

POWER EFFICIENCY CORP  
Form 10-Q  
August 14, 2009  
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, 2009

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 Registrant as Specified in its Charter)

Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)  
3960 Howard Hughes Pkwy, Suite 460  
Las Vegas, NV 89169  
(Address of Principal Executive Offices)

22-3337365  
(I.R.S. Employer Identification No.)  
  
(702) 697-0377  
(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 14, 2009 was 43,255,441.

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 "

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POWER EFFICIENCY CORPORATION

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

POWER EFFICIENCY CORPORATION  
CONDENSED BALANCE SHEET

Unaudited

	June 30, 2009	December 31, 2008
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ 505,726	\$ 2,100,013
Accounts receivable, net	52,349	44,159
Inventory	342,203	246,020
Prepaid expenses and other current assets	78,846	47,165
<b>Total Current Assets</b>	<b>979,124</b>	<b>2,437,357</b>
<b>PROPERTY AND EQUIPMENT, Net</b>	<b>120,114</b>	<b>144,967</b>
<b>OTHER ASSETS:</b>		
Patents, net	63,439	64,711
Deposits	38,206	38,206
Goodwill	1,929,963	1,929,963
<b>Total Other Assets</b>	<b>2,031,608</b>	<b>2,032,880</b>
<b>Total Assets</b>	<b>\$ 3,130,846</b>	<b>\$ 4,615,204</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 590,319	\$ 555,789
Warrant liability	663,083	-
Dividends payable	373,333	-
<b>Total Current Liabilities</b>	<b>1,626,735</b>	<b>555,789</b>
<b>LONG TERM LIABILITIES</b>		
Deferred rent	10,803	12,668
<b>Total Long Term Liabilities</b>	<b>10,803</b>	<b>12,668</b>
<b>Total Liabilities</b>	<b>1,637,538</b>	<b>568,457</b>
<b>STOCKHOLDERS' EQUITY:</b>		
Series B Convertible Preferred Stock, \$.001 par value, 10,000,000 shares authorized, 140,000 issued or outstanding in 2009 and 2008	140	140
Common stock, \$.001 par value, 140,000,000 shares authorized, 43,255,441 issued and outstanding in 2009 and 2008	43,255	43,255
Additional paid-in capital	34,686,610	35,307,119
Accumulated deficit	(33,236,697)	(31,303,767)
<b>Total Stockholders' Equity</b>	<b>1,493,308</b>	<b>4,046,747</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 3,130,846</b>	<b>\$ 4,615,204</b>

Accompanying notes are an integral part of the financial statements

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POWER EFFICIENCY CORPORATION  
CONDENSED STATEMENTS OF OPERATIONS  
Unaudited

	For the three months ended June 30,			For the six months ended June 30,	
2009		2008	2009		2008