

POWER EFFICIENCY CORP
Form 8-K
June 16, 2005

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **June 9, 2005**

POWER EFFICIENCY CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

0-31805
Commission File Number

22-3337365
(IRS Employer Identification No.)

3900 Paradise Road, Suite 283, Las Vegas, NV
(Address of principal executive offices)

89109
(Zip Code)

Registrant's telephone number, including area code: **(702) 697-0377**

N/A

(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17CFR 240.13e-4(c))
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INFORMATION TO BE INCLUDED IN THE REPORT

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On June 9, 2005 and on June 16, 2005, the Registrant entered into financing transactions in which the Registrant issued a \$200,000 convertible, unsecured note, and a \$100,000 convertible, unsecured note respectively (collectively, the Notes) to Summit Energy Ventures LLC, one of the Registrant's principal stockholders. The Notes bear interest of 10% per annum. The Notes accrued interest and principal are due on July 23, 2005 (the Maturity Date). In the event that the Notes and accrued interest are not paid in full at the Maturity Date, interest shall accrue on the outstanding principal of and, to the extent permitted by law, interest on the Notes from the Maturity Date up to and including the date of payment, at a rate equal to 18% per annum (compounded annually). The principal value of the Notes automatically convert into common stock should the Registrant complete an offering of no less than \$1 million of common stock.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

POWER EFFICIENCY CORPORATION

(Registrant)

By: /s/ Steven Strasser
Steven Strasser, CEO

Date: June 16, 2005