

ADVANCED ENVIRONMENTAL RECYCLING TECHNOLOGIES INC

Form NT 10-Q

August 12, 2008

OMB APPROVAL

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 12b-25
NOTIFICATION OF LATE FILING**

(Check one): Form 10-K Form 20-F Form 11-K Form 10-Q Form 10-D Form N-SAR Form N-CSR

For Period Ended: June 30, 2008

Transition Report on
Form 10-K

Transition Report on
Form 20-F

Transition Report on
Form 11-K

Transition Report on
Form 10-Q

Transition Report on
Form N-SAR

For the Transition Period Ended: Not applicable

Read Instruction (on back page) Before Preparing Form. Please Print or Type.

Nothing in this form shall be construed to imply that the Commission has verified any information contained herein.

If the notification relates to a portion of the filing checked above, identify the Item(s) to which the notification relates:

PART I REGISTRANT INFORMATION

ADVANCED ENVIRONMENTAL RECYCLING TECHNOLOGIES, INC.

Full Name of Registrant

Not Applicable

Former Name if Applicable

914 N Jefferson Street

Post Office Box 1237

Address of Principal Executive Office (*Street and Number*)

Springdale, Arkansas 72764

City, State and Zip Code

PART II RULES 12b-25(b) AND (c)

If the subject report could not be filed without unreasonable effort or expense and the registrant seeks relief pursuant to Rule 12b-25(b), the following should be completed. (Check box if appropriate)

(a) The reason described in reasonable detail in Part III of this form could not be eliminated without unreasonable effort or expense

b (b) The subject annual report, semi-annual report, transition report on Form 10-K, Form 20-F, Form 11-K, Form N-SAR or Form N-CSR, or portion thereof, will be filed on or before the fifteenth calendar day following the prescribed due date; or the subject quarterly report or transition report on Form 10-Q or subject distribution report on Form 10-D, or portion thereof, will be filed on or before the fifth calendar day following the prescribed due date; and

(c) The accountant's statement or other exhibit required by Rule 12b-25(c) has been attached if applicable.

PART III NARRATIVE

State below in reasonable detail why Forms 10-K, 20-F, 11-K, 10-Q, 10-D, N-SAR, N-CSR, or the transition report or portion thereof, could not be filed within the prescribed time period.

The Company's Form 10-Q for the quarter ended June 30, 2008 could not be filed within the prescribed time period due to additional time required to quantify the cost of the expected settlement of its class action lawsuit and time devoted to negotiations for the acquisition of the ChoiceDek trademark from Weyerhaeuser Company.

SEC 1344 (05-06) **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**

**control
number.**

(Attach extra Sheets if Needed)

PART IV OTHER INFORMATION

- (1) Name and telephone number of person to contact in regard to this notification

JOE G. BROOKS

(479)

756-7400

(Name)

(Area Code)

(Telephone Number)

- (2) Have all other periodic reports required under Section 13 or 15(d) of the Securities Exchange Act of 1934 or Section 30 of the Investment Company Act of 1940 during the preceding 12 months or for such shorter period that the registrant was required to file such report(s) been filed? If answer is no, identify report(s).

Yes No

- (3) Is it anticipated that any significant change in results of operations from the corresponding period for the last fiscal year will be reflected by the earnings statements to be included in the subject report or portion thereof?

Yes No

If so, attach an explanation of the anticipated change, both narratively and quantitatively, and, if appropriate, state the reasons why a reasonable estimate of the results cannot be made.

The Company will report a net loss exceeding \$7 million for the quarter ended June 30, 2008 as compared to a loss of \$383,919 for the quarter ended June 30, 2007. The primary reason for the change in earnings is the second quarter 2008 accrual of approximately \$5 million of estimated costs related to the expected settlement of a class action lawsuit, which is comprised of attorney fees and potential additional claims related to alleged surface staining and cleaning issues from mold and mildew. The Company is also in the process of acquiring the ChoiceDek brand from Weyerhaeuser, and is finalizing the valuation of the brand.

ADVANCED ENVIRONMENTAL RECYCLING TECHNOLOGIES, INC.

(Name of Registrant as Specified in Charter)

has caused this notification to be signed on its behalf by the undersigned hereunto duly authorized.

Date August 12, 2008

By /s/ JOE G. BROOKS

Joe G. Brooks,
Chairman and Chief Executive Officer