

MACC PEI LIQUIDATING TRUST
Form 10-K
April 22, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K

(Mark one)

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2012

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 000-24412

MACC PEI Liquidating Trust

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

45-6510799
(I.R.S. Employer Identification No.)

24040 Camino Del Avion #A307
Monarch Beach, California
(Address of principal executive offices)

92629
(Zip Code)

Registrant's telephone number (402) 964-5143

Securities registered under Section 12(b) of the Exchange Act:
None.

Securities registered under Section 12(g) of the Exchange Act:
None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act.* Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 (the Exchange Act) during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.* Yes No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).* Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.*

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

| | | | |
|-------------------------|-------------------------------------|---------------------------|--------------------------|
| Large accelerated filer | <input type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input checked="" type="checkbox"/> | Smaller reporting Company | <input type="checkbox"/> |

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: Not applicable. There is no established market for the beneficial interests of the registrant.

As of December 31, 2012 there were 2,464,621 units of beneficial interest of MACC PEI Liquidating Trust.

DOCUMENTS INCORPORATED BY REFERENCE - None.

*MACC PEI Liquidating Trust is the transferee of the assets and certain liabilities of MACC Private Equities, Inc., and files reports under the Commission file number previously used by MACC Private Equities, Inc., which filed a Form 15 on October 4, 2011.

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Part I

Item 1. Business.

General

MACC Private Equities Inc. (“MACC” or the “Company”), the predecessor to MACC PEI Liquidating Trust (the “Trust”) was formed as a Delaware corporation on March 3, 1994. On September 26, 2011 at a special meeting (the “Special Meeting”) of the shareholders of MACC (the “Shareholders”), the following measures were approved:

1. the complete liquidation and dissolution of MACC and the transfer of all of MACC’s assets and certain liabilities to a liquidating trust established for the sole purpose of distributing MACC’s assets to the Shareholders (the “Liquidation”); and
2. the withdrawal of MACC’s election to be regulated as a business development company under the Investment Company Act of 1940, as amended (the “1940 Act”).

The Board of Directors of the Company (the “Board”) previously approved the Plan of Liquidation and Dissolution on April 13, 2011 (the “Plan”). As a result of Shareholder approval of the Plan and the proposals at the Special Meeting, the Company executed the MACC PEI Liquidating Trust Agreement as Grantor, with NL Strategies, Inc., a California corporation, as Managing Trustee (the “Managing Trustee”) and The Corporation Trust Company, a Delaware corporation, as Resident Trustee (the “Trust Agreement”). Under the Trust Agreement the Managing Trustee will distribute the residue of the proceeds of liquidation of MACC’s assets to the beneficiaries of the Trust. The Company and the Trust also executed a Bill of Sale, Assignment, Acceptance and Assumption Agreement (the “Bill of Sale”) conveying all of MACC’s assets and certain obligations to the Trust. In connection with the Trust Agreement and Bill of Sale, the Trust executed a Sixth Amendment to Business Loan Agreement with Cedar Rapids Bank & Trust Company to assume the obligations of the Company’s term note in the approximate principal amount of \$1,900,000 (the “Note”). Pursuant to the terms and conditions of the Trust Agreement, each former Shareholder received a pro-rata beneficial interest in the Trust equal to the Shareholder’s percentage ownership of MACC common stock. For each share of MACC common stock, the holder received one unit of beneficial ownership in the Trust (“Trust Units”).

As approved by the Shareholders, the Company withdrew its election to be regulated as a business development company under the 1940 Act on October 4, 2011. The Company also relied on no-action relief granted by the staff of the Securities and Exchange Commission (“SEC”) to similarly-situated liquidating trusts to limit its reporting under the Securities and Exchange Act of 1934, as amended (the “Exchange Act”). Accordingly, former Shareholders who are now holders of trust units are provided the following reports going forward:

- Following the end of each calendar year, the Trust will mail to each registered unit holder the appropriate Internal Revenue Service form to report the unit holder’s pro rata share of each item of income, gain and loss of the Trust for the preceding calendar year.
- The Trust will file reports with the SEC under Form 8-K respecting any material events impacting the Trust investment portfolio, such as material sales of portfolio securities.
- The Trust will file an annual report with the SEC respecting the Trust’s activities, including unaudited financials, with the SEC following the end of each calendar year.

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- All items filed with the SEC may be found on the SEC's web site (www.sec.gov) by reviewing filings for MACC PEI Liquidating Trust.

After payment of the Trust's obligations, including the Note, when cash liquidation proceeds are accumulated in an amount which the Managing Trustee determines would be cost effective to distribute, the Trust will make one or more cash distributions to unit holders.

The Company terminated the registration of its securities with the SEC by filing a Form 15 on October 4, 2011. As a result, the Company is no longer obligated to file reports with the SEC under the Exchange Act.

Effective November 7, 2011, the Managing Trustee refinanced the Note with Cedar Rapids Bank & Trust by (“CRB&T”) executing a new promissory note with Farmers & Merchants Savings Bank (“F&M Bank”) providing for a loan to the Trust in the principal amount of \$2,100,000.00 (the “Loan”). The Loan was funded on November 17, 2011. The terms of the Loan provided an interest rate of five percent (5.0%) with a maturity date of November 7, 2012. The proceeds from the Loan were used to retire the Note with CRB&T. In addition, Loan proceeds also provided the Trust with approximately \$160,000 of working capital to support operating expenses. On January 18, 2012, the Loan, including all principal, accrued interest and fees, totaling \$2,118,083 was retired from proceeds generated by the liquidation of investments in portfolio companies.

As previously disclosed, Trust Units are not be transferable or assignable, except that they may be assigned or transferred by will, intestate succession, or operation of law and that the executor or administrator of the estate of a holder of Trust Units may mortgage, pledge, grant a security interest in, hypothecate or otherwise encumber the Trust Units held by the estate of such holder if necessary in order to borrow money to pay estate, succession or inheritance taxes or the expenses of administering the estate of the holder upon written notice to and upon written consent of the trustee of the Liquidating Trust. The Trust Units are not certificated. Trust Units are not listed on any exchange or quoted on any quotation system, and the Liquidating Trust Agreement provides that neither the Managing Trustee nor anyone associated with the Liquidating Trust may take any action to facilitate or encourage any trading in Trust Units.

The Liquidating Trust’s activities are limited to conserving, protecting and selling the assets transferred to it and distributing the proceeds therefrom, including holding such assets for the benefit of the holders of Trust Units, enforcing the rights of the holders of Trust Units, temporarily investing such proceeds and collecting income therefrom, providing for the liabilities of the Liquidating Trust and MACC’s wind-up expenses, making liquidating distributions to the holders of Trust Units, taking such other actions as may be necessary to conserve and protect the assets of the Liquidating Trust and providing for the orderly liquidation thereof. The Managing Trustee has sole authority to value the Liquidating Trust’s assets.

The Managing Trustee is responsible for conserving the Liquidating Trust’s assets, under duties imposed by applicable law. The Liquidating Trust will terminate upon payment to the holders of Trust Units of all of the Liquidating Trust’s assets and in any event upon the third anniversary of the date assets are first transferred to the Liquidating Trust. The life of the Liquidating Trust may, however, be extended to more than three years if the Managing Trustee of the Liquidating Trust then determines that an extension is reasonably necessary to pay or make provision for then known liabilities, actual or contingent. Consistent with past grants of no-action relief by the SEC staff, the Liquidating Trust may need to apply for no-action relief from the SEC staff if the term of the Liquidating Trust’s term must be extended. No assurance can be given that the Liquidating Trust would be able to obtain such extension if needed, and therefore the Liquidating Trust may be required to incur additional expenses if its term is extended.

Item 1A. Risk Factors.

Not applicable.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

The Trust does not own or lease any properties or other tangible assets.

Item 3. Legal Proceedings.

There are no items to report.

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Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

There is no public market for the units of beneficial interest in the Trust. The units of beneficial interest are not and will not be listed on any exchange, quoted by a securities broker or dealer, not admitted for trading in any market, including the over-the-counter market. The units of beneficial interests are not transferable except by operation of law or upon the death of a beneficiary.

Beneficiaries

As of December 31, 2012, the Trust had 2,464,621 units held by an unknown number of beneficiaries.

Distributions

On approximately April 12, 2012, distributions amounting to \$3,598,347 were made to trust unit beneficiaries. No other distributions were made during the 12 month period ended December 31, 2012. The Trustee anticipates that a second distribution will be made during April of 2013.

Item 6. Selected Financial Data.

Not applicable.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation.

Not applicable.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 8. Financial Statements and Supplementary Data.

MACC PEI LIQUIDATING TRUST
STATEMENT OF NET ASSETS
(Liquidation Basis)
(unaudited)

| | December 31, 2012 | December 31, 2011 |
|-----------------------------------|----------------------|----------------------|
| ASSETS | | |
| Current Assets | | |
| Total Cash | \$1,622,766 | \$307,351 |
| Other Current Assets | | |
| Accrued Dividends | - | 32,465 |
| Accrued Interest Receivable | - | 37,401 |
| Escrowed Holdbacks | 553,457 | 337,435 |
| Prepaid Expenses | 14,250 | 30,300 |
| Total Current Assets | \$2,190,473 | \$744,952 |
| Other Assets | | |
| Total Portfolio Company | | |
| Debt Securities | \$2,336,598 | 4,258,740 |
| Total Equity in Portfolio | | |
| Company Securities | 538,455 | 3,771,665 |
| Total Loans to Portfolio | | |
| Companies | 75,339 | 75,339 |
| Total Warrants – Portfolio | | |
| Companies | - | 972,694 |
| Total Other Assets | \$2,950,392 | \$9,078,438 |
| Total Assets | \$5,140,865 | \$9,823,390 |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts Payable | \$11,665 | \$127,551 |
| Accrued Expenses | 7,500 | - |
| Accrued Interest Payable | - | 12,233 |
| Note Payable | - | 2,100,000 |
| Total Current Liabilities | \$19,195 | \$2,239,785 |
| Total Liabilities | \$19,195 | \$2,239,785 |
| Net Assets in Liquidation | \$5,121,670 | \$7,583,605 |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MACC PEI LIQUIDATING TRUST
 STATEMENTS OF CHANGES IN NET ASSETS
 (Liquidation Basis)
 (unaudited)

| | Twelve Months Ended December 31, 2012 | September 29 – December 31, 2011 |
|-------------------------------------|---|---|
| Income | | |
| Dividends - Portfolio Companies | \$76,649 | \$334,787 |
| Gain on Sale of Portfolio Companies | 873,118 | - |
| Portfolio Interest Income | 332,693 | 156,896 |
| Interest on MM Accounts | 3,085 | 11 |
| Miscellaneous Income | 2,299 | - |
| Total Income | 1,287,845 | 191,694 |
| Expense | | |
| Accrued Interest | - | 17,529 |
| Insurance | 35,050 | - |
| Bank Service Charges | 58 | 64 |
| Finance Charges | 1,491 | 10,746 |
| Interest - Bank Loan | 5,850 | 10,902 |
| Postage & Delivery | 599 | 158 |
| Miscellaneous Expense | 51 | 265 |
| Professional Services | | |
| Accounting Services | 2,452 | 1,288 |
| Legal | 48,063 | 15,223 |
| Portfolio Management | 29,160 | 9,000 |
| Beneficiary Services | 16,042 | - |
| Trustee Services | 9,615 | 5,231 |
| Resident Trustee Services | 3,002 | - |
| Total Professional Services | 108,334 | 30,742 |
| Total Expense | 151,433 | 70,406 |
| Net Income | \$1,136,411 | \$121,288 |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MACC PEI LIQUIDATING TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

(1) Purpose of The Liquidating Trust

MACC Private Equities Inc. (“MACC” or the “Company”), the predecessor to MACC PEI Liquidating Trust (the “Trust”) was formed as a Delaware corporation on March 3, 1994. On September 26, 2011 at a special meeting (the “Special Meeting”) of the shareholders (the “Shareholders”) the following measures were approved:

1. the complete liquidation and dissolution of MACC and the transfer of all of MACC’s assets and certain liabilities to a liquidating trust established for the sole purpose of distributing MACC’s assets to the Shareholders (the “Liquidation”); and
2. the withdrawal of MACC’s election to be regulated as a business development company under the Investment Company Act of 1940, as amended (the “1940 Act”).

The Board of Directors of the Company (the “Board”) previously approved the Plan of Liquidation and Dissolution on April 13, 2011 (the “Plan”). As a result of Shareholder approval of the Plan and the proposals at the Special Meeting, on September 29, 2011, the Company executed the MACC PEI Liquidating Trust Agreement as Grantor, with NL Strategies, Inc., a California corporation, as Managing Trustee (the “Managing Trustee”) and The Corporation Trust Company, a Delaware corporation, as Resident Trustee (the “Trust Agreement”). Under the Trust Agreement the Managing Trustee will distribute the residue of the proceeds of liquidation of MACC’s assets to the beneficiaries of the Trust. The Company and the Trust also executed a Bill of Sale, Assignment, Acceptance and Assumption Agreement (the “Bill of Sale”) conveying all of MACC’s assets and certain obligations to the Trust. Pursuant to the terms and conditions of the Trust Agreement, each former Shareholder received a pro-rata beneficial interest in the Trust equal to the Shareholder’s percentage ownership of MACC common stock. For each share of MACC common stock, the holder received one unit of beneficial ownership in the Trust (“Trust Units”). After payment of the Trust’s obligations, including the Note, when cash liquidation proceeds are accumulated in an amount which the Managing Trustee determines would be cost effective to distribute, the Trust will make one or more cash distributions to unit holders. As there is no equity in a liquidating trust, no statements of changes in members’ equity are presented.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The financial statements of the Trust have been prepared on a liquidation basis. The asset values listed for each portfolio investment are consistent with what is believed to be the net realizable value on a liquidation basis. Future costs and expenses of the Trust, and of liquidating the assets, are believed to approximate the income such assets will earn in the future and thus no additional adjustment to net realizable value has been made.

(b) Cash

The Trust’s cash is held at two financial institutions and at times may exceed insured limits. The Trust has placed these funds in high quality institutions in order to minimize risk relating to exceeding insured limits.

(c) Income Taxes

The Trust is taxed as a partnership for federal and State income tax purposes. No provision for income taxes has been recorded since the liability for such taxes is that of each of the individual beneficiaries rather than the Trust. The Trust income tax returns are subject to change by examination from Federal and State taxing authorities, and changes, if any, could adjust the individual income tax of the beneficiaries.

(3) Investments

SCHEDULE OF INVESTMENTS (UNAUDITED) DECEMBER 31, 2012

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| Company | Security | Value |
|---|--|-----------|
| Spectrum Products, LLC | Escrow | 13,119 |
| Aviation Manufacturing | Escrow | 182,996 |
| Feed Management | Escrow | 22,167 |
| Magnum | Escrow | 335,175 |
| | | 553,457 |
| Detroit Tool Metal Products Co. | 12% debt security | 1,820,291 |
| | 19,853.94 shares Series A preferred | --- |
| | 7,887.17 shares common | --- |
| | 8% debt security | 33,342 |
| | | 1,853,633 |
| Superior Holding, Inc. Wichita, Kansas | 6% debt security, due April 1, 2013 | 187,036 |
| | Warrant to purchase 11,143 common shares | -- |
| Manufacturer of industrial and commercial boilers and shower doors, frames and enclosures | 6% debt security, due April 1, 2013 | 51,580 |
| | 121,457 common shares | --- |
| | 6% debt security, due April 1, 2013 | 75,930 |
| | 312,000 common shares | --- |
| | 12% debt security, due April 1, 2014 | 11,879 |
| | 12% debt security, due April 1, 2014 | 11,879 |
| | | 338,304 |
| SMWC Acquisition Co., Inc. Kansas City, Missouri | 12% debt security due | 220,000 |
| | 113,847 shares Series A preferred | 227,694 |
| Steel warehouse distribution and processing | | 447,694 |
| Portrait Displays | 637,292 shares Series B Preferred | 310,761 |
| Total Investments | | 3,503,849 |

(4) NOTES PAYABLE

On January 18, 2012, the Trust's only outstanding loan, including all principal, accrued interest and fees, totaling \$2,118,083 was retired from proceeds generated by the liquidation of investments in portfolio companies.

(5) Management Agreements

NL Strategies, Inc.

The MACC shareholders approved the Plan on April 13, 2011. As result of Shareholder approval of the Plan and the proposals at the Special Meeting, on September 29, 2011, the Company executed the Trust Agreement. Under the Trust Agreement the Managing Trustee will distribute the residue of the proceeds of liquidation of MACC's assets to the beneficiaries of the Trust. MACC and the Trust also executed the Bill of Sale conveying all of MACC's assets and certain obligations to the Trust.

InvestAmerica Investment Advisors, Inc.

The Trust has engaged InvestAmerica Investment Advisors, Inc. ("InvestAmerica") to administer the day to day portfolio management functions. InvestAmerica bills the Trust at hourly rates consistent with those detailed in Item 11, Executive Compensation, and their fees are capped at a maximum of \$3,000 per month.

Computershare / BYN Mellon

Computershare (formerly known as BNY Mellon) has been engaged by the Trust to be the custodian of the records. Their fees include an annual servicing charge, as well as additional fees for distributions and other mailings. During the twelve month period ended December 31, 2012, the Trust incurred charges amounting to \$16,042 for beneficiary services.

(6) Commitments and Contingencies

None.

(7) Subsequent events

The Trust evaluated all events that have occurred subsequent to December 31, 2012 through the date of the filing of this Annual Report on Form 10-K. No items were noted requiring disclosure as subsequent events.

(8) Tax Information For Trust Holders

The information below reflects the aggregate and per unit income, deductions and credits reported for the Trust for the tax year ended December 31, 2012. These items have been reported on the Fiduciary Form 1041 Grantor Letter.

| | Income | Total | Per Unit |
|-----------------------------|------------|-----------|------------|
| Interest Income | | \$339,494 | \$0.137758 |
| Gain On Sale of Investments | | 561,172 | \$0.227710 |
| Dividend Income | | | |
| Ordinary Dividends | | | |
| Qualifying Dividends | | 76,649 | \$0.031102 |
| | Deductions | | |
| Interest Expense | | 7,399 | \$0.003002 |

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| | | |
|---|--------|------------|
| Trustee Services | 9,615 | \$0.003902 |
| Misc Deductions Subject to Floor Limitation | | |
| Insurance | 35,050 | \$0.014222 |
| Postage and Delivery | 599 | \$0.000024 |
| Miscellaneous Expenses | 25,941 | \$0.010526 |
| Attorney and Legal Fees | 98,770 | \$0.040078 |

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(9) Summary of PORTFOLIO CHANGES DURING THE PERIOD

| Portfolio Company | 12/31/11 Value | Payments | Realized Appreciation / (Depreciation) | Unrealized Appreciation / (Depreciation) | 12/31/12 Value |
|---------------------------|-------------------|-------------|--|--|-------------------|
| Aviation | | | | | |
| Manufacturing Group | 3,493,418 | (3,310,422) | | | 182,996 |
| Morgan OHare | 875,520 | (939,583) | 64,063 | | - |
| Magnum Systems | 1,755,866 | (2,095,400) | 674,709 | | 335,175 |
| Spectrum Products, LLC | 221,662 | (208,543) | | | 13,119 |
| Monitronics | 26,517 | (65,663) | 39,146 | | - |
| Portrait Displays, Inc. | 314,003 | (3,242) | | | 310,761 |

Item Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.
9.

There are no items to report.

Item Controls and Procedures.
9.A.

(a) Evaluation of Disclosure Controls and Procedures

As of December 31, 2012, the President of the Managing Trustee of the Trust (the "Certifying Officer") conducted evaluations of the Trust's disclosure controls and procedures. Disclosure controls and procedures means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive officer or officers and principal financial officer or officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Although the Trust is no longer required to file and submit reports under the Exchange Act, the Certifying Officer has evaluated the Trust's disclosure controls and procedures and has concluded, that those disclosure controls and procedures were effective as of December 31, 2012.

(b) Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. The Trust's internal control system is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes policies and procedures that: 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; 2) provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles and that receipts and expenditures are being made only in accordance with authorizations of management; and 3) provide reasonable assurance regarding prevention or timely detection of

unauthorized acquisition, use, or disposition of the Trust's assets that could have a material effect on our financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Because of these limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Trust's annual or interim financial statements will not be prevented or detected on a timely basis.

Management assessed the effectiveness of the Trust's internal control over financial reporting as of December 31, 2012. Based on this assessment, the Trust's management concluded that, as of December 31, 2012, the Trust's integrated controls over financial reporting were effective.

This annual report does not include an attestation report of the Trust's registered public accounting firm regarding internal control over financial reporting due to the established rules of the SEC and Section 989G of the Dodd-Frank Act of 2010.

(c) Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the period ended December 31, 2012 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

As of September 29, 2011, we have no directors or executive officers. Our Managing Trustee, or third parties engaged by the Managing Trustee, manages our day-to-day business affairs and assets. The following is a biographical description of the President of our Managing Trustee:

Kevin J. Gadawski, age 45, is a former director of MACC. Mr. Gadawski has been President of NL Strategies, Inc. a financial and strategic consulting firm since 2007. Mr. Gadawski also serves as a Managing Director at Littlebanc Advisors, LLC and Interim Chief Operating Officer and Interim Chief Financial Officer of PSM Holdings, Inc. Previously, Mr. Gadawski was owner and President of First Check Diagnostics, LLC, a manufacturer of medical devices (2004-2007) and COO and CFO of Worldwide Medical (a medical device company). Prior to 2001, Mr. Gadawski was CFO at e-net Financial, a company providing mortgage services to both commercial and consumer markets. Mr. Gadawski is a Certified Public Accountant and a Certified Valuation Analyst and has a Bachelor of Science in Accounting from Northern Kentucky University.

Item 11. Executive Compensation.

Trustee

Pursuant to the Liquidating Trust Agreement, the Managing Trustee receives \$150.00 per hour for services provided to the Trust by Mr. Gadawski. Additionally, the Trust shall reimburse the Managing Trustee for all expenses reasonably incurred in the performance of its duties for the engagement of accountants, attorneys, appraisers, consultants and other persons retained by the Managing Trustee for the Trust. For the twelve months ended December 31, 2012, the Managing Trustee billed the Trust \$9,615 for services rendered.

Portfolio Management

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The Trustee has engaged InvestAmerica to manage the investment portfolio. InvestAmerica bills the trust hourly at a rate of \$150 per hour. The total amount billed in any month is capped at \$3,000 for portfolio management. For the twelve months ended December 31, 2012, InvestAmerica billed the Trust \$29,160 for services rendered.

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Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

There is no public market for the units of the Trust. The units are not listed on any exchange, quoted by quoted by a securities broker or dealer, nor admitted for trading in any market, including the over-the-counter market. The units of beneficial interests are not transferable except by operation of law or upon the death of a beneficiary.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

None.

Item 14. Principal Accounting Fees and Services.

The Trust did not incur any fees for professional services rendered by BBD, LLP ("BBD"), the Trust's independent registered public accounting firm, for the period January 1, 2012 through December 31, 2012. BBD has been engaged to prepare certain year end tax documents and filings and such fees will be reflected in the filings in 2013 and are not expected to be significant.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) Documents filed as part of this Report:

(1) Statement of Net Assets for the year ended December 31, 2012
Statements of Changes in Net Assets for the year ended December 31, 2012
Notes to Financial Statements

(2) No financial statement schedules of the Trust are filed herewith because (i) such schedules are not required or (ii) the information required has been presented in the aforementioned financial statements and schedule of investments.

(3) The following exhibits are filed herewith or incorporated by reference as set forth below:

31.1 Section 302 Certification of Kevin J. Gadawski, (President of Managing Trustee).
32.1 Section 906 Certification of Kevin J. Gadawski (President of Managing Trustee).

(b) Exhibits

See (a)(3) above.

(c) Financial Statement Schedules

See (a)(1) and (a)(2) above.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized on April 22, 2013.

MACC PEI
LIQUIDATING TRUST

By: /s/ Kevin J. Gadawski
Kevin J. Gadawski,
President
NL Strategies, Inc.,
Managing Trustee

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Signature

Date

/s/ Kevin J. Gadawski
Kevin J. Gadawski, President
NL Strategies, Inc., Managing
Trustee

April 22, 2013