

Enphase Energy, Inc.  
 Form 10-Q  
 August 07, 2013  
Table of Contents

UNITED STATES  
 SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

---

Form 10-Q

---

(Mark One)

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

For the quarterly period ended June 30, 2013

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-35480

---

Enphase Energy, Inc.  
 (Exact name of registrant as specified in its charter)

Delaware  
 (State or other jurisdiction of  
 incorporation or organization)

20-4645388  
 (I.R.S. Employer  
 Identification No.)

1420 N. McDowell Blvd.  
 Petaluma, California  
 (Address of principal executive offices)  
 (707) 774-7000  
 (Registrant's telephone number, including area code)

94954  
 (Zip Code)

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 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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, 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 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	<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)

Edgar Filing: Enphase Energy, Inc. - Form 10-Q

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

As of July 31, 2013, there were 41,760,714 shares of the registrant's common stock outstanding, \$0.00001 par value per share.

---

Table of Contents

ENPHASE ENERGY, INC.  
 FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2013  
 TABLE OF CONTENTS

	Page
<u>PART I. FINANCIAL INFORMATION</u>	
Item 1.	
<u>Financial Statements (Unaudited)</u>	<u>3</u>
<u>Condensed Consolidated Balance Sheets</u>	<u>3</u>
<u>Condensed Consolidated Statements of Operations</u>	<u>4</u>
<u>Condensed Consolidated Statements of Comprehensive Loss</u>	<u>5</u>
<u>Condensed Consolidated Statements of Cash Flows</u>	<u>6</u>
<u>Notes to Condensed Consolidated Financial Statements</u>	<u>7</u>
Item 2.	
<u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>13</u>
Item 3.	
<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>19</u>
Item 4.	
<u>Controls and Procedures</u>	<u>19</u>
<u>PART II. OTHER INFORMATION</u>	
Item 1.	
<u>Legal Proceedings</u>	<u>20</u>
Item 1A.	
<u>Risk Factors</u>	<u>20</u>
Item 2.	
<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>37</u>
Item 3.	
<u>Defaults Upon Senior Securities</u>	<u>37</u>
Item 4.	
<u>Mine Safety Disclosures</u>	<u>37</u>
Item 5.	
<u>Other Information</u>	<u>37</u>
Item 6.	
<u>Exhibits</u>	<u>37</u>
<u>Signature</u>	<u>38</u>

Table of Contents

## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements (Unaudited)

## ENPHASE ENERGY, INC.

## CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except par value)

(Unaudited)

	June 30, 2013	December 31, 2012
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$33,976	\$45,294
Accounts receivable, net of allowances of \$1,052 and \$1,177, respectively	32,104	27,743
Inventory	17,906	19,843
Prepaid expenses and other	2,708	2,118
Total current assets	86,694	94,998
Property and equipment, net	25,141	25,541
Other assets	1,513	1,752
Total assets	\$113,348	\$122,291
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$10,012	\$11,272
Accrued liabilities	19,348	19,266
Deferred revenues	1,258	933
Current portion of term loans	3,365	2,384
Total current liabilities	33,983	33,855
Long-term liabilities:		
Deferred revenues	9,303	7,537
Warranty obligations	18,790	15,260
Other liabilities	394	307
Term loans	6,531	8,677
Total liabilities	69,001	65,636
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.00001 par value, 10,000 shares authorized; none issued and outstanding	—	—
Common stock, \$0.00001 par value, 100,000 shares authorized; 41,739 and 40,856 shares issued and outstanding as of June 30, 2013 and December 31, 2012, respectively	—	—
Additional paid-in capital	188,082	183,629
Accumulated deficit	(143,828	) (127,026 )
Accumulated other comprehensive income	93	52
Total stockholders' equity	44,347	56,655
Total liabilities and stockholders' equity	\$113,348	\$122,291
See notes to condensed consolidated financial statements.		

Table of Contents

ENPHASE ENERGY, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 (In thousands, except per share data)  
 (Unaudited)

	Three Months Ended		Six Months Ended		
	June 30,		June 30,		
	2013		2012	2013	2012
Net revenues	\$	58,167	\$55,697	\$103,744	\$98,297
Cost of revenues			42,096	75,259	75,389
Gross profit			13,601	28,485	22,908
Operating expenses:					
Research and development	8,484		8,655	17,510	16,497
Sales and marketing	7,365		6,360	14,215	11,409
General and administrative	5,926		6,091	11,962	11,787
Total operating expenses	21,775		21,106	43,687	39,693
Loss from operations	(5,491	)	(7,505	) (15,202	) (16,785
Other income					
(expense), net:					
Interest expense	(484	)	(3,405	) (948	) (4,884
Other income	(297	)	(324	) (346	) 316
(expense)					
Total other expense, net	(781	)	(3,729	) (1,294	) (4,568
Executive Officers' Compensation	For	For	Management		
	Advisory Vote on				
	Say on Pay				
16	Frequency	Three Years	One Year	Management	

## GOOGLE INC.

Ticker: GOOG Security ID: 38259P508  
 Meeting Date: JUN 02, 2011 Meeting Type: Annual  
 Record Date: APR 04, 2011

#	Proposal	Mgt Rec	Vote Cast	Sponsor
1.1	Elect Director Larry Page	For	For	Management
1.2	Elect Director Sergey Brin	For	For	Management
1.3	Elect Director Eric E. Schmidt	For	For	Management
1.4	Elect Director L. John Doerr	For	For	Management
1.5	Elect Director John L. Hennessy	For	For	Management
1.6	Elect Director Ann Mather	For	For	Management
1.7	Elect Director Paul S. Otellini	For	For	Management

Edgar Filing: Enphase Energy, Inc. - Form 10-Q

1.8	Elect Director K. Ram Shriram	For	For	Management
1.9	Elect Director Shirley M. Tilghman	For	For	Management
2	Ratify Auditors	For	For	Management
3	Amend Omnibus Stock Plan	For	Against	Management
	Advisory Vote to Ratify Named Executive Officers'			
4	Compensation	For	For	Management
5	Advisory Vote on Say on Pay Frequency	Three Years	One Year	Management
	Amend Bylaws to Establish a Board Committee on			
6	Environmental Sustainability	Against	Against	Shareholder
7	Reduce Supermajority Vote Requirement	Against	Against	Shareholder
8	Report on Code of Conduct Compliance	Against	Against	Shareholder

MCDONALD'S CORPORATION

Ticker: MCD Security ID: 580135101  
 Meeting Date: MAY 19, 2011 Meeting Type: Annual  
 Record Date: MAR 22, 2011

#	Proposal	Mgt Rec	Vote Cast	Sponsor
1	Elect Director Susan E. Arnold	For	For	Management
2	Elect Director Richard H. Lenny	For	For	Management
3	Elect Director Cary D. McMillan	For	For	Management
4	Elect Director Sheila A. Penrose	For	For	Management
5	Elect Director James A. Skinner	For	For	Management
6	Ratify Auditors	For	For	Management
	Advisory Vote to Ratify Named Executive Officers'			
7	Compensation	For	For	Management
8	Advisory Vote on Say on Pay Frequency	One Year	One Year	Management
	Reduce Supermajority Vote Requirement for			
9	Transactions With Interested Shareholders	For	For	Management
	Reduce Supermajority Vote Requirement Relating to			
10	the Board of Directors	For	For	Management
	Reduce Supermajority Vote Requirement for			
11	Shareholder Action	For	For	Management
12	Declassify the Board of Directors	Against	For	Shareholder
13	Require Suppliers to Adopt CAK	Against	Against	Shareholder
	Report on Policy Responses to Children's Health			
14	Concerns and Fast Food	Against	Against	Shareholder
15	Report on Beverage Container Environmental Strategy	Against	For	Shareholder

MICROSOFT CORPORATION

Ticker: MSFT Security ID: 594918104  
 Meeting Date: NOV 16, 2010 Meeting Type: Annual  
 Record Date: SEP 03, 2010

#	Proposal	Mgt Rec	Vote Cast	Sponsor
---	----------	---------	-----------	---------

Edgar Filing: Enphase Energy, Inc. - Form 10-Q

1	Elect Director Steven A. Ballmer	For	For	Management
2	Elect Director Dina Dublon	For	For	Management
3	Elect Director William H. Gates III	For	For	Management
4	Elect Director Raymond V. Gilmartin	For	For	Management
5	Elect Director Reed Hastings	For	For	Management
6	Elect Director Maria M. Klawe	For	For	Management
7	Elect Director David F. Marquardt	For	For	Management
8	Elect Director Charles H. Noski	For	For	Management
9	Elect Director Helmut Panke	For	For	Management
10	Ratify Auditors	For	For	Management
11	Amend Bylaws to Establish a Board Committee on Environmental Sustainability	Against	Against	Shareholder

MORGAN STANLEY

Ticker: MS Security ID: 617446448  
 Meeting Date: MAY 18, 2011 Meeting Type: Annual  
 Record Date: MAR 21, 2011

#	Proposal	Mgt Rec	Vote Cast	Sponsor
1	Elect Director Roy J. Bostock	For	For	Management
2	Elect Director Erskine B. Bowles	For	For	Management
3	Elect Director Howard J. Davies	For	For	Management
4	Elect Director James P. Gorman	For	For	Management
5	Elect Director James H. Hance Jr.	For	For	Management
6	Elect Director C. Robert Kidder	For	For	Management
7	Elect Director John J. Mack	For	For	Management
8	Elect Director Donald T. Nicolaisen	For	For	Management
9	Elect Director Hutham S. Olayan	For	For	Management
10	Elect Director James. W. Owens	For	For	Management
11	Elect Director O. Griffith Sexton	For	For	Management
12	Elect Director Masaaki Tanaka	For	For	Management
13	Elect Director Laura D. Tyson	For	For	Management
14	Ratify Auditors	For	For	Management
15	Amend Omnibus Stock Plan Advisory Vote to Ratify Named Executive Officers'	For	Against	Management
16	Compensation	For	Against	Management
17	Advisory Vote on Say on Pay Frequency	One Year	One Year	Management

PFIZER INC.

Ticker: PFE Security ID: 717081103  
 Meeting Date: APR 28, 2011 Meeting Type: Annual  
 Record Date: MAR 01, 2011

#	Proposal	Mgt Rec	Vote Cast	Sponsor
1	Elect Director Dennis A. Ausiello	For	For	Management

Edgar Filing: Enphase Energy, Inc. - Form 10-Q

2	Elect Director Michael S. Brown	For	For	Management
3	Elect Director M. Anthony Burns	For	For	Management
4	Elect Director W. Don Cornwell	For	For	Management
5	Elect Director Frances D. Fergusson	For	For	Management
6	Elect Director William H. Gray III	For	For	Management
7	Elect Director Constance J. Horner	For	For	Management
8	Elect Director James M. Kilts	For	For	Management
9	Elect Director George A. Lorch	For	For	Management
10	Elect Director John P. Mascotte	For	For	Management
11	Elect Director Suzanne Nora Johnson	For	For	Management
12	Elect Director Ian C. Read	For	For	Management
13	Elect Director Stephen W. Sanger	For	For	Management
14	Ratify Auditors	For	For	Management
	Advisory Vote to Ratify Named Executive Officers'			
15	Compensation	For	Against	Management
16	Advisory Vote on Say on Pay Frequency	Two Years	One Year	Management
17	Publish Political Contributions	Against	Against	Shareholder
18	Report on Public Policy Advocacy Process	Against	Against	Shareholder
	Adopt Policy to Restrain Pharmaceutical Price			
19	Increases	Against	Against	Shareholder
20	Provide Right to Act by Written Consent	Against	For	Shareholder
	Amend Articles/Bylaws/Charter -- Call Special			
21	Meetings	Against	For	Shareholder
22	Report on Animal Testing and Plans for Reduction	Against	Against	Shareholder

RESEARCH IN MOTION LTD

Ticker: RIM Security ID: 760975102  
 Meeting Date: JUL 13, 2010 Meeting Type: Annual  
 Record Date: MAY 25, 2010

#	Proposal	Mgt Rec	Vote Cast	Sponsor
1.1	Elect James L. Balsillie as Director	For	For	Management
1.2	Elect Mike Lazaridis as Director	For	For	Management
1.3	Elect James Estill as Director	For	For	Management
1.4	Elect David Kerr as Director	For	For	Management
1.5	Elect Roger Martin as Director	For	For	Management
1.6	Elect John Richardson as Director	For	For	Management
1.7	Elect Barbara Stymiest as Director	For	For	Management
1.8	Elect Antonio Viana-Baptista as Director	For	For	Management
1.9	Elect John Wetmore as Director	For	For	Management
	Approve Ernst & Young LLP as Auditors and			
2	Authorize Board to Fix Their Remuneration	For	For	Management

THE GOLDMAN SACHS GROUP, INC.

Ticker: GS Security ID: 38141G104



Edgar Filing: Enphase Energy, Inc. - Form 10-Q

Meeting Date: MAY 06, 2011 Meeting Type: Annual  
Record Date: MAR 07, 2011

#	Proposal	Mgt Rec	Vote Cast	Sponsor
1	Elect Director Lloyd C. Blankfein	For	For	Management
2	Elect Director John H. Bryan	For	For	Management
3	Elect Director Gary D. Cohn	For	For	Management
4	Elect Director Claes Dahlback	For	For	Management
5	Elect Director Stephen Friedman	For	For	Management
6	Elect Director William W. George	For	For	Management
7	Elect Director James A. Johnson	For	For	Management
8	Elect Director Lois D. Juliber	For	For	Management
9	Elect Director Lakshmi N. Mittal	For	For	Management
10	Elect Director James J. Schiro	For	For	Management
	Advisory Vote to Ratify Named Executive Officers'			
11	Compensation	For	Against	Management
12	Advisory Vote on Say on Pay Frequency	One Year	One Year	Management
13	Ratify Auditors	For	For	Management
14	Provide for Cumulative Voting	Against	For	Shareholder
15	Amend Bylaws-- Call Special Meetings	Against	For	Shareholder
16	Stock Retention/Holding Period	Against	For	Shareholder
17	Review Executive Compensation	Against	Against	Shareholder
18	Report on Climate Change Business Risks	Against	Against	Shareholder
19	Report on Political Contributions	Against	Against	Shareholder

---

THE HOME DEPOT, INC.

Ticker: HD Security ID: 437076102  
Meeting Date: JUN 02, 2011 Meeting Type: Annual  
Record Date: APR 04, 2011

#	Proposal	Mgt Rec	Vote Cast	Sponsor
1	Elect Director F. Duane Ackerman	For	For	Management
2	Elect Director Francis S. Blake	For	For	Management
3	Elect Director Ari Bousbib	For	For	Management
4	Elect Director Gregory D. Brenneman	For	For	Management
5	Elect Director J. Frank Brown	For	For	Management
6	Elect Director Albert P. Carey	For	For	Management
7	Elect Director Armando Codina	For	For	Management
8	Elect Director Bonnie G. Hill	For	For	Management
9	Elect Director Karen L. Katen	For	For	Management
10	Elect Director Ronald L. Sargent	For	For	Management
11	Ratify Auditors	For	For	Management
	Advisory Vote to Ratify Named Executive Officers'			
12	Compensation	For	For	Management
13	Advisory Vote on Say on Pay Frequency	One Year	One Year	Management
14	Provide Right to Act by Written Consent	For	For	Management
15	Restore or Provide for Cumulative Voting	Against	For	Shareholder
16		Against	For	Shareholder

Edgar Filing: Enphase Energy, Inc. - Form 10-Q

	Amend Articles/Bylaws/Charter -- Call Special Meetings			
17	Prepare Employment Diversity Report	Against	For	Shareholder
	Adopt Proxy Statement Reporting on Political Contributions and Advisory Vote			
18	Contributions and Advisory Vote	Against	Against	Shareholder

---

THE PROCTER & GAMBLE COMPANY

Ticker: PG Security ID: 742718109  
 Meeting Date: OCT 12, 2010 Meeting Type: Annual  
 Record Date: AUG 13, 2010

#	Proposal	Mgt Rec	Vote Cast	Sponsor
1	Elect Director Angela F. Braly	For	For	Management
2	Elect Director Kenneth I. Chenault	For	For	Management
3	Elect Director Scott D. Cook	For	For	Management
4	Elect Director Rajat K. Gupta	For	For	Management
5	Elect Director Robert A. Mcdonald	For	For	Management
6	Elect Director W. James Mcnerney, Jr.	For	For	Management
7	Elect Director Johnathan A. Rodgers	For	For	Management
8	Elect Director Mary A. Wilderotter	For	For	Management
9	Elect Director Patricia A. Woertz	For	For	Management
10	Elect Director Ernesto Zedillo	For	For	Management
11	Ratify Auditors	For	For	Management
12	Provide for Cumulative Voting	Against	For	Shareholder

---

WAL-MART STORES, INC.

Ticker: WMT Security ID: 931142103  
 Meeting Date: JUN 03, 2011 Meeting Type: Annual  
 Record Date: APR 06, 2011

#	Proposal	Mgt Rec	Vote Cast	Sponsor
1	Elect Director Aida M. Alvarez	For	For	Management
2	Elect Director James W. Breyer	For	For	Management
3	Elect Director M. Michele Burns	For	For	Management
4	Elect Director James I. Cash, Jr.	For	For	Management
5	Elect Director Roger C. Corbett	For	For	Management
6	Elect Director Douglas N. Daft	For	For	Management
7	Elect Director Michael T. Duke	For	For	Management
8	Elect Director Gregory B. Penner	For	For	Management
9	Elect Director Steven S Reinemund	For	For	Management
10	Elect Director H. Lee Scott, Jr.	For	For	Management
11	Elect Director Arne M. Sorenson	For	For	Management
12	Elect Director Jim C. Walton	For	For	Management
13	Elect Director S. Robson Walton	For	For	Management
14	Elect Director Christopher J. Williams	For	For	Management

Edgar Filing: Enphase Energy, Inc. - Form 10-Q

15	Elect Director Linda S. Wolf	For	For	Management
16	Ratify Auditors	For	For	Management
	Advisory Vote to Ratify Named Executive Officers'			
17	Compensation	For	For	Management
18	Advisory Vote on Say on Pay Frequency	One Year	One Year	Management
	Amend EEO Policy to Prohibit Discrimination based			
19	on Gender Identity	Against	For	Shareholder
20	Report on Political Contributions	Against	For	Shareholder
	Amend Articles/Bylaws/Charter -- Call Special			
21	Meetings	Against	For	Shareholder
22	Require Suppliers to Produce Sustainability Reports	Against	Against	Shareholder
23	Report on Climate Change Business Risks	Against	Against	Shareholder

WELLS FARGO & COMPANY

Ticker: WFC Security ID: 949746101  
 Meeting Date: MAY 03, 2011 Meeting Type: Annual  
 Record Date: MAR 04, 2011

#	Proposal	Mgt Rec	Vote Cast	Sponsor
1	Election Director John D. Baker II	For	For	Management
2	Election Director John S. Chen	For	For	Management
3	Election Director Lloyd H. Dean	For	For	Management
4	Election Director Susan E. Engel	For	For	Management
5	Election Director Enrique Hernandez, Jr.	For	For	Management
6	Election Director Donald M. James	For	For	Management
7	Election Director Mackey J. McDonald	For	For	Management
8	Election Director Cynthia H. Milligan	For	For	Management
9	Elect Director Nicholas G. Moore	For	For	Management
10	Elect Director Philip J. Quigley	For	Against	Management
11	Elect Director Judith M. Runstad	For	For	Management
12	Elect Director Stephen W. Sanger	For	For	Management
13	Elect Director John G. Stumpf	For	For	Management
14	Elect Director an G. Swenson	For	For	Management
	Advisory Vote to Ratify Named Executive Officers'			
15	Compensation	For	For	Management
16	Advisory Vote on Say on Pay Frequency	One Year	One Year	Management
17	Ratify Auditors	For	For	Management
	Amend Articles/Bylaws/Charter -- Call Special			
18	Meetings	Against	For	Shareholder
19	Provide for Cumulative Voting	Against	For	Shareholder
20	Require Independent Board Chairman	Against	For	Shareholder
21	Advisory Vote to Ratify Directors' Compensation	Against	Against	Shareholder
	Require Audit Committee Review and Report on			
	Controls Related to Loans, Foreclosure and			
22	Securitized	Against	For	Shareholder

SIGNATURES

Pursuant to the requirements of the Investment Company Act of 1940, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Foxby Corp.

By: /s/

Thomas

B.

Winmill

Thomas

B.

Winmill,

President

Date:

August

29, 2011