

ENERCORP INC
Form 10-K
December 31, 2008

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, 2007**

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.

(Exact name of Company as specified in its charter)

Colorado 84-0768802

(State or other jurisdiction of (IRS Employer

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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 X 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: X

As of December 31, 2008, 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.

Enercorp, Inc.

Form 10-K for the Fiscal Year

Year Ended June 30, 2007

TABLE OF CONTENTS

PAGE

PART I

Item 1. Business

3

Item 2. Properties

12

Item 3. Legal Proceedings

12

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

12

PART II

Item 5. Market for Company's Common Equity and Related

Stockholder Matters

13

Item 6. Selected Financial Data

14

Item 7. Management's Discussion and Analysis of Financial

Condition and Results of Operations

15

Item 8. Financial Statements and Supplementary Data

17

Item 9. Changes in and Disagreements with Accountants on

Accounting and Financial Disclosure

17

Item 9a. Controls and Procedures

17

Item 9b. Other Information

18

PART III

Item 10. Directors and Executive Officers of the Company

19

Item 11. Executive Compensation

22

Item 12. Security Ownership of Certain Beneficial Owners

and Management

23

Item 13. Certain Relationships and Related Transactions

23

Item 14. Principal Accounting Fees and Services

23

PART IV

Item 15. Exhibits, Financial Statement Schedules and
Reports on Form 8-K

24

SIGNATURES

25

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 identify 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 2008, which runs from July 1, 2007 to June 30, 2008.

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.

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;

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supporting the investees in obtaining necessary financing, and, where feasible, arranging major contracts, joint ventures or mergers and acquisitions; and

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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, 2007, 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:

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

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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.

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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 CompuSonics 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.

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:

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Securities purchased in transactions not involving any public offering, the issuer of which is an eligible portfolio company;

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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

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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:

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does not have a class of securities with respect to which a broker may extend margin credit at the time the acquisition is made;

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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 year 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 year 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

As of June 30, 2007 the Company has one employee, Brett Homovec, President and COO. He 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 may terminate his employment with approval from the Board of Directors. Mr. Homovec resigned from the positions of President and COO effective August 14, 2007. Mrs. Majlinda Xhuti was elected by the Board of Directors in the positions of CEO and CFO, replacing Mr. Homovec.

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, 2007, 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
Fiscal 2007				
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
Fiscal 2006				
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
Fiscal 2005				
Fourth quarter		0.05	0.30	0.30
Third quarter		0.16	0.30	0.30
Second quarter		0.31	0.33	0.30
First quarter	\$	0.69	\$ 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.

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The last reported sale price for our common stock on the Over-The-Counter (OTC) market, through the OTC electronic bulletin board on December 31, 2008 was \$0.04 per share.

The approximate number of record holders of the Company's common stock as of December 31, 2008 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

	2007	2006	2005	2004	2003
Working capital	\$ (447,307)	\$ (370,515)	\$ 34,672	\$613,071	\$640,272
Cash	190,370	1,100	-	417	618
Total investments	5,351	207,008	470,584	946,164	900,644
Total assets	196,605	208,841	470,584	946,581	901,262
Total liabilities	643,912	579,356	435,912	333,509	260,989
Net assets	(447,307)	(370,515)	34,672	613,071	640,272
Investment Income	60,647	42,962	1,311	992	1,310
Legal, accounting and other professional fees	28,065	36,173	63,876	12,417	16,336
Management and consulting fees	30,000	120,000	54,000	30,000	30,000
Officer wages	110,000	-	-	25,000	120,000
Interest expense	32,886	25,706	21,413	5,001	3,355
Total other general & administrative expenses	15,381	2,694	6,057	1,294	712
Investment loss before income taxes	(155,685)	(141,611)	(152,820)	(72,720)	(169,093)
Income taxes	-	-	-	-	-
Realized gain (loss) on investments	279,201	(773,182)	(380,194)	(19,161)	-
Net increase (decrease) in unrealized appreciation (depreciation) on investments	(200,308)	509,606	(45,385)	64,681	(145,199)
Net increase (decrease) in net assets resulting from operations	(76,792)	(405,187)	(578,399)	(27,200)	(314,292)
Increase (decrease) in net assets per share	\$ (0.11)	\$ (0.58)	\$(0.83)	\$ (0.04)	\$ (0.45)

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Name
Shares of
Common Stock
% of Class of
Common
Gabelli Funds

134,092
3.35%
GAMCO
194,248
4.86%

Teton Advisors

GCIA

177,600

952

4.44%

0.02%

Mario Gabelli is deemed to have beneficial ownership of the Securities owned beneficially by each of the foregoing persons. GCIA is deemed to have beneficial ownership of the Securities owned beneficially by G.research. GBL and GGCP are deemed to have beneficial ownership of the Securities owned beneficially by each of the foregoing persons other than Mario Gabelli and the Foundation.

(b) Each of the Reporting Persons and Covered Persons has the sole power to vote or direct the vote and sole power to dispose or to direct the disposition of the Securities reported for it, either for its own benefit or for the benefit of its investment clients or its partners, as the case may be, except that (i) Gabelli Funds has sole dispositive and voting power with respect to the shares of the Issuer held by the Funds so long as the aggregate voting interest of all joint filers does not exceed 25% of their total voting interest in the Issuer and, in that event, the Proxy Voting Committee of each Fund shall respectively vote that Fund's shares, (ii) at any time, the Proxy Voting Committee of each such Fund may take and exercise in its sole discretion the entire voting power with respect to the shares held by such fund under special circumstances such as regulatory considerations, and (iii) the power of Mario Gabelli, GBL, and GGCP is indirect with respect to Securities beneficially owned directly by other Reporting Persons.

(c) Information with respect to all transactions in the Securities which were effected during the past sixty days or since the most recent filing on Schedule 13D, whichever is less, by each of the Reporting Persons and Covered Persons is set forth on Schedule II annexed hereto and incorporated herein by reference.

(e) Not applicable.

10

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: March 14, 2018

GGCP, INC.
MARIO J. GABELLI

By: /s/ David Goldman

David Goldman
Attorney-in-Fact

TETON ADVISORS, INC.
GABELLI FUNDS, LLC

By: /s/ David Goldman

David Goldman
General Counsel – Gabelli Funds, LLC
Counsel-Teton Advisors, Inc.

GAMCO INVESTORS, INC.

By: /s/ Kevin Handwerker

Kevin Handwerker
General Counsel & Secretary – GAMCO Investors, Inc.

ASSOCIATED CAPITAL GROUP, INC.
GAMCO ASSET MANAGEMENT INC.
GABELLI & COMPANY INVESTMENT ADVISERS, INC.

By: /s/ Douglas R. Jamieson

Douglas R. Jamieson
President & Chief Executive Officer – Associated Capital
Group, Inc.
President – GAMCO Asset Management Inc.
President – Gabelli & Company Investment Advisers, Inc.

SCHEDULE I

Information with Respect to Executive
Officers and Directors of the Undersigned

Schedule I to Schedule 13D is amended, in pertinent part, as follows:

The following sets forth as to each of the executive officers and directors of the undersigned: his name; his business address; his present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is conducted. Unless otherwise specified, the principal employer of each such individual is GAMCO Asset Management Inc., Gabelli Funds, LLC, Gabelli & Company Investment Advisers, Inc., G.research, LLC, Teton Advisors, Inc., Associated Capital Group, Inc. or GAMCO Investors, Inc., the business address of each of which is One Corporate Center, Rye, New York 10580, and each such individual identified below is a citizen of the United States. To the knowledge of the undersigned, during the last five years, no such person has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), and no such person was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which he was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities law or finding any violation with respect to such laws except as reported in Item 2(d) and (e) of this Schedule 13D.

GAMCO Investors, Inc.
Directors:

Edwin L. Artzt	Former Chairman and Chief Executive Officer Procter & Gamble Company 900 Adams Crossing Cincinnati, OH 45202
Raymond C. Avansino	Chairman & Chief Executive Officer E.L. Wiegand Foundation 165 West Liberty Street Reno, NV 89501
Leslie B. Daniels	Director c/o GAMCO Investors, Inc. One Corporate Center Rye, NY 10580
Mario J. Gabelli	Chief Executive Officer and Chief Investment Officer of GGCP, Inc. Chairman & Chief Executive Officer of GAMCO Investors, Inc. Executive Chairman & Chief Executive Officer of Associated Capital Group, Inc. Director/Trustee of all registered investment companies advised by Gabelli Funds, LLC.
Elisa M. Wilson	Director c/o GAMCO Investors, Inc. One Corporate Center Rye, NY 10580
Eugene R. McGrath	Former Chairman and Chief Executive Officer Consolidated Edison, Inc. 4 Irving Place New York, NY 10003
Robert S. Prather	President & Chief Executive Officer Heartland Media, LLC 1843 West Wesley Road Atlanta, GA 30327

Officers:

Mario J. Gabelli	Chairman and Chief Executive Officer
Henry G. Van der Eb	Senior Vice President
Bruce N. Alpert	Senior Vice President
Agnes Mullady	Senior Vice President

Kevin Handwerker Executive Vice President, General Counsel and Secretary

GAMCO Asset Management
Inc.

Directors:

Douglas R. Jamieson
Regina M. Pitaro
William S. Selby

Officers:

Mario J. Gabelli Chief Executive Officer and Chief Investment Officer – Value Portfolios

Douglas R. Jamieson President, Chief Operating Officer and Managing Director

David Goldman General Counsel, Secretary & Chief Compliance Officer

Gabelli Funds, LLC

Officers:

Mario J. Gabelli Chief Investment Officer – Value Portfolios

Bruce N. Alpert Executive Vice President and Chief Operating Officer

Agnes Mullady President and Chief Operating Officer – Open End Fund Division

David Goldman General Counsel

Gabelli Foundation, Inc.

Officers:

Mario J. Gabelli Chairman, Trustee & Chief Investment Officer

Elisa M. Wilson President

Marc Gabelli Trustee

Matthew R. Gabelli Trustee

Michael Gabelli Trustee

MJG-IV Limited Partnership

Officers:

Mario J. Gabelli General Partner

GGCP, Inc.

Directors:

Mario J. Gabelli	Chief Executive Officer and Chief Investment Officer of GGCP, Inc. Chairman & Chief Executive Officer of GAMCO Investors, Inc. Executive Chairman & Chief Executive Officer of Associated Capital Group, Inc. Director/Trustee of all registered investment companies advised by Gabelli Funds, LLC.
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Marc Gabelli	President – GGCP, Inc.
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Matthew R. Gabelli	Vice President – Trading G.research, Inc. One Corporate Center Rye, NY 10580
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Michael Gabelli	President & COO Gabelli & Partners, LLC One Corporate Center Rye, NY 10580
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Frederic V. Salerno	Chairman Former Vice Chairman and
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Chief Financial
Officer
Verizon
Communications

Vincent S. Tese Executive
Chairman – FCB
Financial Corp

Officers:

Mario J. Gabelli Chief Executive
Officer and Chief
Investment
Officer
Marc Gabelli President
Vice President,
Silvio A. Berni Assistant
Secretary and
Controller

GGCP Holdings LLC
Members:

GGCP, Inc. Manager and
Member
Mario J. Gabelli Member

Teton Advisors, Inc.

Directors:

Stephen G. Bondi

Nicholas F. Galluccio Chairman of the Board

Vincent J. Amabile Chief Executive Officer and President

John Tesoro

Officers:

Nicholas F. Galluccio See above

Michael J. Mancuso Chief Financial Officer

Tiffany Hayden Secretary

Associated Capital Group, Inc.

Directors:

Mario J. Gabelli

Chief Executive Officer and Chief Investment Officer of GGCP, Inc.
Chairman & Chief Executive Officer of GAMCO Investors, Inc.
Executive Chairman of Associated Capital Group, Inc.
Director/Trustee of all registered investment companies advised by Gabelli Funds, LLC.

Richard L. Bready

Former Chairman and Chief Executive Officer
Nortek, Inc.
50 Kennedy Plaza
Providence, RI 02903

Douglas R. Jamieson

President and Chief Executive Officer

Bruce Lisman

Former Chairman - JP Morgan – Global Equity Division

Daniel R. Lee

Chief Executive Officer
Full House Resorts, Inc.
4670 South Ford Apache Road, Suite 190
Las Vegas, NV 89147

Salvatore F. Sodano

Vice Chairman of the Board

Frederic V. Salerno

See above

Officers:

Mario J. Gabelli

Executive Chairman

Douglas R. Jamieson

President and Chief Executive Officer

Francis J. Conroy

Interim Chief Financial Officer

Kevin Handwerker

Executive Vice President, General Counsel and Secretary

David Fitzgerald

Assistant Secretary

Gabelli & Company Investment Advisers,
Inc.

Directors:

Douglas R. Jamieson

Officers:

Douglas R. Jamieson Chief Executive Officer and President

Kevin Handwerker Executive Vice President, General Counsel and Secretary

David Fitzgerald Assistant Secretary

G.research, LLC

Officers:

Cornelius V. McGinity President

Maria Gigi Controller and Financial Operations Principal

Bruce N. Alpert Vice President

Douglas R. Jamieson Secretary

Kevin Handwerker Assistant Secretary

David Fitzgerald Assistant Secretary

Josephine D. LaFauci Chief Compliance Officer

SCHEDULE II
 INFORMATION WITH RESPECT TO
 TRANSACTIONS EFFECTED DURING THE PAST SIXTY DAYS OR
 SINCE THE MOST RECENT FILING ON SCHEDULE 13D (1)

DATE	SHARES PURCHASED SOLD(-)	AVERAGE PRICE(2)
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COMMON STOCK-NOBILITY HOMES, INC.

GAMCO ASSET MANAGEMENT INC.

3/13/18	4,000	22.7975
3/12/18	200	22.5500
3/09/18	500	22.4000
3/05/18	1,000-	*DO
1/29/18	4,500-	21.0000
1/24/18	500-	22.0000
1/19/18	500-	21.5000
1/17/18	500-	21.5000

TETON ADVISORS, INC

3/13/18	10,005	23.0000
3/09/18	1,000	21.5000
3/07/18	2,100	21.0000
2/23/18	100	20.0000
2/22/18	100	20.0000
2/16/18	800	20.0000

(1) UNLESS OTHERWISE INDICATED, ALL TRANSACTIONS WERE EFFECTED
 ON THE OTC MARKET.

(2) PRICE EXCLUDES COMMISSION.

(*) RESULTS IN CHANGE OF DISPOSITIVE POWER AND BENEFICIAL OWNERSHIP.