the merger subject to the terms and conditions set forth in the Merger Agreement of SNI Holdco with and into GEE Portfolio pursuant to which GEE Portfolio would be the surviving corporation (the "Merger"). The Merger was consummated on April 3, 2017 (the "Closing") and did not require stockholder approval in order to be completed. As a result of the merger, GEE Portfolio became the owner of 100% of the outstanding capital stock of SNI Companies, Inc., a Delaware corporation and a wholly-owned subsidiary of SNI Holdco ("SNI Companies" and collectively with SNI Holdco, the "Acquired Companies"). Although this Proxy Statement does not relate directly to a stockholder vote with respect to the Company's acquisition of the Acquired Companies pursuant to the Merger, the following sets forth certain information about the Acquired Companies and the Merger.

Terms of the Merger Agreement and the Merger

The following section summarizes material provisions of the Merger Agreement, which is included in this Proxy Statement as Annex A and is incorporated herein by reference in its entirety. This summary does not purport to be complete and is qualified in its entirety by reference to the Merger Agreement. The summary description has been included in this Proxy Statement to provide you with information regarding the terms of the Merger Agreement and is not intended to modify or supplement any factual disclosures about the Company, the Acquired Companies, the SNIH Stockholders or our respective affiliates. Capitalized terms not otherwise defined in this section will have the meanings ascribed to them in the Merger Agreement.

Merger Consideration and Closing Payments

The aggregate consideration paid for the shares of SNI Holdco (the "Merger Consideration") was approximately $66,300,000, plus or minus the "NWC Adjustment Amount" or the difference in the book value of the Closing Net Working Capital (as defined in Merger Agreement) of the Acquired Companies as compared to the Benchmark Net Working Capital (as defined in the Merger Agreement) of the Acquired Companies of $9.2 million.

On the date of the Closing the Company made the following payments:

- *Cash Payment to Stockholders of SNIH (the "SNIH Stockholders") or as directed by SNIH Stockholders.* At the Closing, the Company paid approximately an aggregate of $23,000,000 in cash to the SNIH Stockholders.

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Indemnification; Survival

The SNIH Stockholders have agreed to indemnify the Company and certain of its affiliates (collectively, the "Buyer Indemnified Parties") with respect to any breach of the representations and warranties, covenants and agreements of the Acquired Companies set forth in the Merger Agreement and also with respect to certain tax matters, litigation matters, matters related to the Acquired Companies' Self-Funded Group Health Plan and any claims of liability made by Baird & Co., the Acquired Companies' selling broker, each as set forth in the Merger Agreement. The relative indemnification responsibility and indemnification ceiling of each SNIH Stockholder is determined as set forth in the Merger Agreement.

The overall indemnification obligation of the SNIH Stockholders with respect to "Non-Fundamental Representations and Warranties" (as defined in the Merger Agreement) only of the Acquired Companies is subject to a $645,000 indemnification basket (the "Indemnification Basket"); provided, however, that in the event that the indemnification obligation of the SNIH Stockholders with respect to Non-Fundamental Representations and Warranties exceeds the Indemnification Basket, the SNIH Stockholders will be obligated to indemnify Buyer Indemnified Parties only for such amounts in excess of the first Two Hundred Thousand Dollars ($200,000) severally and not jointly in accordance with each SNIH Stockholders' "SNIH Ownership Proportion" as set forth in the Merger Agreement. The overall indemnification obligation of the SNIH Stockholders with respect to Non-Fundamental Representations and Warranties is subject to an $8.6 million indemnification ceiling and the sole recourse for such indemnification will be against the 9.5% Notes issued to the SNIH Stockholders to the extent available pursuant to the set-off rights set forth therein and in the Merger Agreement. All Non-Fundamental Representations and Warranties shall survive the Closing for a period of eighteen (18) months. All representations and warranties that are not Fundamental Representations and Warranties shall survive the Closing and continue in full force and effect until the expiration of the applicable statutes of limitations (including any extension thereto).

There is a separate aggregate ceiling on such SNIH Stockholder's obligation to indemnify Buyer Indemnified Parties, such indemnification ceiling being (i) an amount equal to each of Thrivent's and Madison's "Pro Rata Share" (as set forth in the Merger Agreement) of the Merger Consideration actually received by each of Thrivent and Madison, as applicable; and (ii) for each other SNIH Stockholder an amount equal to such SNIH Stockholder's SNIH Ownership Proportion of the Merger Consideration.

Pursuant to the Merger Agreement, the Company is entitled to seek 'set off' or 'recoupment' for indemnification with respect to a respective SNIH Stockholder's 9.5% Notes or stock or other property, as may be owned by that SNIH Stockholder and held in escrow. $8.6 million in aggregate principal amount of the 9.5% Notes will be held in escrow by the Escrow Agent against which the Company may seek set-off in the event of certain indemnification obligations of the SNIH Stockholders. These 9.5% Notes will be released from escrow after a period of eighteen months if there are no outstanding claims for indemnification, but not if there are outstanding claims for indemnification.

In the event that the Company breaches any of its representations, warranties, covenants or agreements contained in the Merger Agreement and provided that the Stockholders' Representative makes a written claim for indemnification against the Company within the applicable survival period, the Company has agreed to indemnify the SNIH Stockholders in accordance with their SNIH Stockholder's SNIH Ownership Proportion from and against the entirety of any adverse consequences suffered by them resulting from, arising out of, relating to, or caused by the breach.

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Registration Rights

The Company has agreed to provide the SNIH Stockholders with the following piggyback and demand registration rights with respect to certain shares of common stock that are issuable upon the conversion of the Series B Convertible Preferred Stock and the 9.5% Notes and that are "Registrable Securities" (as defined below).

The Merger Agreement provides that for a period of five (5) years following the effective time of the Merger, the Company has agreed to afford each holder of Registrable Securities the opportunity to include ("piggyback") in any registration statement filed by the Company on Form S-1 or Form S-3 or any similar or successor form to such forms for the purpose of effecting an offering of securities of the Company (but excluding registration statements filed on Form S-8 and Form S-4 or any similar or successor form to such forms or any other registration statements relating to (i) any employee benefit plan or (ii) a corporate reorganization, merger or acquisition or (iii) non-convertible debt securities) all or any portion of the Registrable Securities held by such holder. Notwithstanding the foregoing, in the case of an underwritten offering, if the managing underwriter(s) determine(s) in good faith that equity market conditions and marketing factors (including but not limited to a determination that the shares proposed to be included in the underwriting cannot be sold in an orderly manner at a price that is acceptable to the Company) require a limitation of the number of shares to be underwritten, then the managing underwriter(s) may exclude shares (including Registrable Securities) from the registration and the underwriting, and the number of shares that may be included in the registration and the underwriting shall be allocated, first, to the Company and second, to all holders of Company securities having piggyback registration rights (including holders of Registrable Securities) requesting inclusion of their securities in such registration statement on a pro rata basis based on the total number of securities for which registration was requested.

The Merger Agreement also provides that the Company shall provide to all holders of Registrable Securities a one time resale registration right to register up to thirty-five percent of the Registrable Securities held by each, if the Stockholder Representative makes such demand and if: (A) (i) by the third anniversary of the Closing the Company has not undertaken one or more offerings that permitted each such holder to sell up to thirty-five percent of the Registrable Securities issued to such holder, and (ii) the market price of the Registrable Security is greater than or equal to the market price of such security on the Closing Date, or (B) by the fifth anniversary of the Closing the Company has not undertaken one or more offerings that permitted each such holder to sell up to thirty-five (35%) percent of the Registrable Securities issued to such holder. Notwithstanding the foregoing, if the board of directors of the Company, in its good faith judgment, determines that any such registration of Registrable Securities should not be made or continued because it would materially interfere with any material or potentially material financing, acquisition, corporate reorganization or merger or other transaction involving the Company, including negotiations related thereto, or require the Company to disclose any material nonpublic information which would reasonably be likely to be detrimental to the Company or otherwise make it undesirable for the Company to complete a demand registration at that time (a "Valid Business Reason"), (x) the Company may postpone filing a registration statement relating to a demand registration until such Valid Business Reason no longer exists, but in no event for more than one hundred twenty (120) days after the date when the demand registration was requested or, if later, after the occurrence of the Valid Business Reason and (y) in case a registration statement has been filed relating to a demand registration, the Company may postpone amending or supplementing such registration statement, (in which case, if the

Valid Business Reason no longer exists or if more than one 120-day period has passed since such postponement, the initiating holders may request a new demand registration or request the prompt amendment or supplement of such registration statement).

For purposes of the Merger Agreement the term “Registrable Securities” means: (i) any and all shares of common Stock acquired by certain SNIH Stockholders or participants in the MIP upon (A) the conversion of the Series B Convertible Preferred Stock or (B) the conversion of or the payment of interest on the 9.5% Convertible Note, (collectively, the “Securities”), and (ii) any securities issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, in exchange for or in replacement of, the Securities, provided, however, that any of the foregoing securities shall cease to be Registrable Securities upon the earliest to occur of the following: (A) a sale of such security pursuant to an effective registration statement; (B) a sale of such security pursuant to Rule 144 or any similar provision then in force under the Securities Act (in which case, only the security sold shall cease to be a Registrable Security); (C) eligibility for sale of such security under Rule 144 (other than securities owned by Mr. Smith or Smith Holdings, LLC); or (D) when such security ceases to be outstanding.

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Financing of Cash Portion of the Merger Consideration

The Company and its subsidiaries, as borrowers, entered into a Revolving Credit, Term Loan and Security Agreement (the "Credit Agreement") with PNC Bank, National Association ("PNC"), and certain investment funds managed by MGG Investment Group LP ("MGG"). Under the terms of the Credit Agreement, the Company may borrow up to $73,750,000 consisting of a four-year term loan in the principal amount of $48,750,000 and revolving loans in a maximum amount up to the lesser of (i) $25,000,000 or (ii) an amount determined pursuant to a borrowing base that is calculated based on the outstanding amount of the Company's eligible accounts receivable, as described in the Credit Agreement. The loans under the Credit Agreement mature on March 31, 2021.

Amounts borrowed under the Credit Agreement may be used by the Company to repay existing indebtedness, to partially fund capital expenditures, to fund the cash portion of the Merger Consideration paid by the Company in connection with the Merger, provide for on-going working capital needs and general corporate needs, and fund future acquisitions subject to certain customary conditions of the lenders. On the closing date of the Credit Agreement, the Company borrowed approximately $56,226,300 which was used by the Company to repay existing indebtedness, to pay fees and expenses relating to the Credit Agreement, to pay fees and expenses related to the Merger and to pay the cash portion of the Merger Consideration in connection with the Merger.

The loans under the Credit Agreement will bear interest at rates at the Company's option of LIBOR rate plus 10% or PNC's floating base rate plus 9%. The Term Loans may consist of Domestic Rate Loans or LIBOR Rate Loans, or a combination thereof. The Credit Agreement is secured by all of the Company's property and assets, whether real or personal, tangible or intangible, and whether now owned or hereafter acquired, or in which it now has or at any time in the future may acquire any right, title or interests.

The loans advanced on the Closing Date are with respect to principal, payable as follows, subject to acceleration upon the occurrence of an Event of Default under the Credit Agreement or termination of the Credit Agreement and provided that all unpaid principal, accrued and unpaid interest and all unpaid fees and expenses shall be due and payable in full on March 31, 2021:

Date		Principal Payment Required
July 1, 2017	$	609,375.00
October 1, 2017	$	1,218,750.00
January 1, 2018	$	1,218,750.00
April 1, 2018	$	1,828,125.00

July 1, 2018	$	1,523,437.50
October 1, 2018	$	1,523,437.50
January 1, 2019	$	1,523,437.50
April 1, 2019	$	1,523,437.50
July 1, 2019	$	1,523,437.50
October 1, 2019	$	1,523,437.50
January 1, 2020	$	1,523,437.50
April 1, 2020	$	1,523,437.50
July 1, 2020	$	1,828,125.00
October 1, 2020	$	1,828,125.00
January 1, 2021	$	1,828,125.00

Interest of Certain Persons in the Merger

None of our officers, directors or director nominees other than Ronald R. Smith received any direct or indirect benefit as a result of the Merger that would not be realized by the holders of our common stock generally. See "The Board Election Proposal - Certain Relationships and Related Party Transactions".

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Regulatory Approvals

No federal or state regulatory approvals were required to be obtained prior to the consummation of the Merger.

Accounting Treatment

The Company accounts for business combinations pursuant to Accounting Standards Codification ASC 805, *Business Combinations.* In accordance with ASC 805, the Company uses it best estimates and assumptions to accurately assign fair value to the assets acquired and the liabilities assumed at the acquisition date. Goodwill as of the acquisition date is measured as the excess of the purchase consideration over the fair value of the assets acquired and the liabilities assumed. The results of the Acquired Companies have been included in the consolidated financial statements of the Company since the date of the Merger.

Material Federal Income Tax Consequences

We have not obtained a tax opinion from legal counsel or tax experts on the Merger. The Merger is intended for federal income tax purposes to qualify as one or more reorganizations within the meaning of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder. Based on the provisions of the Internal Revenue Code of 1986, as amended, existing United States Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, all as in effect as of the date hereof and all of which are subject to change (possibly with retroactive effect), we do not believe that the Merger will give rise to the recognition of gain or loses to us or our stockholders for U.S. federal income tax purposes, however management has estimated a $12,000,000 deferred tax liability based on the inability for the Company to deduct the amortization of intangible assets. The foregoing summary is for general information only and does not discuss any state, local, foreign or other tax consequences.

Past Contacts, Transactions, Negotiations and Agreements

The terms of the Merger Agreement are the result of arm’s length negotiations between representatives of the Company and SNIH. The following is a summary of the background of these negotiations and the Merger.

On September 9, 2016, Robert W. Baird & Co. (“Baird”), acting in its capacity as exclusive financial advisor to SNIH and SNI Companies, reached out to Derek Dewan, GEE Group’s Chief Executive Officer, to invite GEE Group to participate in the sale process for SNIH. On September 15, 2016, GEE Group discussed the potential to pursue an acquisition of the Acquired Companies with representatives from Stifel. On September 21, 2016, Mr. Dewan and Mr. Bajalia of GEE Group met with members of SNIH’s management team in Atlanta, GA to attend a brief management presentation hosted by SNIH and SNIH’s financial advisor, a representative from Stifel was also in attendance. On September 23, 2016, GEE Group executed a non-disclosure agreement with SNIH and received confidential evaluation materials regarding the acquisition opportunity from Baird.

On September 28, 2016, GEE Group received a process letter with instructions for submitting a non-binding indication of interest for the acquisition of SNIH, with a submission deadline of October 14, 2016. On October 6, 2016, representatives of Baird, GEE Group and Stifel met telephonically to discuss due diligence items and potential structures for effecting an acquisition of the Acquired Companies by GEE Group. On October 14, 2016, GEE Group held a call with its Board of Directors to discuss the potential merits of an acquisition of the Acquired Companies and due diligence conducted to date. Management received approval to submit a preliminary indication of interest for the acquisition of the Acquired Companies. After the meeting of GEE Group’s Board adjourned on October 14, 2016, GEE Group submitted a preliminary indication of interest via email to Baird proposing to acquire the Acquired Companies for $94.5 million on a cash-free, debt-free basis, representing a 7.5x multiple based on $12.6 million full-year 2016E Adjusted EBITDA. Consideration to fund the purchase price would consist of $42.3 million of cash and $52.2 million in shares of the Company’s common stock. A portion of the cash proceeds from the proposed debt financing would be allocated to retire existing GEE Group debt, provide additional working capital and pay transaction fees and expenses.

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Commencing on October 19, 2016, Representatives of GEE Group and Stifel received access to an electronic data room with extensive documentation provided by SNIH. On October 21, 2016, GEE Group executed an engagement letter with Stifel formally retaining Stifel as its financial advisor for the acquisition of the Acquired Companies. On October 27, 2016, representatives from GEE Group and Stifel attended a formal management presentation hosted by SNIH management and Baird in Atlanta, GA. On November 1, 2016, GEE Group received a letter from Baird with instructions for submitting an updated proposal and a formal deadline of November 15, 2016. On November 11, 2016, Representatives of Baird, SNIH, GEE Group and Stifel met telephonically to discuss open diligence items.

On November 15, 2016, GEE Group submitted an updated non-binding, indication of interest for the acquisition of the Acquired Companies via email proposing to acquire the Acquired Companies for $94.5 million on a cash-free, debt-free basis, representing a 7.5x multiple based on $12.6 million full-year 2016 Adjusted EBITDA. Consideration to fund the purchase price would consist of $62.6 million of cash and $31.9 million in shares of the Company's common stock. A portion of the cash proceeds from the proposed debt financing would be allocated to retire existing GEE Group debt, provide additional working capital and pay transaction fees and expenses. The letter also proposed that SNIH would be entitled to have one mutually agreed director nominated to the Board of the Company whose election would have to be approved by the stockholders of GEE Group. GEE Group provided commentary on interested debt investors and the perceived availability of financing to facilitate the transaction. GEE Group proposed an exclusivity agreement with SNIH through December 31, 2016.

On November 29, 2016, representatives of Baird and Stifel met telephonically to discuss open diligence items and GEE Group's updated non-binding, indication of interest to acquire the Acquired Companies. On December 1, 2016, GEE Group and SNIH entered into an exclusivity agreement expiring on December 31, 2016 in order to facilitate additional due diligence. On December 21, 2016, representatives from Stifel and Baird met telephonically to discuss the sale process timeline and coordinate additional in-person meetings in January of 2017. On December 31, 2016 the exclusivity agreement between GEE Group and SNIH expired.

On January 5, 2017 and January 6, 2017, a meeting between GEE Group and SNIH was held in Jacksonville, FL with representatives of Stifel and Baird also in attendance. During the meetings, GEE Group proposed a reduced transaction value of $86.0 million based on findings in due diligence.

On January 23, 2017, meetings with potential third-party financing sources were held in Miami, FL with management of SNIH and GEE Group. Representatives of Baird and Stifel also attended these meetings. On January 26, 2017, the exclusivity agreement between GEE Group and SNIH was extended through February 20, 2017.

On February 10, 2017, an initial draft of the Merger Agreement drafted by Averitt & Alford, P.A., outside legal counsel to GEE Group, was delivered by Stifel to Baird via email. From February 10, 2017 to April 2, 2017 GEE Group and their representatives sent updated drafts and defined terms of the Merger Agreement until all parties agreed

to the terms of the Merger Agreement. On February 16, 2017, Members of GEE Group management met with representatives of MGG and PNC to discuss arranging acquisition financing to facilitate the proposed merger transaction. On February 20, 2017, the exclusivity agreement between GEE Group and SNIH expired. On the same date, GEE Group and SNIH started the audit required by MGG and PNC for the financing. On February 27, 2017, GEE Group engaged McDermott Will & Emery LLP to represent GEE Group on the MGG and PNC financing. On February 28, 2017, the exclusivity agreement between GEE Group and SNIH was extended through March 31, 2017.

On March 29, 2017, the parties agreed to all material terms. Thrivent's and Madison's legal representation then reviewed the Merger Agreement and a meeting was held between legal counsels to discuss certain suggested changes to the Merger Agreement, which primarily focused on post-acquisition individual stockholder indemnifications. These meetings continued through the finalization of the Merger Agreement on April 2, 2017.

On March 31, 2017, Stifel orally delivered its opinion that, as of the date of such opinion, the Merger Consideration to be paid by GEE Group in the Merger was fair to GEE Group, from a financial point of view. On March 31, 2017, the Board of Directors of GEE Group unanimously approved the Merger Agreement and the transactions contemplated thereby. Stifel subsequently confirmed its oral opinion in writing. The parties executed the Merger Agreement effective as of March 31, 2017. GEE Group also executed the Credit Agreement effective as of March 31, 2017. See "—Financing of Cash Portion of the Merger Consideration" on page 28 of this Proxy Statement. On April 3, 2017, the debt commitments from PNC and MGG pursuant to the Credit Agreement were funded and the Merger closed and became effective.

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Description of Business

For information regarding the Company's business, please see Item 1 of the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2016, as filed with the SEC on December 22, 2016 (the "Annual Report"). A copy of the Annual Report is annexed to this Proxy Statement as Annex F and is incorporated herein by reference.

SNIH was incorporated in the State of Delaware. SNIH served as a holding company for SNI Companies. SNI Companies, led by co-founder and current Chairman and CEO Ronald R. Smith, was incorporated on November 4, 2009 in the State of Deleware. SNI Companies is a premier provider of recruitment and staffing services specializing in administrative, finance, accounting, banking, technology, and legal professions. Through its Staffing Now®, Accounting Now®, SNI Technology®, SNI Financial®, Legal Now®, SNI Energy® and SNI Certes® divisions, SNI Companies delivers staffing solutions on a temporary/contract, temp/contract-to hire, full time and direct hire basis, across a wide range of disciplines and industries including finance, accounting, banking, technical, software, tax, human resources, legal, engineering, construction, manufacturing, natural resources, energy and administrative professional. SNI Companies currently has approximately 440 employees.

Prior to the Merger, SNI Companies was a private company owned 100% by SNIH. Prior to the Merger, SNIH was a private company owned by the SNIH Stockholders. Accordingly, there was no public market for the shares of either SNIH or SNI Companies. The principal offices of SNI Companies are located at 4500 Westown Parkway, Suite 120, Des Moines Iowa, 50266. SNI Companies also has offices in Colorado, Connecticut, Washington DC, Georgia, Illinois, Iowa, Louisiana, Maryland, Massachusetts, Minnesota, New Jersey, Pennsylvania, Texas and Virginia.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The Company is incorporating by reference from its Annual Report its Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended September 30, 2016. A copy of the Annual Report is annexed to this Proxy Statement as Annex F. The Company is incorporating by reference from its Quarterly Report on Form 10-Q for its fiscal quarter ended March 31, 2017 (the "Quarterly Report') its Management's Discussion and Analysis of Financial Condition and Results of Operations for the six months ended March 31, 2017.

Financial and Other Information

The Company is incorporating by reference from its Annual Report certain financial and other information with respect to the Company to be included in this Proxy Statement. A copy of the Annual Report is annexed to this Proxy Statement as Annex F. The Company is incorporating by reference from its Quarterly Report certain financial and other information with respect to the Company. A copy of the Quarterly Report is annexed to this Proxy Statement as Annex G.

SNIH and SNI Companies, since their inception were closely held private companies and, as such, had never been subject to the financial reporting requirements under the Securities Exchange Act of 1934, as amended and their management and financial accounting staff had never completed financial statements containing the level of detailed disclosure required for SEC reporting purposes, nor the other disclosures required in a Management's Discussion and Analysis of Financial Condition and Results of Operation section. Accordingly, certain information as it relates to the Acquired Compoanies on a stand-alone basis has been omitted from this Proxy Statement.

Opinion of the Company’s Financial Advisor

The Company retained Stifel on October 21, 2016 to act as its financial advisor in connection with a possible acquisition of SNIH and SNI Companies (referred to herein as the “Acquired Companies”) and to provide to the Company’s Board a fairness opinion in connection with any proposed transaction. On March 31, 2017, Stifel delivered its written opinion, dated March 31, 2017, to the Company’s Board that, as of the date of the opinion and subject to and based on the assumptions made, procedures followed, matters considered, limitations of the review undertaken and qualifications contained in such opinion, the Merger Consideration to be paid by the Company in the Merger pursuant to the Merger Agreement was fair to the Company, from a financial point of view.

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The Company did not impose any limitations on Stifel with respect to the investigations made or procedures followed in rendering its opinion. In selecting Stifel, the Company's Board considered, among other things, the fact that Stifel is a reputable investment banking firm with substantial experience advising companies in the staffing sector and in providing strategic advisory services in general. Stifel, as part of its investment banking business, is continuously engaged in the evaluation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. In the ordinary course of its business, Stifel and its affiliates may actively trade the securities of the Company for its own account or for the account of its customers and, accordingly, may at any time hold a long or short portion in such securities.

The full text of the written opinion of Stifel is attached as Annex D to this Proxy Statement and is incorporated into this document by reference. The summary of Stifel's opinion set forth in this Proxy Statement is qualified in its entirety by reference to the full text of the opinion. Stockholders are urged to read the opinion carefully and in its entirety for a discussion of the procedures followed, assumptions made, other matters considered and limits of the review undertaken by Stifel in connection with such opinion.

Stifel's opinion was approved by its fairness committee. The opinion was provided for the information of, and directed to, the Company's Board for its information and assistance in connection with its consideration of the financial terms of the Merger. The opinion does not constitute a recommendation to the Company's Board as to how the Company's Board should vote on any aspect of the Merger or to any stockholder of GEE as to how such stockholder should vote his, her or its shares of common stock at any stockholders' meeting with respect to the Preferred Conversion Proposal, the Note Conversion Proposal or as to any other action that a stockholder should take with respect to the Preferred Conversion Proposal or the Note Conversion Proposal. In addition, the opinion does not compare the relative merits of the Merger with any other alternative transaction or business strategies which may have been available to the Company's Board or the Company and does not address the underlying business decision of the Company's Board or the Company to proceed with or effect the Merger.

In connection with its opinion, Stifel, among other things:

(i) discussed the Merger and related matters with the Company's counsel and reviewed a draft copy of the Merger Agreement dated March 30, 2017;

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In connection with its review, Stifel, with the consent, of the Company's Board relied upon and assumed, without independent verification, the accuracy and completeness of all financial and other information that was made available, supplied, or otherwise communicated to Stifel by or on behalf of the Company or that was otherwise reviewed by Stifel, and Stifel has not assumed any responsibility for independently verifying any of such information. Stifel further relied upon the assurances of the Company's management that it was unaware of any facts that would make such information incomplete or misleading.

With respect to estimates, forecasts or projections of the Company's or the Acquired Companies' future financial performance prepared by or reviewed with the Company's management and management of SNIH, or obtained from public sources (including, without limitation, potential cost savings and operating synergies which may be realized), Stifel assumed at the Company's direction that such estimates, forecasts and projections were reasonably prepared on the basis reflecting the best available estimates, forecasts and projections available to the management of the Company and Acquired Companies, as to the future operating performance of the Company, as applicable, and that they provided a reasonable basis upon which Stifel could form its opinion. The estimates, forecasts and projections were not prepared with the expectation of public disclosure and are based on numerous variables and assumptions that are inherently uncertain, including, without limitation, factors related to general economic and competitive conditions. Accordingly, actual results could vary significantly from those set forth in such estimates, forecasts and projections. Stifel relied on these estimates, forecasts and projections without independent verification or analyses and does not in any respect assume any responsibility for the accuracy or completeness thereof. Stifel relied upon, without independent verification, the assessment of the Company's management as to the existing services of the Company and the Acquired Companies and viability of, and risks associated with, the future services of the Company and the Acquired Companies. Stifel expresses no opinion as to the Company's or SNIH's projections or any other estimates, forecasts and assumptions or the assumptions on which they were made.

Stifel was not requested to make, and did not make, an independent evaluation, physical inspection, valuation or appraisal of the properties, facilities, assets, or liabilities (contingent or otherwise) of the Acquired Companies, and was not furnished with any such materials. Estimates of values of companies and assets do not purport to be appraisals or necessarily reflect the prices at which companies and assets may actually be sold. Because such estimates are inherently subject to uncertainty, Stifel assumes no responsibility for their accuracy.

Stifel assumed that there has been no material change in the assets, liabilities, financial condition, business or prospects of the Company or SNIH since the date of the most recent relevant financial statements made available to Stifel. With respect to all legal matters relating to SNIH and the Merger, Stifel relied on the advice of its legal counsel.

Stifel's opinion was limited to whether the Merger Consideration to be paid by the Company was fair to the Company, from a financial point of view, and does not address any other terms, aspects or implications of the Merger including, without limitation, the form or structure of the Merger, any consequences of the Merger on the Company, its stockholders, creditors or otherwise, or any terms, aspects or implications of any voting, support, stockholder or other agreements, arrangements or understandings contemplated or entered into in connection with the Merger or otherwise.

Stifel's opinion also does not consider, address or include: (i) any other strategic alternatives currently (or which have been or may be) contemplated by the Board or the Company; (ii) the legal, tax or accounting consequences of the Merger on the Company or the holders of the Company's Common Stock including, without limitation, whether or not the Merger will qualify as a tax-free reorganization pursuant to Section 368 of the Internal Revenue Code; (iii) the fairness of the amount or nature of any compensation to any of the Company's officers, directors or employees, or class of such persons, relative to the compensation to the holders of the Company's securities; (iv) the effect of the Merger on holders of any class of securities of the Company, or any class of securities of any other party to any transaction contemplated by the Merger Agreement; (v) whether the Company has sufficient cash, available lines of credit or other sources of funds to enable it to pay the cash component of the Merger Consideration at the closing of the Merger; (vi) the allocation among the SNIH Stockholders of the Series B Convertible Preferred Stock, the 9.5% Notes and the cash consideration paid as part of the Merger Consideration; or (vii) any advice or opinions provided by Robert W. Baird & Co. Incorporated, Grant Thornton LLP, or any other advisor to the Company or SNIH. Stifel did not address, in its analyses, its opinion, or otherwise, among other things, any individual transaction or group of transactions, or other terms, conditions or any other aspect of any individual transaction or group of transactions, that is or are a part of the Merger, including without limitation any terms or conditions of any agreement relating to the issuance or potential issuance of the Series B Convertible Preferred Stock and the 9.5% Notes of the Company in the Merger. Furthermore, Stifel did not express any opinion as to the prices, trading range or volume at which the Company's securities would trade following public announcement or consummation of the Merger.

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For purposes of rendering its opinion Stifel assumed in all respects material to its analysis, that the representations and warranties of each party contained in the Merger Agreement are true and correct, that each party will perform all of the covenants and agreements required to be performed by it under the Merger Agreement. Stifel also assumed that there are no factors that would delay the Merger or subject the Merger to any adverse conditions any necessary regulatory or governmental approval. In addition, Stifel assumed that the definitive Merger Agreement would not differ materially from the draft reviewed by it. Stifel also assumed that the Merger would be consummated substantially on the terms and conditions described in the Merger Agreement, without any waiver of material terms or conditions by the Company or any other party and without any adjustment to the Merger Consideration, and that obtaining any necessary regulatory approvals or satisfying any other conditions for consummation of the Merger would not have an adverse effect on the Company, or the Merger. Stifel assumed that the Merger would be consummated in a manner that complies with the applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and all other applicable federal and state statutes, rules and regulations. Stifel further assumed that the Company relied upon the advice of its counsel, independent accountants and other advisors (other than Stifel) as to all legal, financial reporting, tax, accounting and regulatory matters with respect to the Company, the Merger and the Merger Agreement.

Stifel did not consider any potential legislative or regulatory changes currently being considered or recently enacted by the United States Congress, the SEC, or any other governmental or regulatory bodies, or any changes in accounting methods or generally accepted accounting principles that may be adopted by the SEC or the Financial Accounting Standards Board. The opinion is not a solvency opinion and does not in any way address the solvency or financial condition of SNIH, or any other person.

Stifel's opinion was necessarily based on economic, market, financial and other conditions as they existed on, and on the information made available to it as of, the date of the opinion. It is understood that subsequent developments may affect the conclusions reached in Stifel's opinion and that Stifel does not have any obligation to update, revise or reaffirm its opinion.

The summary set forth below does not purport to be a complete description of the analyses performed by Stifel, but describes, in summary form, the material elements of the presentation that Stifel made to the Company's Board on March 31, 2017, in connection with Stifel's opinion.

In accordance with customary investment banking practice, Stifel employed generally accepted valuation methods and financial analyses in reaching its opinion. The following is a summary of the material financial analyses performed by Stifel in arriving at its opinion. These summaries of financial analyses alone do not constitute a complete description of the financial analyses Stifel employed in reaching its conclusions. None of the analyses performed by Stifel were assigned a greater significance by Stifel than any other, nor does the order of analyses described represent relative importance or weight given to those analyses by Stifel. The summary text describing each financial analysis does not constitute a complete description of Stifel's financial analyses, including the methodologies and assumptions underlying the analyses, and if viewed in isolation could create a misleading or incomplete view of the financial

analyses performed by Stifel. The summary text set forth below does not represent and should not be viewed by anyone as constituting conclusions reached by Stifel with respect to any of the analyses performed by it in connection with its opinion. Rather, Stifel made its determination as to the fairness to the Company of the Merger Consideration to be paid by the Company in the Merger pursuant to the Merger Agreement, from a financial point of view, on the basis of its experience and professional judgment after considering the results of all of the analyses performed.

Except as otherwise noted, the information utilized by Stifel in its analyses, to the extent that it is based on market data, is based on market data as it existed on or before March 30, 2017 and is not necessarily indicative of current market conditions. The analyses described below do not purport to be indicative of actual future results, or to reflect the prices at which any securities may trade in the public markets, which may vary depending upon various factors, including changes in interest rates, dividend rates, market conditions, economic conditions and other factors that influence the price of securities.

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In conducting its analysis, Stifel used three primary methodologies: selected publicly-traded companies analysis; selected precedent transactions analysis; and discounted cash flow analysis. No individual methodology was given a specific weight, nor can any methodology be viewed individually. Additionally, no company or transaction used in any analysis as a comparison is identical to the Company, the Acquired Companies or the Merger, and they all differ in material ways. Accordingly, an analysis of the results described below is not mathematical; rather it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading value of the selected companies or transactions to which they are being compared. Stifel used these analyses to determine the impact of various operating metrics on the implied enterprise value of SNIH. Each of these analyses yielded a range of implied enterprise values, and therefore, such implied enterprise value ranges developed from these analyses were viewed by Stifel collectively and not individually.

In delivering its opinion to the Company's Board, Stifel utilized the financial projections and estimates provided by SNIH management showing its financial performance as a standalone company.

SNIH Financial Analyses

Selected Publicly Traded Companies Analysis. Stifel reviewed, analyzed and compared certain financial information relating to SNIH to corresponding publicly available financial information and market multiples for the following eleven publicly-traded professional staffing companies: Adecco Group AG; Computer Task Group, Inc.; Cross Country Healthcare, Inc.; Hays plc; Kforce Inc.; ManpowerGroup Inc.; On Assignment, Inc.; PageGroup plc; Randstad Holding NV; Resources Connection, Inc.; and Robert Half International, Inc..

Stifel reviewed the range of enterprise values of the selected companies, calculated as equity value based upon closing stock prices on March 30, 2017, plus the book value of debt and minority interests, less cash and equivalents, as a multiple of estimated earnings before interest, taxes, depreciation and amortization (EBITDA) for the LTM period ended December 31, 2016 and calendar years 2017 and 2018 as provided by CapitalIQ consensus estimates.

The following table sets forth, for the periods indicated, the first quartile to third quartile ranges of enterprise value as a multiple of EBITDA utilized by Stifel in performing its analysis, which were derived from the selected companies identified above, and the first quartile to third quartile ranges of the enterprise values for SNIH implied by this analysis.

Enterprise Value to:	**Range of**	**Range of**

	EBITDA Multiples	Enterprise Values (US $ in millions)
LTM EBITDA	9.7x – 11.9x	$90.3 – $111.6
2017P EBITDA	9.6x –10.1x	$118.9 – $125.7
2018P EBITDA	8.9x –9.3x	$120.6 – $126.5

Stifel selected publicly-traded companies on the basis of various factors, including the similarity of the lines of business and customers, although, as noted above, no public company used as a comparison is identical to SNIH. Accordingly, these analyses are not purely mathematical, but also involve complex considerations and judgments concerning the differences in financial and operating characteristics of the selected companies and other factors.

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Selected Precedent Transactions Analysis. Stifel reviewed and analyzed certain publicly available information for the following 13 business combinations where the acquired company was a staffing company:

Close Date	Acquirer	Target
03/09/2016	Adecco	Penna Consulting
12/22/2015	Recruit	USG People
11/29/2015	Randstad	Proffice
09/29/2015	BG Staffing	Vision Technology Services
05/11/2015	On Assignment	Creative Circle
04/28/2015	Recruit	Aterro
12/04/2014	Hays	Veredus Corporation
07/02/2013	TriNet Group	Ambrose Employer Group
03/20/2012	On Assignment	Apex Systems
10/17/2011	Recruit	Staffmark Holdings
07/20/2011	Randstad	SFN Group
02/02/2010	Manpower	COMSYS IT Partners
10/20/2009	Adecco	MPS Group

The following table sets forth the multiples indicated by this analysis, including the range of selected multiples relative to the selected precedent transactions and the multiples implied by the Merger:

Multiple:	1st Quartile	Median	Mean	3rd Quartile	Range of Multiples Utilized in the Analysis	Proposed Transaction
LTM EV/EBITDA	8.3x	12.5x	11.7x	15.7x	3.8x – 19.7x	9.2x

Based on its review of the precedent transactions, Stifel applied the selected multiples to the corresponding LTM EBITDA of SNIH as provided by SNIH's management.

This analysis resulted in the following first quartile to third quartile range of implied enterprise values:

Benchmark	Range of Implied Enterprise Values (US $ in millions)
LTM EV/EBITDA	$77.9 - $146.8

No transaction used in the precedent transactions analyses is identical to the Merger. Accordingly, an analysis of the results of the foregoing is not mathematical; rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading value of the companies involved in the precedent transactions which in turn, affect the enterprise value and equity value of the companies involved in the transactions to which the Merger is being compared. In evaluating the precedent transactions, Stifel made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions, and other matters, such as the impact of competition, industry growth and the absence of any adverse material change in the financial condition of the Acquired Companies or the companies involved in the precedent transactions or the industry or in the financial markets in general, which could affect the public trading value of the companies involved in the selected transactions which in turn, affect the enterprise value and equity value of the companies involved in the transactions to which the Merger is being compared.

Discounted Cash Flow Analysis. Stifel used the financial projections and estimates provided by SNIH's management to perform a discounted cash flow analysis. In conducting this analysis, Stifel assumed that the Acquired Companies would perform in accordance with these forecasts. Stifel performed an analysis of the present value of the unlevered free cash flows that SNIH's management projects it will generate from the second quarter of 2017 through the end of calendar year 2020. Stifel discounted both the cash flows projected from the second quarter of 2017 through the end of calendar year 2020, and the terminal value to present value using discount rates ranging from 14.2% to 16.2% and estimated the terminal value of the forecasted cash flows by applying exit multiples ranging from 9.0x to 11.0x to SNIH's estimated 2020 EBITDA for its valuation reference range. The discount rates were selected based on a weighted-average cost of capital analysis for the selected, publicly-traded professional staffing companies identified above and Stifel's estimates. This analysis resulted in implied enterprise values ranging from $105.9 million to $132.5 million.

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Conclusion

Based upon the foregoing analyses and the assumptions and limitations set forth in full in the text of Stifel's opinion, Stifel was of the opinion that, as of the date of Stifel's opinion, the Merger Consideration to be paid by the Company was fair to the Company, from a financial point of view.

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to a partial analysis or summary description. In arriving at its opinion, Stifel considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor considered by it. Stifel believes that the summary provided and the analyses described above must be considered as a whole and that selecting portions of these analyses, without considering all of them, would create an incomplete view of the process underlying Stifel's analyses and opinion; therefore, the range of valuations resulting from any particular analysis described above should not be taken to be Stifel's view of the actual value of the Acquired Companies.

Stifel acted as financial advisor to the Company in connection with the Merger and received a fee of $2,066,000 for its services, a substantial portion of which was contingent upon the completion of the Merger (the "Advisory Fee"). Stifel also acted as financial advisor to the Board and received a fee of $250,000 upon the delivery of this Opinion that was not contingent upon consummation of the Merger (the "Opinion Fee"). In addition, Stifel acted as the financing placement agent for the Company in connection with the Merger for which Stifel was paid a customary fee of $1,316,000 by the Company at closing of the Merger ("Financing Fee"). Except for the Advisory Fee of $500,000 and Financing Fee specified in Stifel's engagement letter, Stifel did not receive any other significant payment or compensation contingent upon the successful consummation of the Merger. In addition, the Company has agreed to indemnify Stifel for certain liabilities arising out of its engagement.

There are no other material relationships that existed during the two years prior to the date of the Opinion or that are mutually understood to be contemplated in which any compensation was received or is intended to be received as a result of the relationship between Stifel and any party to the Merger. Stifel may seek to provide investment banking services to the Company or its affiliates in the future, for which Stifel would seek customary compensation. In the ordinary course of business, Stifel and its clients may transact in the equity securities of the Company and may at any time hold a long or short position in such securities.

Approval of The Board of Directors

On March 30, 2017, the Board of Directors, by a unanimous vote, determined that the Merger Agreement and the transactions contemplated thereby including (i) the Merger, (ii) the issuance of the Series B Convertible Preferred

Stock and the potential issuance by the Company of 5,926,000 shares of common stock upon the conversion of the Series B Convertible Preferred Stock and (iii) the issuance of the 9.5% Notes and the potential issuance by the Company of up to 3,061,000 shares of common stock upon the conversion of the 9.5% Notes and/or the payment of interest on the 9.5% Notes in shares of common stock are advisable and fair to, and in the best interests of, the Company. In making its determination, the Board of Directors considered:

- The Board's belief that the Merger will facilitate the continuation of the Company's strategy of creating a major staffing company by establishing and/or strengthening its position in selected regions of the United States; and

The foregoing discussion of the factors considered by the Board of Directors is not intended to be exhaustive and is not provided in any specific order or ranking, but rather includes material factors considered by the Board of Directors. In reaching its decision regarding the Merger, the Board of Directors did not quantify or assign any relative weights to the factors considered and individuals may have given different weights to different factors.

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FORWARD-LOOKING STATEMENTS

Some of the statements contained in this Proxy Statement constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), and we intend such statements to be covered by the safe harbor provision contained therein. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology, such as "may," "will," "should," "expect," "intend," "plan," "anticipate," "believe," "estimate," "predict" or "potential" or the negative of these words and phrases or similar words or phrases that are predictions of or indicate future events or trends and that do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

The forward-looking statements contained in or incorporated by reference in this Proxy Statement reflect our current views about future events and are subject to numerous known and unknown risks, uncertainties, assumptions and changes in circumstances that may cause our actual results to differ significantly from those expressed in any forward-looking statement. Statements regarding the following subjects, among others, may be forward-looking:

- our business strategy;

Although forward-looking statements reflect our good-faith beliefs, assumptions and expectations, they are not guarantees of future performance. Furthermore, we disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes. We caution you not to place undue reliance on these forward-looking statements and urge you to carefully review the disclosures we make concerning risks and uncertainties in sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended September 30, 2016. Our Annual Report is annexed to this Proxy Statement as Annex F and incorporated herein by reference. We also urge you to carefully review the disclosures we make concerning risks in the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2017 which is annexed to this Proxy Statement as Annex G and incorporated herein be reference and in our other reports and filings with the SEC.

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GEE GROUP, INC.

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following unaudited pro forma combined financial information is based on the historical consolidated financial statements of the Company and SNIH and its wholly owned subsidiary SNI Companies, Inc., (collectively the "Acquired Companies"), after giving effect to the Company's acquisition of the Acquired Companies in the Merger. The notes to the unaudited pro forma financial information describe the reclassifications and adjustments to the financial information presented.

The unaudited pro forma combined balance sheet as of March 31, 2017 and statements of operations for the six month period ended March 31, 2017 and the fiscal year ended September 30, 2016, are presented as if the acquisition of the Acquired Companies had occurred on September 30, 2015 and were carried forward through each of the periods presented.

The allocation of the purchase price used in the unaudited pro forma combined financial information is based upon the estimated respective fair values of the assets and liabilities of the Acquired Companies as of the date on which the Merger Agreement was signed.

The unaudited pro forma combined financial information is not intended to represent or be indicative of the Company's consolidated results of operations or financial position that the Company would have reported had the Merger been completed as of the dates presented, and should not be taken as a representation of the Company's future consolidated results of operation or financial position.

The unaudited pro forma combined financial information should be read in conjunction with the historical audited consolidated financial statements and accompanying notes of the Company included in the Annual Report on Form 10-K for the fiscal year ended September 30, 2016 which is attached hereto as Annex F and incorporated herein by reference and with the historical consolidated financial statements and accompanying notes of the Company included in its Quarterly Report on Form 10-Q for the six months ended March 31, 2017 which is attached hereto as Annex G and incorporated herein by reference.

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GEE GROUP, INC.

UNAUDITED PRO FORMA COMBINED BALANCE SHEET

AS OF MARCH 31, 2017
(UNAUDITED)

(In Thousands)	GEE GROUP	ACQUIRED COMPANIES	PROFORMA ADJUSTMENTS	PROFORMA
ASSETS				
CURRENT ASSETS:				
Cash	$ 1,562	$ 592(6)(7)	$ (1,000)	$ 1,154
Accounts receivable	13,099	13,666	-	26,765
Other current assets	1,492	819	-	2,311
Total current assets	16,153	15,077	(1,000)	30,230
Property and equipment, net	527	510	-	1,037
Goodwill	18,590	22,344(5)(9)	32,631	73,565
Intangible assets, net	10,356	194(4)(9)(13)	28,360	38,910
Other assets	34	1,052	-	1,086
TOTAL ASSETS	$ 45,660	$ 39,177	$ 59,991	$ 144,828
LIABILITIES & SHAREHOLDERS' EQUITY				
Short term debt	$ 7,142	$ 1,500(7)(8)	$ (942)	$ 7,700
Accounts payable	1,263	73	-	1,336
Accrued compensation and payroll taxes	3,281	4,786	-	8,067
Current portion of capital lease obligations	20	-	-	20
Current portion of contingent liability	1,837	-	-	1,837
Other current liabilities	1,220	-	-	1,220
Total current liabilities	14,763	6,359	(942)	20,180
Deferred office rent	149	-	-	149
Other long term obligations	45	2,990	-	3,035
Senior secured long term debt	-	-(7)(11)	44,957	44,957
Deferred tax liability	-	-(12)	12,000	12,000
Long term debt	3,863	18,450(2)(8)	(5,950)	16,363
Note payable	1,000	-	-	1,000
Total long-term liabilities	5,057	21,440	51,007	77,504
SHAREHOLDERS' EQUITY				
Preferred stock	-	-(3)	29,300	29,300
Common stock, no-par value	39,000	2,294(1)	(2,294)	39,000
(Accumulated deficit) retained earnings	(13,160)	9,084(1)(10)(13)	(17,080)	(21,156)
Total shareholders' equity	25,840	11,378	9,926	47,144
	$ 45,660	$ 39,177	$ 59,991	$ 144,828

See notes to unaudited pro forma combined financial information.

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GEE GROUP, INC.

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS

FOR THE SIX MONTHS ENDED MARCH 31, 2017
(UNAUDITED)

(In Thousands, except per share data)	GEE GROUP	ACQUIRED COMPANIES	PROFORMA ADJUSTMENTS	PROFORMA
NET REVENUES:				
Contract staffing services	$ 39,946	$ 44,169	$ -	$ 84,115
Direct hire placement services	2,609	10,002	-	12,611
NET REVENUES	42,555	54,171	-	96,726
Cost of contract services	31,457	29,814	-	61,271
Selling, general and administrative expenses	9,306	19,795	-	29,101
Acquisition, integration and restructuring expenses	100	-	-	100
Depreciation expense	150	223	-	373
Amortization of intangible assets	738	391(a)(b)	1,841	2,970
INCOME (LOSS) FROM OPERATIONS	804	3,948	(1,841)	2,911
Change in derivative liability	-	-	-	-
Change in contingent consideration	-	-	-	-
Loss on extinguishment of debt	-	-	-	-
Interest expense	(752)	(1,073)(c)(d)(f)	(1,718)	(3,543)
INCOME (LOSS) BEFORE INCOME TAX PROVISION	52	2,875	(3,559)	(632)
Provision for income tax	(130)	(1,164)(e)	600	(694)
NET INCOME (LOSS)	$ (78)	$ 1,711	$ (2,959)	$ (1,326)
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (78)	$ 1,711	$ (2,959)	$ (1,326)
BASIC INCOME (LOSS) PER SHARE	$ (0.01)			$ (0.07)
WEIGHTED AVERAGE NUMBER OF SHARES - BASIC	9,382	(g)	5,926	15,308
DILUTED INCOME (LOSS) PER SHARE	$ (0.01)			$ (0.07)
WEIGHTED AVERAGE NUMBER OF SHARES - DILUTED	9,382	(g)	5,926	15,308

See notes to unaudited pro forma combined financial information.

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GEE GROUP, INC.

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2016
(UNAUDITED)

(In Thousands, Except Per Share Data)	GEE GROUP	ACQUIRED COMPANIES	PROFORMA ADJUSTMENTS	PROFORMA
NET REVENUES:				
Contract staffing services	$ 76,165	$ 18,601	$ -	$ 94,766
Direct hire placement services	6,909	96,794	-	103,703
NET REVENUES	83,074	115,395	-	198,469
Cost of contract services	59,445	64,700	-	124,145
Selling, general and administrative expenses	19,863	39,412	-	59,275
Acquisition, integration and restructuring expenses	702	-	-	702
Depreciation expense	331	519	-	850
Amortization of intangible assets	1,536	864(A)(B)	3,600	6,000
INCOME (LOSS) FROM OPERATIONS	1,197	9,900	(3,600)	7,497
Change in derivative liability	-	-	-	-
Change in contingent consideration	1,581	-	-	1,581
Loss on extinguishment of debt	-	-	-	-
Interest expense	(1,602)	(2,706)(C)(D)(F)	(4,380)	(8,688)
INCOME (LOSS) BEFORE INCOME TAX PROVISION	1,176	7,194	(7,980)	390
Provision for income tax	(3)	(2,905)(E)	(120)	(3,028)
NET INCOME (LOSS)	$ 1,173	$ 4,289	$ (8,100)	$ (2,638)
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ 1,173	$ 4,289	$ (8,100)	$ (2,638)
BASIC INCOME (LOSS) PER SHARE	$ 0.13			$ (0.02)
WEIGHTED AVERAGE NUMBER OF SHARES - BASIC	9,313	(G)	5,926	15,239
DILUTED INCOME (LOSS) PER SHARE	$ 0.12			$ (0.02)
WEIGHTED AVERAGE NUMBER OF SHARES - DILUTED	9,891	(G)	5,926	15,817

See notes to unaudited pro forma combined financial information.

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GEE GROUP, INC.
NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

1. BASIS OF PRO FORMA PRESENTATION

The unaudited pro forma combined balance sheet as of March 31, 2017, and the unaudited pro forma statements of operations for the six months ended March 31, 2017 and the year ended September 30, 2016, are based on the historical financial statements of the Company and SNIH after giving effect to the Company's acquisition of the Acquired Companies and reclassification and adjustments described in the accompanying notes to the unaudited pro forma combined financial information.

The Company accounts for business combinations pursuant to Accounting Standards Codification ASC 805, *Business Combinations.* In accordance with ASC 805, the Company uses it best estimates and assumptions to accurately assign fair value to the assets acquired and the liabilities assumed at the acquisition date. Goodwill as of the acquisition date is measured as the excess of the purchase consideration over the fair value of the assets acquired and the liabilities assumed.

The fair values assigned to the assets of the Acquired Companies acquired and liabilities assumed are based on management's estimates and assumptions. The estimated fair values of these assets acquired and liabilities assumed are considered preliminary and are based on the information that was available as of the date of acquisition. The Company believes that the information provides a reasonable basis for estimating the fair values of assets acquired and liabilities assumed, but is waiting for additional information, primarily related to estimated values of current and non-current income taxes payable and deferred taxes, which are subject to change, pending the finalization of certain tax returns. The Company expects to finalize the valuation of the assets and liabilities as soon as practicable, but not later than one year from the acquisition date.

The unaudited pro forma combined financial information is not intended to represent or be indicative of the Company's consolidated results of operations or financial position that the Company would have reported had the Merger been completed as of the dates presented, and should not be taken as a representation of the Company's future consolidated results of operation or financial position.

The unaudited pro forma combined financial information should be read in conjunction with the historical consolidated financial statements and accompanying notes of the Company included in the annual report on Form 10-K for the year ended September 30, 2016 which is attached hereto as Annex F and incorporated herein by reference and with the historical consolidated financial statements and accompanying notes of the Company included in its

Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2017 which is attached hereto as Annex G and incorporated herein by reference.

Accounting Periods Presented

For purposes of the unaudited pro forma combined financial information, SNIH's historical year end was December 31 and has been aligned to more closely conform to the Company's year end of September 30, as explained below. Certain pro forma adjustments were made to conform SNIH's accounting policies to the Company's accounting policies as noted below.

The unaudited pro forma combined balance sheet as of March 31, 2017 and the statements of operations for the six months ended March 31, 2017 and the year ended September 30, 2016, are presented as if the acquisition of the Acquired Companies had occurred on September 30, 2015 and were carried forward through each of the periods presented.

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Reclassifications

The Company reclassified certain accounts in the presentation of SNIH's historical financial statements in order to conform to the Company's presentation.

2. THE MERGER

The Company entered into an Agreement and Plan of Merger dated as of March 31, 2017 (the "Merger Agreement") by and among the Company, GEE Group Portfolio, Inc., a Delaware corporation and a wholly owned subsidiary of the Company, (the "GEE Portfolio"), SNI Holdco Inc., a Delaware corporation and its wholly owned subsidiary SNI Companies, Inc. (collectively the "Acquired Companies"), Smith Holdings, LLC a Delaware limited liability company, Thrivent Financial for Lutherans, a Wisconsin corporation, organized as a fraternal benefits society ("Thrivent"), Madison Capital Funding, LLC, a Delaware limited liability company ("Madison") and Ronald R. Smith, in his capacity as a stockholder ("Mr. Smith" and collectively with Smith Holdings, LLC, Thrivent and Madison, the "Principal Stockholders") and Ronald R. Smith in his capacity as the representative of the SNIH Stockholders ("Stockholders' Representative"). The Merger Agreement provided for the merger subject to the terms and conditions set forth in the Merger Agreement of SNI Holdco, Inc. with and into GEE Portfolio pursuant to which GEE Portfolio would be the surviving corporation (the "Merger"). The Merger was consummated on April 3, 2017. As a result of the merger, GEE Portfolio became the owner of 100% of the outstanding capital stock of SNI Companies, Inc., a Delaware corporation and wholly-owned subsidiary of SNI Holdco.

The aggregate consideration paid for the shares of SNIH (the "Merger Consideration") was $66.3 million.

The Merger Consideration was comprised of the following:

The Company paid an aggregate of $24,500,000 in cash to the SNIH Stockholders and others as they directed (the "Closing Cash Payment").

Issuance of 9.5% Convertible Subordinated Notes. At the Closing, the Company issued and paid to certain SNIH Stockholders an aggregate of $12,500,000 in aggregate principal amount of its 9.5% Convertible Subordinated Notes (the "9.5% Notes").

Issuance of Series B Convertible Preferred Stock. At the Closing, the Company agreed to issue to certain SNIH Stockholders upon receipt of duly executed letters of transmittal an aggregate of approximately 5,926,000 shares of its Series B Convertible Preferred Stock (based on the average daily VWAP of the Common Stock for the 20 trading days immediately prior to the closing date of the Merger). The value of the consideration paid was approximately $29,300,000 based on the closing price of $4.95 on March 31, 2017.

The SNIH Stockholders have agreed to indemnify the Company with respect to the breach of the representations and warranties set forth in the Merger Agreement. The relative responsibility and Indemnification Ceiling of each SNIH Stockholder is determined as set forth in the Merger Agreement. In addition, the indemnification obligations of the SNIH Stockholders are subject to certain overall baskets, deductibles and ceilings as set forth in the Merger Agreement. The Company is entitled to seek ‘set off’ or ‘recoupment’ for indemnification with respect to a respective SNIH Stockholder’s 9.5% Notes or stock or other property, as may be owned by that SNIH Stockholder and held in escrow. $8.6 million in aggregate principal amount of the 9.5% Notes will be held in escrow by the Escrow Agent against which the Company may seek set-off in the event of certain indemnification obligations of the SNIH Stockholders. These 9.5% Notes will be released from escrow after a period of eighteen months if there are no outstanding claims for indemnification, but not if there are outstanding claims for indemnification.

The Company utilized approximately $24,500,000 of the proceeds from its new Credit Agreement to finance the Closing Cash Payment to the SNIH Stockholders.

Under the purchase method of accounting, the transaction was valued for accounting purposes at an estimated $90,495,000, which was the estimated fair value of the consideration paid by the Company, after it was determined post-closing that the net liabilities purchased were $24,177,000 which includes the estimated deferred tax liability of $12,000,000. The estimate was based on the consideration paid of cash paid of $24,500,000, issuance of $12,500,000 of 9.5% convertible subordinated notes and approximately $29,300,000 of Series B Convertible Preferred Stock.

The assets and liabilities of SNIH will be recorded at their respective fair values as of the closing date of the Merger Agreement, and the following table summarizes these values based on the estimated balance sheet at April 3, 2017.

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The intangibles will be recorded, based on the Company's estimate of fair value, which are expected to consist primarily of customer lists with an estimated life of five to ten years and goodwill. Upon completion of an independent purchase price allocation and valuation, the allocation of intangible assets will be adjusted accordingly.

(in thousands)

$ 15,893	Assets Purchased
40,070	Liabilities Assumed
(24,177)	Net Liabilities Acquired
66,318	Purchase Price
$ 90,495	Intangible Asset from Purchase

3. PRO FORMA ADJUSTMENTS

Adjustments to the Pro Forma Consolidated Balance Sheet

(1) Elimination of SNIH's Capital Stock and retained earnings as part of purchase accounting
(2) $12,500 was recorded for the loan to sellers
(3) $29,300 was recorded in Series B Convertible Preferred Stock issued to SNIH Stockholders
(4) Represents the management estimated intangible asset as of closing date, to be verified post acquisition with full purchase price allocation
(5) Represents the management estimated goodwill as of closing date, to be verified post acquisition with full purchase price allocation
(6) Represents the initial cash paid at closing
(7) Represents $56,200 financed at closing
(8) Represents $27,000 debt refinanced at closing
(9) Elimination of SNIH's intangible assets of approximately' $23,550
(10) $1,300 of acquisition costs
(11) $3,543 capitalized debt costs to be amortized over 4 years, netted against long term debt
(12) Represents the management estimate of deferred tax liability, to be verified post acquisition with full purchase price allocation
(13) Represents the estimated $6,696 of accumulated amortization since September 30, 2015

Adjustments to the Pro Forma Combined Statement of Operations, Six Months

(a) Represents the elimination of SNIH prior amortization approximately $391
(b) Represents the additional amortization of SNIH estimated intangible assets $2,232
(c) Represents the non-cash amortization of debt costs of approximately $443
(d) Represents the additional interest expense related to the new debt of approximately $3,100

(e) Represents the reduction of taxable income from the additional interest expense
(f) Represents the elimination of the prior interest for GEE Group, Inc. and SNIH
(g) Represents the fully converted series B convertible preferred shares of 5,926 into common shares of GEE common stock

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Adjustments to the Pro Forma Combined Statement of Operations, Year Ended

(A) Represents the elimination of SNIH prior amortization approximately $864
(B) Represents the additional amortization of SNIH estimated intangible assets $4,464
(C) Represents the non-cash amortization of debt costs of approximately $886
(D) Represents the additional interest expense related to the new debt of approximately $6,200
(E) Represents the additional estimated tax
(F) Represents the elimination of the prior interest for GEE Group, Inc. and SNIH
(G) Represents the fully converted preferred shares of 5,926 into common shares of GEE common stock

4. FINANCING

The Company and its subsidiaries, as borrowers, entered into a Revolving Credit, Term Loan and Security Agreement (the "Credit Agreement") with PNC Bank, National Association ("PNC"), and certain investment funds managed by MGG Investment Group LP ("MGG"). All funds were distributed on April 3, 2017 (the "Closing Date").

Under the terms of the Credit Agreement, the Company may borrow up to $73,750,000 consisting of a four-year term loan in the principal amount of $48,750,000 ("Term Loan") and revolving loans ("Revolver") in a maximum amount up to the lesser of (i) $25,000,000 or (ii) an amount determined pursuant to a borrowing base that is calculated based on the outstanding amount of the Company's eligible accounts receivable, as described in the Credit Agreement. The loans under the Credit Agreement mature on March 31, 2021.

Amounts borrowed under the Credit Agreement may be used by the Company to repay existing indebtedness, to partially fund capital expenditures, to fund a portion of the purchase price for the acquisition of all of the issued and outstanding stock of SNI pursuant to that certain Agreement and Plan of Merger (the "Merger Agreement") noted below, to provide for on-going working capital needs and general corporate needs, and to fund future acquisitions subject to certain customary conditions of the lenders. On the closing date of the Credit Agreement, the Company borrowed $56,226,316 which was used by the Company to repay existing indebtedness, to pay fees and expenses relating to the Credit Agreement, and to pay a portion of the purchase price for the acquisition of all of the outstanding stock of SNI Holdco Inc.

The loans under the Credit Agreement will bear interest at rates at the Company's option of LIBOR rate plus 10% or PNC's floating base rate plus 9%. The Term Loans may consist of Domestic Rate Loans or LIBOR Rate Loans, or a combination thereof.

The Credit Agreement is secured by all of the Company’s property and assets, whether real or personal, tangible or intangible, and whether now owned or hereafter acquired, or in which it now has or at any time in the future may acquire any right, title or interests.

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The Term Loans were advanced on the Closing Date and are, with respect to principal, payable as follows, subject to acceleration upon the occurrence of an Event of Default under the Credit Agreement or termination of the Credit Agreement and provided that all unpaid principal, accrued and unpaid interest and all unpaid fees and expenses shall be due and payable in full on March 31, 2021. Principal payments are required as follows: Fiscal year 2017 - $609,000, Fiscal year 2018 – $5,789,000, Fiscal year 2019 – $6,094,000, Fiscal year 2020 – $6,398,000 and Fiscal year 2021 - $29,860,000.

The Credit Agreement contains certain covenants including the following:

Fixed Charge Coverage Ratio. The Company shall cause to be maintained as of the last day of each fiscal quarter, a Fixed Charge Coverage Ratio for itself and its subsidiaries on a Consolidated Basis of not less the amount set forth in the Credit Agreement, which ranges from 1.10 to 1.0 to 1.40 to 1.0 over the term of the Credit Agreement.

Minimum EBITDA. The Company shall cause to be maintained as of the last day of each fiscal quarter, EBITDA for itself and its subsidiaries on a Consolidated Basis of not less than the amount set forth in the Credit Agreement for each fiscal quarter specified therein, in each case, measured on a trailing four (4) quarter basis as set in the Credit Agreement, which ranges from $13,000,000 to $24,000,000 over the term of the Credit Agreement.

Senior Leverage Ratio. The Company shall cause to be maintained as of the last day of each fiscal quarter, a Senior Leverage Ratio for itself and its subsidiaries on a Consolidated Basis of not greater than the amount set forth in the Credit Agreement for each fiscal quarter, in each case, measured on a trailing four (4) quarter basis as set in the Credit Agreement, which ranges from 4.50 to 1.0 to 1.5 to 1.0 over the term of the Credit Agreement.

In addition to these financial covenants, the Credit Agreement includes other restrictive covenants. The Credit Agreement permits capital expenditures up to a certain level, and contains customary default and acceleration provisions. The Credit Agreement also restricts, above certain levels, acquisitions, incurrence of additional indebtedness, and payment of dividends.

Cash Payment to Former Senior Lender of the Company. At the Closing, the Company paid $7,630,697 to ACF FINCO, LLP, the Company's former senior lender to repay in full the indebtedness owed by the Company to ACF FINCO, LLP as of the date of the Closing.

Cash Payment to Senior Lender of Acquired Companies. At the closing, the Company paid $20,220,710.88 to Monroe Capital, the senior lender to the Acquired Companies to repay in full the indebtedness owed by the Acquired Companies to Monroe Capital as of the date of the Closing.

In connection with this Credit Agreement, the Company agreed to pay an original discount fee of approximately $901,300, a closing fee for the term loan of approximately $75,000 and a closing fee for the revolving credit facility of approximately $500,000. In addition, the Company paid early termination fees of approximately $240,000 to ACF FINCO I, LP in connection with the refinancing of its indebtedness to ACF FINCO I, LP.

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SELECTED HISTORICAL PER SHARE MARKET PRICE AND DIVIDEND INFORMATION

The Company's common stock is listed on the NYSE MKT and is traded under the symbol "JOB." The following table sets forth the quarterly high and low sales prices per share of the Company's common stock on the consolidated market for each quarter within the last two fiscal years, the first, second and third fiscal quarters of 2017 and the fourth quarter of 2017 (through July 7).

	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Fiscal 2017:				
High	$ 5.35	$ 7.00	$ 5.58	$ 5.27
Low	5.00	4.99	4.06	3.83
Fiscal 2016:				
High	$ 6.89	$ 4.60	$ 5.99	$ 7.70
Low	3.61	3.71	3.56	4.00
Fiscal 2015:				
High	$ 9.80	$ 12.00	$ 17.40	$ 18.70
Low	3.60	7.10	5.80	1.20

Holders of Record

There were approximately 626 holders of record of the Company's common stock on July 5, 2017.

Dividends

No dividends were declared or paid during the years ended September 30, 2016 and September 30, 2015. We do not anticipate paying any cash dividends for the foreseeable future.

During the years ended September 30, 2016 and 2015, no equity securities of the Company were repurchased by the Company.

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PROPOSAL 2: THE NOTE CONVERSION PROPOSAL

Background

We are submitting the Note Conversion Proposal to you as a result of our issuance on April 3, 2017 of an aggregate of $12.5 million aggregate principal amount of our 9.5% Notes to certain former stockholders of SNIH in connection with the consummation of the Merger which resulted in our acquisition of SNIH and SNI Companies. Because our common stock is listed on the NYSE MKT, we are subject to the rules set forth in the NYSE MKT Company Guide. Section 712 of the NYSE MKT Company Guide requires stockholder approval to be obtained if a listed company issues common stock or securities convertible into or exercisable for common stock as sole or partial consideration for an acquisition of the stock or assets of another company where the present or potential issuance of common stock, or securities convertible into common stock, could result in an increase in outstanding common shares of 20% or more.

The 9.5% Notes may be converted into shares of common stock at a conversion price of $5.83 per share (subject to adjustment in upon any stock dividend, stock combination or stock split or upon the consummation of certain fundamental transactions as set forth in the Form of 9.5% Note, a copy of which is filed as Annex C to this Proxy Statement) (the “Conversion Price”) at the option of the holder thereof; provided, however, that holders of the 9.5% Notes are not permitted to effect any conversion of any 9.5% Notes to the extent that the shares of common stock issuable upon such conversion when taken together with the shares of common stock previously issued with respect to (i) prior conversions of shares of Series B Convertible Preferred Stock, and/or (ii) prior conversions of any 9.5% Notes and/or (iii) the payment of dividends on any 9.5% Notes in shares of common stock and/or (iv) otherwise in connection with the issuance of the 9.5% Notes would result in the issuance of shares of common stock that exceed the Conversion Limit unless and until such time as the Company has received approval of the Note Conversion Proposal.

Approval of the Note Conversion Proposal could result in the issuance of approximately an additional 2,144,100 shares of our common stock, assuming that all of the holders of outstanding 9.5% Notes choose to convert their 9.5% Notes into shares of common stock. In addition, approval of the Note Conversion Proposal could result in the issuance of approximately an additional 916,900 shares of our common stock assuming that the Company elects to make all interest payments with respect to the 9.5% Notes in shares of common stock. Based on the 9,878,892 shares of common stock that were outstanding as of the Record Date, conversion in full of 9.5% Notes and the payment of all interest on the 9.5% Notes would result in the issuance of 3,061,000 shares of common stock that would represent approximately 23.65% of the outstanding common stock of the Company.

We chose to issue the 9.5% Notes as a portion of the consideration paid to the former stockholders of SNIH in the Merger prior to obtaining stockholder approval of the Note Conversion Proposal and the former stockholders of SNIH agreed to accept the 9.5% Notes prior to obtaining stockholder approval of the Note Conversion Proposal in order to

avoid any delay in consummating the Merger. In the Merger Agreement, we agreed to promptly seek the approval of our stockholders of the Note Conversion Proposal. We are now asking you for this approval.

Material Terms of the 9.5% Convertible Subordinated Notes

The following is a summary of the material terms of the 9.5% Notes:

Maturity Date

The 9.5% Notes mature on October 3, 2021 (the "Maturity Date").

Interest

Interest on the 9.5% Notes accrues at the rate of 9.5% per annum and shall be paid quarterly in arrears on June 30, September 30, December 31 and March 31, beginning on June 30, 2017, on each conversion date with respect to the 9.5% Notes (as to that principal amount then being converted), and on the Maturity Date (each such date, an "Interest Payment Date"). At the option of the Company, interest may be paid on an Interest Payment Date either in cash or in shares of common stock of the Company, which common stock shall be valued at the average daily VWAP of the Common Stock for the 20 trading days immediately prior to such Interest Payment Date provided, however, that unless and until such time as the Company has received Requisite Stockholder Approval the Company shall not be permitted to make any interest payment in shares of Common Stock to the extent that such issuance would cause the Company to exceed the Conversion Limit.

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Redemption

All or any portion of the 9.5% Notes may be redeemed by the Company for cash at any time on or after April 3, 2018 that the average daily VWAP of the Company's common stock reported on the principal trading market for the common stock exceeds the then applicable Conversion Price for a period of 20 trading days. The redemption price shall be an amount equal to 100% of the then outstanding principal amount of the 9.5% Notes being redeemed, plus accrued and unpaid interest thereon.

Prepayment

Except as otherwise provided in the 9.5% Notes, the Company may not prepay any portion of the principal amount of any 9.5% Note without the prior written consent of the holder thereof. Any prepayments of the 9.5% Notes shall be made on a pro rata basis to all holders of 9.5% Notes based on the aggregate principal amount of 9.5% Notes held by such holders. The Company shall be required to prepay the 9.5% Notes together with accrued and unpaid interest thereon upon the consummation by the Company of any "Change of Control". For purposes of the 9.5% Notes, a Change of Control of the Company shall mean any of the following: (A) the Company effects any sale of all or substantially all of its assets in one transaction or a series of related transactions or (B) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any person or entity together with their affiliates, becomes the beneficial owner, directly or indirectly, of more than 50% of the common stock of the Company.

Set-Off

Each of the 9.5% Notes is subject to the right by the Company to the extent provided in the Merger Agreement, to set off any amounts payable to the holders of the 9.5% Notes against amounts owing by the SNIH Stockholders to the Company or the other Buyer Indemnified Parties (as defined in the Merger Agreement).

Conversion

The 9.5% Notes are convertible into shares of common stock at the option of the holders thereof at an initial conversion price equal to $5.83 per share, each as subject to adjustment in the event of stock splits, stock combinations, capital reorganizations, reclassifications, consolidations, mergers or sales, as set forth in the 9.5% Notes: provided, however, that unless and until such time as the Company has received approval of the Note

Conversion Proposal a holder of 9.5% Notes shall not be permitted to effect any conversion of any 9.5% Notes to the extent that the shares of common stock issuable upon such conversion when taken together with the shares of common stock previously issued with respect to (i) prior conversions of shares of Series B Convertible Preferred Stock, and/or (ii) prior conversions of any 9.5% Notes and/or (iii) the payment of dividends on any 9.5% Notes in shares of common stock and/or (iv) otherwise in connection with the issuance of the 9.5% Notes would result in the issuance of shares of common stock that exceed the Conversion Limit.

Subordination

Each of the 9.5% Notes is subordinated in payment to the obligations of the Company to the lenders parties to that certain Revolving Credit, Term Loan and Security Agreement, dated as of March 31, 2017 by and among the Company, the Company's subsidiaries named as borrowers therein (collectively with the Company, the "Borrowers"), the senior lenders named therein and PNC Bank, National Association, as administrative agent and collateral agent (the "Agent") for the senior lenders, pursuant to those certain Subordination and Intercreditor Agreements, each dated as of March 31, 2017 by and among the Company, the Borrowers, the Agent and each of the holders of the 9.5% Notes.

Offering of 9.5% Notes

None of the 9.5% Notes issued to the former stockholders of SNIH were registered under the Securities Act. Each of the former stockholders of SNIH who received 9.5% Notes is an accredited investor. The issuance of the 9.5% Notes to such former stockholders of SNIH was exempt from the registration requirements of the Act in reliance on an exemption from registration provided by Section 4(2) of the Securities Act.

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Registration Rights

The holders of 9.5% Notes have certain demand and piggyback registration rights with respect to the shares of common stock that are issued upon conversion of the 9.5% Notes. For a description of these registration rights see— "The Preferred Conversion Proposal—The Merger Agreement—Registration Rights" beginning on page 27 of this Proxy Statement.

Effect of Failure to Obtain Stockholder Approval of the Note Conversion Proposal

If our stockholders do not approve the Note Conversion Proposal, we are obligated, pursuant to the terms of the Merger Agreement to take all actions necessary to hold a subsequent meeting of our stockholders for the purpose of obtaining the approval of the Note Conversion Proposal and to continue to do so until such proposal is approved. Until such time as the Note Conversion Proposal is approved, holders of 9.5% will continue to be limited in their ability to convert their 9.5% Notes into shares of common stock as described above. Also, until such time as the Note Conversion Proposal has been approved, the Company will continue to be limited in its ability to pay interest on the 9.5% Notes in shares of common stock.

Effect of Stockholder Approval of the Note Conversion Proposal

If our stockholders approve the Note Conversion Proposal the holders of our Series B Convertible Preferred (other than Thrivent) will immediately be able to convert any or all of their 9.5% Notes into shares of common stock. The 9.5% Notes that were issued to Thrivent contains a provision that restricts Thrivent from converting all or any portion of its 9.5% Notes to the extent that after giving effect to such conversion as set forth in a written election to the Company to convert the 9.5% Notes, Thrivent (together with its affiliates, and any other person or entity acting as a group together with Thrivent or any of its affiliates), would beneficially own common stock in excess of 4.99% of the number of shares of the common stock outstanding immediately after giving effect to the issuance of shares of common stock issuable upon conversion of Thrivent's 9.5% Notes (the "Beneficial Ownership Limitation"). The Beneficial Ownership Limitation may be waived by Thrivent, upon not less than 61 days' prior notice to the Company that Thrivent would like to waive the Beneficial Ownership Limitation with regard to any or all shares of Common Stock issuable upon conversion of the 9.5% Notes.

The issuance by the Company of a substantial number of shares of common stock upon the conversion of the 9.5% Notes and/or the payment of interest on the 9.5% Notes in shares of common stock will result in a dilution in voting power of the Company's current stockholders. The issuance by the Company of a substantial number of shares of

common stock upon the conversion of the 9.5% Notes and/or the payment of interest on the 9.5% Notes in shares of common stock could also result in a dilution of earnings per share with respect to the outstanding common stock which could have a depressive effect on the market price of our common stock. The shares of common stock issuable upon conversion of the 9.5% Notes and/or the payment of interest on the 9.5% Notes in shares of common stock are expected to be listed on the NYSE MKT. The future prospect of sales of a significant amount of shares of common stock could also affect the market price of our common stock if the marketplace does not orderly adjust to the increase in shares in the market and the value of your investment in the Company may decrease.

Stockholder Approval Requirement for Note Conversion Proposal

Our common stock is listed on the NYSE MKT and we are subject to the rules set forth in the NYSE MKT Company Guide. Section 712 of the NYSE MKT Company Guide requires stockholder approval to be obtained if a listed company issues common stock or securities convertible into or exercisable for common stock as sole or partial consideration for an acquisition of the stock or assets of another company where the present or potential issuance of common stock, or securities convertible into common stock, could result in an increase in outstanding common shares of 20% or more. Although we were not required to obtain stockholder approval in connection with the issuance of the 9.5% Notes (which contains a restriction on the ability of holders to convert their 9.5% Notes) or the acquisition of SNIH and SNI Companies pursuant to the Merger, we are required to seek stockholder approval for the conversion of the 9.5% Notes and/or the payment of interest on the 9.5% Notes in shares of common stock to the extent that such conversion and/or payment of interest in shares of common stock, when taken together with (i) all prior conversions of Series B Preferred Stock into shares of common stock, (ii) all prior conversions of 9.5% Notes into shares of common stock, (iii) all prior issuances of common stock as interest payments on the 9.5% Notes and (iv) all other shares of common stock that were previously issued in connection with the issuance of the 9.5% Notes would result in the issuance of shares of common stock in excess of the Conversion Limit. Therefore we are seeking stockholder approval for the Note Conversion Proposal.

Recommendation of the Board of Directors

The Board of Directors has determined that the Note Conversion Proposal is in the best interests of the Company’s stockholders and recommends that you vote “FOR” the Note Conversion Proposal.

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PROPOSAL 3: THE BOARD ELECTION PROPOSAL

Upon the recommendation of the Nominating Committee of the Board of Directors, our Board of Directors has nominated for election at the Annual Meeting each of Mr. Derek Dewan, Dr. Arthur Laffer, Mr. Thomas Williams, Mr. Peter Tanous, Mr. William Isaac, Mr. George A. Bajalia and Mr. Ronald R. Smith each to stand for election for a term expiring at the 2018 Annual Meeting of stockholders or until their successors are duly elected and qualified. Each of the nominees other than Mr. Ronald Smith is currently serving as a member of our Board of Directors.

In the event any nominee is unable or declines to serve as a director at the time of the Annual Meeting, the proxies voting for their election will be voted for any nominee who shall be designated by the Board of Directors to fill the vacancy. As of the date of this Proxy Statement, we are not aware that either nominee is unable or will decline to serve as a director if elected.

Required Vote

The affirmative vote of shares of our Common Stock representing a plurality of the votes cast is required to elect each of Mr. Derek Dewan, Dr. Arthur Laffer, Mr. Thomas Williams, Mr. Peter Tanous, Mr. William Isaac, Mr. George A. Bajalia and Mr. Ronald R. Smith as directors of the Company.

Recommendation of the Board of Directors

Our Board of Directors unanimously recommends a vote "FOR" the election of each of Mr. Derek Dewan, Dr. Arthur Laffer, Mr. Thomas Williams, Mr. Peter Tanous, Mr. William Isaac, Mr. George A. Bajalia and Mr. Ronald R. Smith to our Board of Directors.

BOARD OF DIRECTORS, NOMINEES TO THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Our Board of Directors currently consists of seven members, as set forth in the table below. Our Board of Directors consists of an experienced group of business leaders, with experience in corporate governance, corporate finance, capital markets, insurance, employee benefits and real estate.

Name	Age	Position	Director Since
Derek Dewan	62	Chief Executive Officer and Chairman of the Board of Directors	2015
Andrew J. Norstrud **	43	Chief Financial Officer and Director	2013
Dr. Arthur B. Laffer (1)(2)(3)	76	Director	2015
Peter Tanous (1)(3)	79	Director	2015
Thomas C. Williams (2)(3)	57	Director	2009
William Isaac (1)	73	Director	2015
George A. Bajalia	59	Director	2015
Ronald R. Smith	65	Director Nominee	

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** Mr. Norstrud is not standing for re-election at the Annual Meeting.
1) Member of the Audit Committee.
2) Member of the Compensation Committee.
3) Member of the Nominating Committee

We have set forth below information regarding each of our directors and director nominees, including the experience, qualifications, attributes or skills that led the Board of Directors to conclude that such person should serve as a director. Our Nominating Committee and our Board of Directors believe that the experience, qualifications, attributes and skills of our directors provide us with the ability to address our evolving needs and represent the best interests of our stockholders.

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Derek Dewan - Chief Executive Officer and Chairman of the Board of Directors

Mr. Dewan, former Chairman and Chief Executive Officer (CEO) of Scribe Solutions, Inc. was elected Chairman of the Board of Directors and CEO of the Company effective April 1, 2015. Mr. Dewan was previously Chairman and CEO of MPS Group, Inc. In January 1994, Mr. Dewan joined AccuStaff Incorporated, MPS Group's predecessor, as President and Chief Executive Officer, and took that company public in August 1994. Under Mr. Dewan's leadership the company became a Fortune 1000 world-class, global multi-billion dollar staffing services provider through significant organic growth and strategic acquisitions. MPS Group grew to include a vast network of offices in the United States, Canada, the United Kingdom, Continental Europe, Asia and Australia. MPS Group experienced many years of continued success during Mr. Dewan's tenure and he led successful secondary stock offerings of $110 million and $370 million. The company was on the Wall Street Journal's "top performing stock list" for three consecutive years and included in the Standard and Poor's (S&P) Mid-Cap 400. In 2009, Mr. Dewan was instrumental in the sale of MPS Group to the largest staffing company in the world, Adecco Group, for $1.3 billion.

George A. Bajalia – President and Director

Mr. Bajalia joined the Company as a director in January 2015. Mr. Bajalia became President of the Company effective April 6, 2017. Effective upon his appointment as the Company's President, Mr. Bajalia was removed from the Company's Audit Committee and Compensation Committee. Mr. Bajalia has over 30 years of business experience, with financial, operational and management expertise in many industries including the staffing industry. Since 2001, Bajalia has provided consulting, advisory and interim management services to executive management, boards, business owners and private equity firms. He has assisted them with implementing their growth and working capital strategies, turnarounds, recapitalizations and strategic objectives. Mr. Bajalia started his career as a certified public accountant (CPA) at KPMG Peat Marwick in 1980. From 1984 to 1991, Bajalia worked in all areas of finance and as a portfolio company manager for an investment holding company based in Florida. In 1991 he became the chief financial officer (CFO) of one of the public company portfolio investments, Wickes Inc. The company was a leading multi-state distributor of building materials and manufacturer of building components in the US with approximately $1 billion in revenue. During his tenure with Wickes, Mr. Bajalia led the development and implementation of a turnaround and strategic business plan and a $300 million recapitalization including a public stock and bond offering. From 1998 to 2001 Mr. Bajalia served as chief executive officer (CEO) and chief operating officer (COO) of the professional services division of MPS Group, Inc. (MPS), a publicly traded staffing company. This division had offices throughout the United States and the United Kingdom, and over $650 million in revenue and $80 million in pretax profits. Mr. Bajalia's achievements with MPS included the integration of five specialty business units, which led to increased organic revenue growth of $200 million and pretax profits of $40 million within two years. He also served as a director of MPS. Mr. Bajalia's leadership and communication skills have earned him the reputation as a results-oriented manager. He received his B.S. in Accounting from Florida State University, is a licensed CPA and real estate broker, and is a member of several professional associations.

Andrew J. Norstrud - Chief Financial Officer and Director

Mr. Norstrud joined the Company in March 2013 as CFO and served as CEO from March 7, 2014 until April 1, 2015. Mr. Norstrud became a director of the Company on March 7, 2014. Prior to joining the Company, Mr. Norstrud was a consultant with Norco Accounting and Consulting from October 2011 until March 2013. From October 2005 to October 2011, Mr. Norstrud served as the Chief Financial Officer for Jagged Peak. Prior to his role at Jagged Peak, Mr. Norstrud was the Chief Financial Officer of Segmentz, Inc. (XPO Logistics), and played an instrumental role in the company achieving its strategic goals by pursuing and attaining growth initiatives, building a financial team, completing and integrating strategic acquisitions and implementing the structure required of public companies. Previously, Mr. Norstrud worked for Grant Thornton LLP and PricewaterhouseCoopers LLP and has extensive experience with young, rapid growth public companies. Mr. Norstrud earned a BA in Business and Accounting from Western State College and a Master of Accounting with a systems emphasis from the University of Florida. Mr. Norstrud is a Florida licensed Certified Public Accountant.

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Dr. Arthur B. Laffer - Director

Dr. Laffer joined the Company as a director in January 2015. Dr. Arthur Laffer is the founder and chairman of Laffer Associates, an economic research and consulting firm. A former member of President Reagan's Economic Policy Advisory Board during the 1980s, Dr. Laffer's economic acumen and influence have earned him the distinction in many publications as "The Father of Supply-Side Economics". He has served on several boards of directors of public and private companies, including staffing giant MPS Group, Inc., which was sold to Adecco Group for $1.3 billion in 2009. Dr. Laffer was previously a consultant to Secretary of the Treasury William Simon, Secretary of Defense Donald Rumsfeld, and Secretary of the Treasury George Shultz. In the early 1970s, Dr. Laffer was the first to hold the title of Chief Economist at the Office of Management and Budget (OMB) under Mr. Shultz. Additionally, Dr. Laffer was formerly the Distinguished University Professor at Pepperdine University and a member of the Pepperdine Board of Directors. He also served as Charles B. Thornton Professor of Business Economics at the University of Southern California and as Associate Professor of Business Economics at the University of Chicago. Laffer is credited with advancing the concept of supply-side economics when he drew a curve on the back of a napkin at a dinner meeting, showing that government tax receipts can sometimes increase when federal income tax rates are lowered. The Laffer Curve and supply–side economics served as the foundation for Reaganomics in the 1980s when Dr. Laffer served on the President's Economic Policy Advisory Board from 1981 to 1989. Dr. Laffer has been recognized for his achievements in economics, having been featured in *Time Magazine's* 1999 cover story, "The Century's Greatest Minds", for inventing the Laffer Curve, which *Time* deemed "one of a few of the advances that powered this extraordinary century". Bloomberg BusinessWeek recently featured the Laffer Curve as part of "The 85 Most Disruptive Ideas in Our History". A video is available on their website which features a re-creation of the famous drawing of the Laffer Curve with Donald Rumsfeld and Dick Cheney. Dr. Laffer has received multiple awards for his economic work, including two Graham and Dodd Awards from the Financial Analyst Federation; the Distinguished Service Award by the National Association of Investment Clubs; the Adam Smith Award for his insights and contributions to the Wealth of Nations; and the Daniel Webster Award for public speaking by the International Platform Association. Dr. Laffer received a B.A. in economics from Yale University and an MBA and Ph.D. in economics from Stanford University.

Peter Tanous - Director

Mr. Tanous joined the Company as a director in May 2015. He has served on several boards of directors of public and private companies, including staffing giant and publicly traded (NYSE) MPS Group, Inc. ("MPS"), which was sold to the largest staffing company in the world, Adecco Group for $1.3 billion in 2009. Mr. Tanous is Chairman of Lynx Investment Advisory of Washington D.C., an SEC registered investment advisory firm. In prior years, Mr. Tanous was International Regional Director with Smith Barney and a member of the executive committee of Smith Barney International, Inc. He served for ten years as executive vice president and a director of Bank Audi (USA) in New York, and was earlier chairman of Petra Capital Corporation in New York. A graduate of Georgetown University, he serves on the university's investment committee and as a member of the Georgetown University Library Board. Mr. Tanous' book, *Investment Gurus*, published by Prentice Hall in 1997, received wide critical acclaim in financial circles and was chosen as a main selection of *The Money Book Club*. His subsequent book, *The Wealth Equation*, was also chosen as a *Money Book Club* main selection. *Investment Visionaries*, was published in August 2003 by Penguin

Putnam and *Kiplinger's Build a Winning Portfolio*, was published by Kaplan Press in January 2008. Tanous co-authored (with Dr. Arthur Laffer, the "Father of Supply Side Economics" and Stephen Moore, former *Wall Street Journal* writer and editorial board member) "*The End of Prosperity*," published by Simon & Schuster in October 2008. His most *recent* book, *Debt, Deficits and the Demise of the American Economy*, co-authored with Jeff Cox, finance editor at CNBC, was published by Wiley in May 2011. In addition to Georgetown University, Tanous serves on several investment committees including: St. Jude Children's Research Hospital and Lebanese American University. Mr. Tanous' experience as a director on corporate boards is extensive. At MPS Group ("MPS"), he served as chairman of the audit committee and on several other committees over many years. He gained significant staffing industry knowledge and experience as MPS was one of the largest companies in the U.S. in the field of professional staffing with specialization in accounting, engineering, health care and legal services including a significant concentration on information technology delivered through its "Modis" brand. Also, Mr. Tanous served on the board of Cedars Bank, Los Angeles, a California state commercial bank with branches in Orange County and San Francisco, and as a director at Worldcare Ltd., Cambridge, Mass, a company in the field of health care services and telemedicine diagnostics.

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Thomas C. Williams - Director

Mr. Williams has served as a director of the Company since July 2009. Since 2005, Mr. Williams has served as acting Vice Chairman of Capital Management of Bermuda (previously Travelers of Bermuda), a company providing pension benefits for expatriates who have worked outside the U.S. and accrued benefits towards their retirement which are not covered by their domestic pension plans. Additionally, Mr. Williams has served as the Chief Executive Officer of Innova Insurance Ltd., a Bermuda based insurer, which provides extension risk to the Capital Markets on life insurance related assets from 2005 to 2009 when it was acquired. Mr. Williams is Chairman of the Nominating Committee and is a member of the Audit and Compensation Committees. The Company believes that Mr. Williams is qualified to sit on the Board of Directors because of his significant management experience.

William Isaac - Director

Mr. Isaac has extensive experience in business, finance and governance. In 1986, he founded The Secura Group, a leading financial institutions consulting firm and operated the business until it was acquired by FTI in 2011. Prior to forming Secura, Mr. Isaac headed the FDIC during the banking crisis of the 1980s, serving under Presidents Carter and Reagan from 1978 through 1985. Mr. Isaac currently serves as a member of the board of TSYS, a leading worldwide payments system processing company, and is the former Chairman of Fifth Third Bancorp, one of the nation's leading banking companies. Also, Isaac is a former member of the boards of Trans Union Corporation; The Associates prior to its sale to Citigroup and Amex Centurion Bank. He is involved extensively in thought leadership relating to the financial services industry. Mr. Isaac is the author of *Senseless Panic: How Washington Failed America* with a foreword by legendary former Federal Reserve Chairman Paul Volcker. *Senseless Panic* provides an inside account of the banking and S&L crises of the 1980s and compares that period to the financial crisis of 2008-2009. Mr. Isaac's articles are published in the *Wall StreetJourna*l, *Washington Post*, *New York Times*, *American Banker*, *Forbes*, *Financial Times*, *Washington Times*, and other leading publications. He also appears regularly on television and radio, testifies before Congress, and is a frequent speaker before audiences throughout the world. Mr. Isaac served as chairman of the FDIC during one of the most tumultuous periods in US banking history. Some 3,000 banks and thrifts failed during the 1980s, including Continental Illinois and nine of the ten largest banks in Texas. The President appointed Mr. Isaac to the board of the FDIC at the age of 34, making him the youngest FDIC board member and chairman in history. Mr. Isaac also served as chairman of the Federal Financial Institutions Examination Council (1983-85), as a member of the Depository Institutions Deregulation Committee (1981–85), and as a member of the Vice President's Task Group on Regulation of Financial Services (1984). Mr. Isaac began his career as an attorney with Foley & Lardner and was a senior partner with Arnold & Porter. He holds a JD, summa cum laude, College of Law, The Ohio State University ("OSU") and a B.S in economics and LLD ("honorary") from Miami University, Oxford, Ohio. Isaac is involved with several charitable and not for profit organizations including current and past service on the OSU Foundation Board, member of the OSU "Presidents Club", former Trustee of the Miami University Foundation Board and a member the University's "Business Advisory Council", Goodwill Industries and the Community Foundation of Sarasota, Fl. Bill received a "Distinguished Achievement Medal" in 1995 from Miami University and a "Distinguished Alumnus Award" in 2013 from OSU.

Ronald R. Smith, Director Nominee

Ronald Smith co-founded SNI and was the Chairman and CEO until March 31, 2017. Mr. Smith is a seasoned staffing executive with over 40 years' experience in the industry. Smith previously worked for a large international staffing and recruiting firm where he ultimately owned six franchises. After selling his franchises to a large international staffing and recruiting firm in 1988, Smith was promoted to Regional Manager and integrated 20 locations for a large international staffing and recruiting firm.

Executive Officers and Significant Employees

The business experience of the Company's directors, including all executive officers serving as directors, is provided above. The experience of the Company's executive officers who are not also directors is described below.

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Alex Stuckey, Chief Administrative Officer

Mr. Stuckey joined the Company in April 2015 as its Chief Operating Officer and President. Effective April 6, 2017, Mr. Stuckey resigned as the Company’s President and Chief Operating Officer and was appointed the Company’s Chief Administrative Officer. Mr. Stuckey was the President and Chief Operating Officer of Scribe Solutions, Inc. Prior to joining Scribe, Mr. Stuckey was the founder and Chief Executive Officer of Fire Fighters Equipment Co. Mr. Stuckey led that company from a start up to a multi-million dollar enterprise with substantial net profits through both organic and acquisition growth. At Fire Fighters, Mr. Stuckey developed unique marketing strategies, which were revolutionary to the industry. His efforts led to a successful stock sale of Fire Fighters to Cintas. Mr. Stuckey also has extensive experience in banking and finance, which he obtained after a successful career at Barnett Bank as a special assets officer. Mr. Stuckey graduated from Florida State University with a bachelor's in Entrepreneurship and Business Enterprises.

Role of the Board of Directors and Board Leadership Structure

Our business and affairs are managed under the direction of our Board of Directors, which is the Company's ultimate decision-making body, except with respect to those matters reserved to our stockholders. Our Board of Directors' primary responsibility is to seek to maximize long-term stockholder value. Our Board of Directors establishes our overall corporate policies, selects and evaluates our senior management team, which is charged with the conduct of our business, monitors the performance of the Company and management, and provides advice and counsel to management. In fulfilling the Board of Directors' responsibilities, directors have full access to our management, internal and external auditors and outside advisors.

Independent directors and management have different perspectives and roles in strategy development. The Company's independent directors bring experience, oversight and expertise from outside the company and industry, while the management brings company-specific experience and expertise. The Board of Directors believes that a board of directors combined with independent board members and management is in the best interest of stockholders because it promotes strategy development and execution, and facilitates information flow between management and the Board of Directors, which are essential to effective governance.

The Board of Directors does not have a lead independent director. The Board of Directors provides overall risk oversight for the Company as part of its normal, ongoing responsibilities. It receives reports from Mr. Dewan and Mr. Norstrud and other members of senior management on a periodic basis on areas of risk facing the Company. In addition, Board of Directors committees oversee specific elements of risk or potential risk.

The Board of Directors meets on a regularly scheduled basis to review significant developments affecting the Company and to act on matters requiring Board of Directors approval. It also holds Annual Meetings when an important matter requires Board of Directors action between scheduled meetings. The Board of Directors held twenty one (21) meetings during the last fiscal year. No director of the Company attended less than 75% of the total meetings of the Board of Directors and Committees on which such Board of Directors members served during this period.

Our directors are expected to attend the Annual Meeting. Any director who is unable to attend the Annual Meeting is expected to notify the Chairman of the Board of Directors in advance of the Annual Meeting.

The Board of Directors believes that Mr. Dewan's service as both Chairman of the Board and Chief Executive Officer is in the best interest of the Company and its stockholders. Mr. Dewan possesses detailed and in-depth knowledge of the issues, opportunities and challenges facing the Company and its business and is thus best positioned to develop agendas that ensure that the Board's time and attention are focused on the most critical matters. His combined role enables decisive leadership, ensures clear accountability, and enhances the Company's ability to communicate its message and strategy clearly and consistently to the Company's stockholders, employees, customers and suppliers.

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Board Risk Oversight

Management of the risks that we face in the conduct of our business is primarily the responsibility of our senior management team. However, our Board of Directors provides overall risk oversight with a focus on the most significant risks facing the Company. Our senior management team periodically reviews with our Board of Directors any significant risks facing the Company. Our Board of Directors has delegated responsibility for the oversight of specific risks to the committees of the Board of Directors as follows:

- ***Audit Committee***. The Audit Committee oversees the policies that govern the process by which our exposure to risk is assessed and managed by management. In that role, the Audit Committee discusses with our management major financial risk exposures and the steps that management has taken to monitor and control these exposures. The Audit Committee also is responsible for reviewing risks arising from related party transactions involving the Company and overseeing our code of ethics.

- ***Compensation Committee***. The Compensation Committee monitors the risks associated with our compensation philosophy and programs.

- ***Nominating Committee***. The Nominating Committee oversees risks related to our governance structure and processes.

Our Board of Directors has assessed the risks that could arise from our employee compensation policies and does not believe that such policies are reasonably likely to have a materially adverse effect on the Company.

Committees of the Board of Directors and Committee Membership

Our Board of Directors has established three separately designated standing committees to assist our Board of Directors in discharging its responsibilities: the Audit Committee, the Compensation Committee, and the Nominating Committee. Our Board of Directors may eliminate or create additional committees as it deems appropriate. The charters for our Board of Directors committees are in compliance with applicable SEC rules and the NYSE MKT Listed Company Manual. These charters are not available on our website, but all were attached to the form 10Q filed on February 14, 2017. You may obtain a printed copy of any of these charters by sending a request to: GEE Group, Inc., 184 Shuman Blvd., Suite 420, Naperville, Illinois 60563, Attn.: Secretary.

Each committee of our Board of Directors is composed entirely of independent directors within all applicable standards (as further discussed below). Our Board of Directors' general policy is to review and approve committee assignments annually. The Nominating Committee is responsible, after consultation with our Chairman of the Board of Directors and Chief Executive Officer and consideration of appropriate member qualifications, to recommend to our Board of Directors for approval all committee assignments, including designations of the chairs. Each committee is also authorized to retain its own outside counsel and other advisors as it desires.

A brief summary of the committees' responsibilities follows:

Nominating Committee

The functions of the Nominating Committee are to assist the Board of Directors in identifying, interviewing and recommending to the Board of Directors qualified candidates to fill positions on the board. The Nominating Committee met one (1) time during the last fiscal year.

The Company does not have a policy regarding the consideration of diversity, however defined, in identifying nominees for director. Instead, in evaluating candidates to serve on the Company's Board of Directors, consideration is given to the level of experience, financial literacy and business acumen of the candidate. In addition, qualified candidates for director are those who, in the judgment of the Nominating Committee, have significant decision-making responsibility, with business, legal or academic experience. The Nominating Committee will consider recommendations for board candidates that are received from various sources, including directors and officers of the Company, other business associates and stockholders, and all candidates will be considered on an equal basis, regardless of source.

The Nominating Committee is presently composed of three non-employee, independent directors: Thomas C. Williams (Chairman), Dr. Arthur B. Laffer, and Peter J Tanous. Dr. Laffer was appointed to serve as a member of the Nominating Committee on May 22, 2015 and Mr. Tanous was appointed on September 15, 2015.

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Audit Committee

The Audit Committee is primarily concerned with the effectiveness of the Company's accounting policies and practices, its financial reporting and its internal accounting controls. In addition, the Audit Committee reviews and approves the scope of the annual audit of the Company's books, reviews the findings and recommendations of the independent registered public accounting firm at the completion of their audit, and approves annual audit fees and the selection of an auditing firm. The Audit Committee met four (4) times during fiscal 2016.

The Audit Committee is presently composed of three non-employee, independent directors: Dr. Arthur B. Laffer, Peter J. Tanous and William M. Isaac. From April 2015 until April 6, 2017, George Bajalia also served as a member and was the Chairman of the Audit Committee from April of 2015 to July of 2016. Mr. Tanous was appointed by the Board of Directors as the Chairman of the Audit Committee in July of 2017. Dr. Laffer was appointed to serve on the Audit Committee on May 22, 2015 and Mr. Tanous and Mr. Isaac were appointed to serve on the Audit Committee on September 15, 2015. The Board of Directors has determined that Dr. Laffer, Mr. Tanous and Mr. Isaac are all considered an "audit committee financial expert" as defined by rules of the SEC. The Board of Directors has determined that each audit committee financial expert meets the additional independence criteria required under the listing standards of the NYSE MKT and Rule 10A-3 of the Exchange Act.

REPORT OF THE AUDIT COMMITTEE (1)

The role of the Audit Committee is to assist the Board of Directors in its oversight of the Company's financial reporting process. As set forth in the Charter, management of the Company is responsible for the preparation, presentation and integrity of the Company's financial statements, accounting and financial reporting principles and internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. The independent auditors are responsible for auditing the Company's financial statements and expressing an opinion as to their conformity with generally accepted accounting principles.

In the performance of this oversight function, the Audit Committee has reviewed and discussed the audited financial statements for the fiscal year ended September 30, 2016 with management, and has discussed with the independent auditors the matters required to be discussed by Statement of Auditing Standards No. 61, Communication with Audit Committee, as currently in effect. The Audit Committee has received the written disclosures and the letter from the independent auditors required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, as currently in effect, and has discussed with the independent auditors the independent auditors' independence; and based on the review and discussions referred above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2016 for filing with the SEC.

The members of the Audit Committee are not professionally engaged in the practice of auditing or accounting, are not experts in the fields of accounting or auditing, including in respect of auditor independence. Members of the Committee rely without independent verification on the information provided to them and on the representations made by management and the independent accountants. Accordingly, the Audit Committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or appropriate internal control and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Audit Committee's consideration and discussions referred to above do not assure that the audit of the Company's financial statements has been carried out in accordance with generally accepted accounting principles or that the Company's auditors are in fact "independent".

Based upon the reports, review and discussions described in this report, and subject to the limitations on the role and responsibilities of the Committee referred to above and in the Charter, the Committee recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2016, as filed with the Securities and Exchange Commission. The Audit Committee and the Board have also recommended, subject to stockholder approval, the selection of Friedman LLP as the Company's independent auditors for the fiscal year ending September 30, 2017.

THE AUDIT COMMITTEE

Dr. Arthur B. Laffer

Peter J. Tanous

William M. Issac

(1) The material in the Audit Committee report is not soliciting material, is not deemed filed with the SEC and is not incorporated by reference in any filing of the Company under the Securities Act of 1933, or the Securities Exchange Act of 1934, whether made before or after the date of this Proxy Statement and irrespective of any general incorporation language in such filing.

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Compensation Committee

The Compensation Committee has the sole responsibility for approving and evaluating the officer compensation plans, policies and programs. It may not delegate this authority. It meets as often as necessary to carry out its responsibilities. The Compensation Committee has the authority to retain compensation consultants, but has not done so. The Compensation Committee met one (1) time during fiscal 2016.

The Compensation Committee meets to consider the compensation of the Company's executive officers, including the establishment of base salaries and performance targets for the succeeding year, and the consideration of stock option awards. Management provides the Compensation Committee with such information as may be requested by the Compensation Committee, which in the past has included historical compensation information of the executive officers, tally sheets, internal pay equity statistics, and market survey data. Under the guidelines of the NYSE MKT, the Chief Executive Officer may not be present during the Compensation Committee's deliberations regarding his compensation. If requested by the committee, the Chief Executive Officer may provide recommendations regarding the compensation of the other officers.

The Compensation Committee also has the responsibility to make recommendations to the Board of Directors regarding the compensation of directors.

The Compensation Committee is presently composed of two non-employee, independent directors: Dr. Arthur B. Laffer (Chairman) and Thomas C. Williams. Dr. Laffer was appointed by the Board of Directors to serve on the Compensation Committee in April 2015 and was appointed as the Chairman of the Compensation Committee on May 22, 2015. Mr. Williams was appointed by the Board of Directors to serve on the Compensation Committee in July of 2009. George Bajalia also served on the Compensation Committee from May 22, 2015 until April 6, 2017.

Mergers and Acquisition Committee

The Mergers and Acquisition Committee has the responsibility for evaluating acquisitions and the necessary financing to complete the acquisitions that are determined by management to meet the minimum criteria for evaluation. The Mergers and Acquisitions Committee has the responsibility to keep the entire board informed of managements acquisitions and only after the Committee has determined an acquisition qualifies is the acquisition presented to the entire board for approval. The Mergers and Acquisition Committee has the authority to retain compensation consultants, but has not done so. The Mergers and Acquisition Committee met twice during fiscal 2016.

The Mergers and Acquisition Committee is presently composed of three non-employee, independent directors: George A. Bajalia (Chairman), Dr. Arthur B. Laffer, and William M. Isaac.

DIRECTOR COMPENSATION

Under the Company's standard compensation arrangements that were in effect during fiscal 2015, each non-employee director received a monthly retainer of $2,000. This was discontinued as of April 18, 2015 and the members of the Board of Directors have only received stock options for their services as board members except Mr. Bajalia, which received $6,250 per month from July of 2016 to March of 2017. This additional compensation was for being the Chairman of a Merger and Acquisition Committee. Employees of the Company did not receive any additional compensation for service on the Board of Directors.

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The following table sets forth information concerning the compensation paid to each of the non-employee directors during fiscal 2016:

Director Compensation

Name	Fees Earned or Paid in Cash ($)	Option Awards (1) ($)	Total ($)
George A. Bajalia	18,750	-	18,750
William M. Isaac	-	77,000	77,000
Dr. Arthur B. Laffer	-	77,000	77,000
Peter J. Tanous	-	77,000	77,000
Thomas C. Williams	-	-	-

(1) The aggregate number of outstanding option awards at the end of fiscal 2016 were as follows for each of the non-employee directors: George A. Bajalia – none, William M. Isaac – 20,000, Dr. Arthur B. Laffer – 20,000, Peter J. Tanous – 20,000 and Thomas C. Williams – none.

Option Awards

The option awards column represents the fair value of the stock options as measured on the grant date. The methods and assumptions used to determine the fair value of stock options granted are disclosed in “Note 10 - Stock Option Plans” in the notes to consolidated financial statements in the Company’s Annual Report for fiscal 2016.

Corporate Code of Ethics

We have a Code of Ethics that applies to all directors and employees, including our senior management team. The Code of Ethics is designed to deter wrongdoing, to promote the honest and ethical conduct of all employees and to promote compliance with applicable governmental laws, rules and regulations. We intend to satisfy the disclosure requirements under applicable SEC rules relating to amendments to the Code of Ethics or waivers from any provision thereof applicable to our principal executive officer, our principal financial officer and principal accounting officer by

posting such information on our website pursuant to SEC rules.

Our Code of Ethics was attached as an exhibit to our Form 10-K filed with the SEC on March 29, 2013. In addition, you may obtain a printed copy of the Code of Ethics, without charge, by sending a request to: GEE Group, Inc., 184 Shuman Blvd., Suite 420, Naperville, Illinois 60563, Attn.: Secretary.

Director Independence

Our Board of Directors is responsible to make independence determinations annually with the assistance of the Nominating Committee. Such independence determinations are made by reference to the independence standard under the definition of "independent director" under the NYSE MKT Listed Company Manual. Our Board of Directors has affirmatively determined that William Isaac, Dr. Arthur B. Laffer, Peter Tanous, and Thomas C. Williams satisfy the independence standards under the NYSE MKT Listed Company Manual.

In addition to the independence standards provided in the NYSE MKT Listed Company Manual, our Board of Directors has determined that each director who serves on our Audit Committee satisfies standards established by the SEC providing that, in order to qualify as "independent" for the purposes of membership on that committee, members of audit committees may not (1) accept directly or indirectly any consulting, advisory or other compensatory fee from the Company other than their director compensation or (2) be an affiliated person of the Company or any of its subsidiaries. The Board of Directors has also determined that each member of the Compensation Committee satisfies the newly-adopted NYSE MKT standards for independence of Compensation Committee members, which became effective on July 1, 2013.

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Director Selection Process

As provided in its charter, the Nominating Committee is responsible to recommend to our Board of Directors all nominees for election to the Board of Directors, including nominees for re-election to the Board of Directors, in each case after consultation with the Chairman of the Board of Directors. The Nominating Committee considers, among other things, the level of experience, financial literacy and business acumen of the candidate. In addition, qualified candidates for director are those who, in the judgment of the Nominating Committee, have significant decision-making responsibility, with business, legal or academic experience, and other disciplines relevant to the Company's businesses, the nominee's ownership interest in the Company, and willingness and ability to devote adequate time to Board of Directors duties, all in the context of the needs of the Board of Directors at that point in time and with the objective of ensuring diversity in the background, experience, and viewpoints of Board of Directors members.

The Nominating Committee may identify potential nominees for election to our Board of Directors from a variety of sources, including recommendations from current directors and officers, recommendations from our stockholders or any other source the committee deems appropriate.

Our stockholders can nominate candidates for election as director by following the procedures set forth in our Bylaws, which are summarized below. We did not receive any director nominees from our stockholders for the Annual Meeting.

Our Bylaws provide that any stockholder entitled to vote in the election of directors generally may make nominations for the election of directors to be held at an Annual Meeting, provided that such stockholder has given actual written notice of his intent to make such nomination or nominations to the Secretary of the Company not less than ninety days nor more than one hundred twenty days prior to the anniversary date of the immediately preceding Annual Meeting. In accordance with the Company's Bylaws, submissions must include: (a) the name and address of the stockholder who intends to make the nomination and of the person or persons to be nominated; (b) a representation that the stockholder is a holder of record of stock of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (c) a description of all arrangements or understandings involving any two or more of the stockholders, each such candidate and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder or relating to the Company or its securities or to such candidate's service as a director if elected; (d) such other information regarding such candidate proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the SEC had the candidate been nominated, or intended to be nominated, by the Board of Directors; and (e) the consent of each candidate to serve as a director of the Company. The submission must also include: (i) the number of shares beneficially owned by the stockholder; (ii) the name, address and contact information of the candidate being recommended; and (iii) a description of the qualifications and business experience of the candidate.

Any stockholder who wishes to nominate a potential director candidate must follow the specific requirements set forth in our Bylaws, a copy of which may be obtained by sending a request to: GEE Group, Inc., 184 Shuman Blvd, Suite 420, Naperville, Illinois 60563, Attn.: Secretary.

Family Relationships

There are no family relationships among our executive officers, directors and significant employees.

Legal Proceedings

None of our directors, [director nominees] or executive officers has, during the past ten years:

(a) Had any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

(b) Been convicted in a criminal proceeding or subject to a pending criminal proceeding;

(c) Been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or any federal or state authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, futures, commodities or banking activities; and

(d) Been found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

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Stockholder Communication with the Board of Directors

Stockholders and parties interested in communicating with our Board of Directors, any Board of Directors committee, any individual director or any group of directors (such as our independent directors) should send written correspondence to: Board of Directors, GEE Group, Inc., 184 Shuman Blvd, Suite 420, Naperville, Illinois 60563, Attn.: Secretary. Please note that we will not forward communications that are spam, junk mail and mass mailings, resumes and other forms of job inquiries, surveys, business solicitations or advertisements.

Stockholder Proposals for Next Year's Annual Meeting

As more specifically provided in our Bylaws, no business may be brought before an Annual Meeting of our stockholders unless it is specified in the notice of the Annual Meeting or is otherwise brought before the Annual Meeting by or at the direction of our Board of Directors or by a stockholder entitled to vote who has delivered proper notice to us not less than ninety days or more than one hundred twenty days prior to the date of the meeting. Detailed information for submitting stockholder proposals or nominations of director candidates will be provided upon written request to: GEE Group, Inc., 184 Shuman Blvd, Suite 420, Naperville, Illinois 60563, Attn.: Secretary.

The foregoing requirements are separate from the SEC's requirements that a stockholder must meet in order to have a stockholder proposal included in our proxy statement for the 2018 Annual Meeting of stockholders. Stockholders interested in submitting a proposal for inclusion in our proxy materials for the 2018 Annual Meeting may do so by following the procedures set forth in Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). To be eligible for inclusion in such proxy materials pursuant to such rule, stockholder proposals must be received by our Secretary not later than March 12, 2018.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Other than as disclosed below, except for the Norstrud Employment Agreement, the Dewan Employment Agreement and the Bajalia Employment Agreement described in "Executive Compensation" beginning on page 65 of this Proxy Statement , there have been no transactions since October 1, 2014, or any currently proposed transaction or series of similar transactions to which the Company was or is to be a party, in which the amount involved exceeds $120,000 and in which any current or former director or officer of the Company, any 5% or greater stockholder of the Company or any member of the immediate family of any such persons had or will have a direct or indirect material interest.

In April 2015, the Company entered into a stock exchange agreement with Brittany M. Dewan as Trustee of the Derek E. Dewan Irrevocable Living Trust II dated the 27th of July, 2010, Brittany M. Dewan, individually, Allison Dewan, individually, Mary Menze, individually, and Alex Stuckey, individually (collectively, the “Scribe Stockholders”), pursuant to which the Company acquired 100% of the outstanding stock of Scribe Solutions Inc., a provider of data entry assistants (medical scribes) who specialize in electronic medical records (EMR) services for emergency departments, specialty physician practices and clinics (“Scribe”), from the Scribe Stockholders for 640,000 shares of Series A Preferred Stock of the Company. In addition, the Company exchanged warrants to purchase up to 635,000 shares of the Company’s common stock, for $2.00 per share, with a term of 5 years (the “Warrants”), for Scribe warrants held by two individuals. The issuances of the Series A Preferred Stock and Warrants by the Company was effected in reliance on the exemptions from registration afforded by Section 4(a)(2) of the Securities Act of 1933, and Rule 506 of Regulation D promulgated thereunder.

The Company entered into the Merger Agreement as of March 31, 2017 and consummated the Merger on April 3, 2017. Mr. Ronald R. Smith, a former stockholder of SNIH and a nominee to the Company's Board of Directors received $1,879,127 and 4,424,169 shares of Series B Convertible Preferred Stock as Merger Consideration for his shares of SNIH. Mr. Smith also serves as the Stockholder Representative for the former SNIH Stockholders. Pursuant to the Merger Agreement, the Company has agreed to reimburse Mr. Smith for up to $500,000 in expenses he may incur in his role as Stockholder Representative.

Under its charter, the Audit Committee of our Board of Directors is responsible to review and approve or ratify any transaction between the Company and a related person that is required to be disclosed under the rules and regulations of the SEC. Our management is responsible for bringing any such transaction to the attention of the Audit Committee. In approving or rejecting any such transaction, the Audit Committee considers the relevant facts and circumstances, including the material terms of the transaction, risks, benefits, costs, availability of other comparable services or products and, if applicable, the impact on a director’s independence.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information concerning the beneficial ownership of our voting securities as of July 5, 2017 by (i) each person who is known by us, based solely on a review of public filings, to be the beneficial owner of more than 5% of any class of our outstanding voting securities, (ii) each director nominee, (iii) each executive officer named in the Summary Compensation Table and (iv) all executive officers directors and director nominee as a group.

Under applicable SEC rules, a person is deemed to be the "beneficial owner" of a voting security if such person has (or shares) either investment power or voting power over such security or has (or shares) the right to acquire such security within 60 days by any of a number of means, including upon the exercise of options or warrants or the conversion of convertible securities. A beneficial owner's percentage ownership is determined by assuming that options, warrants and convertible securities that are held by the beneficial owner, but not those held by any other person, and which are exercisable or convertible within 60 days, have been exercised or converted.

Unless otherwise indicated, we believe that all persons named in the table below have sole voting and investment power with respect to all voting securities shown as being owned by them. Unless otherwise indicated, the address of each beneficial owner in the table below is care of GEE Group, Inc., 184 Shuman Blvd, Suite 420, Naperville, Illinois 60563.

Name and Address of Beneficial Owner, Directors, Director Nominees and Executive Officers	**Amount and Nature of Beneficial Ownership**	**Percent of Class (1)**
Derek Dewan	443,266(2)	3.03%
Andrew J. Norstrud	131,000(3)	*
Dr. Arthur Laffer	93,571(4)	*
Thomas Williams	55,000(5)	*
Peter Tanous	14,000(6)	*
William Isaac	42,500(7)	*
George A. Bajalia	48,571(8)	*
Alex Stuckey	1,766,300(9)	12.09%
Ronald R. Smith	4,434,169(11)	30.34%
Current directors, director nominee and executive officers as a group (9 individuals)	7,028,377	48.09%
5% or Greater Holders		
Brittany M. Dewan as Trustee of the Derek E. Dewan Irrevocable Living Trust II dated the 27th of July, 2010	655,042(10)	4.48%

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* Represents less than 1%.

(1) Based on 9,878,892 shares issued and outstanding as of July 5, 2017.

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(2) Represents 404,630 shares of common stock that Mr. Dewan owns independently. The remaining 38,636 shares can be acquired by Mr. Dewan upon the exercise of 38,636 common stock purchase warrants of the Company, at an exercise price of $2.00 per share. Mr. Dewan beneficially owns 443,266 shares and has sole voting and dispositive power over the shares.

(3) Represents (i) 5,000 shares of Common Stock, and (ii) 150,000 shares of Common Stock issuable upon the exercise of stock options approximately 130,000 are currently exercisable and included in the ownership table.

(4) Represents (i) 78,571 shares of Common Stock, and (ii) 55,000 shares of Common Stock issuable upon the exercise of stock options approximately 15,000 are currently exercisable and included in the ownership table.

(5) Represents (i) 15,000 shares of common stock, (ii) 40,000 shares issuable upon the exercise of stock options of which approximately 40,000 are currently exercisable and included in the ownership table.

(6) Represents (i) 4,000 shares of Common Stock, and (ii) 50,000 shares issuable upon the exercise of stock options of which approximately 10,000 are currently exercisable and included in the ownership table.

(7) Represents (i) 30,000 shares of Common Stock and (ii) 42,500 shares issuable upon the exercise of stock options of which approximately 12,500 are currently exercisable and included in the ownership table.

(8) Represents (i) 28,571 shares of Common Stock owned through Landmark Financial Corp, and (ii) 40,000 shares issuable upon the exercise of stock options of which approximately 20,000 are currently exercisable and included in the ownership table. Mr. Bajalia beneficially owns 28,571 shares of Common Stock and has sole voting and dispositive power over these shares.

(9) Represents 400,000 shares of common stock that Mr. Stuckey acquired independently. Mr. Stuckey owns 1,327,664 shares of common stock from the conversion of shares of the Company's Series A Convertible Preferred Stock. The remaining 38,636 Shares can be acquired by Mr. Stuckey upon the exercise of 38,636 common stock purchase warrants of the Company, at an exercise price of $2.00 per share. Mr. Stuckey beneficially owns 1,766,300 shares of common stock and has sole voting and dispositive power over the shares.

(10) Ms. Brittany M. Dewan is the trustee of the Derek E. Dewan Irrevocable Living Trust II Dated the 27th of July, 2010. Ms. Dewan has the sole voting power and sole dispositive power over the 655,042 shares of Common Stock.

(11) Represents 4,434,169 shares of Series B Convertible Preferred Stock, which can be converted into 4,434,169 shares of the Company common stock, following the approval of the Preferred Conversion Proposal by the stockholders of the Company.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Company's directors and officers, and persons who own more than 10% of a registered class of its equity securities, to file reports of ownership and changes in ownership (typically, Forms 3, 4 and/or 5) of such equity securities with the SEC. Such entities are also required by SEC regulations to furnish the Company with copies of all such Section 16(a) reports.

Based solely on a review of Forms 3 and 4 and amendments thereto furnished to the Company and written representations that no Form 5 or amendments thereto were required, the Company believes that during the fiscal years ended September 30, 2016 and 2015, its directors and officers, and greater than 10% beneficial owners, have complied with all Section 16(a) filing.

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EXECUTIVE COMPENSATION

Summary Compensation Information

The following table summarizes all compensation awarded to, earned by or paid to all individuals serving as the Company's principal executive officer, its two most highly compensated executive officers other than the principal executive officer, and up to two additional individuals who were serving as executive officers at the end of the last completed fiscal year, for each of the last two completed fiscal years. These individuals are referred to throughout this proxy statement as the "named executive officers."

Summary Compensation Table

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Derek Dewan (1) Chief Executive Officer	2016	130,000	-	-	-	-	-	-	130,000
	2015	50,000	-	-	-	-	-	-	50,000
Alex Stuckey (2) Chief Operating Officer and President	2016	174,000	-	-	-	-	-	-	174,000
	2015	84,000	-	-	-	-	-	-	84,000
Andrew Norstrud Chief Financial	2016	246,000	-	-	-	-	-(3)	-	246,000
	2015	250,000	-	-	-	-	192,000(3)	-	442,000

Officer
and
Treasurer

_____

(1) Mr. Dewan was appointed as Chairman of the Board of Directors and the Chief Executive Officer of the Company on April 1, 2015.

(2) Mr. Stuckey became the President and Chief Operating Officer on April 1, 2015. Mr. Stuckey resigned as President and Chief Operating Officer and was appointed Chief Administrative Officer effective April 6, 2017.

(3) Mr. Norstrud has served as Chief Financial Officer of the Company since March, 2013. Mr. Norstrud served as Chief Executive Officer of the Company from March 7, 2014 until April 1, 2015. Mr. Norstrud was granted options to purchase 30,000 shares of common stock during the fiscal year 2015 and was granted options to purchase 0 shares of common stock during fiscal year 2016.

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Employment and Change in Control Agreements

Andrew Norstrud: On August 13, 2013, the Company entered an employment agreement with Andrew J. Norstrud (the "Norstrud Employment Agreement"). The Norstrud Employment Agreement provided for a three-year term ending on March 29, 2016, unless employment is earlier terminated in accordance with the provisions thereof. Mr. Norstrud received a starting base salary at the rate of $200,000 per year which was adjusted by the Compensation Committee to $250,000 per year. Mr. Norstrud received options to purchase 20,000 shares of the Company's common stock in connection with his execution of the Norstrud Employment Agreement, and is also entitled to receive an annual bonus based on criteria to be agreed to by Mr. Norstrud and the Compensation Committee. Mr. Norstrud was granted an additional option to purchase 100,000 and 20,000 shares of the Company's common stock in connection with his employment with the Company. The Norstrud Employment Agreement contains standard termination, change of control, non-compete and confidentiality provisions. On July 24, 2015, the Company entered into an amendment to the Norstrud Employment Agreement pursuant to which Mr. Norstrud's term of employment was extended to March 29, 2017. Additionally, the term will automatically extend for successive one year periods unless written notice is given by either party no later than 90 days prior to the expiration of the initial term.

Derek Dewan: On August 12, 2016, the Company entered an employment agreement with Derek Dewan (the "Dewan Employment Agreement"). The Dewan Employment Agreement provides for a five-year term ending on August 15, 2021, unless employment is earlier terminated in accordance with the provisions thereof and after the initial term has a standard 1 year automatic extension clause if there is no notice by the Company of termination. Mr. Dewan received a starting base salary at the rate of $300,000 per year which can be adjusted by the Compensation Committee. Mr. Dewan is entitled to receive an annual bonus based on criteria to be agreed to by Mr. Dewan and the Compensation Committee. The Dewan Employment Agreement contains standard termination, change of control, non-compete and confidentiality provisions.

George Bajalia: The Company and Mr. Bajalia have not yet entered into a written employment agreement with respect to Mr. Bajalia's service as President of the Company. However, in connection with his appointment as President of the Company, the Company and Mr. Bajalia have agreed orally that the initial term of Mr. Bajalia's appointment shall be five years and that Mr. Bajalia shall receive a base salary of $270,000 per year, subject to increase, but not decrease, at the discretion of the Board. In addition, the Company and Mr. Bajalia have orally agreed that (i) Mr. Bajalia shall be eligible to receive an annual bonus of up to 100% of his base salary based on his meeting certain performance based targets and (ii) Mr. Bajalia shall also receive a total of 500,000 shares of restricted stock under the Company's 2013 Stock Incentive Plan upon the approval of the 2013 Plan Amendment Proposal by the Company's stockholders. These shares shall cliff vest 20% per year of service. Mr. Bajalia shall also be eligible to participate in the Company's employee benefit plans as in effect from time to time on the same basis as generally made available to other senior executives of the Company and have other benefits provided to executives of the Company. The foregoing oral agreement shall be referred to in this Proxy Statement as the "Bajalia Employment Agreement".

Option Awards

The option awards column represents the fair value of the stock options as measured on the grant date. The methods and assumptions used to determine the fair value of stock options granted are disclosed in “Note 10 - Stock Option Plans” in the notes to consolidated financial statements contained in the Company’s Annual Report, a copy of which is annexed to this Proxy Statement as Annex F.

All stock options awarded to the named executive officers during fiscal 2016 and 2015 were at option prices that were equal to the market price on the date of grant, had vesting dates three years or less after the date of grant, and had expiration dates ten years after the date of grant.

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Outstanding Equity Awards at Fiscal Year-End

Outstanding Equity Awards at Fiscal Year- End Table

The following table summarizes equity awards granted to Named Executive Officers and directors that were outstanding as of September 30, 2016:

	Option Awards					Stock Awards			
Name	**Number of Securities Underlying Unexercised Options: # Exercisable**	**Number of Securities Underlying Unexercised Options: # Unexercisable**	**Equity Incentive Plan Awards: Number of Securities Underlying Unearned and Unexercisable Options:**	**Option Exercise Price $**	**Option Expiration Date**	**# of Shares or Units of Stock That Have Not Vested #**	**Market Value of Shares or Units of Stock That Have Not Vested $**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested #**	**Equity Incentive Plan Awards: Market of Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested $**
Derek Dewan, Chief Executive Officer	-	-	-	-	-	-	-	-	-
Alex Stuckey, President and Chief Operating Officer	-	-	-	-	-	-	-	-	-

Andrew Norstrud, Chief Financial Officer and Treasurer	20,000	20,000	-	2.50	1/27/2024	-	-	-	-
	100,000	-	-	3.50	3/04/2024	-	-	-	-
	10,000	-	-	7.00	7/24/2025	-	-	-	-

Retirement Benefits

The Company does not maintain a tax-qualified defined benefit retirement plan for any of its executive officers or employees. The Company has a 401(k) retirement plan in which all full-time employees may participate after one year of service.

AUDIT-RELATED MATTERS

General

In fulfilling its oversight role, our Audit Committee met and held discussions, both together and separately, with the Company's management and Friedman. Management advised the Audit Committee that the Company's consolidated financial statements were prepared in accordance with generally accepted accounting principles, and the Audit Committee reviewed and discussed the consolidated financial statements and key accounting and reporting issues with management and Friedman, both together and separately, in advance of the public release of operating results and filing of annual or quarterly reports with the SEC. The Audit Committee discussed with Friedman matters deemed significant by Friedman, including those matters required to be discussed pursuant to Statement of Auditing Standards No. 61, Communication with Audit Committees, as amended, and reviewed a letter from Friedman disclosing such matters.

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Friedman also provided the Audit Committee with the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board of Directors regarding the outside auditors' communications with the Audit Committee concerning independence, and we discussed with Friedman matters relating to their independence.

Based on our review with management and Friedman of the Company's audited consolidated financial statements and Friedman's report on such financial statements, and based on the discussions and written disclosures described above and our business judgment, the Audit Committee recommended to the Board of Directors, and the Board of Directors approved, that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2016. Friedman LLP has served as the Company's independent registered public accounting firm since November 29, 2012. A representative of Friedman, LLP is expected to be present at the Annual Meeting to respond to appropriate questions and to make a statement if desired.

The following table presents fees billed by Friedman, LLP for the following professional services rendered for the Company for the fiscal years ended September 30, 2016 and 2015:

	Fiscal Year Ended September 30, 2016	**Fiscal Year Ended September 30, 2015**
Audit fees	$ 163,000	$ 160,000
Audit-related fees	143,000	18,500
Tax fees	-	-
All other fees	-	-

"Audit fees" relate to services for the audit of the Company's consolidated financial statements for the fiscal year and for reviews of the interim consolidated financial statements included in the Company's quarterly reports filed with the SEC.

"Audit-related fees" relate to services that are reasonably related to the audit of the Company's consolidated financial statements and are not included in "audit fees." These services include audits of the Company's 401(k) retirement plan and audits related to acquisitions and S-8 filings.

The Audit Committee's policy is to pre-approve all audit and non-audit services provided by the independent registered public accounting firm, and to not engage them to perform the specific non-audit services proscribed by law

or regulation. At the beginning of each fiscal year, the Audit Committee meets with the independent registered public accounting firm and approves the fees and services to be performed for the ensuing year. On a quarterly basis, the Audit Committee reviews the fees billed for all services provided for the year to date, and it pre-approves additional services if necessary. The Audit Committee’s pre-approval policies allow management to engage the independent registered public accounting firm for consultations on tax or accounting matters up to an aggregate of $10,000 annually. All fees listed in the table above were approved in accordance with the Audit Committee’s policies.

Policy Regarding Pre-Approval of Services Provided by the Outside Auditors

The Audit Committee's charter requires review and pre-approval by the Audit Committee of all audit services provided by our outside auditors and, subject to the *de minimis* exception under applicable SEC rules, all permissible non-audit services provided by our outside auditors. The Audit Committee reviews the fees billed for all services provided on a quarterly basis, and it pre-approves additional services if necessary. As required by Section 10A of the Exchange Act, the Audit Committee pre-approved all audit and non-audit services provided by our outside auditors during fiscal 2015 and 2016, and the fees paid for such services.

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PROPOSAL 4: THE AUDITOR RATIFICATION PROPOSAL

The Audit Committee of our Board of Directors has appointed Friedman LLP ("Friedman") to serve as our independent registered public accounting firm for the fiscal year ending September 30, 2017. Friedman has served in this capacity since November 29, 2012.

We are asking our stockholders to ratify the appointment of Friedman as our independent registered public accounting firm. Although ratification is not required by our Bylaws or otherwise, our Board of Directors is submitting the appointment of Friedman to our stockholders for ratification as a matter of good corporate governance. If our stockholders fail to ratify the appointment of Friedman, the Audit Committee will consider whether it is appropriate and advisable to appoint another independent registered public accounting firm. Even if our stockholders ratify the appointment of Friedman, the Audit Committee in its discretion may appoint a different registered public accounting firm at any time if it determines that such a change would be in the best interests of the Company and our stockholders.

Representatives of Friedman are expected to be present at the Annual Meeting and will have an opportunity to make a statement and to respond to appropriate questions.

Required Vote

The affirmative vote of shares of our Common Stock representing a majority of votes cast thereon at the Annual Meeting or any adjournment or postponement thereof is required to approve the Auditor Ratification Proposal.

Recommendation

Our Board of Directors unanimously recommends a vote "**FOR**" the ratification of the appointment of Friedman LLP as our independent registered public accounting firm for the fiscal year ending September 30, 2017.

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PROPOSAL 5: THE 2013 PLAN AMENDMENT PROPOSAL

2013 Plan Amendment

The Board has approved, and has recommended that the stockholders approve an amendment to our 2013 Incentive Stock Plan to increase the number of shares of common stock available for awards under the 2013 Plan ("Awards") from 1,000,000 shares to 4,000,000 shares with the maximum number of shares of common stock reserved and available for distribution pursuant to the grant of Options (as hereinafter defined) under the 2013 Plan set at 2,000,000 shares of common stock and the maximum number of shares of common stock reserved and available for distribution pursuant to the grant of Restricted Stock (as hereinafter defined) under the 2013 Plan set at 2,000,000 shares of common stock. A copy of the Amendment to the 2013 Plan is annexed to this Proxy Statement as Annex E and is incorporated herein by reference. Because our common stock is listed on the NYSE MKT, we are subject to the rules set forth in the NYSE MKT Company Guide. Section 711 of the NYSE MKT Company Guide requires (subject to certain exceptions) stockholder approval to be obtained if a listed company establishes or materially amends a stock option or purchase plan or other equity compensation arrangement pursuant to which options or stock may be acquired by officers, directors, employees, or consultants, regardless of whether or not such authorization is required by law or by the company's charter.

Background and Reasons for the 2013 Plan Amendment Proposal

The 2013 Plan was initially adopted by our Board on July 23, 2013, and our stockholders approved it on September 9 2013. A copy of the 2013 Plan was filed as Exhibit A to the Company's Schedule 14A Definitive Proxy Statement filed with the SEC on August 22, 2013. Currently, 1,000,000 shares of common stock are authorized to be issued pursuant to Awards granted under the 2013 Plan. As of July 5, 2017, approximately 251,995 shares of common stock remained available for grant under the 2013 Plan. The Board believes that the availability of additional shares of common stock for Awards granted under the 2013 Plan is needed to enable the Company to meet its anticipated equity compensation needs to attract, motivate and retain qualified employees, officers and directors. The proposed share increase is expected to last approximately two years. This estimate is based on a forecast that takes into account our anticipated rate of growth in hiring, an estimated range of our stock price over time, and our historical forfeiture rates.

Summary of 2013 Plan

Introduction

This Summary of the 2013 Plan (the “Summary”) is intended to briefly describe some of the most important provisions of the 2013 Plan and to generally outline the tax consequences which may be associated with the Awards consisting of Options (defined herein) and Restricted Stock (defined herein) under the 2013 Plan.

This Summary does not contain all of the details and specific terms of the 2013 Plan document, nor does it contain the details and terms of each Award Agreement for Options or Restricted Stock (an “Award Agreement”) under the 2013 Plan to specific persons. This Summary was written to cover only normal circumstances and conditions relating to the 2013 Plan and the Awards granted pursuant to the 2013 Plan. If there is any conflict between what is described in this Summary and the language in the 2013 Plan document or any Award Agreement, the 2013 Plan document and Award Agreement will control.

General 2013 Plan Information

Purpose

The purpose of the 2013 Plan is to provide additional incentives to select persons who can make, are making, and continue to make substantial contributions to the growth and success of the Company, to attract, motivate and retain the employment and services of such persons, and to encourage and reward such contributions, by providing these individuals with an opportunity to acquire or increase stock ownership in the Company through either the grant of (1) Options or (2) Restricted Stock (Options and/or Restricted Stock may be collectively referred to herein as an “Award”). Such persons receiving an Award under the 2013 Plan are hereinafter referred to as “Participants.”

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Administration

The 2013 Plan is administered by the Compensation Committee or such other committee as is appointed by the Board pursuant to the 2013 Plan ("Committee"). The Committee has full authority to administer and interpret the provisions of the 2013 Plan including, but not limited to, the authority to make all determinations with regard to the terms and conditions of an Award made under the 2013 Plan, as described below. All decisions by the Committee regarding the 2013 Plan are final and conclusive.

The 2013 Plan permits the Committee to grant one or more of the following Awards:

Options

Under the 2013 Plan, the Committee may grant options (the "Options") to purchase shares of Company common stock (the "Shares"). Options granted under the 2013 Plan shall be classified for income tax purposes as either (a) "Incentive Stock Options" within the meaning of Section 422(b) of the Internal Revenue Code of 1986 as amended (the "Code") or (b) "Nonqualified Stock Options." Nonqualified Stock Options are options that do not satisfy the requirements of Incentive Stock Options as defined by Section 422(b) of the Code (due to a "disqualified disposition" or pursuant to the terms of the Award Agreement). Generally, the income tax treatment of Incentive Stock Options differs from the income tax treatment of Nonqualified Stock Options. The intended nature of Options (that is, incentive or nonqualified) will be specified in each Award Agreement.

Restricted Stock

Under the 2013 Plan, the Committee may grant stock to a Participant subject to the satisfaction of vesting conditions, restrictions on transfer, repurchase rights or other limitations imposed by the 2013 Plan and/or contained in the Participant's Award Agreement ("Restricted Stock"). If the Participant does not satisfy one or more of these conditions or restrictions, he must return the stock. Prior to satisfying the vesting conditions, the Participant does not own the Restricted Stock and does not enjoy the rights of a stockholder.

Securities Offered

The maximum number of Shares that may be granted under the 2013 Plan is currently 1,000,000. This number is subject to adjustment to reflect changes in the capital structure or organization of the Company. If that Plan Amendment Proposal is approved the maximum number of shares that may be granted under the 2013 Plan would be increased to 4,000,000 shares with the maximum number of shares of common stock reserved and available for distribution pursuant to the grant of Options under the 2013 Plan set at 2,000,000 shares of common stock and the maximum number of shares of common stock reserved and available for distribution pursuant to the grant of Restricted Stock under the 2013 Plan set at 2,000,000 shares of common stock.

The specific terms of each Award to a Participant under the 2013 Plan are set forth in an Award Agreement between the Participant and the Company.

Eligibility to Participate

Every employee, officer, director, consultant or other service provider of the Company (or any Affiliate of the Company) is eligible to participate in the 2013 Plan. The Committee shall select, among such individuals, those persons to whom an Award is to be granted, considering such factors as it deems relevant.

The Committee, in its discretion, may make an Award to a Participant, even though options, restricted stock or other benefits were previously granted to such Participant by the Company or under another plan of the Company. The 2013 Plan does not confer any right to an individual to continue in the employ of the Company or to continue to provide services to the Company.

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Discretion of the Committee

The Committee, in its discretion, determines (i) the individuals to whom Award are to be granted, (ii) the time or times at which Awards are to be granted, (iii) the price at which Awards may be exercised, (iv) the exercise period of Awards, (v) the time or times when Awards will become vested and exercisable, and (vi) all other terms and conditions of Awards.

A grant of an Award is effective only after the Participant signs the Award Agreement provided by the Committee and returns it to the Company. The Award Agreement will describe all of the terms of the Award, as determined by the Committee.

Code Section 409A

In order to avoid complex requirements and restrictions (and a potential 20% tax on Option holders) that are imposed by Code Section 409A, all Options (designated as "Nonqualified Stock Options") issued under the 2013 Plan will have an exercise price at or above the current, fair market value of the underlying Shares at the time the Option is granted.

Exercise and Vesting

Awards shall become exercisable and/or vested in accordance with a schedule determined by the Committee and set forth in each Award Agreement. An Award Agreement shall state, with respect to all or designated portions of the Shares subject thereto, the time at which, the conditions upon which, or the installments in which the Award shall become vested. The Committee may establish requirements for exercisability or vesting based on (i) periods of employment or rendering of services, (ii) the satisfaction of performance criteria with respect to the Company or the Participant (or both), or (iii) both periods of employment or rendering of services and satisfaction of performance criteria.

The Committee may substitute an effective date identified in the particular Award Agreement in place of the Award Date for use with the foregoing vesting schedule or with any other vesting schedule set forth in such Award Agreement.

In the case of any Award which, at the Award Date, is granted with provisions for vesting at a later date or in installments, whether by determination of the Committee or by operation of the preceding paragraph, two-thirds of the Committee may thereafter, at any time and in its sole discretion, waive or modify such vesting requirements with respect to such Award, in whole or in part, and accelerate the vesting condition of all or a portion of the Award.

The specific terms of each grant of an Award to a Participant under the 2013 Plan are set forth in the Award Agreement between the Participant and the Company.

Amendment and Termination

The Board may amend or terminate the 2013 Plan, at any time, without obtaining approval from the Company's stockholders (unless required by law or other agreement). Termination of the 2013 Plan, other than upon dissolution of the Company, will not affect the rights of any Participant, except to the extent provided in the Award Agreement with such Participant or as otherwise set forth in the 2013 Plan.

Securities Law Restrictions

The Company may impose restrictions on Shares received by a Participant under the 2013 Plan as the Company deems advisable to comply with applicable securities laws and regulations including, the Securities Act of 1933 (as amended from time to time), the requirements of any stock exchange upon which the Company's common stock is listed, and any state securities laws applicable to the Company's common stock.

The Company registered the initial 1,000,000 Shares issued and issuable pursuant to Awards granted under the 2013 Plan pursuant to a Registration Statement on Form S-8 (Registration No. 333-207197) which became effective on September 29, 2015. In the event that the 2013 Plan Amendment Proposal is approved, the Company intends to register the additional 3,000,000 shares that will be available for issuance pursuant to the Awards under the 2013 Plan. If a registration statement is not in effect with respect to Shares issuable under the 2013 Plan, the Company may require a Participant to represent, in writing, that the Shares received by the Participant are being acquired for investment and not with a view to distribution and to agree that such Shares will not be disposed of by the Participant except pursuant to an effective registration statement.

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Tax Consequences

This Summary briefly summarizes the basic federal rules (but not any state or local rules), as in effect as of the date of this Summary, relating to the tax consequences which may be associated with an awards under the 2013 Plan. Such tax law rules, as set forth in the Code, as amended, are complex and contain conditions and exceptions that are not included in this Summary.

Each Participant should consider consulting with his or her personal, professional tax advisor concerning the particular tax consequences that result in connection with the Participant's receipt of an Award. Further, it is advisable for a Participant to obtain such consultation each time an Award is received, when the Award become vested, and at the time Shares are disposed. A Participant is liable and responsible, and the Company is not liable or responsible, in any way, for any and all tax consequences to the Participant relating to or resulting from an Award of Shares.

Options

Tax Consequences on Grant of Options

There should be no income tax consequences to a Participant at the time the Option is granted regardless of whether the option is an Incentive Stock Option or a Nonqualified Stock Option.

Tax Consequences on Exercise

Nonqualified Stock Options. The difference between the value of the stock at the time of exercise and the value of the stock at the time of grant less any amount, if any, paid for the stock (the "bargain element") is taxable to the Participant as additional compensation (not capital gain) in the year of exercise. The Participant must pay income tax (as well as social security and Medicare taxes) on the "bargain element" as compensation income, even though the Participant did not receive any cash at that time and may not have sold the stock.

Incentive Stock Options. A Participant who exercises an Incentive Stock Option does not have to recognize any income for federal tax purposes when he exercises an Incentive Stock Option, provided he does not dispose of the underlying shares until the later of 2 years from the date of grant or 1 year from the date of exercise. If the Participant

violates this rule, there is a “disqualifying disposition,” and the Participant has to recognize income equal to the amount by which the sales price of the Shares exceeds the exercise price. However, even absent a disqualifying disposition, for alternative minimum tax (“AMT”) purposes, the Participant has to recognize the bargain element as income at the time the Option is exercised and, as a result, may be subject to AMT and an immediate tax liability.

Tax Consequences of Sale of Acquired Shares

Nonqualified Stock Options. If a Participant exercises an Option, the Participant will have capital gain or loss (which may be long-term or short-term) when he ultimately sells the shares, based on the difference between the amount received in the sale and the Participant’s basis. For this purpose, “basis” is the amount paid for the Shares, increased by the amount that was treated as compensation income when the Participant exercised the Option (i.e., the exercise price plus the bargain element at the time of exercise).

Incentive Stock Options. Assuming that there is no “disqualifying disposition,” the Participant will have held the shares for more than 1 year and therefore will be entitled to long--term capital gains treatment (or, potentially will realize a long-term capital loss) based upon the variance between the amount for which the stock is sold and the amount that was paid to exercise the underlying option.

Shares acquired by exercising an Option may be subject to repurchase rights in favor of the Company under certain circumstances and also may be subject to various restrictions on selling or transferring the Shares to anyone else.

As noted, each Participant should carefully consider the potential tax consequences that will result from any Option exercise. It must be emphasized that the application of the tax laws, particularly the application of the AMT to Incentive Stock Options can be extremely complicated.

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Restricted Stock

Tax Consequences Grant of Vested Shares

If a Participant receives an Award of vested Shares, the Participant must report compensation income for the year in which the Participant receives the Award. The amount of income is the fair market value of the Shares at the time of receipt.

When a Participant who has received an Award of vested Shares sells such Shares, the Participant is treated as if the Participant bought the Shares on the Award date, for an amount equal to the amount of compensation income the Participant reported relating to receipt of the Award. This amount is the Participant's "basis" in the Shares.

If the Participant sells such Shares after holding the Shares for 1 year or less, the Participant will have short-term capital gain or loss on the sale, measured by the Participant's basis in the Shares. If the Participant sells such Shares after holding the Shares for more than 1 year, the Participant will have long-term capital gain or loss, measured by the Participant's basis in the Shares.

Tax Consequences - Grant of Non-Vested Shares

If a Participant receives an Award of non-vested Shares, the Participant has a choice of two different tax regimes - the general rule and the Section 83(b) election rule.

The General Rule. Under the general rule, a Participant does not report any income relating to the grant of non-vested Shares. The Participant will report compensation income for the year in which the Shares vest (i.e. forfeiture and/or transfer restrictions lapse). The amount of income will be the fair market value of the Shares on the date the Shares become vested. Thus, if the value of the Shares increases from the Award date to the date the Shares become vested, the Participant will report such increased value as compensation income when the Shares vest. Further, under the general rule, a sale of such Shares after the Shares become vested will result in capital gain or loss. The Participant's gain or loss will be long-term if the Participant held the Shares for more than 1 year after the vesting date. Otherwise, the gain or loss will be short-term. The Participant's basis will be the amount of compensation income the Participant reported at the time the Shares became vested. Finally, considering the general rule, if the Participant does not become vested and forfeits the grant of Shares, the Participant does not report any compensation income or capital gain or loss, relating to the Participant's Award of Shares.

Section 83(b) Election Rule. By filing a Section 83(b) election, a Participant may change the tax consequences that otherwise apply under the general rule discussed above. A Participant makes a Section 83(b) election by filing a notice with the Internal Revenue Service ("IRS") within 30 days of the receipt of non-vested Shares pursuant to an Award under the 2013 Plan. Upon a valid Section 83(b) election, a Participant is treated as if the Shares under the Award were vested when received, with the following tax consequences:

(i) The Participant reports compensation income at the time of receipt of the Shares, equal to the fair market value of the Shares at that time.

Required Vote

The affirmative vote of shares of our common stock representing a majority of votes cast thereon at the Annual Meeting or any adjournment or postponement thereof is required to approve the 2013 Plan Amendment Proposal.

Recommendation of the Board of Directors

Our Board unanimously recommends a vote "**FOR**" approval of the 2013 Plan Amendment Proposal.

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PROPOSAL 6: THE SAY ON PAY RESOLUTION

The Company is presenting the following resolution, which gives you as a stockholder the opportunity to endorse or not endorse our pay program for named executive officers by voting for or against the following resolution. This resolution is required pursuant to Section 14A of the Securities Exchange Act of 1934, as amended. While our Board of Directors intends to carefully consider the stockholder vote resulting from the proposal, the final vote will not be binding on us and is advisory in nature.

"RESOLVED, that the stockholders approve the compensation of the Company's named executive officers, as disclosed in the compensation tables and the related disclosure contained in the Proxy Statement set forth under the caption "The Board Election Proposal—Executive Compensation"."

Recommendation of the Board of Directors The Board of Directors recommends that you vote FOR approval of the compensation of our named executive officers as disclosed in the compensation tables and the related disclosure contained in the Proxy Statement set forth under the caption "The Board Election Proposal—Executive Compensation".

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PROPOSAL 7: THE SAY ON PAY FREQUENCY RESOLUTION

The Company is presenting the following resolution, which gives you as a stockholder the opportunity to inform the Company as to how often you wish the Company to include a proposal, similar to Proposal 6, in our Proxy Statement. This resolution is required pursuant to Section 14A of the Securities Exchange Act of 1934, as amended. While our Board of Directors intends to carefully consider the stockholder vote resulting from the resolution, the final vote will not be binding on us and is advisory in nature.

"RESOLVED, that the stockholders wish the Company to include an advisory vote on the compensation of the Company's named executive officers pursuant to Section 14A of the Securities Exchange Act of 1934 every:

- year

Recommendation of the Board of Directors The Board of Directors recommends that you vote to hold an advisory vote on executive compensation every three years.

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PROPOSAL 8: THE ADJOURNMENT PROPOSAL

The Adjournment Proposal would allow our Board of Directors to adjourn the Annual Meeting to a later date or dates, if necessary, to permit further solicitation of proxies in the event there are not sufficient votes at the time of the Annual Meeting to approve the Preferred Conversion Proposal and/or the Note Conversion Proposal. Pursuant to the terms of the Merger Agreement, we are obligated to call a meeting of our stockholders for the purpose of seeking the approval of our stockholders of the Preferred Conversion Proposal and the Note Conversion Proposal. In the event that we do not obtain the approval of our stockholders at this meeting of the Preferred Conversion Proposal and/or the Note Conversion Proposal, we have agreed to promptly take all actions necessary to hold a subsequent meeting of our stockholders for the purpose of obtaining the approval of the Preferred Conversion Proposal and/or the Note Conversion Proposal and to continue to do so until such proposals are approved.

Recommendation of the Board of Directors. After careful consideration of all relevant factors, including the Company's obligations under the Merger Agreement and its desire to try to avoid incurring the potential additional expense of holding a subsequent meeting of our stockholders for the purpose of approving the Preferred Conversion Proposal and the Note Conversion Proposal in the event that the Company has not received sufficient votes to approve each of these proposals as of the date of the Annual Meeting, the Company's Board of Directors determined that the Adjournment Proposal is in the best interests of the Company and its stockholders. The Board of Directors has approved and declared the proposal advisable and recommends that you vote or give instructions to vote "FOR" the Adjournment Proposal.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other documents with the SEC under the Exchange Act. The Company's SEC filings made electronically through the SEC's EDGAR system are available to the public at the SEC's website at *http://www.sec.gov*. You may also read and copy any document we file with the SEC at the SEC's public reference room located at 100 F Street, N.E., Washington, D.C. 20549-1004. Please call the SEC at (800) SEC-0330 for further information on the operation of the public reference room.

We will only deliver one Proxy Statement and one copy of our Annual Report to multiple security holders sharing an address unless we have received contrary instructions from one or more of the security holders. Upon written or oral request, we will promptly deliver a separate copy of this Proxy Statement and any future annual reports and proxy or information statements to any security holder at a shared address to which a single copy of this Proxy Statement was delivered, or deliver a single copy of this proxy statement and any future annual reports and proxy or information statements to any security holder or holders sharing an address to which multiple copies are now delivered. You should direct any such requests to our Company at the following address: GEE Group, Inc., 184 Shuman Blvd., Suite 420, Naperville, Illinois 60563, Attn.: Secretary.

AVAILABILITY OF ANNUAL REPORT, QUARTERLY REPORT AND PROXY STATEMENT

If you would like to receive an additional copy of our Annual Report on Form 10-K for the fiscal year ended September 30, 2016, our Quarterly Report on Form 10-Q for the six months ended March 31, 2017 or this Proxy Statement, please contact us at: GEE Group Inc., 184 Shuman Blvd., Suite 420, Naperville, Illinois 60563, attn.: Chief Financial Officer or by telephone at (630) 954-0400, and we will send a copy to you without charge.

A Note about Our Website

Although we include references to our website (www.generalemployment.com) throughout this proxy statement, information that is included on our website is not incorporated by reference into, and is not a part of, this proxy statement. Our website address is included as an inactive textual reference only.

We use our website as one means of disclosing material non-public information and for complying with our disclosure obligations under the SEC's Regulation FD. Such disclosures typically will be included within the Investors Relations section of our website. Accordingly, investors should monitor such section of our website, in addition to following our

press releases, SEC filings and public conference calls.

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Independent Auditor's Report

Board of Directors

SNI Holdco Inc.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of SNI Holdco Inc. and its subsidiary which comprise the consolidated balance sheets as of December 31, 2016 and 2015, and the related consolidated statements of income, stockholders' equity and cash flows for the years then ended and the related notes to the consolidated financial statements (collectively, financial statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SNI Holdco Inc. and its subsidiary as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

/s/ RSM US LLP

Des Moines, Iowa

March 29, 2017

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SNI Holdco Inc.

Consolidated Balance Sheets
December 31, 2016 and 2015

	2016	2015
Assets		
Current assets:		
Cash	**$ 789,937**	$ 267,360
Accounts receivable, net of allowance for doubtful accounts of $267,004 and $254,510 in 2016 and 2015, respectively	**13,686,381**	13,704,922
Income taxes receivable	**938,642**	-
Prepaid expenses	**665,663**	571,152
Deferred income taxes (Note 5)	**-**	1,500,000
Total current assets	**16,080,623**	16,043,434
Equipment, net (Note 1)	**588,876**	951,187
Other assets:		
Goodwill	**22,344,325**	22,344,325
Intangible assets, net (Note 2)	**258,877**	685,466
Other	**1,398,312**	1,792,694
	24,001,514	24,822,485
Total assets	**$ 40,671,013**	$ 41,817,106
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	**$ 114,578**	$ 404,395
Accrued expenses	**4,166,184**	4,696,090
Current portion of long-term debt (Note 3)	**4,584,163**	3,570,415
Total current liabilities	**8,864,925**	8,670,900
Deferred income taxes (Note 5)	**2,990,000**	2,680,000
Long-term debt (Note 3)	**18,245,875**	24,796,472
Stockholders' equity (Note 6):		
Common stock, $0.001 par value, 10,000 shares authorized, 3,118.46 shares issued and outstanding in 2016 and 2015	**3**	3
Additional paid-in capital	**3,150,674**	3,150,674
Treasury shares, 214.87 shares in 2016 and 2015	**(856,312)**	(856,312)
Retained earnings	**8,275,848**	3,375,369
Total stockholders' equity	**10,570,213**	5,669,734

Total liabilities and stockholders' equity	**$**	**40,671,013**	$	41,817,106

See notes to consolidated financial statements.

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SNI Holdco Inc.

Consolidated Statements of Income
Years Ended December 31, 2016 and 2015

	2016	2015
Net revenue:		
Contract staffing revenue	**$ 94,701,109**	$ 99,327,574
Permanent placement revenue	**18,758,771**	17,822,016
	113,459,880	117,149,590
Direct cost of contract staffing revenue	**63,385,561**	67,300,172
Gross margin	**50,074,319**	49,849,418
Operating expenses:		
Salaries and compensation	**31,337,310**	30,234,908
Advertising	**1,384,512**	1,480,599
General and administrative	**7,900,168**	8,722,538
Restructuring costs	**155,890**	342,791
Gain contingency settlement (Note 9)	**(2,152,097)**	-
Depreciation	**492,739**	594,184
Amortization of intangible assets	**426,589**	426,589
Total operating expenses	**39,545,111**	41,801,609
Operating income	**10,529,208**	8,047,809
Other (income) expenses:		
Interest expense	**2,432,223**	3,479,359
Amortization of deferred financing costs	**438,575**	434,860
Total other expenses	**2,870,798**	3,914,219
Income before income taxes	**7,658,410**	4,133,590
Income tax expense (Note 5)	**2,757,931**	1,519,961
Net income	**$ 4,900,479**	$ 2,613,629
See notes to consolidated financial statements.		

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SNI Holdco Inc.

Consolidated Statements of Stockholders' Equity
Years Ended December 31, 2016 and 2015

	Common Stock	Additional Paid-In Capital	Treasury Shares	Retained Earnings	Total Stockholders' Equity
Balance, December 31, 2014	$ 3	$ 3,150,674	$ (897,652)	$ 761,740	$ 3,014,765
Purchase of treasury shares	-	-	(43,500)	-	(43,500)
Issuance of treasury shares	-	-	84,840	-	84,840
Net income	-	-	-	2,613,629	2,613,629
Balance, December 31, 2015	3	3,150,674	(856,312)	3,375,369	5,669,734
Net income	-	-	-	4,900,479	4,900,479
Balance, December 31, 2016	**$ 3**	**$ 3,150,674**	**$ (856,312)**	**$ 8,275,848**	**$ 10,570,213**

See notes to consolidated financial statements.

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SNI Holdco Inc.

Consolidated Statements of Cash Flows
Years Ended December 31, 2016 and 2015

	2016	2015
Cash flows from operating activities:		
Net income	**$ 4,900,479**	$ 2,613,629
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**1,357,903**	1,455,633
Deferred income tax expense	**1,810,000**	1,910,000
Changes in operating assets and liabilities:		
Accounts receivable	**18,541**	606,431
Income taxes receivable	**(938,642)**	-
Prepaid expenses	**(94,511)**	(88,224)
Other assets	**(44,193)**	39,613
Accrued litigation settlement	**-**	(6,867,191)
Accounts payable and accrued expenses	**(819,723)**	333,276
Net cash provided by operating activities	**6,189,854**	3,167
Cash flows from investing activities:		
Purchases of equipment	**(130,428)**	(209,030)
Cash flows from financing activities:		
Proceeds from term loan	**-**	7,314,000
Payments on term loan	**(6,286,849)**	(4,346,852)
Proceeds from revolving loan	**4,150,000**	5,472,565
Payments on revolving loan	**(3,400,000)**	(7,972,565)
Payment of deferred financing costs	**-**	(174,565)
Purchase of treasury shares	**-**	(9,075)
Net cash provided by (used in) financing activities	**(5,536,849)**	283,508
Net increase in cash	**522,577**	77,645
Cash:		
Beginning of year	**267,360**	189,715
End of year	**$ 789,937**	$ 267,360
Supplemental disclosure:		
Cash paid for interest	**$ 2,427,854**	$ 3,460,102
Cash paid for taxes	**$ 1,604,573**	$ 2,141
Supplemental schedule of noncash financing activities:		
Noncash treasury stock activity, net	**$ -**	$ 50,415

See notes to consolidated financial statements.

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SNI Holdco Inc.

Notes to Consolidated Financial Statements

Note 1. Significant Accounting Policies

Description of business: SNI Holdco Inc. through its wholly owned subsidiary SNI Companies (collectively, the Company), provides contract staffing and permanent personnel placement services in the fields of office administration, accounting, information technology, legal, sales, marketing and human resources. The Company operates 35 personnel placement offices located in Colorado, Connecticut, District of Columbia, Florida, Georgia, Illinois, Louisiana, Maryland, Massachusetts, Minnesota, New Jersey, Pennsylvania, Texas and Virginia.

Principles of consolidation: The consolidated financial statements include the accounts of SNI Holdco Inc. and its wholly owned subsidiary, SNI Companies. Significant intercompany accounts and transactions have been eliminated in consolidation.

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Accounts receivable: Concentrations of credit risk with respect to trade receivables are limited due to the number of customers and their geographic dispersion. The Company performs initial and periodic credit evaluations of its customers and does not require collateral. Receivables are carried at original invoice amount less an estimate made for doubtful accounts. Management determines the allowance for doubtful accounts by evaluating individual customer accounts and using historical experience. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received.

Equipment: Equipment is stated at cost. Depreciation is computed by the straight line method over the estimated useful lives of the assets, primarily 4 to 7 years. As of December 31, 2016 and 2015, accumulated depreciation was $4,672,109 and $4,189,084, respectively.

Goodwill: Goodwill represents the excess of purchase price over the fair value of underlying net assets of businesses acquired. Under accounting requirements, goodwill is not amortized but is subject to annual impairment tests. The

Company has performed the required impairment tests, which have resulted in no impairment adjustments.

Intangible assets: Intangible assets are amortized on a straight-line basis over their estimated useful lives or the terms of the related agreements, including 8 years for trademarks, 3 years for customer relationships, 7 years for noncompete agreements, and 3 years for candidate database.

Revenue recognition: Contract staffing revenue is recognized when the services are rendered by the Company's contract employees. Permanent placement revenue is recognized when employment candidates accept offers of permanent employment. The Company has an ability and history of estimating candidates who do not begin employment or remain with clients (fall-offs) through the limited guarantee period (generally 30-60 days). Allowances are established as necessary for known or estimated fall-offs.

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SNI Holdco Inc.

Notes to Consolidated Financial Statements

Note 1. Significant Accounting Policies (Continued)

Income taxes: Deferred income taxes are provided on the liability method whereby deferred tax assets are recognized for deductible temporary differences and net operating loss carryforwards, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Advertising: The Company expenses advertising costs as incurred.

Subsequent events: Management has evaluated potential subsequent events through March 29, 2017, which is the date the financial statements were available to be issued.

Recent accounting pronouncements: In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, covering revenue recognition. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 by one year, making it effective beginning in fiscal year 2019 for the Company. The Company has not yet determined the effect, if any, that the new accounting standard may have on the financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the existing U.S. GAAP leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard will be effective beginning in fiscal year 2020 for the Company. The Company has not yet determined the effect that the new accounting standard may have on the financial statements.

Note 2.Intangible Assets

Intangible assets consist of the following at December 31, 2016 and 2015:

	2016	2015
Noncompete agreements	$ 1,174,000	$ 1,174,000
Customer relationships	1,758,000	1,758,000
Trademarks	2,071,000	2,071,000
Candidate database	843,000	843,000
	5,846,000	5,846,000
Less accumulated amortization	(5,587,123)	(5,160,534)
	$ 258,877	$ 685,466

Approximate future expected amortization expense for intangible assets during the year ending December 31, 2017, is $259,000.

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SNI Holdco Inc.

Notes to Consolidated Financial Statements

Note 3. Long-Term Debt

Long-term debt consists of the following as of December 31, 2016 and 2015:

	2016	2015
Revolving loan due December 31, 2018, interest-only payments due monthly at LIBOR plus an applicable margin with a 1.00% LIBOR floor (9% as of December 31, 2016).	$ 1,250,000	$ 500,000
Term loan, payable in increasing quarterly installments with balance due at maturity on December 31, 2018, with interest at LIBOR plus and applicable margin with a 1.00% LIBOR floor (9% as of December 31, 2016).	21,426,913	27,407,512
Note payable, due in semi-annual installments of $153,125, plus interest at 10%.	153,125	459,375
	22,830,038	28,366,887
Less current portion	4,584,163	3,570,415
	$ 18,245,875	$ 24,796,472

The revolving and term loans are issued under a credit agreement and are collateralized by all assets of the Company and a pledge of the Company's common stock. The revolving loan has availability up to the lesser of $5 million or a defined borrowing base amount based on eligible accounts receivable. Unused availability as of December 31, 2016, was approximately $3.75 million. An annual commitment fee of 0.5 percent is required on the unused portion of the revolving loan. Quarterly installments on the term loan are approximately $933,000 at December 31, 2016, increasing to $1,166,000 in June 2017. In addition to scheduled amortization, additional loan principal payments are required each year based on the Company's defined annual excess cash flow. Certain mandatory prepayments are also required if a defined asset sale or equity offering are consummated. Specified optional prepayments can be made without prepayment penalties.

The credit agreement contains various restrictive covenants, including certain restrictions on payments of dividends, restrictions on incurring additional indebtedness, restrictions on rental payments under operating leases and requirements to maintain certain financial covenants.

Aggregate future maturities of long-term debt as of December 31, 2016, are as follows:

Years ending December 31:		
2017	$	4,584,163
2018		18,245,875
	$	22,830,038

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SNI Holdco Inc.

Notes to Consolidated Financial Statements

Note 4. Commitments and Contingencies

The Company conducts its operations from office space rented under operating leases. Total rent expense was approximately $2,583,000 and $2,810,000 for the years ended December 31, 2016 and 2015, respectively. Minimum future rental commitments under operating leases as of December 31, 2016, are as follows:

Years ending December 31:	
2017	$ 2,370,000
2018	1,540,000
2019	1,094,000
2020	390,000
2021	37,000
	$ 5,431,000

The Company is periodically involved in various legal proceedings in the ordinary course of business. In management's opinion, the ultimate disposition of any such matters pending as of December 31, 2016, is not expected to have a material effect on the financial statements.

Note 5. Income Taxes

Components of the net deferred tax (liabilities) as of December 31, 2016 and 2015, are as follows:

	2016	2015
Deferred income tax assets	$ 1,480,000	$ 2,730,000
Deferred income tax liabilities	(4,470,000)	(3,910,000)
	$ (2,990,000)	$ (1,180,000)

The Company's temporary differences result primarily from depreciation, amortization of goodwill and intangible assets, prepaid expenses, and certain reserves and accruals.

In November 2015, the FASB issued ASU 2015-17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes*. This ASU simplifies the presentation of deferred income taxes by eliminating the requirement for entities to separate deferred tax liabilities and assets into current and noncurrent amounts in the balance sheet. Instead, it requires all deferred tax assets and liabilities be classified as noncurrent. ASU 2015-17 is effective for the Company beginning in fiscal 2018. The Company elected to early adopt the ASU for the year ended December 31, 2016, using a prospective approach. Accordingly, all deferred taxes have been reported as noncurrent for 2016. Adoption of the standard did not have a material impact on the Company's financial statements.

Components of the income tax expense for the years ended December 31, 2016 and 2015, are as follows:

	2016	2015
Current tax expense (benefit)	$ 947,931	$ (390,039)
Deferred tax expense	1,810,000	1,910,000
	$ 2,757,931	$ 1,519,961

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SNI Holdco Inc.

Notes to Consolidated Financial Statements

Note 5. Income Taxes (Continued)

The relationship of the actual tax expense to the reported pretax income differs from the federal statutory tax rate primarily due to state income taxes, permanent differences, and certain tax credits.

Management has evaluated the Company’s material tax positions and determined there were no uncertain tax positions that require adjustment to the financial statements. The Company does not currently anticipate significant changes in its uncertain tax positions over the next 12 months.

Note 6. Stockholders’ Equity

The Company has authorized 1,000 shares of Series A Preferred Stock, with a par value of $0.001 per share. There were no shares issued or outstanding as of December 31, 2016 or 2015.

Note 7. Employee Benefit Plan

The Company has a 401(k) plan covering all full-time employees meeting certain service requirements. Expense related to the plan was approximately $89,000 and $83,000 for the years ended December 31, 2016 and 2015, respectively.

Note 8. Management Incentive Plan

The Company has established a long-term management incentive plan (MIP) to provide certain key management employees incentive awards to benefit from the growth of the Company. The plan allows up to 100 units to be issued at the sole discretion of the Company's Board of Directors. As of December 31, 2016, a total of 55 units have been granted. Upon a sale of the Company, an incentive pool may be established based on a defined percentage of the net

proceeds from the sale after debt, if net proceeds exceed $50 million. This incentive pool would be allocated to employees who hold the outstanding units on a pro-rata basis. The defined percentage pool is based on the level of net proceeds, beginning at a 2 percent pool for net proceeds at a $50 million level and increasing at defined amounts thereafter. Due to the contingent and discretionary nature of the plan, no expense or other effects of the plan have been recognized in the financial statements.

Note 9. Gain Contingency Settlement

In March 2016, the Company entered into a settlement and release agreement in connection with claims the Company made against certain parties related to a prior litigation matter. Under the agreement, the Company received a cash settlement of $2,250,000. Under GAAP, this matter is considered a “gain contingency” which is reported as a gain, net of related legal expense, in the 2016 income statement.

Note 10. Subsequent Event

As of March 2017, the Company and its shareholders were in active discussion and negotiation for the potential sale of the Company. No definitive agreements or commitments had been entered into by the Company.

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SNI Holdco Inc.

Condensed Consolidated Balance Sheets (unaudited)
March 31, 2017 and December 31, 2016

	March 31, 2017	December 31, 2016
Assets		
Current assets:		
Cash	**$ 592,450**	**$ 789,937**
Accounts receivable, net of allowance for doubtful accounts of $275,004 and $267,004 in 2017 and 2016, respectively	**13,666,360**	**13,686,381**
Income taxes receivable	**-**	**938,642**
Prepaid expenses	**818,273**	**665,663**
Total current assets	**15,077,083**	**16,080,623**
Equipment, net (Note 1)	**510,256**	**588,876**
Other assets:		
Goodwill	**22,344,325**	**22,344,325**
Intangible assets, net (Note 2)	**194,159**	**258,877**
Other	**1,051,832**	**1,398,312**
Total other assets	**23,590,316**	**24,001,514**
Total assets	**$ 39,177,655**	**$ 40,671,013**
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	**$ 72,910**	**$ 114,578**
Accrued expenses	**4,786,045**	**4,166,184**
Current portion of long-term debt (Note 3)	**4,664,250**	**4,584,163**
Total current liabilities	**9,523,205**	**8,864,925**