

HIG GP II INC  
Form 3  
March 22, 2011

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

OMB APPROVAL

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**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,  
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section  
30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*

Â H.I.G. AERT, LLC

(Last) (First) (Middle)

C/O H.I.G. CAPITAL, LLC,Â 1450 BRICKELL AVENUE, 31ST FLOOR

(Street)

MIAMI,Â FLÂ 33131

(City) (State) (Zip)

2. Date of Event Requiring Statement

(Month/Day/Year)  
03/18/2011

3. Issuer Name and Ticker or Trading Symbol

ADVANCED ENVIRONMENTAL RECYCLING TECHNOLOGIES INC [AERT]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer  Other  
(give title below) (specify below)

5. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)

Class A Common Stock

2. Amount of Securities Beneficially Owned (Instr. 4)

15,289,890 <sup>(1)</sup>

3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)

D <sup>(2) (3) (4)</sup> <sub>(5)</sub> Â

4. Nature of Indirect Beneficial Ownership (Instr. 5)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)

2. Date Exercisable and Expiration Date (Month/Day/Year)

3. Title and Amount of Securities Underlying Derivative Security

4. Conversion or Exercise

5. Ownership Form of

6. Nature of Indirect Beneficial Ownership (Instr. 5)

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Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Price of Derivative Security	Derivative Security:
					Direct (D) or Indirect (I)
					(Instr. 4)
					(Instr. 5)

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
H.I.G. AERT, LLC C/O H.I.G. CAPITAL, LLC 1450 BRICKELL AVENUE, 31ST FLOOR MIAMI, FL 33131	^	^ X	^	^
H.I.G. Capital Partners IV, L.P. C/O H.I.G. CAPITAL, LLC 1450 BRICKELL AVENUE, 31ST FLOOR MIAMI, FL 33131	^	^ X	^	^
HIG BAYSIDE DEBT & LBO FUND II LP C/O H.I.G. CAPITAL, LLC 1450 BRICKELL AVENUE, 31ST FLOOR MIAMI, FL 33131	^	^ X	^	^
H.I.G. Advisors IV, L.L.C. C/O H.I.G. CAPITAL, LLC 1450 BRICKELL AVENUE, 31ST FLOOR MIAMI, FL 33131	^	^ X	^	^
H.I.G. Bayside Advisors II, L.L.C. C/O H.I.G. CAPITAL, LLC 1450 BRICKELL AVENUE, 31ST FLOOR MIAMI, FL 33131	^	^ X	^	^
HIG GP II INC C/O H.I.G. CAPITAL, LLC 1450 BRICKELL AVENUE, 31ST FLOOR MIAMI, FL 33131	^	^ X	^	^
MNAYMNEH SAMI C/O H.I.G. CAPITAL, LLC 1450 BRICKELL AVENUE, 31ST FLOOR MIAMI, FL 33131	^	^ X	^	^
TAMER ANTHONY C/O H.I.G. CAPITAL, LLC 1450 BRICKELL AVENUE, 31ST FLOOR MIAMI, FL 33131	^	^ X	^	^

## Signatures

H.I.G. AERT, LLC, By: H.I.G. Capital Partners IV, L.P., Title: Member, By: H.I.G. Advisors IV, LLC, Title: General Partner, By: H.I.G.- GPII, Inc., Title: Manager, /s/ Richard Siegel, Title: Vice President and General Counsel	03/22/2011
__Signature of Reporting Person	Date
H.I.G. Capital Partners IV, L.P., By: H.I.G. Advisors IV, LLC, Title: General Partner, By: H.I.G.- GPII, Inc., Title: Manager, /s/ Richard Siegel, Title: Vice President and General Counsel	03/22/2011
__Signature of Reporting Person	Date
H.I.G. Bayside Debt & LBO Fund II, L.P., By: H.I.G. Bayside Advisors II, LLC, Title: General Partner, By: H.I.G.- GPII, Inc., Title: Manager, /s/ Richard Siegel, Title: Vice President and General Counsel	03/22/2011
__Signature of Reporting Person	Date
H.I.G. Advisors IV, LLC, By: H.I.G.- GPII, Inc., Title: Manager, /s/ Richard Siegel, Title: Vice President and General Counsel	03/22/2011
__Signature of Reporting Person	Date
H.I.G. Bayside Advisors II, LLC, By: H.I.G.- GPII, Inc., Title: Manager, /s/ Richard Siegel, Title: Vice President and General Counsel	03/22/2011
__Signature of Reporting Person	Date
H.I.G.- GPII, Inc., /s/ Richard Siegel, Title: Vice President and General Counsel	03/22/2011
__Signature of Reporting Person	Date
/s/ Sami W. Mnaymneh	03/22/2011
__Signature of Reporting Person	Date
/s/ Anthony A. Tamer	03/22/2011
__Signature of Reporting Person	Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- On March 18, 2011, pursuant to a reclassification exempt under Rule 16b-7 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and that certain Series D Preferred Stock Exchange Agreement, dated as of March 18, 2011, by and between the Issuer and H.I.G. AERT, LLC, 15,289,890 shares of Class A Common Stock were issued to H.I.G. AERT, LLC in exchange for (i) the transfer to and cancellation by the Issuer of an aggregate of 315,273.4 shares of Series D Convertible Preferred Stock of the Issuer, and (ii) the surrender to and cancellation by the Issuer of certain warrants to purchase an aggregate of 1,515,155 shares of Class A Common Stock of the Issuer that were previously held by H.I.G. AERT, LLC.
- (2) This Form 3 is being filed by H.I.G. AERT, LLC as the direct beneficial owner of the shares of Class A Common Stock.
- Each of the other Reporting Persons may be deemed to be indirect beneficial owners of the shares of Class A Common Stock, as follows:
- (1) H.I.G. Capital Partners IV, L.P. and H.I.G. Bayside Debt & LBO Fund II, L.P., each in their capacity as the holders of 45.5% and 33.3%, respectively, of the equity interests of H.I.G. AERT, LLC; (ii) H.I.G. Advisors IV, LLC, in its capacity as the general partner of H.I.G. Capital Partners IV, L.P.; (iii) H.I.G. Bayside Advisors II, LLC, in its capacity as the general partner of H.I.G. Bayside Debt & LBO Fund II, L.P.; (iv) H.I.G.- GPII, Inc., in its capacity as the manager of each of H.I.G. Advisors IV, LLC and H.I.G. Bayside Advisors II, LLC; and (v) Sami W. Mnaymneh and Anthony A. Tamer, each in their capacity as co-presidents and directors of H.I.G.- GPII, Inc.
  - (4) Information with respect to each Reporting Person is given solely by such Reporting Person, and no such Reporting Person assumes responsibility for the accuracy or completeness of information supplied by any other Reporting Person.

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- Pursuant to Rule 16a-1(a)(4) of the Exchange Act, each of the Reporting Persons, other than H.I.G. AERT, LLC, herein states that this filing shall not be deemed to be an admission that it or he is a beneficial owner of any shares of Class A Common Stock covered by this
- (5) Initial Statement of Beneficial Ownership of Securities on Form 3. Each of the Reporting Persons, other than H.I.G. AERT, LLC, disclaims beneficial ownership of the shares, except to the extent of its or his pecuniary interest in the shares.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.