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

OMB APPROVAL  
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hours per response 12.00

SECURITIES AND EXCHANGE COMMISSION  
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REGISTRATIONS BRANCH  
11

ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

SEC FILE NUMBER  
8-16750

AB  
3/5

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 1/01/12 AND ENDING 12/31/12  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: AEI SECURITIES, INC.  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
30 EAST SEVENTH STREET, SUITE 1300

OFFICIAL USE ONLY  
FIRM I.D. NO.

(No. and Street)

SAINT PAUL MINNESOTA 55101  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
NICHOLAS G FITZGERALD/ROBERT P JOHNSON 651-227-7333  
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
BOULAY, HEUTMAKER, ZIBELL & COMPANY P.L.L.P  
7500 FLYING CLOUD DRIVE (Name - if individual, state last, first, middle name)  
SUITE 800 MINNEAPOLIS MINNESOTA 55344  
(Address) (City) (State) (Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

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 control number.

SEC 1410 (06-02)

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## OATH OR AFFIRMATION

I, ROBERT P JOHNSON, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of AEI SECURITIES, INC., as of DECEMBER 31, 2012, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

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Signature

CHIEF EXECUTIVE OFFICER

Title

  
Notary Public



This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital. (Statement of Operations & Retained Earnings)
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors. (1)
- (g) Computation of Net Capital. (3)
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3. (2)
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3. (2)
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3. (1)
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation. (1)
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report. (1)
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit. (1)
- (o) Internal Control Report

**\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

- (1) Not Applicable.
- (2) Exemption Under Rule 15c 3-3 (k) (2) (b).
- (3) There Were No Reconciling Items Between The Audited Computation Of Net Capital And The Corresponding Unaudited Focus Report.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder of  
AEI Securities, Inc.

### **Report on the Financial Statements**

We have audited the accompanying statement of financial condition of AEI Securities, Inc. (the Company) as of December 31, 2012 and 2011, and the related statements of operations and retained earnings, and cash flows for the years then ended that you are required to file pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

### ***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 audits to obtain reasonable assurance about whether the financial statements are free of 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 Company'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 Company'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.

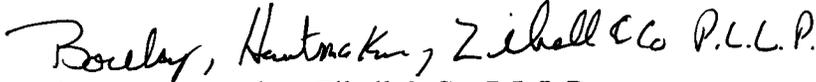
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AEI Securities, Inc. as of December 31, 2012 and 2011, 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.

***Other Matter***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information in Schedule I has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in Schedule I is fairly stated in all material respects in relation to the financial statements as a whole.

  
Boulay, Heutmaker, Zibell & Co. P.L.L.P.

Minneapolis, Minnesota  
February 25, 2013

**AEI SECURITIES, INC.**  
**STATEMENT OF FINANCIAL CONDITION**

**ASSETS**

	<b>December 31, 2012</b>	<b>December 31, 2011</b>
	<u>          </u>	<u>          </u>
<b>Assets:</b>		
Cash	\$ 422,756	\$ 439,447
Receivable from Related Companies	3,291	4,607
Miscellaneous Receivable	0	2,042
Prepaid Expenses	<u>3,638</u>	<u>2,280</u>
Total Assets	<u>\$ 429,685</u>	<u>\$ 448,376</u>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

<b>Liabilities:</b>		
Commissions Payable	\$ 42,240	\$ 52,931
Payable to Related Companies	<u>5,510</u>	<u>6,271</u>
Total Current Liabilities	<u>47,750</u>	<u>59,202</u>
 <b>Commitments and Contingencies</b>	 0	 0
 <b>Stockholder's Equity:</b>		
Common Stock, no par value; 2,500 shares authorized, issued and outstanding	12,500	12,500
Additional Paid-In-Capital	37,500	37,500
Retained Earnings	<u>331,935</u>	<u>339,174</u>
Total Stockholder's Equity	<u>381,935</u>	<u>389,174</u>
Total Liabilities and Stockholder's Equity	<u>\$ 429,685</u>	<u>\$ 448,376</u>

The accompanying Notes to Financial Statements are an integral part of this statement

**AEI SECURITIES, INC.**  
**STATEMENT OF OPERATIONS AND RETAINED EARNINGS**

**OPERATIONS**

	<b>Year Ended December 31</b>	
	<b>2012</b>	<b>2011</b>
<b>Revenues:</b>		
Commissions	\$ 2,097,234	\$ 1,392,115
Interest	1,805	2,126
Total Revenues	2,099,039	1,394,241
 <b>Expenses:</b>		
Commissions Reallowed	1,841,973	1,287,619
General and Administrative	64,305	5,863
Total Expenses	1,906,278	1,293,482
 <b>Net Income</b>	 192,761	 100,759

**RETAINED EARNINGS**

<b>Balance, beginning of year</b>	339,174	238,415
Distributions to Stockholder	<u>(200,000)</u>	<u>0</u>
<b>Balance, end of year</b>	<u>\$ 331,935</u>	<u>\$ 339,174</u>

The accompanying Notes to Financial Statements are an integral part of this statement

**AEI SECURITIES, INC.**  
**STATEMENT OF CASH FLOWS**

	<b>Year Ended December 31</b>	
	<b>2012</b>	<b>2011</b>
<b>Cash Flows from Operating Activities:</b>		
Net Income	\$ 192,761	\$ 100,759
Adjustments to Reconcile Net Income To Net Cash Provided by Operating Activities:		
(Increase) Decrease in Receivable from Related Companies	1,316	(1,862)
(Increase) Decrease in Miscellaneous Receivable	2,042	(2,042)
Decrease in Prepaid Expenses	(1,358)	(1,590)
Decrease in Commissions Payable	(10,691)	(20,363)
Increase (Decrease) in Payable to Related Companies	(761)	314
Total Adjustments	(9,452)	(25,543)
Net Cash Provided By Operating Activities	183,309	75,216
 <b>Cash Flows from Financing Activities:</b>		
Distributions to Stockholder	(200,000)	0
 <b>Net Increase (Decrease) in Cash</b>	(16,691)	75,216
 <b>Cash, beginning of year</b>	439,447	364,231
 <b>Cash, end of year</b>	\$ 422,756	\$ 439,447

The accompanying Notes to Financial Statements are an integral part of this statement

**AEI SECURITIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012 AND 2011**

**(1) Summary of Organization and Significant Accounting Policies –**

**Organization**

AEI Securities, Inc. (“Company”) is a licensed broker-dealer under the jurisdiction of the Financial Industry Regulatory Authority (“FINRA”). The Company operates as a wholly owned subsidiary of AEI Capital Corporation (“ACC”). Robert P. Johnson is President of the Company and is the President and majority stockholder of ACC. Mr. Johnson is also the sole stockholder and President of AEI Fund Management, Inc., which provides management services to the Company.

The Company's major source of income is commissions earned on the sale of units in limited partnerships that have been organized by Mr. Johnson and affiliated entities. Revenue is recognized when the minimum number of units have been accepted under the respective agreements.

**Financial Statement Presentation**

The accounts of the Company are maintained on the accrual basis of accounting for both federal income tax purposes and financial reporting purposes.

**Accounting Estimates**

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Cash Concentrations of Credit Risk**

The Company's cash is deposited in one financial institution and at times during the year it may exceed FDIC insurance limits.

**Income Taxes**

The Company is a qualified subchapter S subsidiary of ACC. As a result, the income of the Company is treated as belonging to the parent corporation, ACC. In general, no recognition has been given to income taxes in the accompanying financial statements. Primarily due to the S Corporation tax status, the Company does not have any significant tax uncertainties that would require recognition or disclosure.

**AEI SECURITIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012 AND 2011**

**(2) Related Party Transactions –**

The Company and its affiliates have common management and utilize the same facility. As a result, certain general and administrative expenses are allocated among these related companies. The Company was reimbursed for certain general and administrative costs by limited partnerships whose offerings were underwritten by the Company. In 2012 and 2011, these reimbursements totaled \$43,808 and \$30,500, respectively. These costs consisted of license fees, broker bond insurance, FINRA filing costs, professional fees and overhead costs necessary to maintain the Company as a licensed broker-dealer with FINRA.

**(3) Net Capital Requirements –**

The Company is subject to the Uniform Net Capital Rule (Rule 15c3-1) of the Securities Exchange Act of 1934. This Rule provides that aggregate indebtedness, as defined, may not exceed 15 times net capital, as defined. Alternatively, the Company's net capital may not be less than \$5,000 or 6-2/3% of total aggregate indebtedness, whichever is greater. As of December 31, 2012 and 2011, the Company had adjusted net capital of \$375,006 and \$380,245, respectively, which exceeded the required adjusted net capital by \$370,006 and \$375,245, respectively. As of December 31, 2012 and 2011, the ratio of aggregate indebtedness to net capital was .13 to 1 and .16 to 1, respectively.

**(4) Subsequent Events –**

The Company has evaluated subsequent events through February 25, 2013, the date that the financial statements were available to be issued. Subsequent events, if any, were disclosed in the appropriate note in the Notes to Financial Statements.

**AEI SECURITIES, INC.**  
**COMPUTATION OF RATIO OF**  
**AGGREGATE INDEBTEDNESS TO ADJUSTED**  
**NET CAPITAL (Rule 15c3-1)**  
**DECEMBER 31, 2012**

Total Assets	\$ 429,685
Less – Aggregate Indebtedness	<u>47,750</u>
Unadjusted Capital	381,395
Adjustments:	
Receivable from Related Companies	(3,291)
Prepaid Expenses	<u>(3,638)</u>
Adjusted Net Capital	<u>\$ 375,006</u>
Ratio of Aggregate Indebtedness to Adjusted Net Capital	<u>0.13:1</u>

No reconciliations deemed necessary since no material differences were noted in the computation of net capital. There were no material inadequacies found to exist or to have existed since the previous audit.

See Report of Independent Registered Public Accounting Firm

To the Stockholder of  
AEI Securities, Inc.

In planning and performing our audit of the financial statements and supplemental schedule of AEI Securities, Inc. (the Company), as of and for the year ended December 31, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's previously mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined previously.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2012, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, Financial Industry Regulatory Authority, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

*Boulay, Heutmaker, Zibell + Co. P.L.L.P.*  
Boulay, Heutmaker, Zibell & Co. P.L.L.P.

Minneapolis, Minnesota  
February 25, 2012

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

FOCUS REPORT

(FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT)  
PART IIA 12

FORM  
X-17A-5

(Please read instructions before preparing Form)

This report is being filed pursuant to (Check Applicable Block(s)):

1) Rule 17a-5(a) 16

2) Rule 17a-5(b) 17

3) Rule 17a-11 18

4) Special request by designated examining authority 19

5) Other 26

NAME OF BROKER-DEALER

AEI SECURITIES, INC. 13

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do not use P.O. Box No.)

1300 WELLS FARGO PLACE, 30 SEVENTH STREET EAST 20  
(No. and Street)

ST. PAUL 21 MN 22 55101-4901 23  
(City) (State) (Zip Code)

SEC. FILE NO.

8-16750 14

FIRM ID NO.

6158 15

FOR PERIOD BEGINNING (MM/DD/YY)

10/01/12 24

AND ENDING (MM/DD/YY)

12/31/12 25

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT (Area code) - Telephone No.

NICHOLAS FITZGERALD/ROBERT P JOHNSON 30

(651) 227-7333 31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT

OFFICIAL USE

32

33

34

35

36

37

38

39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS ?

YES 40

NO X 41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT

42

EXECUTION:

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the 25 day of Feb 20 13

Manual Signatures of:

1)  Principal Executive Officer or Managing Partner

2) \_\_\_\_\_ Principal Financial Officer or Partner

3) \_\_\_\_\_ Principal Operations Officer or Partner

ATTENTION - Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78:f (a) )



**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**  
AEI SECURITIES, INC.

as of 12/31/12

**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING,  
NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS  
LIABILITIES AND OWNERSHIP EQUITY**

<u>Liabilities</u>	<u>A.I. Liabilities</u>	<u>Non-A.I. Liabilities</u>	<u>Total</u>
13. Bank loans payable	\$	\$	\$
14. Payable to brokers or dealers:	1045	1255	1470
A. Clearance account			
B. Other	1114	1315	1560
15. Payable to non-customers	42,240	1305	42,240
16. Securities sold not yet purchased, at market value	1155	1355	1610
17. Accounts payable, accrued liabilities, expenses and other		1360	1620
18. Notes and mortgages payable:	5,510	1205	5,510
A. Unsecured		1385	1685
B. Secured	1210		1690
19. Liabilities subordinated to claims of general creditors:	1211	1390	1700
A. Cash borrowings:			
1. from outsiders	\$ 970	1400	1710
2. Includes equity subordination (15c3-1(d)) of .....	\$ 980		
B. Securities borrowings, at market value from outsiders	\$ 990	1410	1720
C. Pursuant to secured demand note collateral agreements			
1. from outsiders	\$ 1000	1420	1730
2. includes equity subordination (15c3-1(d)) of .....	\$ 1010		
D. Exchange memberships contributed for use of company, at market value		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes			
20. TOTAL LIABILITIES	\$ 47,750	\$ 1440	\$ 47,750
	1230	1450	1760
<u>Ownership Equity</u>			
21. Sole proprietorship			
22. Partnership (limited partners)	\$		\$ 1770
23. Corporation:	1020		1780
A. Preferred stock			
B. Common stock			1791
C. Additional paid-in capital		12,500	1792
D. Retained earnings		37,500	1793
E. Total		331,935	1794
F. Less capital stock in treasury		381,935	1795
24. TOTAL OWNERSHIP EQUITY			( ) 1796
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY			\$ 381,935
			\$ 429,685

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

BROKER OR DEALER

AEI SECURITIES, INC.

as of

12/31/12

COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition	\$	381,935	3480
2. Deduct ownership equity not allowable for Net Capital			3490
3. Total ownership equity qualified for Net Capital		381,935	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital			3520
B. Other (deductions) or allowable credits (List)			3525
5. Total capital and allowable subordinated liabilities	\$	381,935	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C)	\$	6,929	3540
B. Secured demand note deficiency			3590
C. Commodity futures contracts and spot commodities-proprietary capital charges			3600
D. Other deductions and/or charges			3610
		( 6,929)	3620
7. Other additions and/or allowable credits (List)			3630
8. Net Capital before haircuts on securities positions	\$	375,006	3640
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):			
A. Contractual securities commitments	\$		3660
B. Subordinated securities borrowings			3670
C. Trading and investment securities:			
1. Exempted securities			3735
2. Debt securities			3733
3. Options			3730
4. Other securities			3734
D. Undue concentration			3650
E. Other (List)			3736
			( ) 3740
10. Net Capital	\$	375,006	3750

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**

AEI SECURITIES, INC.

as of

12/31/12

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

**Part A**

11. Minimum net capital required (6-2/3% of line 19)	\$	3,183	<u>3756</u>
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	5,000	<u>3758</u>
13. Net capital requirement (greater of line 11 or 12)	\$	5,000	<u>3760</u>
14. Excess net capital (line 10 less 13)	\$	370,006	<u>3770</u>
15. Net capital less greater of 10% of line 19 or 120% of line 12	\$	369,006	<u>3780</u>

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16. Total A.I. liabilities from Statement of Financial Condition	\$	47,750	<u>3790</u>
17. Add:			
A. Drafts for immediate credit	\$	<u>3800</u>	
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$	<u>3810</u>	
C. Other unrecorded amounts (List)	\$	<u>3820</u>	<u>3830</u>
19. Total aggregate indebtedness	\$	47,750	<u>3840</u>
20. Percentage of aggregate indebtedness to net capital (line 19 divided by line 10)	%	12.73	<u>3850</u>
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c-3-1(d)	%	0.00	<u>3860</u>

**COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT**

**Part B**

22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$	<u>3870</u>
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	<u>3880</u>
24. Net capital requirement (greater of line 22 or 23)	\$	<u>3760</u>
25. Excess net capital (line 10 less 24)	\$	<u>3910</u>
26. Net capital in excess of the greater of: 5% of combined aggregate debit items or 120% of minimum net capital requirement	\$	<u>3920</u>

**NOTES:**

(A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:

1. Minimum dollar net capital requirement, or
2. 6-2/3% of aggregate indebtedness or 4% of aggregate debits if alternative method is used.

(B) Do not deduct the value of securities borrowed under subordination agreements or secured demand notes covered by subordination agreements not in satisfactory form and the market values of the memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.

(C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**

**AEI SECURITIES, INC.**

For the period (MMDDYY) from 10/01/12 3932 to 12/31/12 3933

Number of months included in this statement 3 3931

**REVENUE**

**STATEMENT OF INCOME (LOSS)**

**1. Commissions:**

a. Commissions on transactions in exchange listed equity securities executed on an exchange	\$	<u>3935</u>
b. Commissions on listed option transactions		<u>3938</u>
c. All other securities commissions		<u>3939</u>
d. Total securities commissions		<u>3940</u>
<b>2. Gains or losses on firm securities trading accounts</b>		
a. From market making in options on a national securities exchange		<u>3945</u>
b. From all other trading		<u>3949</u>
c. Total gain (loss)		<u>3950</u>
<b>3. Gains or losses on firm securities investment accounts</b>		<u>3952</u>
<b>4. Profits (losses) from underwriting and selling groups</b>	647,376	<u>3955</u>
<b>5. Revenue from sale of investment company shares</b>		<u>3970</u>
<b>6. Commodities revenue</b>		<u>3990</u>
<b>7. Fees for account supervision, investment advisory and administrative services</b>		<u>3975</u>
<b>8. Other revenue</b>	336	<u>3995</u>
<b>9. Total revenue</b>	\$ 647,712	<u>4030</u>

**EXPENSES**

<b>10. Salaries and other employment costs for general partners and voting stockholder officers</b>		<u>4120</u>
<b>11. Other employee compensation and benefits</b>		<u>4115</u>
<b>12. Commissions paid to other brokers-dealers</b>	600,667	<u>4140</u>
<b>13. Interest expense</b>		<u>4075</u>
a. Includes interest on accounts subject to subordination agreements	<u>4070</u>	
<b>14. Regulatory fees and expenses</b>		<u>4195</u>
<b>15. Other expenses</b>	2,595	<u>4100</u>
<b>16. Total expenses</b>	\$ 603,262	<u>4200</u>

**NET INCOME**

<b>17. Net Income (loss) before Federal income taxes and items below (Item 9 less Item 16)</b>	\$ 44,450	<u>4210</u>
<b>18. Provision for Federal income taxes (for parent only)</b>		<u>4220</u>
<b>19. Equity in earnings (losses) of unconsolidated subsidiaries not included above</b>		<u>4222</u>
a. After Federal income taxes of	<u>4238</u>	
<b>20. Extraordinary gains (losses)</b>		<u>4224</u>
a. After Federal income taxes of	<u>4239</u>	
<b>21. Cumulative effect of changes in accounting principles</b>		<u>4225</u>
<b>22. Net income (loss) after Federal income taxes and extraordinary items</b>	\$ 44,450	<u>4230</u>

**MONTHLY INCOME**

<b>23. Income (current month only) before provision for Federal Income taxes and extraordinary items</b>	21,297	<u>4211</u>
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FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

BROKER OR DEALER AEI SECURITIES, INC.
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For the period (MMDDYY) from 10/01/12 to 12/31/12

STATEMENT OF CHANGES IN OWNERSHIP EQUITY  
(SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1. Balance, beginning of period .....	\$	537,485	4240
A. Net income (loss) .....		44,450	4250
B. Additions (includes non-conforming capital of .....	\$	4262	4260
C. Deductions (includes non-conforming capital of .....	\$	4272	4270
2. Balance, end of period (from item 1800) .....	\$	381,935	4290

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period .....	\$		4300
A. Increases .....			4310
B. Decreases .....			4320
4. Balance, end of period (from item 3520) .....	\$		4330

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

<b>BROKER OR DEALER</b> AEI SECURITIES, INC.	as of <u>12/31/12</u>
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**Exemptive Provision Under Rule 15c3-3**

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based :

- A. (k) (1) - Limited business (mutual funds and/or variable annuities only) ..... \$ X 4550
- B. (k) (2) (i) - "Special Account for the Exclusive Benefit of customers" maintained ..... 4560
- C. (k) (2) (ii) - All customer transactions cleared through another broker-dealer on a fully disclosed basis.  
Name(s) of Clearing Firm(s) - Please separate multiple names with a semi-colon  
..... 4335 4570
- D. (k) (3) - Exempted by order of the Commission ..... 4580

**Ownership Equity and Subordinated Liabilities maturing or proposed to be  
withdrawn within the next six months and accruals, (as defined below),  
which have not been deducted in the computation of Net Capital.**

Type of Proposed Withdrawal or Accrual (See below for code to enter)	Name of Lender or Contributor	Insider or Outsider ? (In or Out)	Amount to be with- drawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (Yes or No)
4600	4601	4602	4603	4604	4605
4610	4611	4612	4613	4614	4615
4620	4621	4622	4623	4624	4625
4630	4631	4632	4633	4634	4635
4640	4641	4642	4643	4644	4645
4650	4651	4652	4653	4654	4655
4660	4661	4662	4663	4664	4665
4670	4671	4672	4673	4674	4675
4680	4681	4682	4683	4684	4685
4690	4691	4692	4693	4694	4695
<b>TOTAL</b>			<b>\$</b> <span style="border: 1px solid black; padding: 2px;">4699</span>		
OMIT PENNIES					

Instructions: Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c) (2) (iv)), which could be required by the lender on demand or in less than six months.

WITHDRAWAL CODE:	DESCRIPTION
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals
4.	15c3-1(c) (2) (iv) Liabilities

**SIPC-7**

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION

P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300

**General Assessment Reconciliation**

For the fiscal year ended 12/31/2012

(Read carefully the instructions in your Working Copy before completing this Form)

**SIPC-7**

(33-REV 7/10)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

016750 FINRA DEC  
AEI SECURITIES INC 16\*16  
1300 WELLS FARGO PLACE  
30 7TH ST E  
SAINT PAUL MN 55101-4914

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

ROBERT P JOHNSON 651-227-7333

- 2. A. General Assessment (item 2e from page 2) \$ 643
- B. Less payment made with SIPC-6 filed (exclude interest) (410)  
7/23/12  
Date Paid
- C. Less prior overpayment applied (0)
- D. Assessment balance due or (overpayment) 233
- E. Interest computed on late payment (see instruction E) for      days at 20% per annum 0
- F. Total assessment balance and interest due (or overpayment carried forward) \$ 233
- G. PAID WITH THIS FORM:  
Check enclosed, payable to SIPC  
Total (must be same as F above) \$ 233
- H. Overpayment carried forward \$(0)

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

AEI SECURITIES INC  
(Name of Corporation, Partnership or other organization)

[Signature]  
(Authorized Signature)

CHIEF EXECUTIVE OFFICER  
(Title)

Dated the 25 day of Feb, 2013.

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

**SIPC REVIEWER** Dates:            Postmarked            Received            Reviewed           

Calculations            Documentation            Forward Copy           

Exceptions:           

Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT**

Amounts for the fiscal period  
beginning 1/1/2012  
and ending 12/31/2012

Eliminate cents

**Item No.**

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 2,099,039

**2b. Additions:**

(1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.

\_\_\_\_\_

(2) Net loss from principal transactions in securities in trading accounts.

\_\_\_\_\_

(3) Net loss from principal transactions in commodities in trading accounts.

\_\_\_\_\_

(4) Interest and dividend expense deducted in determining item 2a.

\_\_\_\_\_

(5) Net loss from management of or participation in the underwriting or distribution of securities.

\_\_\_\_\_

(6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.

\_\_\_\_\_

(7) Net loss from securities in investment accounts.

\_\_\_\_\_

Total additions

\_\_\_\_\_

**2c. Deductions:**

(1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.

\_\_\_\_\_

(2) Revenues from commodity transactions.

\_\_\_\_\_

(3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.

1,841,973

(4) Reimbursements for postage in connection with proxy solicitation.

\_\_\_\_\_

(5) Net gain from securities in investment accounts.

\_\_\_\_\_

(6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.

\_\_\_\_\_

(7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).

\_\_\_\_\_

(8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C):

\_\_\_\_\_

(Deductions in excess of \$100,000 require documentation)

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ \_\_\_\_\_

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ \_\_\_\_\_

Enter the greater of line (i) or (ii)

Total deductions

1,841,973

2d. SIPC Net Operating Revenues

\$ 257,066

2e. General Assessment @ .0025

\$ 643

(to page 1, line 2.A.)

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES  
RELATED TO AN ENTITY'S SIPC ASSESSMENT RECONCILIATION

Board of Directors  
AEI Securities, Inc.  
Saint Paul, Minnesota

In accordance with rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2012, which were agreed to by AEI Securities, Inc. (the Company) and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). The Company's management is responsible for the Company's compliance with these requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payment in Form SIPC-7 with respective cash disbursement records entries in the check register noting no differences;
2. Compared the amounts of the audited Form X-17A-5 for the year ended December 31, 2012, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2012 noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers of income and expense, including monthly internal comparative income statements, for the year ending December 31, 2012 noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers of income and expense, including monthly internal comparative income statements, for the year ended December 31, 2012 supporting the adjustments noting no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we did not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report. This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*Boulay, Heutmaker, Zittel & Co. P.L.L.P.*  
Certified Public Accountants

Minneapolis, Minnesota  
February 25, 2013