

POWER EFFICIENCY CORP
Form 10-Q
August 15, 2011

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended: June 30, 2011

OR

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

For the transition period from _____ to _____

Commission File No. 0-31805

POWER EFFICIENCY CORPORATION
(Exact Name of Issuer as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)
5744 Pacific Center Blvd. Suite 311
San Diego, CA 92121
(Address of Principal Executive
Offices)

22-3337365
(I.R.S. Employer Identification No.)

(858) 750-3875
(Issuer's Telephone Number,
Including Area Code)

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

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. (Check one):

Large Accelerated filer Accelerated filer Non-Accelerated filer Smaller reporting company

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

The number of shares of common stock outstanding as of August 10, 2011 was 54,346,832.

Transitional Small Business Disclosure Format (check one): 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

POWER EFFICIENCY CORPORATION
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

POWER EFFICIENCY CORPORATION
CONDENSED BALANCE SHEETS

Unaudited

	June 30, 2011	December 31, 2010
ASSETS		
CURRENT ASSETS:		
Cash	\$ 856,383	\$ 2,567,607
Accounts receivable, net	41,540	106,066
Inventory	185,056	217,119
Prepaid expenses and other current assets	53,267	22,550
Total Current Assets	1,136,246	2,913,342
PROPERTY AND EQUIPMENT, Net	112,705	64,847
OTHER ASSETS:		
Patents, net	146,380	141,907
Deposits	91,104	36,971
Goodwill	1,929,963	1,929,963
Total Other Assets	2,167,447	2,108,841
Total Assets	\$ 3,416,398	\$ 5,087,030
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 710,771	\$ 687,168
Total Current Liabilities	710,771	687,168
LONG TERM LIABILITIES		
Deferred rent	41,388	11,282
Deferred tax liability	474,486	449,513
Total Long Term Liabilities	515,874	460,795
Total Liabilities	1,226,645	1,147,963
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Series B, C-1 and D Convertible Preferred Stock, \$.001 par value, 10,000,000 shares authorized, 488,377 and 500,877 issued and outstanding in 2011 and 2010, respectively	488	501
Common stock, \$.001 par value, 350,000,000 shares authorized, 54,346,832 and 49,005,733 issued and outstanding in 2011 and 2010, respectively	54,347	49,006
Additional paid-in capital	47,372,726	46,737,632
Accumulated deficit	(45,237,808)	(42,848,072)
Total Stockholders' Equity	2,189,753	3,939,067

Total Liabilities and Stockholders' Equity \$ 3,416,398 \$ 5,087,030
Accompanying notes are an integral part of the financial statements

POWER EFFICIENCY CORPORATION
CONDENSED STATEMENTS OF OPERATIONS
Unaudited

	For the three months ended June 30,		For the six months ended June 30,	
	2011	2010	2011	2010
REVENUES	\$ 112,165	\$ 125,575	\$ 270,771	\$ 235,605
COST OF REVENUES				
Materials, labor and overhead	82,890	108,752	191,404	201,022
Inventory obsolescence	24,239	-	44,633	-
Total Cost of Revenues	107,129	108,752	236,037	