

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)
June 5, 2012

Active Power, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

000-30939
(Commission File Number)

74-2961657
(IRS Employer Identification No.)

2128 W. Braker Lane, BK12
Austin, Texas 78758
(Address of principal executive offices, including zip code)

(512) 836-6464
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Effective on June 5, 2012, Stephen J. Clearman was appointed to the Board of Directors (the “Board”) of Active Power, Inc., a Delaware corporation (the “Company”). Mr. Clearman is not initially expected to serve on any committees of the Board.

On March 7, 2012, the Company entered into a Securities Purchase Agreement (the “Purchase Agreement”) pursuant to which the Company sold 14,336,912 shares of its common stock, par value \$0.001 per share (the “Shares”), to Kinderhook Partners, LP (“Kinderhook”) and Ardsley Partners, including certain affiliated funds, at a price of \$0.68 per share for gross proceeds of approximately \$9,749,100 before offering expenses. Kinderhook purchased 8,823,529 Shares pursuant to the Purchase Agreement for an aggregate purchase price of \$5,999,999.72 (the “Kinderhook Purchase”). The Purchase Agreement was filed as Exhibit 10.1 to the Company’s Current Report on Form 8-K filed on March 8, 2012 and is incorporated herein by reference.

In connection with the Kinderhook Purchase, the Company entered into a Side Letter Agreement with Kinderhook pursuant to which the Company was obligated to use its reasonable best efforts to cause to be appointed any designee of Kinderhook to the Board within 10 days after the Company received written notice of such designation (the “Side Letter”). Mr. Clearman was appointed to the Board pursuant to the Side Letter. The Side Letter was filed as Exhibit 10.2 to the Company’s Current Report on Form 8-K filed on March 8, 2012 and is incorporated herein by reference.

Mr. Clearman is a co-managing member of Kinderhook GP, LLC, the General Partner of Kinderhook (the “General Partner”), responsible for making investment decisions with respect to Kinderhook and, as a result, Mr. Clearman may be deemed to control Kinderhook. Accordingly, Mr. Clearman may be deemed to have a beneficial interest in the Shares held by Kinderhook, by virtue of his indirect control of Kinderhook and the General Partner, and the General Partner’s power to vote and/or dispose of the Shares held by Kinderhook. As a result, Mr. Clearman was a “related person” within the meaning of Item 404(a) of Regulation S-K at the time of the Kinderhook Purchase.

Mr. Clearman is entitled to receive compensation from the Company for his service on the Board on the same terms as other non-employee members of the Board, which terms are described under the caption “Overview of Director Compensation and Procedures” in the Company’s definitive proxy statement on Schedule 14A filed on April 11, 2012, and currently includes a combination of cash and stock-based incentive compensation.

On June 5, 2012, in connection with his election to the Board, the Company granted Mr. Clearman an option to purchase 30,000 shares of Common Stock and 30,000 restricted stock units. Mr. Clearman has the sole power to vote and dispose of, and the sole power to direct the vote and disposition of, the shares of Common Stock issuable upon exercise of the options and upon vesting of the restricted stock units. Pursuant to Mr. Clearman’s arrangement with Kinderhook Partners, LLC, the investment adviser to Kinderhook (the “Advisor”), with respect to director compensation, the proceeds from the sale of these shares are expected to be remitted to the Advisor.

The press release issued by Active Power on June 11, 2012 announcing Mr. Clearman’s appointment to the Board is attached hereto as Exhibit 99.1 and is incorporated in this Item 5.02 by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 Press Release, dated June 11, 2012, regarding Stephen J. Clearman’s appointment to the Board of Directors of Active Power, Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ACTIVE POWER, INC.

Date: June 11, 2012

By: /s/ John K. Penver

John K. Penver
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release, dated June 11, 2012, regarding Stephen J. Clearman's appointment to the Board of Directors of Active Power, Inc.



Active Power Appoints Stephen Clearman to Board of Directors

AUSTIN, Texas (June 11, 2012) – Active Power, Inc. (NASDAQ: ACPW), manufacturer of continuous power and infrastructure solutions, today announced it has appointed Stephen Clearman, co-founder and managing partner at Kinderhook Partners, LP, a registered investment adviser firm, to its board of directors.

The appointment was made in connection with the common stock offering announced March 6, 2012, where by Active Power sold more than 14.3 million shares directly to Kinderhook Partners and Ardsley Partners. As part of the offering, Active Power granted Kinderhook Partners the right to designate one member to its board of directors.

“Stephen brings to the board an extensive and diverse background as a director, having served on boards of both private and publicly held companies,” said Doug Milner, president and CEO, Active Power. “I believe this appointment strengthens our board as we have our largest shareholder represented, but also a director with an incredibly strong business acumen and the unique ability to offer fresh perspective on the business and its operations.”

“With a growing customer base, highly differentiated products and solutions, and expanding global markets, Active Power has all of the right pieces in place to continue its growth path and improve profitability,” said Stephen Clearman. “I look forward to working closely with Active Power’s management team and board to grow and build shareholder value and commit to its mission of delivering efficient, reliable, and green solutions to global innovators worldwide.”

Prior to co-founding Kinderhook Partners in 2003, Clearman co-founded Geocapital Partners, a leading venture capital firm that managed more than \$500 million in a series of partnerships in North America and Europe. Prior to his work at Geocapital Partners, Clearman spent four years at Adler and Company responsible for the origination and management of numerous venture capital investments. In addition to these stints, Clearman has been a director of a number of public and privately held companies.

About Active Power

Founded in 1992, Active Power (NASDAQ:ACPW) designs and manufactures continuous power solutions and critical backup power systems that enable datacenters and other mission critical operations to remain ‘on’ 24 hours a day, seven days a week. Active Power solutions are intelligently efficient, inherently reliable and economically green, providing environmental benefits and energy and space efficiencies to customers’ financial benefit. The company’s products and solutions are built with pride in Austin, Texas, at a state-of-the-art, ISO 9001:2008 registered manufacturing and test facility. Global customers are served via Austin and three regional operations centers located in the United Kingdom, Germany, and China, supporting the deployment of systems in more than 40 countries. For more information, visit www.activepower.com.

Cautionary Note Regarding Forward-Looking Statements

This release may contain forward-looking statements that involve risks and uncertainties. Any forward-looking statements and all other statements that may be made in this news release that are not historical facts are subject to a number of risks and uncertainties, and actual results may differ materially. Specific risks include delays in new product development, product performance and quality issues and the acceptance of our current and new products by the power quality market. Please refer to Active Power filings with the Securities and Exchange Commission for more information on the risk factors that could cause actual results to differ.

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