

POWER EFFICIENCY CORP
Form 10-Q
November 16, 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: September 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 November 16, 2009 was 43,274,222.

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

	September 30, 2009	December 31, 2008
ASSETS		
CURRENT ASSETS:		
Cash	\$ 531,810	\$ 2,100,013
Accounts receivable, net	52,315	44,159
Inventory	311,170	246,020
Prepaid expenses and other current assets	57,111	47,165
Total Current Assets	952,406	2,437,357
PROPERTY AND EQUIPMENT, Net	105,073	144,967
OTHER ASSETS:		
Patents, net	70,695	64,711
Deposits	26,914	38,206
Goodwill	1,929,963	1,929,963
Total Other Assets	2,027,572	2,032,880
Total Assets	\$ 3,085,051	\$ 4,615,204
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 534,429	\$ 555,789
Warrant liability	1,135,678	-
Dividends payable	518,614	-
Total Current Liabilities	2,188,721	555,789
LONG TERM LIABILITIES		
Deferred rent	9,861	12,668
Total Long Term Liabilities	9,861	12,668
Total Liabilities	2,198,582	568,457
STOCKHOLDERS' EQUITY:		
Series B and Series C Convertible Preferred Stock, \$.001 par value, 10,000,000 shares authorized, 160,875 issued or outstanding as of September 30, 2009 and 140,000 as of December 31, 2008	161	140
Common stock, \$.001 par value, 140,000,000 shares authorized, 43,255,441 issued and outstanding as of September 30, 2009 and December 30, 2008	43,256	43,256
Additional paid-in capital	35,476,994	35,307,119
Accumulated deficit	(34,633,942)	(31,303,768)

Total Stockholders' Equity	886,469	4,046,747
Total Liabilities and Stockholders' Equity	\$ 3,085,051	\$ 4,615,204

Accompanying notes are an integral part of the financial statements

POWER EFFICIENCY CORPORATION
CONDENSED STATEMENTS OF OPERATIONS
Unaudited

	For the three months ended September 30,		For the nine months ended September 30,	
	2009	2008	2009	2008
REVENUES	\$ 63,130	\$ 108,607		