

ADVANCED ENVIRONMENTAL RECYCLING TECHNOLOGIES INC
Form SC 13D/A
April 01, 2016

UNITED STATES
SECURITIES & EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D/A
Under the Securities Exchange Act of 1934
(Amendment No. 3)*

ADVANCED ENVIRONMENTAL RECYCLING TECHNOLOGIES, INC.

(Name of Issuer)

Class A Common Stock, par value \$0.01 per share

(Title of Class of Securities)

00794-71-04

(CUSIP Number)

H.I.G. AERT, LLC

H.I.G. Capital Partners IV, L.P.

Bayside Opportunity Fund, L.P.

H.I.G. Advisors IV, LLC

Bayside Opportunity Advisors, LLC

H.I.G.- GPII, Inc.

Sami W. Mnaymneh

Anthony A. Tamer

c/o H.I.G. Capital, LLC

1450 Brickell Avenue, 31st Floor

Miami, FL 33131

(305) 379-2322

Attention: Richard H. Siegel, Esq.

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

March 31, 2016

(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. "

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See § 13d-7(b) for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, *see* the Notes).

CUSIP No.: 00794-71-04

1. NAME OF REPORTING PERSON

H.I.G. AERT, LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a) (b)

3. SEC USE ONLY

4. SOURCE OF FUNDS (SEE INSTRUCTIONS)

OO(1)

5. CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF 7. SOLE VOTING POWER

SHARES

BENEFICIALLY 384,723,906 (2)

8. SHARED VOTING POWER

OWNED BY

EACH

0

REPORTING 9. SOLE DISPOSITIVE POWER

PERSON

WITH 384,723,906 (2)

10. SHARED DISPOSITIVE POWER

0

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

384,723,906 (2)

12. CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) ..

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

83.8% (3)

14. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

OO

- (1) 288,945,210 of the shares of Class A Common Stock, par value \$0.01 per share (Common Stock), reported in this filing are beneficially owned by H.I.G. AERT, LLC (H.I.G. AERT) as the result of a reclassification transaction by Advanced Environmental Recycling Technologies, Inc. (the Issuer) on March 18, 2011, pursuant to which the Issuer issued equity securities to H.I.G. AERT in exchange for (i) an aggregate of \$20,524,149 of principal and accrued interest of certain debt previously owed by the Issuer to H.I.G. AERT; (ii) the transfer to and cancellation by the Issuer of 315,273.4 shares of Series D Convertible Preferred Stock (the Series D Preferred Stock) of the Issuer that were previously held by H.I.G. AERT; and (iii) the surrender to and cancellation by the Issuer of certain warrants to purchase an aggregate of 1,515,155 shares of Common Stock of the Issuer that were previously held by H.I.G. AERT. 95,778,696 of the shares of Common Stock reported in this filing are issuable to H.I.G. AERT upon conversion of \$7,183,404 dividends accrued on shares of Series E Convertible Preferred Stock, par value \$0.01 per share (the Series E Preferred Stock). No additional sources of funds were used by H.I.G. AERT in acquiring beneficial ownership of the shares of the Issuer's Common Stock.
- (2) The aggregate amount of shares of the Issuer's Common Stock beneficially owned by H.I.G. AERT is comprised of the following: (i) 15,289,890 shares of the Issuer's Common Stock issued to H.I.G. AERT, pursuant to that certain Series D Preferred Stock Exchange Agreement, dated as of March 18, 2011, by and between the Issuer and H.I.G. AERT (the Series D Exchange Agreement), in exchange for the transfer to and cancellation by the Issuer of an aggregate of 315,273.4 shares of Series D Preferred Stock and the surrender to and cancellation by the Issuer of warrants to purchase an aggregate of 1,515,155 shares of Common Stock of the Issuer that were previously held by H.I.G. AERT; (ii) 20,524.149 shares of Series E Preferred Stock, currently convertible into 273,655,330 shares of the Issuer's Common Stock, that were issued to H.I.G. AERT in exchange for an aggregate of \$20,524,149 of principal and accrued interest of certain debt previously owed by the Issuer to H.I.G. AERT, pursuant to that certain Securities Exchange Agreement, dated as of March 18, 2011, by and between the Issuer and H.I.G. AERT (the Series E Exchange Agreement), and (iii) 95,778,696 shares of Common Stock that are issuable to H.I.G. AERT upon conversion of \$7,183,404 dividends accrued on shares of Series E Preferred Stock. The 15,289,890 shares of Common Stock and the 20,524.149 shares of Series E Preferred Stock are held directly by H.I.G. AERT. The number of shares of Common Stock of the Issuer issuable upon conversion of the Series E Preferred Stock is subject to adjustment pursuant to the terms of the Certificate of Designations of the Series E

Preferred Stock.

- (3) Percentage of class is calculated based on an aggregate of 89,631,162 shares of Common Stock of the Issuer issued and outstanding as of February 26, 2016, as reported in the Issuer's Annual Report on Form 10-K for the year ended December 31, 2015, as filed with the Securities and Exchange Commission on March 10, 2016, 273,655,320 shares of Common Stock of the Issuer currently issuable upon conversion of 20,524.149 shares of Series E Preferred Stock issued to H.I.G. AERT pursuant to the Series E Exchange Agreement, and 95,778,696 shares of Common Stock issuable upon conversion of \$7,183,404 dividends accrued on shares of Series E Preferred Stock. The number of shares of Common Stock of the Issuer issuable upon conversion of the Series E Preferred Stock is subject to adjustment pursuant to the terms of the Certificate of Designations of the Series E Preferred Stock.

- 2 -

CUSIP No.: 00794-71-04

1. NAME OF REPORTING PERSON

H.I.G. Capital Partners IV, L.P.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a) (b)

3. SEC USE ONLY

4. SOURCE OF FUNDS (SEE INSTRUCTIONS)

OO(1)

5. CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF 7. SOLE VOTING POWER

SHARES

BENEFICIALLY 384,723,906 (2)

8. SHARED VOTING POWER

OWNED BY

EACH

0

REPORTING 9. SOLE DISPOSITIVE POWER

PERSON

WITH

384,723,906 (2)

10. SHARED DISPOSITIVE POWER

0

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

384,723,906 (2)

12. CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) ..

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

83.8% (3)

14. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN

- (1) 288,945,210 of the shares of Common Stock reported in this filing are beneficially owned by H.I.G. AERT as the result of a reclassification transaction by the Issuer on March 18, 2011, pursuant to which the Issuer issued equity securities to H.I.G. AERT in exchange for (i) an aggregate of \$20,524,149 of principal and accrued interest of certain debt previously owed by the Issuer to H.I.G. AERT; (ii) the transfer to and cancellation by the Issuer of 315,273.4 shares of Series D Preferred Stock of the Issuer that were previously held by H.I.G. AERT; and (iii) the surrender to and cancellation by the Issuer of certain warrants to purchase an aggregate of 1,515,155 shares of Common Stock of the Issuer that were previously held by H.I.G. AERT. 95,778,696 of the shares of Common Stock reported in this filing are issuable to H.I.G. AERT upon conversion of \$7,183,404 dividends accrued on shares of Series E Preferred Stock. No additional sources of funds were used by H.I.G. AERT in acquiring beneficial ownership of the shares of the Issuer's Common Stock.
- (2) H.I.G. Capital Partners IV, L.P. holds directly 56.8% of the equity interests of H.I.G. AERT and may therefore be deemed to be the beneficial owner of the 15,289,890 shares of Common Stock, the 273,655,320 shares of Common Stock currently issuable upon conversion of 20,524.149 shares of Series E Preferred Stock held directly by H.I.G. AERT, and the 95,778,696 shares of Common Stock issuable upon conversion of \$7,183,404 dividends accrued on shares of Series E Preferred Stock. Neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission by H.I.G. Capital Partners IV, L.P. that it is the beneficial owner of any shares of Common Stock referred to herein for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), or for any other purpose, and such beneficial ownership is expressly disclaimed by H.I.G. Capital Partners IV, L.P., except to the extent of its pecuniary interest in the shares of Common Stock.
- (3) Percentage of class is calculated based on an aggregate of 89,631,162 shares of Common Stock of the Issuer issued and outstanding as of February 26, 2016, as reported in the Issuer's Annual Report on Form 10-K for the year ended December 31, 2015, as filed with the Securities and Exchange Commission on March 10, 2016, 273,655,320 shares of Common Stock of the Issuer currently issuable upon conversion of 20,524.149 shares of Series E Preferred Stock issued to H.I.G. AERT pursuant to the Series E Exchange Agreement, and 95,778,696 shares of Common Stock issuable upon conversion of \$7,183,404 dividends accrued on shares of Series E

Preferred Stock. The number of shares of Common Stock of the Issuer issuable upon conversion of the Series E Preferred Stock is subject to adjustment pursuant to the terms of the Certificate of Designations of the Series E Preferred Stock.

CUSIP No.: 00794-71-04

1. NAME OF REPORTING PERSON

Bayside Opportunity Fund, L.P.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a) (b)

3. SEC USE ONLY

4. SOURCE OF FUNDS (SEE INSTRUCTIONS)

OO(1)

5. CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7. SOLE VOTING POWER

NUMBER OF

SHARES

384,723,906 (2)

BENEFICIALLY

8. SHARED VOTING POWER

OWNED BY

EACH

0

9. SOLE DISPOSITIVE POWER

REPORTING

PERSON

384,723,906 (2)

WITH

10. SHARED DISPOSITIVE POWER

0

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

384,723,906 (2)

12. CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) ..

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

83.8% (3)

14. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN

- (1) 288,945,210 of the shares of Common Stock reported in this filing are beneficially owned by H.I.G. AERT as the result of a reclassification transaction by the Issuer on March 18, 2011, pursuant to which the Issuer issued equity securities to H.I.G. AERT in exchange for (i) an aggregate of \$20,524,149 of principal and accrued interest of certain debt previously owed by the Issuer to H.I.G. AERT; (ii) the transfer to and cancellation by the Issuer of 315,273.4 shares of Series D Preferred Stock of the Issuer that were previously held by H.I.G. AERT; and (iii) the surrender to and cancellation by the Issuer of certain warrants to purchase an aggregate of 1,515,155 shares of Common Stock of the Issuer that were previously held by H.I.G. AERT. 95,778,696 of the shares of Common Stock reported in this filing are issuable to H.I.G. AERT upon conversion of \$7,183,404 dividends accrued on shares of Series E Preferred Stock. No additional sources of funds were used by H.I.G. AERT in acquiring beneficial ownership of the shares of the Issuer's Common Stock.
- (2) Bayside Opportunity Fund, L.P. holds directly 29.9% of the equity interests of H.I.G. AERT and may therefore be deemed to be the beneficial owner of the 15,289,890 shares of Common Stock, the 273,655,320 shares of Common Stock currently issuable upon conversion of 20,524.149 shares of Series E Preferred Stock held directly by H.I.G. AERT, and the 95,778,696 shares of Common Stock issuable upon conversion of \$7,183,404 dividends accrued on shares of Series E Preferred Stock. Neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission by Bayside Opportunity Fund, L.P. that it is the beneficial owner of any shares of Common Stock referred to herein for purposes of Section 13(d) of the Exchange Act or for any other purpose, and such beneficial ownership is expressly disclaimed by Bayside Opportunity Fund, L.P., except to the extent of its pecuniary interest in the shares of Common Stock.
- (3) Percentage of class is calculated based on an aggregate of 89,631,162 shares of Common Stock of the Issuer issued and outstanding as of February 26, 2016, as reported in the Issuer's Annual Report on Form 10-K for the year ended December 31, 2015, as filed with the Securities and Exchange Commission on March 10, 2016, 273,655,320 shares of Common Stock of the Issuer currently issuable upon conversion of 20,524.149 shares of Series E Preferred Stock issued to H.I.G. AERT pursuant to the Series E Exchange Agreement, and 95,778,696 shares of Common Stock issuable upon conversion of \$7,183,404 dividends accrued on shares of Series E Preferred Stock. The number of shares of Common Stock of the Issuer issuable upon conversion of the Series E

Preferred Stock is subject to adjustment pursuant to the terms of the Certificate of Designations of the Series E Preferred Stock.

CUSIP No.: 00794-71-04

1. NAME OF REPORTING PERSON

H.I.G. Advisors IV, LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a) (b)

3. SEC USE ONLY

4. SOURCE OF FUNDS (SEE INSTRUCTIONS)

OO(1)

5. CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7. SOLE VOTING POWER

NUMBER OF

SHARES

384,723,906 (2)

BENEFICIALLY

8. SHARED VOTING POWER

OWNED BY

EACH

0

9. SOLE DISPOSITIVE POWER

REPORTING

PERSON

384,723,906 (2)

WITH

10. SHARED DISPOSITIVE POWER

0

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

384,723,906 (2)

12. CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) ..

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

83.8% (3)

14. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

OO

- (1) 288,945,210 of the shares of Common Stock reported in this filing are beneficially owned by H.I.G. AERT as the result of a reclassification transaction by the Issuer on March 18, 2011, pursuant to which the Issuer issued equity securities to H.I.G. AERT in exchange for (i) an aggregate of \$20,524,149 of principal and accrued interest of certain debt previously owed by the Issuer to H.I.G. AERT; (ii) the transfer to and cancellation by the Issuer of 315,273.4 shares of Series D Preferred Stock of the Issuer that were previously held by H.I.G. AERT; and (iii) the surrender to and cancellation by the Issuer of certain warrants to purchase an aggregate of 1,515,155 shares of Common Stock of the Issuer that were previously held by H.I.G. AERT. 95,778,696 of the shares of Common Stock reported in this filing are issuable to H.I.G. AERT upon conversion of \$7,183,404 dividends accrued on shares of Series E Preferred Stock. No additional sources of funds were used by H.I.G. AERT in acquiring beneficial ownership of the shares of the Issuer's Common Stock.
- (2) H.I.G. Advisors IV, LLC is a general partner of H.I.G. Capital Partners IV, L.P. H.I.G. Capital Partners IV, L.P. holds directly 56.8% of the equity interests of H.I.G. AERT. H.I.G. Advisors IV, LLC may therefore be deemed to be the beneficial owner of the 15,289,890 shares of Common Stock, the 273,655,320 shares of Common Stock currently issuable upon conversion of 20,524.149 shares of Series E Preferred Stock held directly by H.I.G. AERT, and the 95,778,696 shares of Common Stock issuable upon conversion of \$7,183,404 dividends accrued on shares of Series E Preferred Stock. Neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission by H.I.G. Advisors IV, LLC that it is the beneficial owner of any shares of Common Stock referred to herein for purposes of Section 13(d) of the Exchange Act or for any other purpose, and such beneficial ownership is expressly disclaimed by H.I.G. Advisors IV, LLC, except to the extent of its pecuniary interest in the shares of Common Stock.
- (3) Percentage of class is calculated based on an aggregate of 89,631,162 shares of Common Stock of the Issuer issued and outstanding as of February 26, 2016, as reported in the Issuer's Annual Report on Form 10-K for the year ended December 31, 2015, as filed with the Securities and Exchange Commission on March 10, 2016, 273,655,320 shares of Common Stock of the Issuer currently issuable upon conversion of 20,524.149 shares of Series E Preferred Stock issued to H.I.G. AERT pursuant to the Series E Exchange Agreement, and 95,778,696 shares of Common Stock issuable upon conversion of \$7,183,404 dividends accrued on shares of Series E

Preferred Stock. The number of shares of Common Stock of the Issuer issuable upon conversion of the Series E Preferred Stock is subject to adjustment pursuant to the terms of the Certificate of Designations of the Series E Preferred Stock.

CUSIP No.: 00794-71-04

1. NAME OF REPORTING PERSON

Bayside Opportunity Advisors, LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a) (b)

3. SEC USE ONLY

4. SOURCE OF FUNDS (SEE INSTRUCTIONS)

OO(1)

5. CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7. SOLE VOTING POWER

NUMBER OF

SHARES

384,723,906 (2)

BENEFICIALLY

8. SHARED VOTING POWER

OWNED BY

EACH

0

9. SOLE DISPOSITIVE POWER

REPORTING

PERSON

384,723,906 (2)

WITH

10. SHARED DISPOSITIVE POWER

0

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

384,723,906 (2)

12. CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) ..

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

83.8% (3)

14. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

OO

- (1) 288,945,210 of the shares of Common Stock reported in this filing are beneficially owned by H.I.G. AERT as the result of a reclassification transaction by the Issuer on March 18, 2011, pursuant to which the Issuer issued equity securities to H.I.G. AERT in exchange for (i) an aggregate of \$20,524,149 of principal and accrued interest of certain debt previously owed by the Issuer to H.I.G. AERT; (ii) the transfer to and cancellation by the Issuer of 315,273.4 shares of Series D Preferred Stock of the Issuer that were previously held by H.I.G. AERT; and (iii) the surrender to and cancellation by the Issuer of certain warrants to purchase an aggregate of 1,515,155 shares of Common Stock of the Issuer that were previously held by H.I.G. AERT. 95,778,696 of the shares of Common Stock reported in this filing are issuable to H.I.G. AERT upon conversion of \$7,183,404 dividends accrued on shares of Series E Preferred Stock. No additional sources of funds were used by H.I.G. AERT in acquiring beneficial ownership of the shares of the Issuer's Common Stock.
- (2) Bayside Opportunity Advisors, LLC is the general partner of Bayside Opportunity Fund, L.P. Bayside Opportunity Fund, L.P. holds directly 29.9% of the equity interests of H.I.G. AERT. Bayside Opportunity Advisors, LLC may therefore be deemed to be the beneficial owner of the 15,289,890 shares of Common Stock, the 273,655,320 shares of Common Stock currently issuable upon conversion of 20,524.149 shares of Series E Preferred Stock held directly by H.I.G. AERT, and the 95,778,696 shares of Common Stock issuable upon conversion of \$7,183,404 dividends accrued on shares of Series E Preferred Stock. Neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission by Bayside Opportunity Advisors, LLC that it is the beneficial owner of any shares of Common Stock referred to herein for purposes of Section 13(d) of the Exchange Act or for any other purpose, and such beneficial ownership is expressly disclaimed by Bayside Opportunity Advisors, LLC, except to the extent of its pecuniary interest in the shares of Common Stock.
- (3) Percentage of class is calculated based on an aggregate of 89,631,162 shares of Common Stock of the Issuer issued and outstanding as of February 26, 2016, as reported in the Issuer's Annual Report on Form 10-K for the year ended December 31, 2015, as filed with the Securities and Exchange Commission on March 10, 2016, 273,655,320 shares of Common Stock of the Issuer currently issuable upon conversion of 20,524.149 shares of Series E Preferred Stock issued to H.I.G. AERT pursuant to the Series E Exchange Agreement, and 95,778,696

shares of Common Stock issuable upon conversion of \$7,183,404 dividends accrued on shares of Series E Preferred Stock. The number of shares of Common Stock of the Issuer issuable upon conversion of the Series E Preferred Stock is subject to adjustment pursuant to the terms of the Certificate of Designations of the Series E Preferred Stock.

CUSIP No.: 00794-71-04

1. NAME OF REPORTING PERSON

H.I.G.- GPII, Inc.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a) (b)

3. SEC USE ONLY

4. SOURCE OF FUNDS (SEE INSTRUCTIONS)

OO(1)

5. CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7. SOLE VOTING POWER

NUMBER OF

SHARES

384,723,906 (2)

BENEFICIALLY

8. SHARED VOTING POWER

OWNED BY

EACH

0

9. SOLE DISPOSITIVE POWER

REPORTING

PERSON

384,723,906 (2)

WITH

10. SHARED DISPOSITIVE POWER

0

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

384,723,906 (2)

12. CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) ..

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

83.8% (3)

14. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

CO

- (1) 288,945,210 of the shares of Common Stock reported in this filing are beneficially owned by H.I.G. AERT as the result of a reclassification transaction by the Issuer on March 18, 2011, pursuant to which the Issuer issued equity securities to H.I.G. AERT in exchange for (i) an aggregate of \$20,524,149 of principal and accrued interest of certain debt previously owed by the Issuer to H.I.G. AERT; (ii) the transfer to and cancellation by the Issuer of 315,273.4 shares of Series D Preferred Stock of the Issuer that were previously held by H.I.G. AERT; and (iii) the surrender to and cancellation by the Issuer of certain warrants to purchase an aggregate of 1,515,155 shares of Common Stock of the Issuer that were previously held by H.I.G. AERT. 95,778,696 of the shares of Common Stock reported in this filing are issuable to H.I.G. AERT upon conversion of \$7,183,404 dividends accrued on shares of Series E Preferred Stock. No additional sources of funds were used by H.I.G. AERT in acquiring beneficial ownership of the shares of the Issuer's Common Stock.
- (2) H.I.G.- GPII, Inc. is the manager of each of H.I.G. Advisors IV, LLC and Bayside Opportunity Advisors, LLC, which are general partners of each of H.I.G. Capital Partners IV, L.P. and Bayside Opportunity Fund, L.P., respectively. H.I.G. Capital Partners IV, L.P. and Bayside Opportunity Fund, L.P. hold directly 56.8% and 29.9%, respectively, of the equity interests of H.I.G. AERT. H.I.G.- GPII, Inc. may therefore be deemed to be the beneficial owner of the 15,289,890 shares of Common Stock, the 273,655,320 shares of Common Stock currently issuable upon conversion of 20,524.149 shares of Series E Preferred Stock held directly by H.I.G. AERT, and the 95,778,696 shares of Common Stock issuable upon conversion of \$7,183,404 dividends accrued on shares of Series E Preferred Stock. Neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission by H.I.G.- GPII, Inc. that it is the beneficial owner of any shares of Common Stock referred to herein for purposes of Section 13(d) of the Exchange Act or for any other purpose, and such beneficial ownership is expressly disclaimed by H.I.G.- GPII, Inc., except to the extent of its pecuniary interest in the shares of Common Stock.
- (3) Percentage of class is calculated based on an aggregate of 89,631,162 shares of Common Stock of the Issuer issued and outstanding as of February 26, 2016, as reported in the Issuer's Annual Report on Form 10-K for the year ended December 31, 2015, as filed with the Securities and Exchange Commission on March 10, 2016, 273,655,320 shares of Common Stock of the Issuer currently issuable upon conversion of 20,524.149 shares of

Series E Preferred Stock issued to H.I.G. AERT pursuant to the Series E Exchange Agreement, and 95,778,696 shares of Common Stock issuable upon conversion of \$7,183,404 dividends accrued on shares of Series E Preferred Stock. The number of shares of Common Stock of the Issuer issuable upon conversion of the Series E Preferred Stock is subject to adjustment pursuant to the terms of the Certificate of Designations of the Series E Preferred Stock.

CUSIP No.: 00794-71-04

1. NAME OF REPORTING PERSON

Sami W. Mnaymneh

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a) (b)

3. SEC USE ONLY

4. SOURCE OF FUNDS (SEE INSTRUCTIONS)

OO(1)

5. CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

United States of America

NUMBER OF 7. SOLE VOTING POWER

SHARES

BENEFICIALLY 384,723,906 (2)

8. SHARED VOTING POWER

OWNED BY

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REPORTING 9. SOLE DISPOSITIVE POWER

PERSON

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384,723,906 (2)

10. SHARED DISPOSITIVE POWER

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11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

83.8% (3)

14. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IN

- (1) 288,945,210 of the shares of Common Stock reported in this filing are beneficially owned by H.I.G. AERT as the result of a reclassification transaction by the Issuer on March 18, 2011, pursuant to which the Issuer issued equity securities to H.I.G. AERT in exchange for (i) an aggregate of \$20,524,149 of principal and accrued interest of certain debt previously owed by the Issuer to H.I.G. AERT; (ii) the transfer to and cancellation by the Issuer of 315,273.4 shares of Series D Preferred Stock of the Issuer that were previously held by H.I.G. AERT; and (iii) the surrender to and cancellation by the Issuer of certain warrants to purchase an aggregate of 1,515,155 shares of Common Stock of the Issuer that were previously held by H.I.G. AERT. 95,778,696 of the shares of Common Stock reported in this filing are issuable to H.I.G. AERT upon conversion of \$7,183,404 dividends accrued on shares of Series E Preferred Stock. No additional sources of funds were used by H.I.G. AERT in acquiring beneficial ownership of the shares of the Issuer's Common Stock.
- (2) Mr. Mnaymneh is the co-president and director of H.I.G.- GPII, Inc. and may therefore be deemed to be the beneficial owner of the 15,289,890 shares of Common Stock, the 273,655,320 shares of Common Stock currently issuable upon conversion of 20,524.149 shares of Series E Preferred Stock held directly by H.I.G. AERT, and the 95,778,696 shares of Common Stock issuable upon conversion of \$7,183,404 dividends accrued on shares of Series E Preferred Stock. Neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission by Mr. Mnaymneh that he is the beneficial owner of any shares of Common Stock referred to herein for purposes of Section 13(d) of the Exchange Act, or for any other purpose, and such beneficial ownership is expressly disclaimed by Mr. Mnaymneh, except to the extent of his pecuniary interest in the shares of Common Stock.
- (3) Percentage of class is calculated based on an aggregate of 89,631,162 shares of Common Stock of the Issuer issued and outstanding as of February 26, 2016, as reported in the Issuer's Annual Report on Form 10-K for the year ended December 31, 2015, as filed with the Securities and Exchange Commission on March 10, 2016, 273,655,320 shares of Common Stock of the Issuer currently issuable upon conversion of 20,524.149 shares of Series E Preferred Stock issued to H.I.G. AERT pursuant to the Series E Exchange Agreement, and 95,778,696 shares of Common Stock issuable upon conversion of \$7,183,404 dividends accrued on shares of Series E

Preferred Stock. The number of shares of Common Stock of the Issuer issuable upon conversion of the Series E Preferred Stock is subject to adjustment pursuant to the terms of the Certificate of Designations of the Series E Preferred Stock.

CUSIP No.: 00794-71-04

1. NAME OF REPORTING PERSON

Anthony A. Tamer

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a) (b)

3. SEC USE ONLY

4. SOURCE OF FUNDS (SEE INSTRUCTIONS)

OO(1)

5. CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

United States of America

NUMBER OF 7. SOLE VOTING POWER

SHARES

BENEFICIALLY 384,723,906 (2)

8. SHARED VOTING POWER

OWNED BY

EACH

0

REPORTING 9. SOLE DISPOSITIVE POWER

PERSON

WITH 384,723,906 (2)

10. SHARED DISPOSITIVE POWER

0

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

384,723,906 (2)

12. CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) ..

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

83.8% (3)

14. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IN

- (1) 288,945,210 of the shares of Common Stock reported in this filing are beneficially owned by H.I.G. AERT as the result of a reclassification transaction by the Issuer on March 18, 2011, pursuant to which the Issuer issued equity securities to H.I.G. AERT in exchange for (i) an aggregate of \$20,524,149 of principal and accrued interest of certain debt previously owed by the Issuer to H.I.G. AERT; (ii) the transfer to and cancellation by the Issuer of 315,273.4 shares of Series D Preferred Stock of the Issuer that were previously held by H.I.G. AERT; and (iii) the surrender to and cancellation by the Issuer of certain warrants to purchase an aggregate of 1,515,155 shares of Common Stock of the Issuer that were previously held by H.I.G. AERT. 95,778,696 of the shares of Common Stock reported in this filing are issuable to H.I.G. AERT upon conversion of \$7,183,404 dividends accrued on shares of Series E Preferred Stock. No additional sources of funds were used by H.I.G. AERT in acquiring beneficial ownership of the shares of the Issuer's Common Stock.
- (2) Mr. Tamer is the co-president and director of H.I.G.- GPII, Inc. and may therefore be deemed to be the beneficial owner of the 15,289,890 shares of Common Stock, the 273,655,320 shares of Common Stock currently issuable upon conversion of 20,524.149 shares of Series E Preferred Stock held directly by H.I.G. AERT, and the 95,778,696 shares of Common Stock issuable upon conversion of \$7,183,404 dividends accrued on shares of Series E Preferred Stock. Neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission by Mr. Tamer that he is the beneficial owner of any shares of Common Stock referred to herein for purposes of Section 13(d) of the Exchange Act, or for any other purpose, and such beneficial ownership is expressly disclaimed by Mr. Tamer, except to the extent of his pecuniary interest in the shares of Common Stock.
- (3) Percentage of class is calculated based on an aggregate of 89,631,162 shares of Common Stock of the Issuer issued and outstanding as of February 26, 2016, as reported in the Issuer's Annual Report on Form 10-K for the year ended December 31, 2015, as filed with the Securities and Exchange Commission on March 10, 2016, 273,655,320 shares of Common Stock of the Issuer currently issuable upon conversion of 20,524.149 shares of Series E Preferred Stock issued to H.I.G. AERT pursuant to the Series E Exchange Agreement, and 95,778,696 shares of Common Stock issuable upon conversion of \$7,183,404 dividends accrued on shares of Series E

Preferred Stock. The number of shares of Common Stock of the Issuer issuable upon conversion of the Series E Preferred Stock is subject to adjustment pursuant to the terms of the Certificate of Designations of the Series E Preferred Stock.

All information in this Amendment No. 3 to Schedule 13D is being supplied solely by the Reporting Persons and only the Reporting Persons shall be deemed responsible for the accuracy of such information. This Amendment No. 3 to Schedule 13D is being filed by H.I.G. AERT, LLC, H.I.G. Capital Partners IV, L.P., Bayside Opportunity Fund, L.P., H.I.G. Advisors IV, LLC, Bayside Opportunity Advisors, LLC, H.I.G.- GPII, Inc., Sami W. Mnaymneh and Anthony A. Tamer pursuant to Rule 13d-2(a) under the Securities Exchange Act of 1934, as amended. This Amendment No. 3 to Schedule 13D amends and supplements the Schedule 13D as filed jointly by H.I.G. AERT, LLC, H.I.G. Capital Partners IV, L.P., Bayside Opportunity Fund, L.P., H.I.G. Advisors IV, LLC, Bayside Opportunity Advisors, LLC, H.I.G.- GPII, Inc., Sami W. Mnaymneh and Anthony A. Tamer with the Securities and Exchange Commission on March 22, 2011, as amended by (i) Amendment No. 1 to Schedule 13D filed jointly by the Reporting Persons with the Securities and Exchange Commission on February 23, 2012, and (ii) Amendment No. 2 to Schedule 13D filed jointly by the Reporting Persons with the Securities and Exchange Commission on February 26, 2015 (as so amended, the Initial Schedule 13D). Unless set forth below, all previous Items set forth in the Initial Schedule 13D are unchanged. All capitalized terms used herein that are not defined herein have the meanings for such terms set forth in the Initial Schedule 13D.

ITEM 2. Identity and Background.

The disclosure in Item 2 of the Initial Schedule 13D is hereby amended and restated in its entirety as follows:

(a), (b), (c) and (f). This Schedule 13D is being filed jointly by H.I.G. AERT, LLC, a Delaware limited liability company (H.I.G. AERT), H.I.G. Capital Partners IV, L.P., a Delaware limited partnership (H.I.G. Capital Partners IV), Bayside Opportunity Fund, L.P., a Delaware limited partnership (Bayside Opportunity Fund, L.P.), H.I.G. Advisors IV, LLC, a Delaware limited liability company (H.I.G. Advisors IV), Bayside Opportunity Advisors, LLC, a Delaware limited liability company (Bayside Opportunity Advisors, LLC), H.I.G.- GPII, Inc., a Delaware corporation (H.I.G.- GPII), Sami W. Mnaymneh and Anthony A. Tamer (together with H.I.G. AERT, H.I.G. Capital Partners IV, Bayside Opportunity Fund, L.P., H.I.G. Advisors IV, Bayside Opportunity Advisors, LLC, H.I.G.- GPII and Sami W. Mnaymneh, the Reporting Persons), pursuant to the provisions of Rule 13d-1(k)(1) under the Securities Exchange Act of 1934, as amended (the Exchange Act), as separate persons and not as members of a group. See Exhibit 1 for their Joint Filing Agreement.

H.I.G. AERT, LLC

H.I.G. AERT, LLC is a Delaware limited liability company, which was formed for the purpose of holding securities of the Issuer. The principal business address of H.I.G. AERT is located at 500 Boylston Street, Suite 2000, Boston, MA 02116. H.I.G. AERT does not have any directors or executive officers.

H.I.G. Capital Partners IV, L.P.

H.I.G. Capital Partners IV, L.P. is a Delaware limited partnership, whose business is making private equity investments. The principal business address of H.I.G. Capital Partners IV is 1450 Brickell Avenue, 31st Floor, Miami, FL 33131. H.I.G. Capital Partners IV holds directly 56.8% of the equity interests of H.I.G. AERT. H.I.G. Capital Partners IV does not have any directors or executive officers.

Bayside Opportunity Fund, L.P.

Bayside Opportunity Fund, L.P. is a Delaware limited partnership, whose business is making investments in distressed securities. The principal business address of Bayside Opportunity Fund, L.P. is 1450 Brickell Avenue, 31st Floor, Miami, FL 33131. Bayside Opportunity Fund, L.P. holds directly 29.9% of the equity interests of H.I.G. AERT. Bayside Opportunity Fund, L.P. does not have any directors or executive officers.

H.I.G. Advisors IV, LLC

H.I.G. Advisors IV, LLC is a Delaware limited liability company, whose business is making private equity investments. The principal business address of H.I.G. Advisors IV is 1450 Brickell Avenue, 31st Floor, Miami, FL 33131. H.I.G. Advisors IV is the general partner of H.I.G. Capital Partners IV. H.I.G. Advisors IV does not have any directors or executive officers.

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Bayside Opportunity Advisors, LLC

Bayside Opportunity Advisors, LLC is a Delaware limited liability company, whose business is making private investments in distressed securities. The principal business address of Bayside Opportunity Advisors, LLC is 1450 Brickell Avenue, 31st Floor, Miami, FL 33131. Bayside Opportunity Advisors, LLC is the general partner of Bayside Opportunity Fund, L.P. Bayside Opportunity Advisors, LLC does not have any directors or executive officers.

H.I.G.- GPII, Inc.

H.I.G.- GPII, Inc. is a Delaware corporation whose business is making private equity investments. The principal business address of H.I.G.- GPII is 1450 Brickell Avenue, 31st Floor, Miami, FL 33131. H.I.G.- GPII is the manager of H.I.G. Advisors IV and Bayside Opportunity Advisors, LLC.

Information relating to the directors and executive officers of H.I.G.- GPII, Inc. is as follows:

Name and Title	Business Address	Present Principal Occupation or Employment	Country of Citizenship
Mr. Sami W. Mnaymneh, Co-President, Director	H.I.G. Capital, LLC 1450 Brickell Avenue, 31st Floor, Miami, Florida 33131	Co-Chief Executive Officer of H.I.G. Capital, LLC	United States
Mr. Anthony A. Tamer, Co-President Director	H.I.G. Capital, LLC 1450 Brickell Avenue, 31st Floor, Miami, Florida 33131	Co-Chief Executive Officer of H.I.G. Capital, LLC	United States
Mr. Richard H. Siegel, Vice President and General Counsel <i>Sami W. Mnaymneh</i>	H.I.G. Capital, LLC 1450 Brickell Avenue, 31st Floor, Miami, Florida 33131	Vice President and General Counsel of H.I.G. Capital, LLC	United States

The principal occupation of Mr. Mnaymneh is Co-Chief Executive Officer of H.I.G. Capital, LLC. The business address of Mr. Mnaymneh is 1450 Brickell Avenue, 31st Floor, Miami, FL 33131. Mr. Mnaymneh is a U.S. citizen.

Anthony A. Tamer

The principal occupation of Mr. Tamer is Co-Chief Executive Officer of H.I.G. Capital, LLC. The business address of Mr. Tamer is 1450 Brickell Avenue, 31st Floor, Miami, FL 33131. Mr. Tamer is a U.S. citizen.

(d) and (e). During the last five years, none of the Reporting Persons, nor to the best of the Reporting Persons knowledge, any of their directors or executive officers, has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and, as a result of such proceeding, was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws. During the last five years, none of the Reporting Persons, nor to the best of the Reporting Persons knowledge, any of their directors or executive officers, has been

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convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

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ITEM 4. Purpose of Transaction.

The disclosure in Item 4 of the Initial Schedule 13D is hereby amended by inserting the following before the second to last paragraph in Item 4:

Waiver Letters

2015 Waiver Letters

In a letter dated April 13, 2015 (the April 2015 Credit Agreement Waiver Letter), H.I.G. AERT waived the Issuer's failure to meet certain leverage ratio and minimum EBITDA requirements for the four fiscal quarters ended March 31, 2015 (the April 2015 Specified Events of Default), and waived its corresponding rights and remedies under the Credit Agreement arising as a result of the April 2015 Specified Events of Default. Additionally, in a letter dated April 13, 2015 (the April 2015 Series E Waiver Letter), H.I.G. AERT acknowledged the April 2015 Specified Events of Default, each of which constitutes a Triggering Event and gives H.I.G. AERT the right to require the Issuer to redeem all or any portion of its shares of Series E Preferred Stock in accordance with the terms of the Certificate of Designations. Pursuant to the April 2015 Series E Waiver Letter, H.I.G. AERT waived its rights to require the Issuer to redeem all or any portion of its shares of Series E Preferred Stock solely as a result of the April 2015 Specified Events of Default.

Furthermore, in a letter dated April 13, 2015 (the April 2015 Interest Waiver Letter), H.I.G. AERT waived the Issuer's failure to begin paying cash interest on the Series A Term Loan beginning on March 17, 2013 and on the Series B Term Loan and waived its corresponding rights and remedies under the Credit Agreement arising as a result of such failure. H.I.G. AERT waived such failures until April 1, 2015.

In a letter dated July 9, 2015 (the July 2015 Credit Agreement Waiver Letter), H.I.G. AERT waived the Issuer's failure to meet certain leverage ratio, fixed charge coverage ratio, minimum EBITDA and maximum capital expenditure requirements for the four fiscal quarters ended June 30, 2015 (the July 2015 Specified Events of Default), and waived its corresponding rights and remedies under the Credit Agreement arising as a result of the July 2015 Specified Events of Default. Additionally, in a letter dated July 9, 2015 (the July 2015 Series E Waiver Letter), H.I.G. AERT acknowledged the July 2015 Specified Events of Default, each of which constitutes a Triggering Event and gives H.I.G. AERT the right to require the Issuer to redeem all or any portion of its shares of Series E Preferred Stock in accordance with the terms of the Certificate of Designations. Pursuant to the July 2015 Series E Waiver Letter, H.I.G. AERT waived its rights to require the Issuer to redeem all or any portion of its shares of Series E Preferred Stock solely as a result of the July 2015 Specified Events of Default.

Furthermore, in a letter dated July 29, 2015 (the July 2015 Interest Waiver Letter), H.I.G. AERT waived the Issuer's failure to begin paying cash interest on the Series A Term Loan beginning on March 17, 2013 and on the Series B Term Loan and waived its corresponding rights and remedies under the Credit Agreement arising as a result of such failure. H.I.G. AERT waived such failures until August 12, 2015.

In a letter dated October 9, 2015 (the October 2015 Credit Agreement Waiver Letter), H.I.G. AERT waived the Issuer's failure to meet certain leverage ratio, fixed charge coverage ratio, minimum EBITDA and maximum capital expenditure requirements for the four fiscal quarters ended September 30, 2015 (the September 2015 Specified Events of Default), and waived its corresponding rights and remedies under the Credit Agreement arising as a result of the September 2015 Specified Events of Default. Additionally, in a letter dated October 9, 2015 (the October 2015 Series E Waiver Letter), H.I.G. AERT acknowledged the October 2015 Specified Events of Default, each of which constitutes a Triggering Event and gives H.I.G. AERT the right to require the Issuer to redeem all or any portion of its shares of Series E Preferred Stock in accordance with the terms of the Certificate of Designations. Pursuant to the October 2015 Series E Waiver Letter, H.I.G. AERT waived its rights to require the Issuer to redeem all or any portion of its shares of Series E Preferred Stock solely as a result of the October 2015 Specified Events of Default.

Furthermore, in a letter dated October 9, 2015 (the October 2015 Interest Waiver Letter), H.I.G. AERT waived the Issuer's failure to begin paying cash interest on the Series A Term Loan beginning on March 17, 2013 and on the Series B Term Loan and waived its corresponding rights and remedies under the Credit Agreement arising as a result of such failure. H.I.G. AERT waived such failures until November 17, 2015.

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Fourth Amendment to Credit Agreement

On October 30, 2015, H.I.G. AERT entered into a Fourth Amendment to Credit Agreement with the Issuer and the lenders party to the Credit Agreement (the Fourth Amendment to Credit Agreement). Pursuant to the Fourth Amendment to Credit Agreement, H.I.G. AERT agreed to, among other things: (i) extend the maturity date of the Credit Agreement to April 30, 2021, (ii) reduce the Series A Note payment-in-kind interest rate to 3.25% (with cash interest remaining at 4%), (iii) reduce the Series B Note payment-in-kind interest rate to 5.25% (with cash interest remaining at 4%), (iv) amend the leverage ratio requirement from 3.0:1.0 to 7.50:1.0 for the year ended December 31, 2015, which such leverage ratio continuing to decline in periods after December 31, 2015, (v) amend the fixed charge coverage ratio from 1.5:1.0 to 1.05:1.0 for the year ended December 31, 2015 and periods thereafter, (vi) amend the minimum EBITDA requirement from \$10.0 million to \$5.6 million for the year ended December 31, 2015 and periods thereafter, (vii) amend the capital expenditures ceiling from \$2.5 million to \$4.0 million for the year ended December 31, 2015 and periods thereafter, and (viii) provide that Webster Business Credit Corporation, a creditor of the Issuer, will receive first priority in liens.

2016 Waiver Letters

In a letter dated January 20, 2016 (the January 2016 Credit Agreement Waiver Letter), H.I.G. AERT waived the Issuer's failure to meet certain maximum capital expenditure requirements for the four fiscal quarters ended December 31, 2015 (the January 2016 Specified Event of Default), and waived its corresponding rights and remedies under the Credit Agreement arising as a result of the January 2016 Specified Event of Default. Additionally, in a letter dated January 20, 2016 (the January 2016 Series E Waiver Letter), H.I.G. AERT acknowledged the January 2016 Specified Event of Default, which constitutes a Triggering Event and gives H.I.G. AERT the right to require the Issuer to redeem all or any portion of its shares of Series E Preferred Stock in accordance with the terms of the Certificate of Designations. Pursuant to the January 2016 Series E Waiver Letter, H.I.G. AERT waived its rights to require the Issuer to redeem all or any portion of its shares of Series E Preferred Stock solely as a result of the January 2016 Specified Event of Default.

Furthermore, in a letter dated January 20, 2016 (the January 2016 Interest Waiver Letter), H.I.G. AERT waived the Issuer's failure to begin paying cash interest on the Series A Term Loan beginning on March 17, 2013 and on the Series B Term Loan and waived its corresponding rights and remedies under the Credit Agreement arising as a result of such failure. H.I.G. AERT waived such failures until March 15, 2016.

The foregoing descriptions of the Series D Exchange Agreement, the Series E Exchange Agreement, the Voting Agreement, the Registration Rights Agreement, the 2012 Series E Waiver Letter, the 2012 Credit Agreement Waiver Letter, the 2013 Credit Agreement Waiver Letter, the 2013 Series E Waiver Letter, the 2014 Credit Agreement Waiver Letter, the 2014 Series E Waiver Letter, the 2014 Interest Waiver Letter, the April 2015 Credit Agreement Waiver Letter, the April 2015 Series E Waiver Letter, the April 2015 Interest Waiver Letter, the July 2015 Credit Agreement Waiver Letter, the July 2015 Series E Waiver Letter, the July 2015 Interest Waiver Letter, the October 2015 Credit Agreement Waiver Letter, the October 2015 Series E Waiver Letter, the October 2015 Interest Waiver Letter, the Fourth Amendment to Credit Agreement, the January 2016 Credit Agreement Waiver Letter, the January 2016 Series E Waiver Letter and the January 2016 Interest Waiver Letter are qualified in their entirety by reference to the full texts of the agreements, which are filed as Exhibits 2-25 to this Amendment No. 3 to Schedule 13D and incorporated herein by reference.

ITEM 5. Interest in Securities of the Issuer.

The disclosure in Item 5 of the Initial Schedule 13D is hereby amended and restated in its entirety as follows:

(a) As of the date hereof, H.I.G. AERT beneficially owns: (i) 15,289,890 shares of Common Stock, (ii) 273,655,320 shares of Common Stock currently issuable upon conversion of 20,524,149 shares of Series E Preferred Stock, and (iii) 95,778,696 shares of Common Stock issuable upon conversion of \$7,183,404 dividends accrued on shares of

Series E Preferred Stock. H.I.G. Capital Partners IV and Bayside Opportunity Fund, L.P. hold directly 56.8% and 29.9%, respectively, of the equity interests of H.I.G. AERT. H.I.G. Advisors IV is the general partner of H.I.G. Capital Partners IV. Bayside Opportunity Advisors, LLC is the general partner of Bayside Opportunity Fund, L.P. H.I.G.- GPII. is the manager of each of H.I.G. Advisors IV and Bayside Opportunity Advisors, LLC. Sami W. Mnaymneh and Anthony A. Tamer are co-presidents and directors of H.I.G.- GPII. H.I.G. Capital Partners IV, Bayside Opportunity Fund, L.P., H.I.G. Advisors IV, Bayside Opportunity Advisors, LLC, H.I.G.- GPII, Sami W. Mnaymneh and Anthony A. Tamer may each therefore be deemed to be the beneficial owner of the 15,289,890 shares of Common Stock owned by H.I.G. AERT, the 273,655,320 shares of Common Stock of the Issuer currently issuable upon conversion of 20,524,149 shares of Series E Preferred Stock and the 95,778,696 shares of Common Stock issuable upon conversion of \$7,183,404 dividends accrued on shares of Series E Preferred Stock. Other than with respect to H.I.G. AERT, neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission by any of the Reporting Persons that it or he is the beneficial owner of any shares of Common Stock referred to herein for purposes of Section 13(d) of the Exchange Act or for any other purpose. Each of the Reporting Persons, other than H.I.G. AERT, disclaims beneficial ownership of the shares of Common Stock, except to the extent of its or his pecuniary interest in the shares of Common Stock.

For purposes of this Schedule 13D, the Reporting Persons based the number of outstanding shares of Common Stock of the Issuer on an aggregate of 89,631,162 shares of Common Stock of the Issuer issued and outstanding as of February 26, 2016, as reported in the Issuer's Annual Report on Form 10-K for the year ended December 31, 2015, as filed with the Securities and Exchange Commission on March 10, 2016, 273,655,320 shares of Common Stock currently issuable upon conversion of 20,524,149 shares of Series E Preferred Stock issued to H.I.G. AERT pursuant to the Series E Exchange Agreement, and 95,778,696 shares of Common Stock issuable upon conversion of \$7,183,404 dividends accrued on shares of Series E Preferred Stock. The number of shares of Common Stock of the Issuer issuable upon conversion of the Series E Preferred Stock is subject to adjustment pursuant to the terms of the Certificate of Designations of the Series E Preferred Stock. Based on the foregoing, H.I.G. AERT is deemed to beneficially own 83.8% of the outstanding shares of Common Stock of the Issuer as of the date of this Schedule 13D.

(b) H.I.G. AERT, LLC:

- (1) Sole Voting Power: 384,723,906
- (2) Shared Voting Power: 0
- (3) Sole Dispositive Power: 384,723,906
- (4) Shared Dispositive Power: 0

H.I.G. Capital Partners IV, L.P.:

- (1) Sole Voting Power: 384,723,906
- (2) Shared Voting Power: 0
- (3) Sole Dispositive Power: 384,723,906
- (4) Shared Dispositive Power: 0

Bayside Opportunity Fund, L.P.:

- (1) Sole Voting Power: 384,723,906

(2) Shared Voting Power: 0

(3) Sole Dispositive Power: 384,723,906

(4) Shared Dispositive Power: 0

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H.I.G. Advisors IV, LLC:

- (1) Sole Voting Power: 384,723,906
- (2) Shared Voting Power: 0
- (3) Sole Dispositive Power: 384,723,906
- (4) Shared Dispositive Power: 0

Bayside Opportunity Advisors, LLC:

- (1) Sole Voting Power: 384,723,906
- (2) Shared Voting Power: 0
- (3) Sole Dispositive Power: 384,723,906
- (4) Shared Dispositive Power: 0

H.I.G. GPII, Inc.:

- (1) Sole Voting Power: 384,723,906
- (2) Shared Voting Power: 0
- (3) Sole Dispositive Power: 384,723,906
- (4) Shared Dispositive Power: 0

Sami W. Mnaymneh:

- (1) Sole Voting Power: 384,723,906
- (2) Shared Voting Power: 0
- (3) Sole Dispositive Power: 384,723,906
- (4) Shared Dispositive Power: 0

Anthony A. Tamer:

- (1) Sole Voting Power: 384,723,906
- (2) Shared Voting Power: 0
- (3) Sole Dispositive Power: 384,723,906
- (4) Shared Dispositive Power: 0

(c) The information in Item 4 above is incorporated herein by reference.

(d) Not applicable.

(e) Not applicable.

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ITEM 7. Material to Be Filed as Exhibits.

The disclosure in Item 7 of the Initial Schedule 13D is hereby amended and restated in its entirety as follows:

Exhibit Number	Description
Exhibit 1*	Joint Filing Agreement, dated as of March 22, 2011, by and among H.I.G. AERT, LLC, H.I.G. Capital Partners IV, L.P., H.I.G. Bayside Debt & LBO Fund II, L.P., H.I.G. Advisors IV, LLC, H.I.G. Bayside Advisors II, LLC, H.I.G.- GPII, Inc, Sami W. Mnaymneh and Anthony A. Tamer.
Exhibit 2*	Series D Preferred Stock Exchange Agreement, dated as of March 18, 2011, by and between Advanced Environmental Recycling Technologies, Inc. and H.I.G. AERT, LLC.
Exhibit 3*	Securities Exchange Agreement, dated as of March 18, 2011, by and between Advanced Environmental Recycling Technologies, Inc. and H.I.G. AERT, LLC.
Exhibit 4*	Voting Agreement, dated as of March 18, 2011, by and between Advanced Environmental Recycling Technologies, Inc. and H.I.G. AERT, LLC.
Exhibit 5*	Registration Rights Agreement, dated as of March 18, 2011, by and between Advanced Environmental Recycling Technologies, Inc. and H.I.G. AERT, LLC.
Exhibit 6+	Letter, dated as of February 22, 2012, from H.I.G. AERT, LLC to Advanced Environmental Recycling Technologies, Inc.
Exhibit 7	H.I.G. Waiver of Default dated February 29, 2012.
Exhibit 8	H.I.G Waiver of Default dated January 25, 2013.
Exhibit 9	H.I.G. Waiver of Triggering Event dated February 20, 2013.
Exhibit 10	Waiver of Default H.I.G. Credit Agreement dated January 15, 2014.
Exhibit 11	Waiver of Special Events Defaults per Series E Convertible Preferred Stock Rights dated January 15, 2014.
Exhibit 12	Waiver of Special Events Defaults per Series A Term Loan Interest dated January 15, 2014.
Exhibit 13	Waiver of Default H.I.G. Credit Agreement dated April 13, 2013 (incorporated by reference to Exhibit 10.1 to the Issuer's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015 filed with the Securities and Exchange Commission on May 8, 2015).
Exhibit 14	Waiver of Special Events Defaults per Series E Convertible Preferred Stock Rights dated April 13, 2015 (incorporated by reference to Exhibit 10.3 to the Issuer's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015 filed with the Securities and Exchange Commission on May 8, 2015).

- Exhibit 15 Waiver of Special Events Defaults per Series A & B Term Loan Interest dated April 13, 2015 (incorporated by reference to Exhibit 10.2 to the Issuer's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015 filed with the Securities and Exchange Commission on May 8, 2015).
- Exhibit 16 Waiver of Default H.I.G. Credit Agreement dated July 9, 2015 (incorporated by reference to Exhibit 10.1 to the Issuer's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 filed with the Securities and Exchange Commission on August 11, 2015).
- Exhibit 17 Waiver of Special Events Defaults per Series E Convertible Preferred Stock Rights dated July 9, 2015 (incorporated by reference to Exhibit 10.3 to the Issuer's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 filed with the Securities and Exchange Commission on August 11, 2015).
- Exhibit 18 Waiver of Special Events Defaults per Series A & B Term Loan Interest dated July 29, 2015 (incorporated by reference to Exhibit 10.2 to the Issuer's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 filed with the Securities and Exchange Commission on August 11, 2015).
- Exhibit 19 Waiver of Default H.I.G. Credit Agreement dated October 9, 2015 (incorporated by reference to Exhibit 10.1 to the Issuer's Quarterly Report on Form 10-Q for the quarter ended September 30, 2015 filed with the Securities and Exchange Commission on November 16, 2015).
- Exhibit 20 Waiver of Special Events Defaults per Series E Convertible Preferred Stock Rights dated October 9, 2015 (incorporated by reference to Exhibit 10.3 to the Issuer's Quarterly Report on Form 10-Q for the quarter ended September 30, 2015 filed with the Securities and Exchange Commission on November 16, 2015).
- Exhibit 21 Waiver of Special Events Defaults per Series A & B Term Loan Interest dated October 9, 2015 (incorporated by reference to Exhibit 10.2 to the Issuer's Quarterly Report on Form 10-Q for the quarter ended September 30, 2015 filed with the Securities and Exchange Commission on November 16, 2015).
- Exhibit 22 Fourth Amendment to Credit Agreement dated as of October 30, 2015 among the Company, the lenders party thereto and H.I.G. AERT, LLC.
- Exhibit 23 Waiver of Default H.I.G. Credit Agreement dated January 20, 2016.
- Exhibit 24 Waiver of Special Events Defaults per Series E Convertible Preferred Stock Rights dated January 20, 2016.
- Exhibit 25 Waiver of Special Events Defaults per Series A & B Term Loan Interest dated January 20, 2016.

* Incorporated by reference to the exhibits to the Schedule 13D filed by the Reporting Persons with the Securities and Exchange Commission on March 22, 2011.

+ Incorporated by reference to the exhibit to the Amendment No. 1 to Schedule 13D filed by the Reporting Persons with the Securities and Exchange Commission on February 23, 2012.

Incorporated by reference to the exhibit to the Amendment No. 2 to Schedule 13D filed by the Reporting Persons with the Securities and Exchange Commission on February 26, 2015.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: April 1, 2016

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

By: /s/ Richard Siegel
Name: Richard Siegel
Title: Authorized Signatory

Dated: April 1, 2016

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

By: /s/ Richard Siegel
Name: Richard Siegel
Title: Authorized Signatory

Dated: April 1, 2016

Bayside Opportunity Fund, L.P.

By: Bayside Opportunity Advisors, LLC
Title: General Partner

By: H.I.G.- GPII, Inc.
Title: Manager

By: /s/ Richard Siegel
Name: Richard Siegel
Title: Authorized Signatory

Dated: April 1, 2016

H.I.G. Advisors IV, LLC

By: H.I.G.- GPII, Inc.
Title: Manager

By: /s/ Richard Siegel
Name: Richard Siegel
Title: Authorized Signatory

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Dated: April 1, 2016

Bayside Opportunity Advisors, LLC

By: H.I.G.- GPII, Inc.
Title: Manager

By: /s/ Richard Siegel
Name: Richard Siegel
Title: Authorized Signatory

Dated: April 1, 2016

H.I.G.- GPII, Inc.

By: /s/ Richard Siegel
Name: Richard Siegel
Title: Authorized Signatory

Dated: April 1, 2016

Sami W. Mnaymneh

/s/ Sami W. Mnaymneh

Dated: April 1, 2016

Anthony A. Tamer

/s/ Anthony A. Tamer