

ENOVA SYSTEMS INC
Form 10-Q
May 20, 2013

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

FORM 10-Q

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

For the quarterly period ending March 31, 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 no. 1-33001

ENOVA SYSTEMS, INC.
(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction of
incorporation or organization)

95-3056150
(I.R.S. Employer
Identification Number)

2945 Columbia Street, Torrance, California 90503
(Address of principal executive offices, including zip code)

(310) 527-2800
(Registrant's telephone number, including area 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 periods 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 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):

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Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company

(Do not check if a smaller reporting company)

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 April 30, 2013, there were 44,520,197 shares of common stock outstanding.

ENOVA SYSTEMS, INC.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ENOVA SYSTEMS, INC.

BALANCE SHEETS

	March 31, 2013	December 31, 2012 (audited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 22,000	\$ 57,000
Accounts receivable, net	85,000	208,000
Inventories and supplies, net	2,232,000	2,203,000
Prepaid expenses and other current assets	291,000	242,000
Total current assets	2,630,000	2,710,000
Long term accounts receivable	13,000	38,000
Property and equipment, net	239,000	307,000
Total assets	\$ 2,882,000	\$ 3,055,000
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 462,000	\$ 558,000
Deferred revenues	433,000	118,000
Accrued payroll and related expenses	75,000	98,000
Accrued loss for litigation settlement	2,014,000	2,014,000
Other accrued liabilities	275,000	255,000
Current portion of notes payable	65,000	66,000
Total current liabilities	3,324,000	3,109,000
Accrued interest payable	1,339,000	1,318,000
Notes payable, net of current portion	1,257,000	1,262,000
Total liabilities	5,920,000	5,689,000
Stockholders' deficit:		
Series A convertible preferred stock — no par value, 30,000,000 shares authorized; 2,642,000 shares issued and outstanding; liquidating preference at \$0.60 per share as of March 31, 2013 and December 31, 2012	528,000	528,000
Series B convertible preferred stock — no par value, 5,000,000 shares authorized; 546,000 shares issued and outstanding; liquidating preference at \$2 per share as of March 31, 2013 and December 31, 2012	1,094,000	1,094,000
Common Stock — no par value, 750,000,000 shares authorized; 44,520,000 shares issued and outstanding as of March 31, 2013 and December 31, 2012	145,512,000	145,512,000
Additional paid-in capital	9,581,000	9,579,000
Accumulated deficit	(159,753,000)	(159,347,000)
Total stockholders' deficit	(3,038,000)	(2,634,000)
Total liabilities and stockholders' deficit	\$ 2,882,000	\$ 3,055,000

See accompanying condensed notes to these financial statements.

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ENOVA SYSTEMS, INC.

STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31	
	2013	2012
Revenues	\$ 53,000	\$ 360,000
Cost of revenues	56,000	835,000
Gross loss	(3,000)	(475,000)
Operating expenses		
Research and development	-	466,000
Selling, general & administrative	383,000	1,254,000
Total operating expenses	383,000	1,720,000
Operating loss	(386,000)	(2,195,000)
Other income and (expense)		
Interest and other income (expense)	(20,000)	(20,000)
Total other income and (expense)	(20,000)	(20,000)
Net loss	\$ (406,000)	\$ (2,215,000)
Basic and diluted loss per share	\$ (0.01)	\$ (0.05)
Weighted average number of common shares outstanding	44,520,000	42,765,000

See accompanying condensed notes to these financial statements.

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ENOVA SYSTEMS, INC.
STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31	
Cash flows from operating activities:	2013	2012
Net loss	\$ (406,000)	\$ (2,215,000)
Adjustments to reconcile net loss to net cash used in operating activities:		