

Enable IPC Corporation

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**Quarterly Report**  
**Period Ending September 30, 2010**



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Symbol: EIPC

## **FORWARD-LOOKING STATEMENTS**

*This report contains forward-looking statements including statements regarding our expectations, beliefs, intentions or future strategies that are signified by the words “expects,” “anticipates,” “intends,” “believes” or similar language. These forward-looking statements involve risks, uncertainties and other factors. All forward-looking statements included in this quarterly report are based on information available to us on the date hereof and speak only as of the date hereof.*

## Table of Contents

|  |           |
|--|-----------|
| <b>Item 1 – Offices .....</b>  | <b>4</b>  |
| <b>Item 2 – Shares Outstanding.....</b>  | <b>4</b>  |
| <b>Item 3 – Interim Financial Statements.....</b>                              | <b>4</b>  |
| <b>Item 4 – Management’s Discussion and Analysis or Plan of Operation.....</b> | <b>14</b> |
| <b>Item 5 – Legal Proceedings .....</b>  | <b>22</b> |
| <b>Item 6 – Defaults Upon Senior Securities.....</b>                           | <b>22</b> |
| <b>Item 7 – Other Information.....</b>   | <b>22</b> |
| <b>Item 8 – Exhibits.....</b>  | <b>22</b> |
| <b>Item 9 – Certifications .....</b>   | <b>22</b> |

## Item 1 – Offices

Enable IPC Corporation  
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## Item 2 – Shares Outstanding

The number of shares or total amount of the securities outstanding for each class\_of securities authorized are as follows:

| <b>Period ending:</b>   | <b>Mar 31, 2008</b> | <b>Mar 31, 2009</b> | <b>Mar 31, 2010</b> | <b>Sep 30, 2010</b> |
|-------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Common stock</b>     |                     |                     |                     |                     |
| Authorized              | 50,000,000          | 50,000,000          | 100,000,000         | 250,000,000         |
| Outstanding             | 28,678,996          | 42,904,000          | 93,368,228          | 102,901,560         |
| Free trading            | 6,576,395           | 26,299,120          | 32,185,402          | 38,435,402          |
| Beneficial shareholders | 64                  | 76                  | 134                 | 134                 |
| Shareholders of record  | 65                  | 91                  | 178                 | 178                 |
| <b>Preferred stock</b>  |                     |                     |                     |                     |
| Authorized              | 10,000,000          | 10,000,000          | 10,000,000          | 10,000,000          |
| Outstanding             | 0                   | 0                   | 0                   | 14                  |
| Free trading            | 0                   | 0                   | 0                   | 0                   |
| Beneficial shareholders | 0                   | 0                   | 0                   | 4                   |
| Shareholders of record  | 0                   | 0                   | 0                   | 4                   |

## Item 3 – Interim Financial Statements

The following financial information covers the Company's most recent fiscal period, the quarter ending September 30, 2010.

**Enable IPC Corporation and SolRayo, Inc.  
Consolidated and Condensed Financial Statements  
and Notes to Financial Statements  
for the Quarter Ended  
Sept 30, 2010  
Unaudited**

ENABLE IPC CORPORATION amd SOLRAYO, INC.  
(A DEVELOPMENT STAGE COMPANY)  
CONDENSED AND CONSOLIDATED BALANCE SHEET

ASSETS

|                                       | September 30, 2010 | March 31, 2010 |
|---------------------------------------|--------------------|----------------|
| Current assets                        |                    |                |
| Cash                                  | \$ 76,720          | \$ 6,808       |
| Prepaid expenses due within 12 months | 105                | 4,105          |
| Total current assets                  | 76,825             | 10,913         |
| Fixed assets, net                     | 43,127             | 52,641         |
| Other assets                          |                    |                |
| Other prepaid expenses                | 1,500              | 1,500          |
| Intangible assets, net                | 650,422            | 666,740        |
|                                       | 651,922            | 668,240        |
| Total assets                          | \$ 771,874         | \$ 731,794     |

LIABILITIES AND STOCKHOLDERS' DEFICIT

|  |             |             |
|--|-------------|-------------|
| Current liabilities  |             |             |
| Accounts payable   | \$ 158,239  | \$ 169,527  |
| Accrued expenses and other current liabilities   | 193,234     | 187,408     |
| Other liability  | 82,457      | 20,000      |
| Due to stockholders  | 422,566     | 504,207     |
| Total current liabilities  | 856,495     | 881,142     |
| Long-term liabilities  |             |             |
| Present value of minimum royalty payments  | 220,366     | 211,723     |
| Total long-term liabilities  | 220,366     | 211,723     |
| Total liabilities  | 1,076,862   | 1,092,865   |
| Commitments and contingencies  | -           | -           |
| Stockholders' deficit  |             |             |
| Minority interest in SolRayo   | 596,716     | 345,571     |
| Preferred stock; \$0.001 par value; 10,000,000 shares<br>authorized, 14 shares issued and outstanding        | -           | -           |
| Common stock; \$0.001 par value; 250,000,000 shares<br>authorized, 102,901,560 shares issued and outstanding | 102,902     | 93,368      |
| Additional paid-in capital   | 2,963,420   | 2,916,195   |
| Additional paid-in capital -- warrants   | 88,000      | 88,000      |
| Prepaid services in common stock   | (4,000)     | (16,000)    |
| Accumulated deficit  | (4,052,025) | (3,788,205) |
| Total stockholders' deficit  | (304,988)   | (361,071)   |
| Total liabilities and stockholders' deficit  | \$ 771,874  | \$ 731,794  |

See accompanying Notes to Financial Statements

ENABLE IPC CORPORATION  
(A DEVELOPMENT STAGE COMPANY)  
CONDENSED AND CONSOLIDATED STATEMENTS OF OPERATIONS  
(UNAUDITED)

|  | Three months ended September 30,<br>2010 | 2009         | Six months ended September 30,<br>2010 | 2009         | March 17, 2005<br>(Inception) through<br>September 30, 2010 |
|--|--|--------------|--|--------------|---|
| Revenues   | \$ 23,157                                | \$ -         | \$ 23,157                              | \$ -         | \$ 128,295  |
| Cost of Goods Sold   | 6,614                                    |              | 19,509                                 |              | 80,754  |
| Gross Profit   | 16,543                                   | -            | 3,649                                  | -            | 47,540  |
| Operating expenses   |  |              |  |              |   |
| General and administrative expenses                          |  |              |  |              |   |
| Legal and professional fees                                  | 10,995                                   | 3,422        | 18,633                                 | 6,528        | 617,572   |
| Wages and salaries   | 53,792                                   | 37,500       | 108,715                                | 77,220       | 883,651   |
| Research and development                                     | 74,796                                   | 62,503       | 107,493                                | 142,624      | 1,284,701   |
| Other general and administrative                             | 36,765                                   | 39,745       | 59,608                                 | 88,931       | 1,189,280   |
| Total general and administrative expenses                    | 176,348                                  | 143,170      | 294,449                                | 315,303      | 3,975,205   |
| Loss from operations   | (159,805)                                | (143,170)    | (290,800)                              | (315,303)    | (3,927,664)   |
| Other Income   | 37,500                                   | 39,621       | 37,500                                 | 90,817       | 255,273   |
| Interest income/expense                                      | (4,816)                                  | (17,012)     | (10,520)                               | (34,336)     | (379,634)   |
| Loss before provision for income taxes                       | (127,121)                                | (120,560)    | (263,820)                              | (258,822)    | (4,052,025)   |
| Provision for income taxes                                   | -  | -            | -                                      | -            | -   |
| Net loss   | \$ (127,121)                             | \$ (120,560) | \$ (263,820)                           | \$ (258,822) | \$ (4,052,025)  |
| Basic and diluted loss per common share                      | \$ (0.00)                                | \$ (0.00)    | \$ (0.00)                              | \$ (0.01)    | \$ (0.12)   |
| Basic and diluted weighted average common shares outstanding | 97,191,960                               | 52,435,910   | 95,987,263                             | 48,696,647   | 34,289,164  |

See accompanying Notes to Financial Statements

ENABLE IPC CORPORATION and SOLRAYO, INC.  
(A DEVELOPMENT STAGE COMPANY)  
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT  
(Unaudited)

|                                  | Preferred Stock |        | Common Stock |         | Additional<br>Paid-in Capital | Minority<br>Interest | Prepaid                          |                        | Stockholders'<br>Deficit |
|----------------------------------|-----------------|--------|--------------|---------|-------------------------------|----------------------|----------------------------------|------------------------|--------------------------|
|                                  | Shares          | Amount | Shares       | Amount  |                               |                      | Services Paid in<br>Common Stock | Accumulated<br>Deficit |                          |
| Balance at March 31, 2010        | -               | -      | 93,368,228   | 93,368  | 3,004,195                     | 345,571              | (16,000)                         | (3,788,205)            | (361,071)                |
| Common stock issued for cash     |                 |        | 9,283,333    | 9,283   | 30,975                        | -                    | -                                | -                      | 40,258                   |
| Common stock issued for services |                 |        | 250,000      | 250     | 2,250                         | -                    | -                                | -                      | 2,500                    |
| Preferred stock issued for cash  | 14              | -      | -            | -       | 14,000                        | -                    | -                                | -                      | 14,000                   |
| Minority interest in SolRayo     |                 |        |              |         |                               | 251,145              |                                  |                        | 251,145                  |
| Amortization of prepaid services |                 |        |              |         |                               | -                    | 12,000                           | -                      | 12,000                   |
| Net loss                         |                 |        |              |         |                               | -                    | -                                | (263,820)              | (263,820)                |
| Balance at September 30, 2010    | 14              | -      | 102,901,561  | 102,901 | 3,051,420                     | 596,716              | (4,000)                          | (4,052,025)            | (304,989)                |

See Accompanying Notes to Financial Statements

ENABLE IPC CORPORATION and SOLRAYO, INC.  
(A DEVELOPMENT STAGE COMPANY)  
CONDENSED AND CONSOLIDATED STATEMENTS OF CASH FLOWS  
(UNAUDITED)

|   | Six months ended<br>September 30,<br>2010 | Six months ended<br>September 30,<br>2009 | March 17, 2005<br>(Inception) through<br>September 30, 2010 |
|---|---|---|---|
| Cash flows from operating activities:   |   |   |   |
| Net loss  | \$ (263,820)                              | \$ (258,822)                              | \$ (4,052,025)  |
| Adjustments to reconcile net loss to net cash provided by operating activities: |   |   |   |
| Depreciation and amortization   | 12,990                                    | 22,072                                    | 201,005   |
| Stock based compensation  | 14,500                                    | 32,145                                    | 684,579   |
| Stock based compensation related to office supplies                             | -   | -   | 2,608   |
| Interest accrued on PV of minimum royalty payments                              | 8,643                                     | 8,643                                     | 242,011   |
| Deferred Income   | 62,457                                    |   | 62,457  |
| Changes in operating assets and liabilities:                                    |   |   |   |
| Prepaid expenses  | 4,000                                     | 46  | (1,605)   |
| Accounts receivable   |   | 30,513                                    |   |
| Other receivable  | -   | 20,629                                    | -   |
| Accounts payable  | (11,288)                                  | (11,053)                                  | 173,170   |
| Accrued liabilities   | 5,826                                     | (52,734)                                  | 291,671   |
| Net cash used by operating activities   | <u>(166,692)</u>                          | <u>(208,561)</u>                          | <u>(2,396,129)</u>  |
| Cash flows from investing activities:   |   |   |   |
| Purchase of intangible asset  | -   | -   | (9,714)   |
| Change in non-controlling interest  | 251,145                                   | 103,600                                   | 596,717   |
| Purchase of fixed assets  | 12,842                                    | (17,633)                                  | (81,090)  |
| Net cash used by investing activities   | <u>263,987</u>                            | <u>85,967</u>                             | <u>505,913</u>  |
| Cash flows from financing activities:   |   |   |   |
| Issuance of common stock for cash   | 40,259                                    | 123,738                                   | 1,343,496   |
| Issuance of preferred stock for cash  | 14,000                                    | -   | 249,239   |
| Change in due to stockholders   | (81,642)                                  | (26,393)                                  | 374,201   |
| Net cash provided by financing activities                                       | <u>(27,384)</u>                           | <u>97,345</u>                             | <u>1,966,936</u>  |
| Net change in cash  | 69,912                                    | (25,249)                                  | 76,720  |
| Beginning balance, April 1  | <u>6,808</u>                              | <u>25,663</u>                             | <u>0</u>  |
| Ending balance, September 30  | <u>\$ 76,720</u>                          | <u>\$ 414</u>                             | <u>\$ 76,720</u>  |

Continued on next page



Schedule of non-cash investing and financing activities:

|  |                   |                   |                   |
|--|-------------------|-------------------|-------------------|
| Issuance of 2,780,200 shares for fixed assets  | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ 13,901</u>  |
| Purchase of intangible asset   |                   |                   |                   |
| Issuance of 2,000,000 shares related to Technology and Patent assignment                             | \$ -              | \$ -              | \$ 10,000         |
| Other liability for patent relating to ultracapacitor technology from University of Wisconsin (WARF) | -                 | -                 | 25,000            |
| Present value of minimum royalty payments related to license from University of Wisconsin (WARF)     | <u>220,366</u>    | <u>203,079</u>    | <u>220,366</u>    |
|  | <u>\$ 220,366</u> | <u>\$ 203,079</u> | <u>\$ 255,366</u> |
| Issuance of warrants in conjunction with due to stockholders   | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ 88,000</u>  |
| Issuance of common stock in satisfaction of due to stockholders                                      | <u>\$ -</u>       | <u>\$ 10,393</u>  | <u>\$ 307,164</u> |
| Amendment to Technology and Patent Assignment  | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ 686,494</u> |
| Issuance of common stock for prepaid services  | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ 145,000</u> |
| Supplemental disclosure for  |                   |                   |                   |
| Cash paid for  |                   |                   |                   |
| Interest   | <u>\$ 1,876</u>   | <u>\$ 25,169</u>  | <u>\$ 114,665</u> |
| Income taxes   | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ 1,503</u>   |

See accompanying Notes to Financial Statements

ENABLE IPC CORPORATION and SOLRAYO, INC

(A DEVELOPMENT STAGE COMPANY)

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

(Unaudited)

1. BASIS OF PRESENTATION

Enable IPC Corporation (hereinafter referred to as the “Company”) is a development stage company incorporated on March 17, 2005 under the laws of the state of Delaware. Enable IPC is engaged in the development of new power technologies that combine thin films and nanotechnology. Enable IPC (Intellectual Property Commercialization) will use these breakthroughs to manufacture microbatteries on microscopically thin film (which are expected to be smaller, cheaper, last longer, and be more environmentally friendly than today's standard batteries), ultracapacitors on standard carbon sheets impregnated with nanoparticles, and potentiostat systems.

These unaudited interim financial statements present the condensed balance sheet, statements of operations, stockholders' deficit and statements of cash flows of the Company. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States. The financial statements should be read in conjunction with the Company's Annual Financial Statements contained in the Initial Company Information and Disclosure Statement, filed with OTC Markets in August 2010.

The interim financial information is unaudited. In the opinion of management, all adjustments necessary to present fairly the financial position of the Company as of September 30, 2010 and the results of operations and cash flows presented herein have been included in the financial statements. Interim results are not necessarily indicative of results of operations for the full year.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. STOCK-BASED COMPENSATION

On April 1, 2006 the Company adopted Statement of Financial Accounting Standards (SFAS) No. 123 (revised 2004), “Share-Based Payment”, requiring the Company to recognize expense related to the fair value of its employee stock option awards. The Company recognizes the cost of all share-based awards on a graded vesting basis over the vesting period of the award.

The Company has granted no warrants or options to employees since inception. Accordingly, the adoption of SFAS No. 123 (R) did not impact the financial statements.

3. RELATED-PARTY TRANSACTIONS

At September 30, 2010, the Company recorded owing \$422,566 to related parties. Of the total amount, \$282,759 was owed for services rendered to the Company and \$139,807 was recorded for outstanding loans to the Company. Both are summarized below.

### *Services*

The Company owed \$282,759 to stockholders for services to the Company. Of this amount, \$227,806 was owed to five shareholders for consulting services rendered to the Company. In addition, the Company owed a total of \$54,953 to Board members for services rendered.

### *Loans*

The Company had three outstanding loans payable to shareholders on June 30, 2010 totaling \$139,807. They are summarized as follows:

The first loan was for \$40,000 at 13% interest per annum for a term of 24 months. The Company is required to make monthly payments of \$1,905 for 24 months. Interest on this loan totals \$5,721. As of September 30, 2010 the Company had made twelve payments on this loan totaling \$22,861 (\$18,671 toward principal and \$4,190 toward interest). Total principal remaining on this loan on September 30, 2010 was \$22,861, which included \$1,531 in past due interest.

The second loan was for \$240,000 at 13% interest per annum for a term of 30 months. The Company is required to make monthly payments of \$9,413.17 for 30 months. Interest on this loan totals \$42,395. As of September 30, 2010 the Company had made payments on this loan totaling \$162,329 (\$127,502 toward principal and \$34,827 toward interest). The total principal remaining on this loan, including past due interest, on September 30, 2010 was \$115,646.

The third loan was for \$1,300 and was made by a Board member at no interest. The loan was due and payable on September 30, 2010.

#### 4. GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company is in the development stage, has no operating revenue and incurred a net loss of approximately \$4,052,025 for the period from March 17, 2005 (Date of Inception) through September 30, 2010. The Company's management is in the process of raising additional capital for the Company.

As part of this effort, during the fiscal year ended March 31, 2006, the Company issued an aggregate of 2,807,000 shares of common stock for proceeds of \$268,400. Also, in September 2005, the Company issued to another private investor a warrant to purchase 305,000 shares of common stock at an exercise price of \$0.10 per share, none of which had been exercised as of March 31, 2008.

During the fiscal year ended March 31, 2007, the Company issued an aggregate of 3,017,497 shares for proceeds of \$202,225 less \$3,302 in offering costs. In addition, the Company issued an aggregate of 150,000 shares for services valued at \$10,500, 100,000 shares to satisfy outstanding loans from shareholders totaling \$7,000, and warrants to purchase 250,000 shares of common stock at an exercise price of \$0.01 per share, all of which had been exercised as of March 31, 2008 for total proceeds of \$2,500, and 100,000 at \$0.10 per share, none of which have been exercised as of the date of this quarterly report.

During the fiscal year ended March 31, 2008, the Company issued an aggregate of 9,442,500 shares for proceeds of \$313,500 less \$3,413 in offering costs. In addition, the Company issued an aggregate of 3,599,641 shares for services valued at \$344,320, 714,358 shares to satisfy outstanding loans from shareholders totaling \$65,005, and warrants to purchase 3,350,000 shares of common stock, 1,000,000 at an exercise price of \$0.04 per share, 50,000 of which have been exercised for proceeds of \$2,000 as of the date of this quarterly

report, and 2,350,000 at an exercise price of \$0.01 per share, 33,333 of which have been exercised as of the date of this quarterly report for proceeds of \$333. In addition, the Company reacquired an aggregate of 2,500,000 shares.

During the fiscal year ended March 31, 2009, the Company issued an aggregate of 8,660,000 shares for proceeds of \$252,000. In addition, the Company issued an aggregate of 1,614,504 shares for services valued at \$38,601, 768,000 shares to satisfy an outstanding loan from a shareholder totaling \$30,725, and 2,865,000 shares in satisfaction of amounts due to shareholders. In addition, the Company issued 317,500 shares for prepaid services valued at \$19,800, which were amortized over the performance period.

During April 2009, the Company issued 750,000 shares of its common stock to an investor for proceeds of \$10,000 less offering costs of \$125.

On April 23, 2009, a majority of the stockholders approved a Certificate of Amendment to the Company's Certificate of Incorporation which increased the number of authorized shares of common stock from 50 million shares to 100 million shares.

Also during April 2009, the Board of Directors voted unanimously to send warrant agreements to every stockholder as of May 8, 2009 (record date) which allowed each stockholder on the record date to purchase one additional share of common stock for every two shares held. The exercise price on the warrant agreements reflected that 25% of the warrants be priced at \$0.01 per share with an expiration date of July 31, 2009; 25% of the warrants be priced at \$0.02 per share with an expiration date of October 31, 2009; 25% of the warrants be priced at \$0.04 per share with an expiration date of January 31, 2010 and 25% of the warrants be priced at \$0.08 with an expiration date of April 30, 2010.

The warrant agreements were non-transferable, there were no adjustments made in the price or quantity due to any warrant, stock or option issuance to any employee, investor, creditor, director, placement agent or other compensatory or incentive grants, the shares underlying the warrant agreement are restricted from sale on the open market and will not be registered, the warrants contained no rights as a shareholder prior to exercise and all stockholders who received the warrants were required to comply with any Securities Act requirements upon exercise.

Warrant agreements to purchase 22,823,024 shares (5,705,756 at \$0.01 per share, expiring on July 31, 2009; 5,705,756 at \$0.02 per share, expiring on October 31, 2009; 5,705,756 at \$0.04 per share, expiring on January 31, 2010; and 5,705,756 at \$0.08 per share, expiring on April; 30, 2010) were mailed out to stockholders beginning May 20, 2009. As of the date of this quarterly report, a total of 1,713,284 warrants had been exercised for proceeds of \$21,434, less \$3,503 in offering costs and the remaining 20,109,740 warrant agreements had expired.

During May 2009, the Company issued 1,100,000 shares of its common stock to an investor for proceeds of \$15,000.

During June 2009, the Company issued an aggregate of 1,250,000 shares of its common stock to two investors for proceeds of \$13,500. In addition, the Company issued an aggregate of 862,500 shares to three investors for services valued at \$7,625. Also, the Company issued 937,500 shares to an investor as payment for prepaid services valued at \$9,375 to be performed between July 2009 and February 17, 2010, which were amortized over the period. Finally, the Company issued 500,000 shares to satisfy an outstanding loan from a shareholder totaling \$5,000.

During July 2009, the Company issued an aggregate of 600,000 shares of its common stock to an investor for proceeds of \$8,000.

During August 2009, the Company issued an aggregate of 5,300,000 shares of its common stock to an investor for proceeds of \$53,000. In addition, the Company issued an aggregate of 750,000 shares to three investors for services valued at \$7,500.

During September 2009, the Company issued an aggregate of 200,000 shares of its common stock to two investors for proceeds of \$2,000. In addition, the Company issued 550,000 shares to satisfy an outstanding loan from a shareholder totaling \$5,500.

During October 2009, the Company issued an aggregate of 1,400,000 shares to two investors for proceeds of \$13,500.

During November 2009, the Company issued 1,500,000 shares to an investor for proceeds of \$15,000. In addition, the Company issued an aggregate of 5,250,000 shares to two investors for services valued at \$75,500. Also, the Company issued 2,000,000 shares to an investor as payment for prepaid services valued at \$24,000, to be performed between November 2009 and November, 2010, which are being amortized over the period.

During December 2009, the Company issued 3,600,000 shares to an investor for proceeds of \$31,000. In addition, the Company issued 650,000 shares to an investor for services valued at \$10,000.

During January 2010, the Company issued 4,000,000 shares to an investor for services valued at \$30,000.

During February 2010, the Company issued an aggregate of 16,000,000 shares to two investors for proceeds of \$80,000. The Company issued 1,200,000 shares, valued at \$9,000, to partially satisfy an outstanding loan from a shareholder.

During March 2010, the Company issued an aggregate of 350,000 shares to two investors for services valued at \$2,500.

During April 2010, the Company issued an aggregate of 3,000,000 shares to two investors for proceeds of \$15,000. In addition, the Company issued 250,000 shares to an investor for services valued at \$2,500.

During September 2010, the Company issued an aggregate of 6,250,000 shares to an investor for proceeds of \$25,000. In addition, the Company issued 14 shares of Series A Preferred stock to four investors for proceeds of \$14,000. A description of Series A Preferred stock can be found in this section under heading 7, "Preferred Stock".

The Company continues to seek to raise additional funds to support operations through private placements of equity and debt securities. Management believes that the funds raised through this plan will be sufficient to support our operations through the year ending March 31, 2012.

These conditions give rise to substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include adjustments relating to the recoverability and classification of reported asset amounts or the amount and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to obtain additional financing or sale of its common stock as may be required and ultimately to attain profitability.

##### 5. PRESENT VALUE OF MINIMUM ROYALTY PAYMENTS, NET

The Company has entered into an Exclusive License Agreement ("License Agreement") granting the Company proprietary rights from the owner of the technology, the Wisconsin Alumni Research Foundation ("WARF"), in consideration for an initial license fee of

\$50,000, reimbursement of WARF's patent costs and royalties equal to 5% of the net sales of the product, beginning in calendar year 2010. The combined royalty amounts in any single calendar year must be at least equal to \$25,000, or else the 5% royalty shall not be paid, and instead \$25,000 shall be paid.

The Company recorded the present value of the above royalty payments totaling \$170,955 (assuming a 10% per annum imputed interest rate) as part of the value of the intangible asset. As of September 30, 2010 the present value of minimum royalty payments, net is as follows:

|  |                   |
|--|-------------------|
| Present value of minimum royalty payments          | \$ 170,955        |
| Plus: Accrued interest on minimum royalty payments | 50,017            |
| Present value of minimum royalty payments, net     | <u>\$ 229,009</u> |

#### 6. COMMON STOCK

During April 2010, the Company issued an aggregate of 3,000,000 shares to two investors for proceeds of \$15,000. In addition, the Company issued 250,000 shares to an investor for services valued at \$2,500.

During September 2010, the Company issued an aggregate of 6,250,000 shares to two investors for proceeds of \$25,000.

#### 7. PREFERRED STOCK

During September 2010, the Company sold 14 shares of Series A Preferred Shares to four investors for proceeds of \$14,000. Cash dividends on the Series A Preferred Shares are payable on certain sales revenues and payable quarterly at a rate of 0.022% per share. The Series A Preferred Shares are not redeemable prior to July 1, 2013 and are redeemable thereafter in cash or the then-market value of common shares, at the option of the Company. The holders of the Series A Preferred Shares have voting rights equal to the number of Common shares issuable upon conversion of the stock and vote with the Common stock.

## Item 4 – Management’s Discussion and Analysis or Plan of Operation

### Management’s Discussion and Analysis of Financial Condition and Results of Operations.

#### Overview

This discussion is intended to supplement, and should be read in conjunction with, our financial statements and the accompanying notes to the financial statements.

We were incorporated in March 2005 to develop and commercialize rechargeable batteries for use in low power applications. One of our products will be a thin film lithium battery. A patent application covering this technology was assigned to us in March 2005 by Dr. Sung H. Choi. This product is in development.

In addition, we have entered into an Exclusive License Agreement with the Wisconsin Alumni Research Foundation (the licensing arm of the University of Wisconsin) which allow us to commercialize and sell products based on an ultracapacitor technology. We believe this technology will allow us to make ultracapacitors which will complement our microbattery as well as meet performance specifications for existing consumer products, and possibly industrial and transportation products.

In October 2008 we acquired a controlling interest in SolRayo, a Wisconsin-based company that was founded and operated by one of the inventors of our ultracapacitor technology.

Also in October 2008, SolRayo was awarded a \$250,000 grant from the State of Wisconsin's Energy Independence Fund for the purpose of developing and commercializing the Company's ultracapacitor technology. As part of this, the Company developed and built a potentiostat system, which measures the performance of energy devices (e.g., batteries, capacitors, fuel cells, solar cells, etc.). In January 2010, SolRayo began offering its potentiostat systems for sale to companies, universities and research labs.

In July 2010, we were awarded a \$149,935 grant from the National Science Foundation's SBIR/STTR Program to conduct research into "Using Nanoparticle Oxide Coatings to Increase Cycle Life of Cathode Materials for Li-Ion Batteries". The work is being performed under the guidance of the Company's subsidiary, SolRayo's Director of Battery R&D, Dr. Walter Zeltner, who serves as principal investigator, and is being accomplished in collaboration with the University of Wisconsin. The award provides funding for this effort from July 1, 2010 through June 30, 2011.

In September 2010, the Company reached an agreement with a major manufacturer of radio frequency identification (RFID) tags and readers to provide ultracapacitor-based products to improve the range in which the tags can be read. The customer has committed, subject to successful product development and testing, to purchase a total of \$4.5 million in customized ultracapacitor devices from Enable IPC over the next three years to incorporate into the customer's RFID tags.

To date, we have commenced business operations and have realized some limited income. We have funded our operations through this income, private placements of equity and loans and contributions from our founders. We have incurred a net loss from operations from inception through September 30, 2010, of approximately \$4,052,025.

## **Results of Operations**

### *Three Months Ended September 30, 2010 Compared to Three Months Ended September 30, 2009*

Revenues. We generated a total of \$23,157 in sales revenue in the three months ended September 30, 2010, compared with none during the three months ended September 30, 2009. We are just commencing product sales to a limited degree and anticipate revenue increases in the coming quarters. However, there can be no assurance that we will ever receive additional revenues or reach profitability.

Cost of sales. Cost of sales expenses for the three months ended September 30, 2010 were \$6,614, compared with \$0 for the same period in 2009.

General and Administrative Expenses. General and administrative expenses for the three months ended September 30, 2010 were \$176,348, higher than the \$143,170 expended for general and administrative expenses during the same period in 2009. The general and administrative expenses for the three months ended September 30, 2010 included \$53,792 in wages and salaries, higher than the \$37,500 in wage expense for the three months ended September 30, 2009 due to the addition of part time personnel. In the three months ended September 30, 2010, we also incurred \$10,995 in legal and professional expenses, an increase from the \$3,422 in legal and professional expenses for the three months ended September 30, 2009. The higher expenses in this category were primarily due to increases in legal and negotiations activities. We had \$74,796 in research and development expenses for the three months ended September 30, 2010, higher than the \$62,503 in research and development

expenses for the three months ended September 30, 2009. This increase was due to the commencement of our work on the NSF project.

We incurred \$36,765 in other expenses during the three months ended September 30, 2010, a slight decrease from the \$39,745 in other expenses we incurred for the three months ended September 30, 2009. These 2010 expenses consisted of: \$4,770 in rent expenses, a decrease from the \$9,261 for the same period in 2009 due to the closing of our office in Valencia and consolidation of operations in Madison; we did not incur any business consulting service expense in the three months ended September 30, 2010, a decrease from \$10,385 for the same period in 2009 due to a large decrease in the number and work load of consultants since the end of the Wisconsin Energy Independence Fund grant activity; \$3,701 in utilities and telephone expenses, an increase from \$2,425 for the same period in 2009 due to the commencement of our activity under the NSF project; \$4,639 in other expenses, an increase from \$1,477 for the same period in 2009 mostly attributable to increased activity relating to the NSF project; \$13,963 in depreciation and amortization expense, compared with \$11,134 for the same period in 2009; \$2,057 in office expenses compared with \$962, an increase from the same period in 2009 due to increased activity relating to the NSF project; \$4,500 in board member services, compared with \$3,500 for the same period in 2009; \$974 in insurance expenses, an expense we did not incur in the same period in 2009; and \$2,161 in investor relations expenses compared with \$601 for the same period in 2009 due to increased investor relations activity. We anticipate that as revenues increase, and we ramp up our operations, our general and administrative expenses will continue to increase significantly.

Net Loss. As a result of the foregoing factors, our net loss was \$127,121, less than \$0.01 per share, for the three months ended September 30, 2010. This loss is a slight increase compared to the net loss of \$120,560, less than \$0.01 per share, for the same period in 2009.

#### *Six Months Ended September 30, 2010 Compared to Six Months Ended September 30, 2009*

Revenues. We generated a total of \$23,157 in sales revenue in the six months ended September 30, 2010, compared with none during the six months ended September 30, 2009. We are just commencing product sales to a limited degree and anticipate revenue increases in the coming quarters. However, there can be no assurance that we will ever receive additional revenues or reach profitability.

Cost of sales. Cost of sales expenses for the six months ended September 30, 2010 were \$19,509, compared with \$0 for the same period in 2009.

General and Administrative Expenses. General and administrative expenses for the six months ended September 30, 2010 were \$294,449, less than the \$315,303 expended for general and administrative expenses during the same period in 2009. The general and administrative expenses for the six months ended September 30, 2010 included \$108,715 in wages and salaries, higher the \$77,220 in wage expense for the six months ended September 30, 2009 due to the addition of part time personnel. In the six months ended September 30, 2010, we also incurred \$18,663 in legal and professional expenses, an increase from the \$6,528 in legal and professional expenses for the six months ended September 30, 2009. The higher expenses in this category were primarily due to increases in legal and negotiations activities. We had \$107,493 in research and development expenses for the six months ended September 30, 2010, less than the \$142,624 in research and development expenses for the six months ended September 30, 2009. This decrease was primarily due to the completion of our work on the Wisconsin Energy Independence Fund (WEIF) grant activity.

We incurred \$59,608 in other expenses during the six months ended September 30, 2010, a decrease from the \$88,931 in other expenses we incurred for the six months ended September 30, 2009. These 2010 expenses consisted of: \$9,556 in rent expenses, a decrease from the



\$17,850 for the same period in 2009 due to the closing of our office in Valencia and consolidation of operations in Madison; \$1,500 in consulting services, a decrease from \$25,940 for the same period in 2009 due to a large decrease in the number and work load of consultants since the end of the Wisconsin Energy Independence Fund grant activity; \$7,479 in utilities and telephone expenses, a slight increase from \$6,566 for the same period in 2009; \$5,709 in other expenses, an increase from \$3,840 for the same period in 2009 mostly attributable to increased activity relating to the NSF project; \$25,104 in depreciation and amortization expense, compared with \$22,072 for the same period in 2009; \$2,247 in office expenses compared with \$2,764, a slight decrease from the same period in 2009; \$4,500 in board member services, compared with \$8,000 for the same period in 2009 due to decreased services rendered by the board; \$1,109 in insurance expenses compared with \$46 in the same period in 2009 an increase due to workman's compensation premium payments made during the period; and \$2,404 in investor relations expenses compared with \$1,853 for the same period in 2009 due to increased investor relations activity. We anticipate that as revenues increase, and we ramp up our operations, our general and administrative expenses will continue to increase significantly.

Net Loss. As a result of the foregoing factors, our net loss was \$263,820, less than \$0.01 per share, for the six months ended September 30, 2010. This loss is a slight increase compared to the net loss of \$258,822 or approximately \$0.01 per share, for the same period in 2009.

### **Liquidity and Capital Resources**

From our date of inception (March 17, 2005), we have obtained the majority of our cash resources from the sale of stock to our founders. Our operating plan for the years ending March 31, 2011 and 2012 is focused on the continued development of our products and increasing sales revenue of our potentiostat systems and certain ultracapacitor applications. We currently anticipate that cash of \$2,500,000 is required to support this plan. At September 30, 2010, we had only \$76,720 in cash and had a monthly burn rate of approximately \$21,750 over the past quarter. We are in the process of raising additional capital.

During our fiscal year ended March 31, 2006, the Company issued an aggregate of 2,807,000 shares of common stock for proceeds of \$268,400. In addition, the Company issued to another private investor a warrant to purchase 305,000 shares of common stock at an exercise price of \$0.10 per share, none of which have been exercised as of the date of this quarterly report.

During the fiscal year ended March 31, 2007, the Company issued an aggregate of 3,017,497 shares for proceeds of \$202,225 less \$3,302 in offering costs. In addition, the Company issued an aggregate of 150,000 shares for services valued at \$10,500, 100,000 shares to satisfy outstanding loans from shareholders totaling \$7,000, and warrants to purchase 250,000 shares of common stock at an exercise price of \$0.01 per share, all of which had been exercised as of March 31, 2008 for total proceeds of \$2,500, and 100,000 at \$0.10 per share, none of which have been exercised as of the date of this quarterly report.

During the fiscal year ended March 31, 2008, the Company issued an aggregate of 9,442,500 shares for proceeds of \$313,500 less \$3,413 in offering costs. In addition, the Company issued an aggregate of 3,599,641 shares for services valued at \$344,320, 714,358 shares to satisfy outstanding loans from shareholders totaling \$65,005, and warrants to purchase 3,350,000 shares of common stock, 1,000,000 at an exercise price of \$0.04 per share, 50,000 of which have been exercised for proceeds of \$2,000 as of the date of this quarterly report, and 2,350,000 at an exercise price of \$0.01 per share, 33,333 of which have been exercised as of the date of this quarterly report for proceeds of \$333. In addition, the Company reacquired an aggregate of 2,500,000 shares.

During the fiscal year ended March 31, 2009, the Company issued an aggregate of 8,660,000 shares for proceeds of \$252,000. In addition, the Company issued an aggregate of 1,614,504

shares for services valued at \$38,601, 768,000 shares to satisfy an outstanding loan from a shareholder totaling \$30,725, and 2,865,000 shares in satisfaction of amounts due to shareholders. In addition, the Company issued 317,500 shares for prepaid services valued at \$19,800, which were amortized over the performance period.

During April 2009, the Company issued 750,000 shares of its common stock to an investor for proceeds of \$10,000 less offering costs of \$125.

On April 23, 2009, a majority of the stockholders approved a Certificate of Amendment to the Company's Certificate of Incorporation which increased the number of authorized shares of common stock from 50 million shares to 100 million shares.

Also during April 2009, the Board of Directors voted unanimously to send warrant agreements to every stockholder as of May 8, 2009 (record date) which allowed each stockholder on the record date to purchase one additional share of common stock for every two shares held. The exercise price on the warrant agreements reflected that 25% of the warrants be priced at \$0.01 per share with an expiration date of July 31, 2009; 25% of the warrants be priced at \$0.02 per share with an expiration date of October 31, 2009; 25% of the warrants be priced at \$0.04 per share with an expiration date of January 31, 2010 and 25% of the warrants be priced at \$0.08 with an expiration date of April 30, 2010.

The warrant agreements were non-transferable, there were no adjustments made in the price or quantity due to any warrant, stock or option issuance to any employee, investor, creditor, director, placement agent or other compensatory or incentive grants, the shares underlying the warrant agreement are restricted from sale on the open market and will not be registered, the warrants contained no rights as a shareholder prior to exercise and all stockholders who received the warrants were required to comply with any Securities Act requirements upon exercise.

Warrant agreements to purchase 22,823,024 shares (5,705,756 at \$0.01 per share, expiring on July 31, 2009; 5,705,756 at \$0.02 per share, expiring on October 31, 2009; 5,705,756 at \$0.04 per share, expiring on January 31, 2010; and 5,705,756 at \$0.08 per share, expiring on April; 30, 2010) were mailed out to stockholders beginning May 20, 2009. As of the date of this quarterly report, a total of 1,713,284 warrants had been exercised for proceeds of \$21,434, less \$3,503 in offering costs and the remaining 20,109,740 warrant agreements had expired.

During May 2009, the Company issued 1,100,000 shares of its common stock to an investor for proceeds of \$15,000.

During June 2009, the Company issued an aggregate of 1,250,000 shares of its common stock to two investors for proceeds of \$13,500. In addition, the Company issued an aggregate of 862,500 shares to three investors for services valued at \$7,625. Also, the Company issued 937,500 shares to an investor as payment for prepaid services valued at \$9,375 to be performed between July 2009 and February 17, 2010, which were amortized over the period. Finally, the Company issued 500,000 shares to satisfy an outstanding loan from a shareholder totaling \$5,000.

During July 2009, the Company issued an aggregate of 600,000 shares of its common stock to an investor for proceeds of \$8,000.

During August 2009, the Company issued an aggregate of 5,300,000 shares of its common stock to an investor for proceeds of \$53,000. In addition, the Company issued an aggregate of 750,000 shares to three investors for services valued at \$7,500.

During September 2009, the Company issued an aggregate of 200,000 shares of its common stock to two investors for proceeds of \$2,000. In addition, the Company issued 550,000 shares to satisfy an outstanding loan from a shareholder totaling \$5,500.

During October 2009, the Company issued an aggregate of 1,400,000 shares to two investors for proceeds of \$13,500.

During November 2009, the Company issued 1,500,000 shares to an investor for proceeds of \$15,000. In addition, the Company issued an aggregate of 5,250,000 shares to two investors for services valued at \$75,500. Also, the Company issued 2,000,000 shares to an investor as payment for prepaid services valued at \$24,000, to be performed between November 2009 and November, 2010, which are being amortized over the period.

During December 2009, the Company issued 3,600,000 shares to an investor for proceeds of \$31,000. In addition, the Company issued 650,000 shares to an investor for services valued at \$10,000.

During January 2010, the Company issued 4,000,000 shares to an investor for services valued at \$30,000.

During February 2010, the Company issued an aggregate of 16,000,000 shares to two investors for proceeds of \$80,000. The Company issued 1,200,000 shares, valued at \$9,000, to partially satisfy an outstanding loan from a shareholder.

During March 2010, the Company issued an aggregate of 350,000 shares to two investors for services valued at \$2,500.

During April 2010, the Company issued an aggregate of 3,000,000 shares to two investors for proceeds of \$15,000. In addition, the Company issued 250,000 shares to an investor for services valued at \$2,500.

During September 2010, the Company issued an aggregate of 6,250,000 shares to an investor for proceeds of \$25,000. In addition, the Company issued 14 shares of Series A Preferred stock to four investors for proceeds of \$14,000. A description of Series A Preferred stock can be found under heading 7 in the Notes to Financial Statements.

We continue to seek to raise additional funds to support operations through private placements of equity and debt securities. We believe that the funds raised through this plan will be sufficient to support our operations through the year ending March 31, 2012. A large portion of our anticipated costs will relate to product research and development. In addition, we plan to invest in additional employees, and to build our infrastructure as revenues increase. However, we believe our success will be largely dependent on funding from private placements of equity securities. There can be no assurance that we will be successful in raising any capital, and at the present time, we have no other agreements or arrangements for any private placements.

All of these conditions give rise to substantial doubt about our ability to continue as a going concern. Our financial statements do not include adjustments relating to the recoverability and classification of reported asset amounts or the amount and classification of liabilities that might be necessary should we be unable to continue as a going concern. Our continuation as a going concern is dependent upon our ability to obtain additional financing from the sale of our common stock, as may be required, and ultimately to attain profitability.

Our Notes to the Financial Statements for the period ending September 30, 2010, included in this report, contains a paragraph regarding our ability to continue as a going concern.

#### *Capital Resources – Six Months Ended September 30, 2010*

During the six months ended September 30, 2010, we continued to spend cash to fund our operations. Cash used by operating activities for the six months ended September 30, 2010 equaled \$166,692, and consisted principally of our net loss of \$263,820 and increases in depreciation and amortization of \$12,990, stock-based compensation of \$14,500, interest accrued on the present value of the minimum annual royalty payments of \$8,643, deferred

income of \$62,457, prepaid expenses of \$4,000, and accrued liabilities of \$5,826 offset by decreases of \$11,288 in accounts payable. During the comparable period in 2009, cash used by operating activities equaled \$208,561, and consisted principally of our net loss of \$258,822 and increases of \$22,072 in depreciation and amortization, \$32,145 in stock-based compensation, \$8,643 in interest accrued on the present value of minimum annual royalty payments, \$46 in prepaid expenses, \$30,513 in accounts receivable, and \$20,629 in other receivables, offset by \$11,053 in accounts payable and \$52,734 in accrued liabilities.

During the six months ended September 30, 2010, cash provided by investing activities totaled \$263,987, consisting of the change in non-controlling interest of \$251,145 and purchase of fixed assets totaling \$12,842. During the comparable period in 2009, cash provided by investing activities totaled \$85,967 and consisted of \$103,600 in change in non-controlling interest and a decrease of \$17,633 in fixed assets.

During the six months ended September 30, 2010, cash used by financing activities totaled \$27,384, consisting of an increase of \$40,259 from the issuance of common stock for cash, and \$14,000 from the issuance of preferred stock for cash, offset by a decrease of \$81,642 in the amounts due to our stockholders. During the six months ended September 30, 2009, cash provided by financing totaled \$97,345, due to an increase of \$123,738 in common stock issued for cash offset by a \$26,393 decrease in the amount due to our stockholders.

As of September 30, 2010, we had cash and cash equivalents amounting to \$76,720, an increase from the balance of \$414 at September 30, 2009. Our working capital deficit decreased to \$779,670 at September 30, 2010, from \$865,104 on September 30, 2009. There were no material commitments for capital expenditures on September 30, 2010.

Our research and development activities over the next twelve months are expected to consist of the optimization of our ultracapacitor technologies by developing stream-lined manufacturing processes and determining their suitability for various applications, followed by necessary chemical and structural modifications. These activities will be undertaken with a view towards our ultimate goal of developing a series of working, fully functional production units, which we currently anticipate could take anywhere from twelve to twenty-four months depending on the application.

As of September 30, 2010, we are uncertain as to the completion date of our research and development, or if products will ever be completed as a result of this research and development activity. We anticipate that the funds spent on research and development activities will need to increase prior to completion of a product. We may not be able to secure funding in the future necessary to complete our intended research and development activities.

#### *Other*

In July 2010 we were awarded a grant totaling \$149,935 from the National Science Foundation SBIR/STTR program. The grant is to fund certain activity conducted by the Company between July 1, 2010 and June 30, 2011. \$99,957 of this amount was issued to us in July. It was recorded as deferred income and is being amortized over the performance period. At September 30, 2010, deferred income for this effort totaled \$62,457.

In March 2008 we renegotiated our Technology and Patent Assignment agreement with Dr. Sung Choi to eliminate the minimum annual royalty payments due to him in exchange for increasing the royalties on future sales from 5% to 7.5% and the initial license fee from \$10,000 to \$100,000.

We have certain minimum annual royalty payments to the University of Wisconsin amounting to \$25,000 annually beginning in calendar year 2010.

## Critical Accounting Policies

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires us to make judgments, assumptions and estimates that affect the amounts reported. Note 1 of Notes to Financial Statements describes the significant accounting policies used in the preparation of the financial statements. Certain of these significant accounting policies are considered to be critical accounting policies, as defined below.

A critical accounting policy is defined as one that is both material to the presentation of our financial statements and requires management to make difficult, subjective or complex judgments that could have a material effect on our financial condition and results of operations. Specifically, critical accounting estimates have the following attributes: 1) we are required to make assumptions about matters that are highly uncertain at the time of the estimate; and 2) different estimates we could reasonably have used, or changes in the estimate that are reasonably likely to occur, would have a material effect on our financial condition or results of operations.

Estimates and assumptions about future events and their effects cannot be determined with certainty. We base our estimates on historical experience and on various other assumptions believed to be applicable and reasonable under the circumstances. These estimates may change as new events occur, as additional information is obtained and as our operating environment changes. These changes have historically been minor and have been included in the consolidated financial statements as soon as they became known. Based on a critical assessment of our accounting policies and the underlying judgments and uncertainties affecting the application of those policies, management believes that our financial statements are fairly stated in accordance with accounting principles generally accepted in the United States, and present a meaningful presentation of our financial condition and results of operations.

In preparing our financial statements to conform to accounting principles generally accepted in the United States, we make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes. These estimates include useful lives for fixed assets for depreciation calculations and assumptions for valuing options and warrants. Actual results could differ from these estimates.

We consider that the following are critical accounting policies:

*Research and development expenses* - All research and development costs are expensed as incurred. The value of acquired in-process research and development is charged to expense on the date of acquisition. Research and development expenses include, but are not limited to, payroll and personnel expense, lab supplies, preclinical studies, raw materials to manufacture our solution, manufacturing costs, consulting, legal fees and research-related overhead. Accrued liabilities for raw materials to manufacture our solution, manufacturing costs and patent legal fees are included in accrued liabilities and included in research and development expenses.

*Use of estimates* – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

*Fixed assets* – Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided principally on the straight-line method over the estimated useful lives of the assets. The cost of repairs and maintenance is charged to expense as incurred. Expenditures for property betterments and renewals are capitalized. Upon sale or other disposition of a

depreciable asset, cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in other income (expense).

We periodically evaluate whether events and circumstances have occurred that may warrant revision of the estimated useful life of fixed assets or whether the remaining balance of fixed assets should be evaluated for possible impairment. We use an estimate of the related undiscounted cash flows over the remaining life of the fixed assets in measuring their recoverability.

*Stock-based compensation* - On April 1, 2006, we adopted Statement of Financial Accounting Standards (SFAS) No. 123 (revised 2004), "Share-Based Payment," requiring us to recognize expense related to the fair value of its employee stock option awards. We recognize the cost of all share-based awards on a graded vested basis over the vesting period of the award.

We have granted no warrants or options to employees since inception. Accordingly, the adoption of SFAS No. 123(R) did not impact the financial statements.

**Off-Balance Sheet Arrangements** - None

## **Item 5 - Legal Proceedings**

The Company has entered into payment arrangements with certain creditors as noted below. There have been no current, past or pending trading suspensions by any securities regulator.

The Company has made arrangements to make monthly payments to the University of Idaho for fees owed to the University for the use of their facilities. As of September 30, 2010, the total amount owed was \$ 23,894.

The Company has made arrangements to make monthly payments to Hopkins & Carley for legal services previously performed for the Company. As of September 30, 2010, the total amount owed was \$ 89,775.

The Company has made arrangements to make monthly payments to Wonacott Communications for marketing services provided for the Company. As of September 30, 2010, the total amount owed was \$ 11,500.

## **Item 6 - Defaults Upon Senior Securities**

None

## **Item 7 - Other Information**

During October 2010, Dr. Mark A. Daugherty resigned from the Board of Directors and as Chief Technology Officer of the Company. His resignation was not due to any disagreement with the Company, its personnel or policies. Dr. Daugherty remains as advisor and consultant to the Company and continues as Chief Executive Officer of SolRayo, Inc., the Company's subsidiary.

## **Item 8 - Exhibits**

None

## **Item 9 - Certifications**

I, David A. Walker, certify that:

1. I have reviewed this quarterly disclosure statement of Enable IPC Corporation;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of

the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: October 27, 2010

A handwritten signature in black ink that reads "David A Waller". The signature is written in a cursive, flowing style.

Chief Executive Officer,

Acting Chief Financial Officer