

ENERCORP INC  
Form 10-K  
March 27, 2009

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

**FORM 10-K**

X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (D) OF THE  
----- SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "ACT" )

FOR THE FISCAL YEAR ENDED: **JUNE 30, 2008**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (D) OF THE  
----- SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

COMMISSION FILE NUMBER: 0-9083

**ENERCORP, INC.**

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(Exact name of Company as specified in its charter)

Colorado 84-0768802

(State or other jurisdiction of (IRS Employer  
incorporation or organization) Identification Number)

23399 Commerce Dr, Suite B-1

Farmington Hills, Michigan 48335

(Address of principal executive offices) (Zip Code)

Company's telephone number, including area code: (248) 994-0099

Securities registered pursuant to Section 12(b) of the Act:

None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, No Par Value

(Title of Class)

Indicate by check mark whether the Company (1) has filed all reports to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, during the preceding 12 months (or for such shorter period that the Company was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days:

Yes  No

Indicate by a check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Company's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K:

As of March 27, 2009, there were 695,897 shares of common stock issued and outstanding and the aggregate market value of the common stock (based upon the average of the bid and asked prices of these shares on the over-the-counter market of the Company) held by non-affiliates was approximately 12,000.

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**Enercorp, Inc.**

**Form 10-K for the Fiscal**

**Year Ended June 30, 2008**

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## **Forward-Looking Statements**

In addition to historical information, this Annual Report on Form 10-K contains forward-looking statements that involve risks and uncertainties that could cause our actual results to differ materially. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in the section entitled "Management's Discussion and Analysis of Financial Position and Results of Operations." When used in this report, the words "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" and similar expressions are generally intended to refer to forward-looking statements. You should not place undue reliance on these forward-looking statements, which reflect our opinions only as of the date of this Annual Report. We undertake no obligation to publicly release any revisions to the forward-looking statements after the date of this document. You should carefully review the risk factors described in other documents we file from time to time with the Securities and Exchange Commission, including the Quarterly Reports on Form 10-Q to be filed by us in fiscal year 2009, which runs from July 1, 2008 to June 30, 2009.

## **PART I**

### **Item 1. Business**

Enercorp, Inc. (the "Company" or "Company") is a closed-end, non-diversified Investment Company under the Investment Company Act of 1940, as amended (the "Investment Company Act"). The Company was incorporated under the laws of the State of Colorado on June 30, 1978. The Company elected to become a business development company under the Investment Company Act on June 30, 1982. A business development company is a type of investment company that generally must maintain 70% of its assets in new, financially troubled or otherwise qualified companies and offers significant managerial assistance to such companies. The Company presently has one investee company to which it provides management assistance. Business development companies are not subject to the full extent of regulation under the Investment Company Act of 1940, as amended. The Company is primarily engaged in the business of investing in, and providing managerial assistance to developing companies, which, in its opinion, have significant potential for growth. The Company's investment objective is to achieve long-term capital appreciation, rather than current income, on its investments. Currently, the Company's investment activity is limited by its working capital. There is no assurance that the Company's objective will be achieved.

### **Investment Decisions and Policies**

The Company's investment decisions are made by its Management in accordance with policies approved by its Board of Directors. The Company is not a registered investment advisor nor does it operate pursuant to a written investment advisory agreement that must be approved periodically by stockholders. The Company relies solely upon its Management, particularly its Officers, on a day-to-day basis, and also on the experience of its directors in making investment decisions.

Consistent with its objective of long-term capital appreciation, the Company consults with its investees with respect to obtaining capital and offers managerial assistance to selected businesses that, in the opinion of the Company's Management, have a significant potential for growth.

In addition to acquiring investment positions in new and developing companies, the Company also may occasionally invest in more mature privately and publicly-owned companies, some of which may be experiencing financial difficulties, but which, the Company believes, have potential for further development or revitalization, and which, in the long-term, could experience growth and achieve profitability.

Should its working capital position allow it to do so, the Company plans to take advantage of other opportunities to maintain and create independent companies with a significant potential for growth. The Company's priorities for the future will be to attempt to (1) maximize the value and liquidity of its present investees, (2) increase its cash flow and intermediate term value through the acquisition of securities or assets of more established companies, and (3) make

new higher risk investments in new and developing companies.

The Company has no fixed policy as to the business or industry group in which it may invest or as to the amount or type of securities or assets that it may acquire. To date, the Company has made investments primarily in new and developing companies, the securities of which had no established public market. Most of these companies initially were unable to obtain significant capital on reasonable terms from conventional sources. The Company endeavors to assist its investee companies and their management teams in devising realistic business strategies and obtaining necessary financing.

The Company believes that it will be most likely to succeed in its investment strategies if its investee companies have strong management teams. Generally, the Company focuses as much or more on finding and supporting business executives who have the ability, entrepreneurial motivation and experience required to build independent companies with a significant potential for growth, as it does on identifying, selecting and financing investment opportunities based on promising ideas, products or marketing strategies. Consistent with this belief, the Company's managerial assistance often is provided in ways designed to build strong, independent management rather than simply providing management services. For example, the Company encourages its investee companies to afford their management teams opportunities for meaningful equity participation and assists them in planning means to accomplish this result. The Company also assists in arranging financing, provides from time to time guaranties and occasionally provides limited financing of such investee companies in order to assist management of its investee companies to achieve their goals with limited supervision from the Company.

The Company has never paid cash dividends nor does it have any present intent to do so. The Company's future dividend policy is to make limited in kind distributions to its stockholders of its larger investment positions if and when its Board of Directors deems such distributions appropriate. The Company, to date, has not made any distributions of its investment portfolio, nor does it have any immediate plans to do so.

Business development is by nature a high-risk activity that often results in substantial losses. The companies, in which the Company invests and will invest, especially in the early stages of an investment but to some extent with established investees, often lack effective management, face operating problems and have incurred substantial losses. Potential investees include established businesses which may be experiencing severe financial or operating difficulties or may, in the opinion of their management, be managed ineffectively and yet have the potential for substantial growth or for reorganization into separate independent companies.

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The Company will attempt to reduce the level of its investment risks through one or more of the following factors:

- carefully investigating potential investees;
- financing only what it believes to be practical business opportunities, as contrasted to research projects;
- selecting effective, entrepreneurial management for its investees;
- providing managerial assistance and support to investees in areas, where the need is apparent;
- obtaining, alone or with others, actual or working control of its investees;
- supporting the investees in obtaining necessary financing, and, where feasible, arranging major contracts, joint ventures or mergers and acquisitions; and
- where possible, maintaining sufficient capital resources to make follow-on investments where necessary, appropriate and feasible.

As a business development company, the Company is subject to the provisions of Sections 55 through 65 of the Investment Company Act of 1940, as amended, and certain additional provisions of that Act made applicable to business development companies by Section 59 of that Act. Under these regulations, the Company's investment policies are defined and subject to certain limitations. See "Regulation-Business Development Companies." Furthermore, under Section 58 of that Act, the Company may not withdraw its election to be so regulated without the consent of a majority of its issued and outstanding voting securities holders.

The Company has no fixed policy as to any particular business or industry group in which it may invest or as to the amount or type of securities or assets that it may acquire. The Company has in the past, and may continue in the future to invest in assets that are not qualifying assets as defined by Section 55 of the Investment Company Act; however, no such additional assets have been identified as of June 30, 2008, and the Company does not intend to fall below the 70% requirement as set forth in Section 55 of that Act.

The Company endeavors to achieve its objectives in accordance with the following general policies:

- The Company acquires securities through negotiated private placement transactions directly from the investee company, its affiliates, or third parties, or through open market transactions.

- The Company attempts to acquire, if possible and consistent with the Company's capital resources, a large or controlling interest in its investees through purchases of equity securities, including warrants, options, and other rights to acquire such securities combined, if appropriate, with debt securities, including demand notes, term loans and guarantees, or debt instruments or preferred stock, convertible into, or with warrants to purchase additional equity securities.

- The Company may make additional or "follow-on" investments in its investees, when appropriate to sustain the investees or to enhance or protect the Company's existing investment.

- The Company will determine the length of time it will retain its investment by evaluating the facts and circumstances of each investee and the Company's relationship with each investee. The Company generally will retain its investments for a relatively long period, sometimes as long as many years, with the result that its rate of portfolio turnover is low. Investments are retained until, in the sole opinion of the Company, the investee company has a demonstrated record of successful operations and there is a meaningful public market for its securities which reflects the investment value the Company sought (or such a market can be readily established) or until the Company, in its sole discretion, decides that its investment is not likely to result in future long-term capital appreciation.

At the time of sale of the Company's portfolio securities, there may not be a market of sufficient stability to allow the Company to sell its entire position, potentially resulting in the Company not being able to sell such securities at prevailing market prices or at the prices at which the Company may have valued its position in the investee's securities.

### **Valuation-Policy Guidelines**

The Company's Board of Directors is responsible for the valuation of the Company's assets in accordance with its approved guidelines. The Company's Board of Directors is responsible for (1) recommending overall valuation guidelines and (2) the valuation of the specific investments.

There is a range of values, which are reasonable for an investment at any particular time. Fair value is generally defined as the price at which the investment in question could change hands, assuming that both parties to the transaction are under no unusual pressure to buy or sell and both have reasonable knowledge of all the relevant facts. To increase objectivity in valuing the securities, the Company uses external measures of value such as public markets or significant third-party transactions whenever possible. Neither a long-term workout value nor an immediate liquidation value is used, and no increment of value is included for changes, which may take place in the future. Certain members of the Board of Directors may hold officer or director positions with some of the Company's investee companies. Mr. Parlatore is a director in CompuSonic Video Corporation. No other director or officer holds any office, or director positions, or percentage ownerships with the Company's investees.

Valuations assume that, in the ordinary course of its business, the Company will eventually sell its position in the public market or may distribute its larger positions to its stockholders. Accordingly, no premiums are placed on investments to reflect the ability of the Company to sell block positions or control of companies, either by itself or in conjunction with other investors. In fact, in certain circumstances, the Company may have to sell the securities it owns of its investees in the open market at discounts to market prices at the time of sale, due to the large position it

may hold relative to the average daily trading volume.

The Company uses four basic methods of valuation for its investments and there are variations within each of these methods. The Company's Board of Directors, in its sole discretion, has determined that the Company's four basic valuation methods constitute fair value. As an investee evolves, its progress may sometime require changes in the Company's method of valuing the investee's securities. The Company's investment is separated into its component parts (such as debt, preferred stock, common stock or warrants), and each component is valued separately to arrive at a total value. The Company believes that a mixture of valuation methods is often essential to represent a fair value of the Company's investment position in any particular investee. For example, one method may be appropriate for the equity securities of a company while another method may be appropriate for the senior securities of the same company. In various instances of valuation, the Board of Directors of the Company may modify the valuation methods mentioned below based on the Board of Directors best judgment at any particular time.

The Cost Method values an investment based on its original cost to the Company, adjusted for the amortization of original issue discount, accrued interest and certain capitalized expenditures of the Company. While the cost method is the simplest method of valuation, it is often the most unreliable because it is applied in the early stages of an investee's development and is often not directly tied to objective measurements. All investments are carried at cost until significant positive or adverse events subsequent to the date of the original investment warrant a change to another method. Some examples of such events are: (1) a significant recapitalization; (2) a significant refinancing; (3) a significant third-party transaction; (4) the development of a meaningful public market for the investee's common stock; and (5) material positive or adverse changes in the investee's business.

The Appraisal Method is used to value an investment position based upon a careful analysis of the best available outside information when there is no established public or private market in the investee company's securities and it is no longer appropriate to use the cost method. Comparisons are made using factors (such as earnings, sales or net worth) that influence the market value of similar public companies or that are used in the pricing of private transactions of comparable companies. Major discounts, usually 50%, are taken when private companies are appraised by comparing a private company to similar public companies. Liquidation value may be used when an investee company is performing substantially below plan and its continuation as an operating entity is in doubt. Under the appraisal method, the differences among companies in terms of the source and type of revenues, quality of earnings, and capital structure are carefully considered.

An appraisal method value can be defined as the price at which the investment in question could change hands, assuming that both parties to the transaction are under no unusual pressure to buy or to sell, and both have reasonable knowledge of all the relevant facts. In the case of start-up companies where all assets may consist of only one or more of the following: (1) a marketing plan, (2) management or (3) a pilot operation, an evaluation may be established by capitalizing the amount of the investment that could reasonably be obtained for a predetermined percentage of the ownership in the particular company. Valuations under the appraisal method are considered to be more subjective than the cost, public market or private market methods.

The Private Market Method uses third-party transactions (actual or proposed) in the investee's securities as the basis for valuation. This method is considered to be an objective measure of value since it depends upon the judgment of a sophisticated, independent investor. Actual firm offers are used as well as historical transactions, provided that any offer used was seriously considered and well documented.

The Public Market Method is the preferred method of valuation when there is an established public market for the investee's securities, since that market provides the most objective basis for valuation. In determining whether the public market is sufficiently established for valuation purposes, the Company examines the trading volumes, the number of stockholders and the number of market makers. Under the public market method, as well as under the other valuation methods, the Company may discount investment positions that are subject to significant legal, contractual or practical restrictions. When an investee's securities are valued under the Public Market Method,

common stock equivalents such as presently exercisable warrants or options are valued based on the difference between the exercise price and the market value, subject to management and board discretion, of the underlying common stock. Although the Company believes that a public market could be created for the options and warrants of certain of its investees, thereby possibly increasing the value of these rights above their arbitrage value, the Company did not reflect this possibility in its valuation.

### **Income Tax Matters**

For federal and state income tax purposes, the Company is taxed at regular corporate rates on ordinary income and realized gain. It is not entitled to the special tax treatment available to more regulated investment companies, although the Company plans to conduct its affairs, if possible, to minimize or eliminate federal and state income taxes. Distributions of cash or property by the Company to its stockholders will be taxable as ordinary income only to the extent that the Company has current or accumulated earnings and profits.

The "alternative tax" rate at which corporations are taxed on long-term capital gains is up to 35% pursuant to the Tax Reform Act of 1986 (the "Tax Reform Act"). A corporation generally may offset capital loss only against capital gain. Generally, if the Company realizes a net capital loss for any taxable year, it can carry back such net capital loss only against capital gain. Such a net capital loss for any taxable year can generally be carried back to each of the three preceding taxable years, and then any unused portion thereof may be carried over into the subsequent taxable years for a period of five years.

### **Regulation as a Business Development Company**

A business development company is regulated by the 1940 Act. A business development company must be organized in the United States for the purpose of investing in or lending to primarily private companies and making managerial assistance available to them. A business development company may use capital provided by public stockholders and from other sources to invest in long-term, private investments in businesses. A business development company provides stockholders the ability to retain the liquidity of a publicly traded stock, while sharing in the possible benefits, if any, of investing in primarily privately owned companies.

The Company may not change the nature of our business so as to cease to be, or withdraw our election as, a business development company unless authorized by vote of a majority of the outstanding voting securities, as required by the 1940 Act. A majority of the outstanding voting securities of a company is defined under the 1940 Act as the lesser of: (i) 67% or more of such company's voting securities present at a meeting if more than 50% of the outstanding voting securities of such company are present or represented by proxy, or (ii) more than 50% of the outstanding voting securities of such company. The Company does not anticipate any substantial change in the nature of our business.

As with other companies regulated by the 1940 Act, a business development company must adhere to certain substantive regulatory requirements. A majority of its directors must be persons who are not interested persons, as that term is defined in the 1940 Act. Additionally, the Company is required to provide and maintain a bond issued by a reputable fidelity insurance company to protect the business development company. Furthermore, as a business development company, the Company is prohibited from protecting any director or officer against any liability to the company or its stockholders arising from willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person's office.

As a business development company, the Company is required to meet a coverage ratio of the value of total assets to total senior securities, which include all of our borrowings and any preferred stock we may issue in the future, of at least 200%. The Company may also be prohibited under the 1940 Act from knowingly participating in certain transactions with its affiliates without the prior approval of our directors who are not interested persons and, in some cases, prior approval by the SEC.

The Company is not generally able to sell our common stock at a price below net asset value per share. See Risk Factors Risks Relating to our Business and Structure Regulations governing our operation as a business development company affect our ability to, and the way in which we raise additional capital which may expose us to risks, including the typical risks associated with leverage. Enercorp may, however, sell its common stock at a price below net asset value per share (i) in connection with a rights offering to our existing stockholders, (ii) with the consent of the majority of our common stockholders, or (iii) under such other circumstances as the SEC may permit. For example, Enercorp may sell its common stock, or warrants, options or rights to acquire its common stock, at a price below the then current net asset value of its common stock if the Board of Directors determines that such sale is in the Company's best interests and the best interests of its stockholders, and its stockholders approve the policy and practice of making such sales. In any such case, under such circumstances, the price at which the Company's common stock to be issued and sold may not be less than a price which, in the determination of the Board of Directors, closely approximates the market value of such common stock. In addition, the Company may generally issue new shares of its common stock at a price below net asset value in rights offerings to existing stockholders, in payment of dividends and in certain other limited circumstances. We may be examined by the SEC for compliance with the 1940 Act.

As a business development company, Enercorp is subject to certain risks and uncertainties. As a business development company, the Company may not acquire any asset other than qualifying assets unless, at the time Enercorp makes the acquisition, the value of its qualifying assets represent at least 70% of the value of its total assets. The principal categories of qualifying assets relevant to Enercorp's business are:

- Securities purchased in transactions not involving any public offering, the issuer of which is an eligible portfolio company;
- Securities received in exchange for or distributed with respect to securities described in the bullet above or pursuant to the exercise of options, warrants or rights relating to such securities; and
- Cash, cash items, government securities or high quality debt securities (within the meaning of the 1940 Act), maturing in one year or less from the time of investment

An eligible portfolio company is generally a domestic company that is not an investment company (other than a small business investment company wholly owned by a business development company) and that:

- does not have a class of securities with respect to which a broker may extend margin credit at the time the acquisition is made;
- is controlled by the business development company and has an affiliate of a business development company on its board of directors;
-

does not have any class of securities listed on a national securities exchange; or

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meets such other criteria as may be established by the SEC.

Control, as defined by the 1940 Act, is presumed to exist where a business development company beneficially owns more than 25% of the outstanding voting securities of the portfolio company.

On May 15, 2008, the SEC issued an amendment to Rule 2a-46 (17-CFR.270-2a-460) under the Investment Company Act of 1940. This amendment provides for an additional definition of eligible portfolio company to include certain public companies that list their securities on a national securities Exchange. The Rule applies to companies with a market capitalization of less than \$250 million. The effective date of this Rule is July 21, 2008.

In addition, a business development company must have been organized and have its principal place of business in the United States and must be operated for the purpose of making investments in eligible portfolio companies, or in other securities that are consistent with its purpose as a business development company.

### **Managerial Assistance**

The Company believes that providing managerial assistance to its investees is critical to its business development activities. "Making available significant managerial assistance" as defined in the Investment Company Act of 1940, as amended, with respect to a business development company such as the Company means (a) any arrangement whereby a business development company, through its directors, officers, employees or general partners, offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations, or business objectives and policies of a portfolio company; or (b) the exercise by a business development company of a controlling influence over the management or policies of a portfolio company by the business development company acting individually or as a part of a group acting together which controls such portfolio company. The Company is required by the Investment Company Act of 1940, as amended, to make significant managerial assistance available at least with respect to investee companies that the Company treated as qualifying assets for purposes of the 70% test. The nature, timing and amount of managerial assistance provided by the Company varies depending upon the particular requirements of each investee company.

The Company may be involved with its investees in recruiting management, product planning, marketing and advertising and the development of financial plans, operating strategies and corporate goals. In this connection, the Company may assist clients in developing and utilizing accounting procedures to record efficiently and accurately, transactions in books of account which will facilitate asset and cost control and the ready determination of results of operations. The Company may also seek capital for its investees from other potential investors and occasionally subordinates its own investment to those of other investors. Where possible, the Company may introduce its investees to potential suppliers, customers and joint venture partners and assists its investees in establishing relationships with commercial and investment bankers and other professionals, including management consultants, recruiters, legal counsel and independent accountants. The Company also assists with joint ventures, acquisitions and mergers.

In connection with its managerial assistance, the Company may be represented by one or more of its Officers or Directors who are members of the Board of Directors of an investee. As an investment matures and the investee develops management depth and experience, the Company's role will become progressively less active. However, when the Company owns or, on a pro forma basis, could acquire a substantial proportion of a more mature investee company's equity, the Company remains active in, and will frequently be involved in, the planning of major transactions by the investee. The Company's goal is to assist each investee company in establishing its own

independent and effective board of directors and management.

### **Future Distributions**

The Company does not currently intend to pay cash dividends. The Company's current dividend policy is to make in-kind distributions of its larger investment positions to its stockholders when the Company's Board of Directors deems such distributions appropriate. Because the Company does not intend to make cash distributions, stockholders would need to sell securities distributed in-kind, when and if distributed, in order to realize a return on their investment.

An in-kind distribution will be made only when, in the judgment of the Company's Board of Directors, it is in the best interest of the Company's stockholders to do so. The Board of Directors will review, among other things, the investment quality and marketability of the securities considered for distribution; the impact of a distribution of the investee's securities on the investee's customers, joint venture associates, other investors, financial institutions and management; tax consequences and the market effects of an initial or broader distribution of such securities.

Securities of the Company's larger investment positions in more mature investee companies with established public markets are most likely to be considered for distribution. It is possible that the Company may make an in-kind distribution of securities that are substantially liquid irrespective of the distributee's stockholder rights to sell such securities. Any such in-kind distribution would require stockholder approval only if the distribution represents substantially all of the Company's assets. It is possible that the Company may make an in-kind distribution of securities that have appreciated or depreciated from the time of purchase depending upon the particular distribution.

The Company has not established a policy as to the frequency or size of distributions and indeed there can be no assurance that any distributions will be made. To date, no such distributions have been made and the Company is not considering doing so, but the Company may consider doing so in the future.

### **Compliance Policies and Procedures**

The Company has adopted and implemented written policies and procedures reasonably designed to prevent violation of the federal securities laws, and are required to review these compliance policies and procedures annually for their adequacy and the effectiveness of their implementation, and designate a Chief Compliance Officer to be responsible for administering the policies and procedures.

### **Sarbanes-Oxley Act of 2002**

The Sarbanes-Oxley Act of 2002 imposes a wide variety of new regulatory requirements on publicly-held companies and their insiders. Many of these requirements affect us. For example:

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Pursuant to Rule 13a-14 of the 1934 Act, our Chief Executive Officer and Chief Financial Officer must certify the accuracy of the financial statements contained in our periodic reports;

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Pursuant to Item 307 of Regulation S-K, our periodic reports must disclose our conclusions about the effectiveness of our disclosure controls and procedures;

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Pursuant to Rule 13a-15 of the 1934 Act, starting in fiscal 2008, our management must prepare a report regarding its assessment of our internal control over financial reporting, which must be audited by our independent registered public accounting firm starting in fiscal 2010, and

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Pursuant to Item 308 of Regulation S-K and Rule 13a-15 of the 1934 Act, our periodic reports must disclose whether there were significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The Sarbanes-Oxley Act requires Enercorp to review its current policies and procedures to determine whether the Company complies with the Sarbanes-Oxley Act and the regulations promulgated thereunder. The Company will continue to monitor its compliance with all regulations that are adopted under the Sarbanes-Oxley Act and will take actions necessary to ensure that it is in compliance therewith.

### **Competition**

The Company is subject to substantial competition from business development companies, venture capital firms, new product development companies, marketing companies and diversified manufacturers, most of whom are larger than the Company and have significantly larger net worth, financial and personnel resources than Company. In addition, the Company competes with companies and individuals engaged in the business of providing management consulting services.

### **Employees**

The Company had no employees as of June 30, 2008.

### **Item 2. Properties**

Enercorp does not own any real estate or other physical properties materially important to its operation. The Company's headquarters are located at 23399 Commerce Drive Suite B-1, Farmington Hills MI 48335 where the Company subleases office space from a stockholder of the Company. The Company occupies an office and shares a common area with such stockholder. The Company believes that the lease rate paid for this space represents current market rates. The sublease is on a month-to-month basis. The Company believes that its office facilities are suitable and adequate for its business as it is presently conducted.

### **Item 3. Legal Proceedings**

None

### **Item 4. Submission of Matters to a Vote of Security Holders**

None



**PART II****Item 5. Market for the Company's Common Equity and Related Stockholder Matters****Market Information**

The Company's common stock is traded on the Over-The-Counter (OTC) market, through the OTC electronic bulletin board. The ranges of the high and low bid quotations as published by the OTC electronic bulletin board for the periods from September 30, 2005 through June 30, 2008, are as set forth below. The "OTC" electronic bulletin board pricing information reflects inter-dealer prices, without retail mark-up or mark-down or commissions and may not necessarily represent actual transactions.

|                    | NAV(a)   | Price Range |         |
|--------------------|----------|-------------|---------|
|                    |          | High        | Low     |
| <b>Fiscal 2008</b> |          |             |         |
| Fourth quarter     | \$(0.71) | \$ 0.03     | \$ 0.02 |
| Third quarter      | (0.73)   | 0.05        | 0.02    |
| Second quarter     | (0.70)   | 0.08        | 0.05    |
| First quarter      | (0.68)   | 0.08        | 0.08    |
| <b>Fiscal 2007</b> |          |             |         |
| Fourth quarter     | (0.64)   | 0.16        | 0.08    |
| Third quarter      | (0.57)   | 0.40        | 0.40    |
| Second quarter     | (0.59)   | 0.40        | 0.40    |
| First quarter      | (0.57)   | 0.40        | 0.40    |
| <b>Fiscal 2006</b> |          |             |         |
| Fourth quarter     | (0.53)   | 0.30        | 0.30    |
| Third quarter      | (0.14)   | 0.30        | 0.30    |
| Second quarter     | (0.08)   | 0.30        | 0.30    |
| First quarter      | (0.02)   | 0.30        | 0.30    |

(a) Net asset value per share is determined as of the last day in the relevant quarter and therefore may not reflect the net asset value per share on the date of the high and low sales prices. The net asset values shown are based on outstanding shares at the end of each period.

The last reported sale price for our common stock on the Over-The-Counter (OTC) market, through the OTC electronic bulletin board on March 27, 2009 was \$0.02 per share.

The approximate number of record holders of the Company's common stock as of March 27, 2009 was approximately 1,332. This number does not include beneficial owners whose shares are held on account in "street name" by banks or

brokerage firms.

## Dividends

The Company has paid no dividends on its common stock within the past five years, and has no intention to pay cash dividends in the future.

## Item 6. Selected Financial Data

|  | 2008        | 2007         | 2006         | 2005      | 2004       |
|--|-------------|--------------|--------------|-----------|------------|
| Working capital  | \$(527,346) | \$ (447,307) | \$ (370,515) | \$ 34,672 | \$ 613,071 |
| Cash   | 193         | 190,370      | 1,100        | -         | 417        |
| Total investments  | \$ 5,375    | 5,351        | 207,008      | 470,584   | 946,164    |
| Total assets   | 6,452       | 196,605      | 208,841      | 470,584   | 946,581    |
| Total liabilities  | 533,798     | 643,912      | 579,356      | 435,912   | 333,509    |
| Net assets   | (527,346)   | (447,307)    | (370,515)    | 34,672    | 613,071    |
| Investment income  | 236         | 60,647       | 42,962       | 1,311     | 992        |
| Legal, accounting and other professional fees                                    | 7,160       | 28,065       | 36,173       | 63,876    | 12,417     |
| Management and consulting fees   | 30,000      | 30,000       | 120,000      | 54,000    | 30,000     |
| Officer wages  | 10,000      | 110,000      | -            | -         | 25,000     |
| Interest expense   | 29,012      | 32,886       | 25,706       | 21,413    | 5,001      |
| Total other gen'l & admin. expenses  | 4,127       | 15,381       | 2,694        | 6,057     | 1,294      |
| Investment loss before income taxes  | (80,063)    | (155,685)    | (141,611)    | (152,820) | (72,720)   |
| Income taxes   | -           | -            | -            | -         | -          |
| Realized gain (loss) on investments  | -           | 279,201      | (773,182)    | (380,194) | (19,161)   |
| Net increase (decrease) in unrealized appreciation (depreciation) on investments | 24          | (200,308)    | 509,606      | (45,385)  | 64,681     |
| Net increase (decrease) in net assets resulting from operations                  | (80,039)    | (76,792)     | (405,187)    | (578,399) | (27,200)   |
| Decrease in net assets per share   | \$ (0.12)   | \$ (0.11)    | \$ (0.58)    | \$ (0.83) | \$ (0.04)  |

**Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations****Capital Resources and Liquidity**

Currently, the Company's investment activity and operations are restricted by its limited working capital position. Capital required for the Company's investment activities, if available, would be generated from new investments, the sale of portfolio securities or from additional offerings of the Company's restricted and legended common stock, of which there can be no assurance of any success in any of such efforts. The ability of the Company to sell restricted portfolio held securities is dependent on market conditions over which the Company has no control. The Company had no material commitments for capital expenditures, as of June 30, 2008.

Total assets at the fiscal year end June 30, 2008 amount to \$6,452. Net assets as of June 30, 2008 were \$(527,346). For the years ended June 30, 2008, 2007, and 2006, the Company's cash flow was dependent primarily upon the sale of investments and certain loans made to the Company by related parties.

The Company's liquidity is affected primarily by the business success, securities prices and marketability of its investee companies and by the amount and timing of new or incremental investments it makes, along with its ability to borrow funds and make sales of its portfolio securities, when, and to the extent, the Board of Directors decides such sales are appropriate or necessary.

**Contractual Obligations**

|                                 |               | Due Date   |          |
|---------------------------------|---------------|------------|----------|
|                                 | June 30, 2008 | < 1 year   | > 1 year |
| Non-related party notes payable | \$ 325,000    | \$ 325,000 | \$ -     |
| Related party notes payable:    |               |            |          |
| Quorum Capital, Inc             | 19,828        | 19,828     | -        |
| First Equity Corporation        | 23,636        | 23,636     | -        |
| TICO partnership                | 14,000        | 14,000     | -        |
| Brett Homovec                   | 27,567        | 25,567     | -        |
| Total                           | \$ 410,031    | \$ 410,031 | \$ -     |

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## **Material Changes in Financial Condition**

On June 30, 2008 the total fair value of investments was \$5,375 compared to \$5,351 at June 30, 2007.

Liabilities decreased by \$110,114 during fiscal year 2008. This was mainly due to the payment of notes payable to related parties, interest payable, and accrued management fees.

The \$325,000 notes payable rising from the conversion of preferred stock to secured debt are short term notes, however, the creditors related to these notes have not demanded any payments on either the notes, or the interest accrued on the notes. These investors are willing to extend the terms of the notes, or convert the notes to equity.

The Company's current plan is to bring in other investors, borrow funds secured by collateral or sell a portion of its security holdings.

## **Results of Operations**

### *Fiscal year 2008 compared to fiscal year 2007*

The Company recorded \$236 of income during fiscal year 2008 compared to \$60,647 for 2007. The change is mainly due to lack of consulting income for 2008.

Net investment loss was \$80,063 and \$155,685 for the fiscal years 2008 and 2007 respectively. The decrease is due to the decrease in officer wages, professional fees, interest expense related-party and other general and administrative expenses.

Officer wages were \$10,000 for the fiscal year 2008 compared to \$110,000 for the fiscal year 2007. Legal and professional expense was \$7,160 and \$28,065 for the fiscal years 2008 and 2007, respectively. Management fees were \$30,000 for each year, interest expense was \$22,812 and \$22,660; interest expense related-party was \$6,200 and \$10,226 for fiscal years 2008 and 2007, respectively. Other general and administrative expense was \$4,127 for fiscal year 2008 compared to \$15,381 for fiscal year 2007.

Realized gain on investments was \$279,201 for fiscal year 2007 and there was no realized gain for 2008. Net increase (decrease) in unrealized appreciation (depreciation) on investments was \$24 for 2008 compared to \$(200,308) for 2007. This change was caused by the Williams Controls investment, which was sold in June 2007. Net assets decreased \$80,039 and \$76,792 during 2008 and 2007, respectively.

*Fiscal year 2007 compared to fiscal year 2006*

The Company recorded \$60,647 in investment income for fiscal year 2007, compared to \$42,962 of investment income recorded in 2006. The change is mainly due to increase in consulting income, additional income from the sales of some travel incentives to third parties, and the extinguishment of some liabilities.

The net investment loss for fiscal year 2007 was \$155,685, compared to a net investment loss of \$141,611 in fiscal year 2006.

Legal, accounting and other professional fees were \$28,065 and \$36,173 for the fiscal years 2007 and 2006, respectively. The decrease from 2006 is related to legal fees.

Management, consulting fees and officer compensation increased to \$140,000 in 2007, compared to \$120,000 in 2006. This change is mainly due to the Company decision to employ through an employment agreement Mr. Brett Homovec starting June 30, 2006 for a base salary of \$125,000 with incentive bonuses based on criteria to be set by the Compensation Committee. Mr. Homovec was paid only \$110,000 for the services rendered during fiscal year 2007.

The realized gain on investments for the fiscal year 2007 was \$279,201 compared to the realized loss on investment of \$773,182 for the fiscal year 2006.

The net increase (decrease) in unrealized appreciation (depreciation) on investments decreased from \$509,606 during fiscal year 2006 to \$(200,308) during fiscal year 2007. The decrease is mainly due to sale of investments in Williams Controls, Inc and a decrease in the fair market value of CPVD common stock.

## **Item 8. Financial Statements and Supplementary Data**

Financial statements and supporting schedules reporting supplementary financial information is attached hereto, made a part hereof, and are listed in Item 15 of Part IV of this Form 10-K.

## **Item 9**

### **Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

Not applicable.

### **Item 9a. Controls and procedures**

#### **Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended (Exchange Act) is recorded, processed, summarized and reported within the specified time periods and accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of Chief Executive Officer (CEO) and Chief Financial Officer (CFO), evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) promulgated under the Exchange Act) as of June 30, 2008. Based on that evaluation, our current CEO and CFO concluded that, as of that date, our disclosure controls and procedures required by paragraph (b) of Rules 13a-15 or 15d-15 were not effective at the reasonable assurance level because of the identification of material weaknesses in our internal control over financial reporting, which we view as an integral part of our disclosure controls and procedures.

The Company has not filed on a timely basis, certain of its quarterly Forms 10-Q and annual Form 10-K with the Securities Exchange Commission (SEC) within the required due dates.

### **Management's Report on Internal Control over Financial Reporting**

Our management is responsible for establishing and maintaining effective internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). This system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Our internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Our management conducted an assessment of the effectiveness of our internal control over financial reporting based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its Internal Control-Integrated Framework. Based on our assessment and those criteria, our management concluded that our internal control over financial reporting was not effective as of June 30, 2008. The Company has not filed on a timely basis, certain of its quarterly Forms 10-Q and annual Form 10-K with the Securities Exchange Commission (SEC) within the required due dates.

This Report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Our management's report was not subject to attestation by our independent registered public accounting firm pursuant to temporary rules of the SEC that permit us to provide only management's report in this Report.

### **Changes in Internal Controls**

There have been no changes in the Company's internal control over financial reporting (as such term defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal year ended June 30, 2008 to which this report relates that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

Management is in the process of correcting the above deficiencies by taking the following steps:

Management is working on filing with the SEC all of the Company's past due filings. Expected improvement of cash flow will ensure that the audits and reviews be completed on a timely basis, in order for management to file the reports by the due dates imposed by the SEC rules.

Management will review in advance all the material journal entries, conducting the necessary research in accounting and SEC rules, and consulting with the accountants in advance about specific transactions and journal entries which are considered to have a material impact in the financial statements of the Company.

**Item 9b. Other information**

None

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**PART III****Item 10. Directors and Executive Officers of the Company**

**Directors and Executive Officers, serving the Company as of the date of this report, are identified as follows:**

| <b>Name</b>            | <b>Position with the Company</b> | <b>A g e</b> | <b>Commencement Date</b> |
|------------------------|----------------------------------|--------------|--------------------------|
| Brett Homovec          | Director                         | 47           | 06/30/2006               |
| Salvatore M. Parlatore | Director                         | 35           | 10/16/2002               |
| Majlinda Xhuti         | Director, CEO & CFO              | 32           | 05/29/2008               |
| Eugene Nowak           | Director                         | 69           | 05/29/2008               |
| Richard Foisy          | Director                         | 57           | 05/29/2008               |

There were no arrangements or understandings between or among any of the above Officers and Directors pursuant to which any one of such persons was elected to any such office or position. All Directors were elected at the last Annual Meeting of the Company Shareholders to serve the Company until their successors are duly elected and qualified.

Effective June 30, 2006, the Board of Directors of the Company elected Brett A. Homovec to the position of President, Chief Operating Officer (COO), and Director, replacing Jeffrey Rautio as President, COO and Director.

Mr. Rautio's decision to resign from his duties was voluntary. The Board of Directors accepted Mr. Rautio's resignation upon Mr. Homovec's acceptance of the position. Mr. Homovec was employed through an employment agreement starting June 30, 2006 and lasting five years. The agreement called for a base salary of \$125,000 with incentive bonuses based on criteria to be set by the Compensation Committee. Either the employee or employer was able to terminate his employment with approval from the Board of Directors.

Mr. Homovec resigned from his positions as President and COO effective August 14, 2007. He remains on the Board of Directors.

On January 11, 2008, Chairman of the Board of Directors Mr. James Sargent passed away at his home in Virginia. He was 94 years old. He served Enercorp since September 2003. Mr. Sargent was sworn in as the Regional Administrator of the New York office of the United States Securities and Exchange Commission where he served until June 1956 when he was sworn in as a Commissioner of the United States Securities and Exchange Commission, an appointment by President Eisenhower, with the advice and consent of the US Senate. Following his service with the SEC, Mr. Sargent returned to New York City, where he became a partner in firms specializing in securities law. He remained a partner of Whitman & Ransom until November 1995. He then became counsel to Opton Handler Gottlieb Feiler and Katz until March 1997. Mr. Sargent continued to practice law until a few months before his death. His services to the Company are greatly appreciated by Enercorp.

On May 29, 2008 the Board elected three new directors: Mr. Eugene Nowak, Esq, Mr. Richard Foisy, CPA and Mrs. Majlinda Xhuti who also serves in the position of the CEO and CFO. She was elected to serve in these positions until



a replacement is duly elected and qualified. Both Mr. Foisy and Mr. Nowak are deemed to be disinterested directors.

### **Significant Employees**

The Company had no employees during the fiscal year ended June 30, 2008. Mrs. Majlinda Xhuti, CEO & CFO of the Company serves the office through a management agreement between the Company and Acrodyne Corporation.

### **Business Experience**

**Salvatore M. Parlatore** was co-founder, Director of Operations and Director of Strategy, from 1997 – 2001 for Nexiv, Inc., a startup website, hosting and Internet services company. From 1997-1999, he was Senior Project Manager with Webstyles, LLC. Earlier he was retained or employed by Gettys Group, Inc. 1996-1997 as a management consultant, where he specialized in commercial real estate evaluations and renovations nationally, particularly hotel projects. A summer 2002 internship at Whirlpool provided experience as an Associate Brand Manager. A native of Southampton, Long Island, Mr. Parlatore attended Brentwood College School, Vancouver Island, Canada then later earned a BS in Business Administration in 1996 at Cornell U., Ithaca - NY. He earned an MBA degree in May 2003 majoring in marketing and information technology at the University of Illinois, Urbana-Champaign.

**Brett Homovec** served as a consultant and authorized representative of Enercorp, responsible for originating investment opportunities, providing on-going assistance and advice to investee companies, including corporate finance transactions, strategic acquisitions and divestitures. Prior to Enercorp, Mr. Homovec served for ten years as a Principal and Manager to a group of privately-owned luxury automotive retail centers based in Michigan. He also served as a Vice President of Corporate Development with Sterling Optical Corporation, then the nation's fourth largest optical retailer, responsible for business development and franchising activities.

Mr. Homovec gained his Corporate Finance/Mergers and Acquisitions experience as a Vice President in the Investment Banking Group for Rodman & Renshaw Inc. in New York and Chicago, where he advised business owners, corporate clients and financial buyers on business valuations, M&A and private placements. He also served as a Senior Associate in the Dean Witter Reynolds Corporate Finance Group and as an audit professional for Touche Ross & Co. in New York. Mr. Homovec graduated from Dartmouth College in 1982 and received his MBA in Finance from New York University - Stern School of Business.

Mr. Homovec had a five year employment agreement effective June 30, 2006. The terms of the agreement were approved by the independent Board of Directors. Mr. Homovec resigned from his positions as President and COO effective August 14, 2007. He remains on the Board of Directors.

**Majlinda Xhuti** was elected in the Board of Directors on May 29, 2008. She serves in the position of Chief Executive Officer and Chief Financial Officer for the Company and its affiliates, including LBO Capital Corp and

CompuSonics Video Corporation. Mrs. Xhuti has extensive corporate financial and accounting experience in small public companies registered with the SEC. She holds a Masters Degree in Professional Accountancy from Walsh College, Troy, Michigan. Mrs. Xhuti has served the Company since October 2002.

**Richard Foisy, CPA, CIA** Mr. Foisy joined the Board of Directors on May 29, 2008. He is a proud University of Georgia Bulldog Alumni. He graduated from the University Summa Cum Laude in 1973 with a major in accounting. Richard is a Certified Public Accountant (CPA) and a Certified Internal Auditor (CIA). He served as an Operational and Supervisory Auditor for the Inspector General's Office for both the State of Georgia and U.S. Treasury Department. His tax and forensic accounting background was obtained while serving as an IRS Revenue Agent in the Atlanta metro area. Mr. Foisy has served as Chief Financial Officer for both Domestic and International corporations seeking SEC stock registration.

**Eugene Nowak, Esq** Mr. Nowak was elected as a director on May 29, 2008. He is a graduate of the University of Detroit School of Law, where he received is Juris Doctorate degree in 1964. Since that time, he has been in private law practice, specializing in commercial, corporate, and real estate transitions in the state of Michigan. He has also served on various boards and committees for profit and non-profit organizations. His experience and background have led him into the commercial real estate investment business also.

#### **Involvement in Certain Legal Proceedings**

None

#### **Promoters and Control Persons**

None

#### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires executive officers and directors, and persons who beneficially own more than ten percent of the Company's common stock to file with the Securities and Exchange Commission initial reports of ownership on Form 3, reports of changes in ownership on Form 4 and annual statements of changes in ownership on Form 5. Executive officers, directors and greater than ten percent beneficial owners are required under the regulations related to Section 16 to furnish the Company with a copy of each report filed.

Based solely upon a review of the copies of the reports received by the Company during the fiscal year ended June 30, 2008, and written representations of the persons required to file said reports, the Company's management concluded that all the directors and executive officers have filed the reports required by Section 16(a) of the Exchange Act.

### **Item 11. Executive Compensation**

#### **Summary Compensation Table**

The following table sets forth information regarding compensation paid to the Company's Chief executive officer for each of the three years ending June 30, 2008, 2007 and 2006. No other person who is currently an executive officer of the Company earned compensation exceeding \$100,000 during any of those years.

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Annual Compensation (in dollars)

Awards

| Name and Principal Position | Year | Salary  | Bonus | Other Annual Compensation | Securities               |
|-----------------------------|------|---------|-------|---------------------------|--------------------------|
|                             |      |         |       |                           | Underlying Stock Options |
| None                        | 2008 | -       | -     | -                         | -                        |
| Brett Homovec               | 2007 | 110,000 | -     | -                         | -                        |
| None*                       | 2006 | -       | -     | -                         | -                        |

\* Brett Homovec received consulting fees of \$90,000 during the fiscal year 2007. He was elected as President & CEO effective June 30, 2006.

**Option/SAR Grant Table**

No stock options or stock appreciation rights were granted during the fiscal year ended June 30, 2008.

**Aggregated Option/SAR Exercises and Fiscal Year-End Option/SAR Value Table**

No stock options were exercised during the fiscal year ended June 30, 2008.

**Compensation of Directors**

The Company has an arrangement with its disinterested non-employee Directors to pay them a fee of \$500 for each regular and non-scheduled Board of Directors meeting attended, either in person or by telephone.

**Item 12.****Security Ownership of Certain Beneficial Owners and Management**

Set forth below is information as to each person known by the Company to be the beneficial owner of more than five percent of the Common Stock, the Company's Directors and named Executive Officers, individually, and Executive Officers and Directors as a group, as of March 27, 2009.

| <u>Name and Address of<br/>Beneficial Owner</u>  | <u>Amount and Nature<br/>of Beneficial<br/>Ownership Of Class</u> | <u>Percent</u> |
|--|---|----------------|
| Vasant Chheda<br>7 Highland Place<br>Great Neck, NY 11020  | 50,000  | 7.20%          |
| Charles Maginnis<br>c/o Corporate Securities Group, Inc.<br>7600 Southland Blvd., Suite 101<br>Orlando, FL 32809 | 60,000<br>(1)   | 8.60%          |
| George Burmann<br>c/o Corporate Securities Group, Inc.<br>7600 Southland Blvd., Suite 101<br>Orlando, FL 32809   | 45,500<br>(1)   | 6.50%          |

(1)

Based upon information contained in the Schedule 13D and amendments thereto filed with the Securities and Exchange Commission. It is unclear whether these individuals still hold more than 5% of the common stock, because there have been no subsequent filings on Forms 13D since 2004.

**Item 13. Certain Relationships and Related Transactions**

CompuSonics Video Corporation ( CPVD ) is one of the largest investees of the Company. Salvatore Parlatore, Director of the Company, is currently member of the Board of Directors of CPVD.

The Company owes \$2,500 per month in Management fees to Acrodyne Corporation, a company in which the Company's former President and Chairman, Thomas W. Itin, has an interest.

**Item 14. Principal Accounting Fees and Services**

Fees billed for services performed by the independent registered public accounting firm, UHY LLP for each of the years ended June 30, 2008, and 2007, respectively are:

|               | <u>2008</u> | <u>2007</u> |
|---------------|-------------|-------------|
| Audit         | \$5,500     | \$ 11,700   |
| Audit Related | -           | 5,705       |
| Taxes         | -           | -           |

The firm of UHY LLP ( UHY ) acts as our principal independent registered public accounting firm. Through June 30, 2008, UHY had a continuing relationship with UHY Advisors, Inc. ( Advisors ) from which it leases auditing staff who were full time, permanent employees of Advisors and through which UHY 's partners provide non-audit services.

UHY has no full time employees and therefore, none of the audit services performed were provided by full time employees of UHY. UHY manages and supervises the audit services and audit staff, and is exclusively responsible for the opinion rendered in connection with its examination.

**PART IV****Item 15. Exhibits, Financial Statements Schedules and Reports on Form 8-K**

The following documents are filed as part of this report immediately following the signature page, or are incorporated herein by reference

## (1) Financial Statements

|   |          |
|---|----------|
| Report of Independent Registered Public Accounting Firm   | F-1      |
| Statements of Net Assets as of June 30, 2008 and 2007   | F-2      |
| Schedules of Investments as of June 30, 2008 and 2007   | F-3, F-4 |
| Statements of Changes in Net Assets for each of the three years in the period ended June 30, 2008 | F-5      |
| Statements of Operations for each of the three years in the period ended June 30, 2008            | F-6      |
| Statements of Cash Flows for each of the three years in the period ended June 30, 2008            | F-7      |
| Notes to Financial Statements   | F-8 F-16 |

(2) Certification pursuant to 18 USC, Section 1350, as adopted pursuant to sections 302 and 906 of the Sarbanes-Oxley Act of 2002.

## (3) Exhibits

3.1\* Amended and Restated Articles of Incorporation as Filed with the Secretary of State, State of Colorado, April 2, 1996

3.2\*\* Bylaws

\*Incorporated by reference from Exhibit 10.1 to the Company's Form 10-K for the fiscal year ended June 30, 1989.

\*\*Incorporated by reference from Exhibits 3.1 and 3.2 to the Company's Form 10-K for the fiscal year ended June 30, 1981.

(4) Reports on Form 8-K.

None

(5) Required exhibits are incorporated by reference.

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**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**ENERCORP, INC.**

**(Company)**

By: /s/ Majlinda Xhuti

Majlinda Xhuti, CEO, & CFO

Date: March 27, 2009

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Company and in the capacities specified and on the dates indicated.

/s/ Brett Homovec, Director \_\_\_\_\_ Date: March 27, 2009

Brett Homovec, Director

/s/ Salvatore M. Parlatore, Director \_\_\_\_\_ Date: March 27, 2009

Salvatore M. Parlatore, Director

/s/ Eugene Nowak, Director \_\_\_\_\_ Date: March 27, 2009

Eugene Nowak, Director

/s/ Richard Foisy, Director \_\_\_\_\_ Date: March 27, 2009

Richard Foisy, Director

/s/ Majlinda Xhuti, Director \_\_\_\_\_ Date: March 27, 2009

Majlinda Xhuti, Director

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Board of Directors

Enercorp, Inc.

We have audited the accompanying statements of net assets and schedules of investments of Enercorp, Inc. as of June 30, 2008 and 2007, and the related statements of changes in net assets, operations, and cash flows for each of the three years in the period ended June 30, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Enercorp, Inc. as of June 30, 2008 and 2007, and the results of their operations and their cash flows for each of the three years in the period ended June 30, 2008, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 10 to the financial statements, the Company's recurring losses, negative cash flows from operations and net capital deficiency raise substantial doubt about its ability to continue as a going concern. Management's plans as to these matters are also discussed in Note 10. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ UHY LLP

Southfield, Michigan

March 23, 2009

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**Enercorp, Inc.**  
**Statements of Net Assets**

|  | June 30, 2008       | June 30, 2007       |
|--|---------------------|---------------------|
| <b>Assets</b>  |                     |                     |
| Investments, at fair value, as determined by the Board of Directors,<br>cost of \$7,750 at both June 30, 2008 and June 30, 2007            | \$ 5,375            | \$ 5,351            |
| Cash   | 193                 | 190,370             |
| Prepaid expense  | 884                 | 884                 |
| Total assets   | 6,452               | 196,605             |
| <b>Liabilities</b>   |                     |                     |
| Notes payable  | 325,000             | 325,000             |
| Notes payable - related parties  | 85,031              | 151,964             |
| Accounts payable and accrued liabilities   | 16,126              | 19,443              |
| Accrued management fees-related party  | 11,000              | 67,500              |
| Interest payable-related parties   | 7,511               | 13,687              |
| Interest payable-other   | 89,130              | 66,318              |
| Total liabilities  | 533,798             | 643,912             |
| Commitments and contingencies  | -                   | -                   |
| <b>Net Assets</b>  | <b>\$ (527,346)</b> | <b>\$ (447,307)</b> |
| <b>Analysis of Net Assets</b>  |                     |                     |
| Common stock, no par value: 10,000,000 shares authorized, 695,897<br>shares issued and outstanding at both June 30, 2008 and June 30, 2007 | 1,888,251           | 1,888,251           |
| Preferred stock, no par value; 1,000,000 shares authorized, zero issued<br>and outstanding   | -                   | -                   |
| Accumulated deficit  | (2,413,221)         | (2,333,158)         |
| Net unrealized depreciation on investments   | (2,376)             | (2,400)             |
| Net assets (equivalent to \$(0.71) and \$(0.64) per share based on<br>695,897 shares of capital stock outstanding)                         | \$ (527,346)        | \$ (447,307)        |

See accompanying notes to financial statements



**Enercorp, Inc.**  
**Schedule of Investments as of June 30, 2008**

| Description of Business                         |  | No of Shares | Share Price | Cost/<br>Equity | Value<br>Before<br>Discount | Discount   | Fair<br>Value |
|---|--|--------------|-------------|-----------------|-----------------------------|------------|---------------|
| Affiliated Companies                            |  |              |             |                 |                             |            |               |
| Common Stocks-Public Market Method of Valuation |  |              |             |                 |                             |            |               |
| CompuSonics Video Corp.                         | Computer Software Product & Web Site Development | 1,751        | 0.001       | \$ -            | \$ 2                        | \$ (1)     | \$ 1          |
|   |  | 9,500,000    | 0.001       | 7,600           | 13,300                      | (7,980)    | 5,320         |
|   |  |              |             | 7,600           | 13,302                      | (7,981)    | 5,321         |
| Unaffiliated Companies                          |  |              |             |                 |                             |            |               |
| Common Stocks-Public Market Method of Valuation |  |              |             |                 |                             |            |               |
| Vitro Diagnostics, Inc.                         | Diagnostic test kits                             | 300          | 0.180       | 150             | 54                          | -          | 54            |
| <b>Total All Companies</b>                      |  |              |             | \$ 7,750        | \$ 13,356                   | \$ (7,981) | \$ 5,375      |

See accompanying notes to financial statements

**Enercorp, Inc.**  
**Schedule of Investments as of June 30, 2007**

| Description of Business                          | No of Shares | Share Price | Cost/<br>Equity | Value<br>Before<br>Discount | Discount          | Fair<br>Value   |
|--|--------------|-------------|-----------------|-----------------------------|-------------------|-----------------|
| Affiliated Companies                             |              |             |                 |                             |                   |                 |
| Common Stocks-Public Market                      |              |             |                 |                             |                   |                 |
| Method of Valuation                              |              |             |                 |                             |                   |                 |
| CompuSonics Video                                | 1,751        | \$ 0.001    | \$ -            | \$ 2                        | \$ (1)            | \$ 1            |
| Computer Software Product & Web Site Development | 9,500,000    | 0.001       | 7,600           | 13,300                      | (7,980)           | 5,320           |
|  |              |             | 7,600           | 13,302                      | (7,981)           | 5,321           |
| Unaffiliated Companies                           |              |             |                 |                             |                   |                 |
| Common Stocks-Public Market                      |              |             |                 |                             |                   |                 |
| Method of Valuation                              |              |             |                 |                             |                   |                 |
| Vitro Diagnostics kits                           | 300          | 0.100       | 150             | 30                          | -                 | 30              |
| <b>Total All Companies</b>                       |              |             | <b>\$ 7,750</b> | <b>\$ 13,332</b>            | <b>\$ (7,981)</b> | <b>\$ 5,351</b> |

See accompanying notes to financial statements

**Enercorp, Inc.**  
**Statements of Changes in Net Assets**

For the years ended June 30, 2008, 2007 and 2006

|  | June 30, 2008 | June 30, 2007 | June 30, 2006 |
|--|---------------|---------------|---------------|
| Decrease in net assets from operations:  |               |               |               |
| Net investment loss  | \$ (80,063)   | \$ (155,685)  | \$ (141,611)  |
| Net realized gain (loss) on investments  | -             | 279,201       | (773,182)     |
| Net increase (decrease) in unrealized appreciation (depreciation) on investments | 24            | (200,308)     | 509,606       |
| Net decrease in net assets resulting from operations                             | (80,039)      | (76,792)      | (405,187)     |
| Net assets   |               |               |               |
| Beginning of the year  | (447,307)     | (370,515)     | 34,672        |
| End of the year  | \$ (527,346)  | \$ (447,307)  | \$ (370,515)  |

See accompanying notes to financial statements

**Enercorp, Inc.**  
**Statements of Operations**

For the years ended June 30, 2008, 2007 and 2006

|   | June 30,<br>2008 | June 30,<br>2007 | June 30,<br>2006 |
|---|------------------|------------------|------------------|
| <b>Revenues</b>   |                  |                  |                  |
| Consulting income-related party   | \$ -             | \$ 58,500        | \$ -             |
| Sale commissions  | -                | 1,670            | 6,125            |
| Interest income   | 236              | 66               | -                |
| Income from extinguishment of liabilities   | -                | 411              | 36,837           |
| Total revenues  | 236              | 60,647           | 42,962           |
| <b>Expenses</b>   |                  |                  |                  |
| Officer wages   | 10,000           | 110,000          | -                |
| Legal, accounting and other professional fees   | 7,160            | 28,065           | 36,173           |
| Consulting fees related party   | -                | -                | 90,000           |
| Management fees-related party   | 30,000           | 30,000           | 30,000           |
| Interest expense  | 22,812           | 22,660           | 22,840           |
| Interest expense related parties  | 6,200            | 10,226           | 2,866            |
| Other general and administrative expenses   | 4,127            | 15,381           | 2,694            |
| Total expenses  | 80,299           | 216,332          | 184,573          |
| Investment loss before income tax expense   | (80,063)         | (155,685)        | (141,611)        |
| Income tax expense  | -                | -                | -                |
| Net investment loss   | (80,063)         | (155,685)        | (141,611)        |
| Realized gain (loss) and net increase (decrease) in<br>unrealized appreciation (depreciation) on<br>investments |                  |                  |                  |
| Net realized gain (loss) on investments   | -                | 279,201          | (773,182)        |
| Net increase (decrease) in unrealized<br>appreciation (depreciation) on investments                             | 24               | (200,308)        | 509,606          |
|   | 24               | 78,893           | (263,576)        |
| Net decrease in net assets resulting from operations  | (80,039)         | (76,792)         | (405,187)        |
| Decrease in net assets per share  | \$ (0.12)        | \$ (0.11)        | \$ (0.58)        |



**See accompanying notes to financial statements**

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**Enercorp, Inc.**  
**Statements of Cash Flows**

For the years ended June 30, 2008, 2007 and 2006

|   | June 30, 2008 | June 30,<br>2007 | June 30, 2006 |
|---|---------------|------------------|---------------|
| <b>Cash flows from operating activities:</b>  |               |                  |               |
| Net decrease in net assets<br>resulting from operations   | \$(80,039)    | \$ (76,792)      | \$ (405,187)  |
| Adjustments to reconcile net decrease in net<br>assets to net cash provided by (used in)<br>operating activities: |               |                  |               |
| Proceeds from sale of investments   | -             | 280,550          | -             |
| Realized (gain) loss on<br>investments  | -             | (279,201)        | 773,182       |
| Net change in unrealized<br>(appreciation)<br>depreciation on investments   | (24)          | 200,308          | (509,606)     |
| Note payable issued for<br>consulting fees  | -             | -                | 90,000        |
| Increase in other assets  | -             | (151)            | (733)         |
| Increase (decrease) in accounts<br>payable<br>and accrued expenses  | (43,181)      | 54,228           | 55,808        |
| Gain from extinguishment of<br>note payable   | -             | -                | (30,000)      |
| Total adjustments   | (43,205)      | 255,734          | 378,651       |
| Net cash provided by (used in) operating<br>activities  | (123,244)     | 178,942          | (26,536)      |
| <b>Cash flows from financing activities:</b>  |               |                  |               |
| Proceeds from notes payable   | -             | 12,828           | 27,636        |
| Payments of notes payable   | (66,933)      | (2,500)          | -             |
| Net cash provided by (used in) financing<br>activities  | (66,933)      | 10,328           | 27,636        |
| Net increase (decrease) in cash   | (190,177)     | 189,270          | 1,100         |
| Cash, beginning of the year   | 190,370       | 1,100            | -             |

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|   |        |            |           |
|---|--------|------------|-----------|
| Cash, end of the year                             | \$ 193 | \$ 190,370 | \$ 1,100  |
| Supplemental disclosure of non-cash transactions: |        |            |           |
| Note payable issued for consulting fees           | \$ -   | \$ -       | \$ 90,000 |
| Supplemental disclosure of cash flow information: |        |            |           |
| Interest paid                                     | 12,376 | -          | -         |
| Income taxes paid                                 | -      | -          | -         |

See accompanying notes to financial statements

### **Note 1. Business**

Enercorp, Inc. (the "Company") was incorporated under the laws of the State of Colorado on June 30, 1978. During the fiscal year ended June 30, 1982, the Company elected to become a "Business Development Company" (BDC) as that term is defined in the Small Business Investment Incentive Act of 1980 which is an amendment to the Investment Company Act of 1940. This change resulted in the Company becoming a specialized type of Investment Company.

### **Note 2. Summary of Significant Accounting Policies**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ( GAAP ). The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Material estimates that are susceptible to change relate to the determination of the valuation of non-marketable investment securities.

#### *Valuation of Securities*

The investment valuation method provides for the Company's Board of Directors to be responsible for the valuation of the Company's investments (and all other assets). In the development of the Company's valuation methods, factors that affect the value of investees' securities, such as significant escrow provisions, trading volume and significant business changes are taken into account. These investments are carried at fair value using the following four basic methods of valuation:

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Cost - The cost method is based on the original cost to the Company adjusted for amortization of original issue discounts and accrued interest for certain capitalized expenditures made by the Corporation. Such method is to be applied in the early stages of an investee's development until significant positive or adverse events subsequent to the date of the original investment require a change to another method.

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Private market - The private market method uses actual or proposed third party transactions in the investee's securities as a basis for valuation, utilizing actual firm offers, as well as historical transactions, provided that any offer used is seriously considered and well documented by the investee.

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Public market - The public market method is the preferred method of valuation when there is an established public market for the investee's securities. In determining whether the public market method is sufficiently established for valuation purposes, the corporation is directed to examine the trading volume, the number of shareholders and the number of market makers in the investee's securities, along with the trend in trading volume as compared to the Company's proportionate share of the investee's securities. If the security is restricted, the value is discounted at an appropriate rate.

- Appraisal - The appraisal method is used to value an investment position where there is no established public or private market method or for which there are restrictions as to their resale. These investment positions, valued after analysis of the best available outside information, as denoted in the schedule of investments are also considered to be restricted securities.

All portfolio securities valued by the cost, private market and appraisal methods are considered to be restricted as to their disposition. In addition, certain securities valued by the public market method which have restrictions as to their resale as denoted in the schedule of investments are also considered to be restricted securities.

#### *Cash and Cash Equivalents*

The Company considers all highly liquid securities with maturities of 90 days or less when purchased to be cash equivalents.

#### *Securities Transactions*

Purchases and sales of securities are accounted for on the trade date, which is the date the securities are purchased or sold. The value of securities sold is reported on the first-in first-out basis for financial statement presentation.

#### *Investment Income Recognition*

Due to the uncertainty of collection, the Company recognizes all types of consulting fee revenues from portfolio companies as cash is received. All other revenues are recognized on the accrual basis.

#### *Recently Issued Accounting Standards*

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities- Including an amendment of FASB Statement No. 115. This Statement permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. This Statement is expected to expand the use of fair value measurement, which is consistent with the Board's long-term measurement objectives for accounting for financial instruments.

This Statement also establishes presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. This Statement does not affect any existing accounting literature that requires certain assets and liabilities to be carried at fair value. This Statement does not establish requirements for recognizing and measuring dividend income, interest income, or interest expense. This Statement does not eliminate disclosure requirements included in other accounting standards, including

requirements for disclosures about fair value measurements included in SFAS No. 157. This statement is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of the fiscal year that begins on or before November 15, 2007. The implementation of SFAS No. 159 is not expected to have a material impact on the Company's results of operations and financial condition.

In December 2007, the FASB issued SFAS No. 141(R), Business Combinations, and SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements. SFAS No. 141(R) requires an acquirer to measure the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree at their fair values on the acquisition date, with goodwill being the excess value over the net identifiable assets acquired. SFAS No. 160 clarifies that a noncontrolling interest in a subsidiary should be reported as equity in the consolidated financial statements. The calculation of earnings per share will continue to be based on income amounts attributable to the parent. SFAS No. 141(R) and SFAS No. 160 are effective for financial statements issued for fiscal years beginning after December 15, 2008. Early adoption is prohibited. The Company has not yet determined the effect on our consolidated financial statements, if any, upon adoption of SFAS No. 141(R) or SFAS No. 160.

In December 2007, the FASB issued SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements - an Amendment of ARB No. 51 ( SFAS 160 ), which establishes accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS No. 160 clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. SFAS No. 160 also requires consolidated net income to be reported at amounts that include the amounts attributable to both the parent and the noncontrolling interest. It also requires disclosure, on the face of the consolidated statement of income, of the amounts of consolidated net income attributable to the parent and to the noncontrolling interest. SFAS No. 160 also provides guidance when a subsidiary is deconsolidated and requires expanded disclosures in the consolidated financial statements that clearly identify and distinguish between the interests of the parent's owners and the interests of the noncontrolling owners of a subsidiary. SFAS 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. The Company is currently evaluating the impact this statement will have on its financial position and results of operations.

In February 2008, the FASB issued FASB Staff Position No. 157-2, Effective Date of FASB Statement No. 157 ( FSP 157-2 ), which delays the effective date of SFAS 157 for nonfinancial assets and nonfinancial liabilities. Therefore, the Company has delayed application of SFAS 157 to its nonfinancial assets and nonfinancial liabilities, which include assets and liabilities acquired in connection with a business combination, goodwill, intangible assets and asset retirement obligations, until January 1, 2009. The Company is currently evaluating the impact of SFAS 157 for nonfinancial assets and liabilities on the Company's financial position and results of operations.

In March 2008, the FASB issued SFAS No. 161, Disclosures about Derivative Instruments and Hedging Activities ( SFAS 161 ), which amends and expands the disclosure requirements of FASB Statement No. 133, Accounting for Derivative Instruments and Hedging Activities ( SFAS 133 ), with the intent to provide users of financial statements with an enhanced understanding of: (a) how and why an entity uses derivative instruments; (b) how derivative instruments and related hedged items are accounted for under SFAS No. 133 and its related interpretations; and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows. SFAS 161 requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of and gains and losses on derivative instruments and disclosures about credit-risk-related contingent features in derivative instruments. This statement applies to all entities and all derivative instruments. SFAS 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. The Company has not yet determined the effect on our financial statements, if

any, upon adoption of SFAS No. 161.

In May, 2008, the FASB issued SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles*, ( SFAS No. 162 ). SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles (GAAP) in the United States (the GAAP hierarchy). SFAS No. 162 will be effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board's amendments to AU Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*. The FASB has stated that it does not expect SFAS 162 will result in a change in current practice. The application of SFAS No. 162 will have no effect on the Company's financial position, results of operations or cash flows.

Also in May 2008, the FASB issued SFAS No. 163, "Accounting for Financial Guarantee Insurance Contracts—an interpretation of FASB Statement No. 60" ( SFAS 163 ). SFAS 163 interprets Statement 60 and amends existing accounting pronouncements to clarify their application to the financial guarantee insurance contracts included within the scope of that Statement. SFAS 163 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and all interim periods within those fiscal years. As such, the Company is required to adopt these provisions at the beginning of the fiscal year ended December 31, 2009. The Company is currently evaluating the impact of SFAS 163 on its financial statements but does not expect it to have an effect on the Company's financial position, results of operations or cash flows.

In May 2008, FASB issued FSP APB 14-1, *Accounting for Convertible Debt Instruments that may be Settled in Cash upon Conversion (Including Partial Cash Settlement)* ("FSP APB 14-1"). FSP APB 14-1 applies to convertible debt securities that, upon conversion, may be settled by the issuer fully or partially in cash. FSP APB 14-1 specifies that issuers of such instruments should separately account for the liability and equity components in a manner that will reflect the entity's nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. FSP APB 14-1 is effective for financial statements issued for fiscal years after December 15, 2008, and must be applied on a retrospective basis. Early adoption is not permitted. We are assessing the potential impact of this FSP on our convertible debt issuances.

In June 2008, the FASB issued FASB Staff Position ("FSP") EITF 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities* ("FSP EITF 03-6-1"). FSP EITF 03-6-1 addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting, and therefore need to be included in the earnings allocation in computing earnings per share under the two-class method as described in SFAS No. 128, *Earnings per Share*. Under the guidance of FSP EITF 03-6-1, unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and shall be included in the computation of earnings-per-share pursuant to the two-class method. FSP EITF 03-6-1 is effective for financial statements issued for fiscal years beginning after December 15, 2008 and all prior-period earnings per share data presented shall be adjusted retrospectively. Early application is not permitted. We are assessing the potential impact of this FSP on our earnings per share calculation.

In June 2008, FASB ratified EITF No. 07-5, *Determining Whether an Instrument (or an Embedded Feature) Is Indexed to an Entity's Own Stock* ("EITF 07-5"). EITF 07-5 provides that an entity should use a two-step approach to evaluate whether an equity-linked financial instrument (or embedded feature) is indexed to its own stock, including

evaluating the instrument's contingent exercise and settlement provisions. EITF 07-5 is effective for financial statements issued for fiscal years beginning after December 15, 2008. Early application is not permitted. We are assessing the potential impact of this EITF on our financial condition and results of operations.

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**Note 3. Earnings (Loss) Per Share**

The following information sets forth the computation of basic and diluted net decrease in net assets per common share resulting from operations for each of the years ended June 30, 2008, 2007, and 2006, respectively:

|   | June 30, 2008 | June 30, 2007 | June 30, 2006 |
|---|---------------|---------------|---------------|
| Numerator:  |               |               |               |
| Decrease in net assets  | \$ (80,039)   | \$ (76,792)   | \$ (405,187)  |
| Denominator:  |               |               |               |
| Basic and diluted weighted average shares   | 695,897       | 695,897       | 695,897       |
| Basic and diluted net decrease in net assets per common share resulting from operations | \$ (0.12)     | \$ (0.11)     | \$ (0.58)     |

**Note 4. Investments***Sale of Investments*

The Company conducted a review and reconciliation of Transfer Agent records with the Company's investee portfolio account and identified 16,666 shares of Williams Controls, Inc. in the Company's name. The shares of Williams Controls, Inc. had been held as collateral by Comerica Bank for a loan that the Company had paid-in-full in March 2001. The Company requested and received the 16,666 shares of Williams Controls, Inc. and on June 4, 2007 the shares were deemed freely-tradable. The Company included the shares in its portfolio account as of June 30, 2006

The Company sold all shares of common stock in Williams Controls, Inc. for working capital purposes in fiscal 2007. The shares were sold in open market transactions through an unaffiliated broker. Upon settlement of the trades, the Company received total net proceeds of approximately \$280,000. The proceeds have been used to make payments on current and past due liabilities and other debt obligations.

*Existing Investments*

The Company owns 9,501,751 shares of a related party, CompuSonics Video Corporation ( CPVD ) which was trading publicly at \$0.001 per share as of June 30, 2008. Subsequent to June 30, 2008 this investment was trading at \$0.0008 per share. Management deemed this decline to be permanent. This investment has been permanently written down by \$94,050 to reflect the significant decline in fair value of the investment. CPVD is a related party to the Company as Mr. Parlatore, director of the Company is also a member of the Board of Directors of CPVD. Also, on June 30, 2007, the Company wrote down the cost basis of the investment in Vitro Diagnostics, Inc. The Company recorded a realized loss of \$1,350 due to this permanent decline in fair value of this investment.

#### Note 5. Notes Payable

The notes payable of \$325,000, arising from the conversion of preferred stock to secured debt, are short-term notes earning interest at 7%. They are due on demand, and are secured by investments of the Company. The creditors related to these notes have not demanded any payments on the notes or the interest accrued on the notes. These investors are willing to extend the terms of the notes or convert the notes to equity.

#### Note 6. Related Party Transactions

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#### Notes Payable-Related Parties

The following table represents all outstanding related party notes payable and accrued interest at June 30, 2008 and 2007:

| Name                     | June 30, 2008 |          | June 30, 2007 |           | Security    | Interest | Due date  |
|--------------------------|---------------|----------|---------------|-----------|-------------|----------|-----------|
|                          | Principal     | Interest | Principal     | Interest  |             |          |           |
| Quorum Capital, Inc.     | \$ 19,828     | \$ 1,761 | \$ 26,828     | \$2,976   | Investments | 7%       | On demand |
| First Equity Corporation | 23,636        | 1,659    | 23,636        | 2,567     | Investments | 7%       | On demand |
| TICO-Partnership         | 14,000        | 983      | 14,000        | 1,982     | Investments | 7%       | On demand |
| Brett Homovec            | 27,567        | 3,108    | 87,500        | 6,162     | Unsecured   | 7%       | On demand |
| Total                    | \$85,031      | \$ 7,511 | \$151,964     | \$ 13,687 |             |          |           |

The above three entities are related to Mr. Thomas and Shirley Itin though direct or indirect common ownership.

The Company paid \$7,000 of the note payable due to Quorum Capital, Inc and \$59,933 of the note payable due to Mr. Homovec during the fiscal year 2008. Also, the Company made the following interest payments during fiscal year 2008: \$2,689 to Quorum Capital, \$1,981 to TICO, \$2,568 to First Equity, and \$5,138 to Mr. Homovec.

The creditors related to these notes have not demanded any payments on them, or the interest accrued on the notes. These investors are willing to extend the terms of the notes, or convert the notes to equity.

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### Accounts Payable-Related Parties

Accrued management fees due to Acrodyne Corporation were \$11,000 and \$67,500 as of June 30, 2008 and 2007, respectively. The Company paid \$86,500 in management fees to Acrodyne during fiscal year 2008. Acrodyne subleases office space to Enercorp and it supplies the services of the CEO and CFO to the Company. Related party management fees included in the statements of operations for each of the years ended June 30, 2008, 2007 and 2006 were \$30,000.

During 2007, the Company had related party consulting income of \$58,500, which includes \$20,000 from Ajay Sports, Inc. a former investee of the Company liquidated under bankruptcy proceedings in late 2007, and \$38,500 from The Owners Club of America, LLC ( TOCA ), a private real estate company. Mr. Thomas Itin, a consultant to the Company had a controlling interest in Ajay Sports, Inc., and he has a 50% interest in TOCA.

### Note 7. Income Taxes

The Company adopted, effective July 1, 1992, Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting For Income Taxes", issued in February 1992. Under the liability method specified by SFAS 109, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities as measured by the enacted tax rates which will be in effect when these differences reverse. Deferred tax expense is the result of changes in deferred tax assets and liabilities. For the fiscal years ended June 30, 2008, 2007, and 2006, the Company's tax expense is \$0.

The components of the deferred tax assets and liabilities at June 30, 2008, and 2007 consist of the following:

|                                       | June 30, 2008 | June 30, 2007 |
|---------------------------------------|---------------|---------------|
| Unrealized loss on investments        | \$ 264,000    | \$ 264,000    |
| Capital loss carryover                | 34,000        | 34,000        |
| Net operating loss carry forward      | 454,000       | 433,000       |
| Accrued interest                      | 31,000        | 25,000        |
| V a l u a t i o n   a l l o w a n c e | (783,000)     | (756,000)     |
| Total net deferred tax assets         | \$ -          | \$ -          |

At June 30, 2008 the Company has a net operating loss carry forward available to offset future taxable income of approximately \$1,334,000 that expires during various years starting June 30, 2018.

The Company's effective income tax rate of 0% differs from the federal statutory rate of 34% for the reasons set forth below for the years ended June 30, 2008, 2007 and 2006:

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|                                    | 2008       | 2007        | 2006         |
|------------------------------------|------------|-------------|--------------|
| Income taxes at the statutory rate | \$(27,000) | \$ (26,000) | \$ (138,000) |
| Change in valuation allowance      | 27,000     | 26,000      | 138,000      |
| Total income taxes                 | \$ -       | \$ -        | \$ -         |

**Note 8: Summary of Quarterly Financial Data (Unaudited)**

The following quarterly financial information for fiscal years 2007 and 2006 is unaudited; however, in the opinion of management, all adjustments necessary to fairly state the results of operations for the interim periods have been included.

|                             | Income    | Expenses   | Net Investment<br>Income/(Loss) | Net Increase<br>(Decrease) in<br>Unrealized<br>Appreciation/<br>(Depreciation)<br>on Investments | Realized<br>Gain/(Loss)<br>on<br>Investments | Decrease in<br>Net Assets<br>Per Share |
|-----------------------------|-----------|------------|---------------------------------|--|--|--|
| <b>Fiscal 2008 Quarters</b> |           |            |                                 |  |  |  |
| 30-Sep-07                   | \$ 236    | \$ 26,672  | \$ (26,436)                     | \$ (21)  | \$ -   | \$ (0.04)                              |
| 31-Dec-07                   | -         | 16,357     | (16,357)                        | 42   | -  | (0.02)                                 |
| 31-Mar-08                   | -         | 15,876     | (15,876)                        | 24   | -  | (0.02)                                 |
| 30-Jun-08                   | -         | 21,394     | (21,394)                        | (21)   | -  | (0.04)                                 |
|                             | 236       | 80,299     | (80,063)                        | 24   | -  | (0.12)                                 |
| <b>Fiscal 2007 Quarters</b> |           |            |                                 |  |  |  |
| 30-Sep-06                   | 14,170    | 48,865     | (34,695)                        | 9,495  | -  | (0.04)                                 |
| 31-Dec-06                   | 20,000    | 66,680     | (46,680)                        | 30,500   | -  | (0.02)                                 |
| 31-Mar-07                   | 15,000    | 44,724     | (29,724)                        | 46,181   | -  | 0.02                                   |
| 30-Jun-07                   | 11,477    | 56,063     | (44,586)                        | (286,484)  | 279,201                                      | (0.07)                                 |
|                             | 60,647    | 216,332    | (155,685)                       | (200,308)  | 279,201                                      | (0.11)                                 |
| <b>Fiscal 2006 Quarters</b> |           |            |                                 |  |  |  |
| 30-Sep-05                   | 4,448     | 18,396     | (13,948)                        | (36,173)   | -  | (0.07)                                 |
| 31-Dec-05                   | -         | 36,812     | (36,812)                        | (2,492)  | -  | (0.06)                                 |
| 31-Mar-06                   | 917       | 19,559     | (18,642)                        | (22,044)   | -  | (0.06)                                 |
| 30-Jun-06                   | 37,597    | 109,806    | (72,209)                        | 570,315  | (773,182)                                    | (0.39)                                 |
|                             | \$ 42,962 | \$ 184,573 | \$ (141,611)                    | \$ 509,606   | \$ (773,182)                                 | \$ (0.58)                              |

**Note 9. Subsequent Events**

**Entry into a Material Definitive Agreement**

On September 29, 2008, Enercorp, Inc. ( Enercorp ) entered into a binding letter of intent (the Binding Letter of Intent ) with American Plastics Processing Products, Inc. ( AP3 ) and its President, Mr. DiNello, setting forth the principal terms on which AP3 will make an investment in Enercorp. As part of this investment, Enercorp will obtain a \$500,000 secured line of credit, 500,000 shares of common stock of LBO Capital Corp. 250,000 shares of common stock of EDEN Research, PLC (a publicly listed company in the United Kingdom), and \$250,000 worth of AP3 common stock. In exchange, AP3 will obtain approximately 3,083,333 shares of common stock of Enercorp. The Binding Letter of Intent does not set forth all of the terms related to this transaction, and Enercorp and AP3 agree to negotiate in good faith such other terms as well as definitive documents as appropriate to evidence this transaction. Unless otherwise agreed, Enercorp and AP3 are expected to consummate this transaction as soon as possible.

As conditions of this transaction, Enercorp must, among other things, use commercially reasonable efforts to become fully compliant with all federal and state laws by which it is governed, including the regulations promulgated by the Securities and Exchange Commission. Enercorp must also use commercially reasonable efforts to obtain agreements from current debt holders to convert approximately \$500,000 of notes receivable from Enercorp into 2,500,000 shares of common stock of Enercorp.

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**Note 10. 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. For the years ended June 30, 2008 and 2007, the Company incurred a net decrease in net assets from operations of \$80,039 and \$76,792, respectively. As of June 30, 2008 and 2007 the Company had net assets of (\$527,346) and (\$447,307), respectively.

The Company's continuation as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations on a timely basis, to obtain additional financing or refinancing as may be required, and ultimately to establish profitability. Until the Company is able to generate positive operating cash flows, additional funds will be required to support operations. The Company believes that the new financing to be obtained (See Note 9) will be sufficient to enable them to continue as a going concern through June 30, 2009. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Also see Note 9 Subsequent Events.

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**EXHIBIT INDEX**

| <b>Exhibit No.</b> | <b>Identification of Exhibit</b>  |
|--------------------|---|
| 31.1               | Certification of Majlinda Xhuti, Chief Executive Officer of the Company, pursuant to Rules 13a-14(a) and 15d-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2               | Certification of Majlinda Xhuti, Chief Financial Officer of the Company, pursuant to Rules 13a-14(a) and 15d-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1               | Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.  |
| 32.2               | Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.  |

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**EXHIBIT 31.1**

**Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Chief Executive Officer**

I, Majlinda Xhuti certify that:

1. I have reviewed this Annual Report on Form 10-K of Enercorp, Inc.;
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case



of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 27, 2009

/s/ Majlinda Xhuti  
Chief Executive Officer

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**EXHIBIT 31.2**

**Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Chief Financial Officer**

I, Majlinda Xhuti, certify that:

1. I have reviewed this Annual Report on Form 10-K of Enercorp, Inc.
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 27, 2009

/s/ Majlinda Xhuti  
Chief Financial Officer

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**EXHIBIT 32.1**

**Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**

I, Majlinda Xhuti, Chief Executive Officer of Enercorp, Inc. (the Company ), hereby certify pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2008, to which this statement is furnished as an exhibit (the Report ), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 27, 2009

/s/ Majlinda Xhuti.

Chief Executive Officer

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**EXHIBIT 32.2**

**Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

I, Majlinda Xhuti, Chief Financial Officer of Enercorp, Inc. (the Company), hereby certify pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2008 to which this statement is furnished as an exhibit (the Report), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 27, 2009

/s/Majlinda Xhuti.

Chief Financial Officer