

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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IN THE MATTER OF: AEI ENVIRONMENTAL, INC. )  
D/B/A LIVESTOCK DIRECT, INC. )  
THEIR OFFICERS, DIRECTORS, )  
EMPLOYEES, AGENTS, ) File Number 0400605  
AFFILIATES, SUCCESSORS )  
AND ASSIGNS )  
)

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CONSENT ORDER

TO THE RESPONDENT: AEI Environmental, Inc.  
D/B/A Livestock Direct, Inc.  
105 East First Street, Hinsdale, Illinois  
60521

c/o Andrew J. Munro  
Munro and Zack, PC  
363 West Big Beaver Road, Suite 450  
Troy, Michigan 48084

WHEREAS, AEI Environmental, Inc. on March 16, 2007 executed a certain Stipulation To Entry Of Consent Order (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, the Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing in this matter and the Respondent has consented to the entry of this Consent Order.

WHEREAS, the Secretary of State, by and through his designated representative, the Securities Director, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceeding.

WHEREAS, the Respondent has acknowledged that the allegations contained in paragraph seven (7) of the Stipulation shall be adopted as the Secretary of State's Findings of Fact as follows:

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1. That AEI Environmental, Inc. is a purported Colorado corporation with a last known address of 105 East First St. Hinsdale, Illinois 60521.
2. That from on or about January 2001 through December 2004 AEI Environmental, Inc. offered and sold Debentures consisting of Junior and Senior Secured Convertible Notes to about 88 investors.
3. That the above-referenced sales of Debentures are securities as that term is defined pursuant to Section 2.1 of the Illinois Securities Law [815 ILCS 5/1 et seq.] (the "Act").
4. That Section 5 of the Act provides, inter alia, that all securities except those set forth under Section 2a, or those exempt under Section 3, or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois.
5. That at all times relevant hereto, the Debentures issued by AEI Environmental, Inc. to investors were not registered with the Secretary of State pursuant to Section 5 of the Act prior to their offer or sale in the State of Illinois.
6. AEI Environmental, Inc. claimed that its sales of Debentures were to accredited investors and qualified for an exemption from registration pursuant to Section 4.H of the Act. However, the firm failed to provide sufficient evidence that 8 of the sales were sold to accredited investors.
7. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell any securities except in accordance with the provisions of the Act.
8. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document required to be filed under any provision of the Act.

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9. That at all times relevant hereto, AEI Environmental, Inc. failed to file an application for registration of the above referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois.
10. That by virtue of the foregoing, AEI Environmental, Inc. has violated Sections 12.A and 12.D of the Act.
11. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection D of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State.
12. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act.
13. That by virtue of the foregoing, AEI Environmental, Inc. is subject to a fine of up to \$10,000.00 per violation and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

WHEREAS, the Respondent has acknowledged that the allegations contained in paragraph eight (8) of the Stipulation shall be adopted as the Secretary of State's Conclusion of Law as follows

1. That by virtue of the foregoing, the Respondent has violated Sections 12.A and 12.D of the Act; and
2. That by virtue of the foregoing, the Respondent is subject to an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois and to a fine of up to \$10,000 per violation.

NOW THEREFORE IT IS HEREBY ORDERED THAT:

Consent Order

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1. The allegations contained in paragraphs seven (7) and eight (8) of the Stipulation shall be and are hereby adopted as the Secretary of State's Findings of Fact and Conclusion of Law;
2. The Respondent shall be permanently prohibited from offering and/or selling securities in the state of Illinois; and
3. The formal hearing scheduled on this matter is hereby dismissed without further proceeding.

ENTERED: This 19<sup>th</sup> day of March, 2007.



JESSE WHITE  
Secretary of State

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"). Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.

Attorney for the Secretary of State:  
David Finnigan  
Illinois Securities Department  
300 W. Jefferson St. Suite 300A  
Springfield, Illinois 62702  
Telephone: (217) 785-4947