

SARKOWSKY HERMAN  
 Form 5  
 April 08, 2011

**FORM 5**

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

OMB APPROVAL

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 Form 3 Holdings Reported Form 4 Transactions Reported

**ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person \*  
**SARKOWSKY HERMAN**

2. Issuer Name and Ticker or Trading Symbol  
**POWER EFFICIENCY CORP  
 [PEFF]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)  
 12/31/2010

Director  10% Owner  
 Officer (give title below)  Other (specify below)

1201 3RD AVENUE, SUITE 5450

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting

(check applicable line)

SEATTLE, WA 98101

(City) (State) (Zip)

Form Filed by One Reporting Person  
 Form Filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				(A) or (D)	Amount or Price		
Common Stock	Â	Â	3	Â	Â	Â	Â
Common Stock	12/02/2008	Â	J4 <sup>(1)</sup>	220,000 A	\$ 0.2	3,553,334 D	Â
Common Stock	09/21/2009	Â	P4	500,000 A	\$ 0.15	4,053,334 D	Â
Common Stock	12/01/2009	Â	J4 <sup>(1)</sup>	115,789 A	\$ 0.38	4,169,123 D	Â

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Common Stock    12/11/2010    Â    J4<sup>(1)</sup>    244,444    A    \$ 0.18    4,413,567    D    Â

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Security (Instr. 3 and 4)
					(A)	(D)	Date Exercisable	Expiration Date	
Common Stock Warrants	\$ 0.4	Â	Â	3	Â	Â	11/30/2006	11/29/2011	Common Stock
Common Stock Warrants	\$ 0.4	Â	Â	3	Â	Â	11/30/2006	11/29/2011	Common Stock
Series B Convertible Preferred Stock	\$ 0.5	10/29/2007	Â	P4	11,000	Â	Â <sup>(2)</sup>	Â <sup>(2)</sup>	Common Stock
Common Stock Warrants	\$ 0.6	10/29/2007	Â	P4	486,980	Â	Â <sup>(3)</sup>	Â <sup>(2)</sup>	Common Stock
Common Stock Warrants	\$ 0.23	05/13/2010	Â	P4	869,566	Â	Â <sup>(3)</sup>	05/12/2015	Common Stock
Series D Convertible Preferred Stock	\$ 0.16	06/21/2010	Â	P4	13,500	Â	Â <sup>(2)</sup>	Â <sup>(2)</sup>	Common Stock
Common Stock Warrants	\$ 0.19	06/21/2010	Â	P4	675,000	Â	Â <sup>(3)</sup>	06/20/2015	Common Stock
Common Stock Options	\$ 0.17	08/13/2010	Â	A4	62,500	Â	Â <sup>(7)</sup>	08/11/2020	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SARKOWSKY HERMAN 1201 3RD AVENUE SUITE 5450 SEATTLE, WA 98101	X	X		

## Signatures

Herman  
Sarkowsky

04/08/2011

Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Issued in connection with a Preferred Stock Dividend paid in Common Stock.
- (2) None
- (3) Immediately
- (4) These warrants were part of a purchase of Series B Convertible Preferred Stock, as described above.
- (5) These stock warrants were issued in connection with a note to the issuer on 05-13-2010, and vested monthly as long as the note was outstanding. This note was paid off with the issuer's financing closed on 6/21/2010.
- (6) These warrants were part of a purchase of Series D Convertible Preferred Stock, as described above.
- (7) 31,250 options become exercisable on 9/30/2010, 31,250 options become exercisable on 12/31/2010.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.