

# FORM 3

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

OMB APPROVAL

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## INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

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

(Print or Type Responses)

1. Name and Address of Reporting Person * BELL LON E		2. Date of Event Requiring Statement (Month/Day/Year) 11/21/2013	3. Issuer Name <b>and</b> Ticker or Trading Symbol Ideal Power Inc. [IPWR]	
(Last) (First) (Middle) 5004 BEE CREEK ROAD, SUITE 600	(Street) SPICEWOOD, TX 78669		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)	5. If Amendment, Date Original Filed(Month/Day/Year)
(City) (State) (Zip)	6. Individual or Joint/Group Filing(Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person			

### Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	8,333	D	

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

SEC 1473 (7-02)

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### Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Senior Secured Promissory Note	(1)	(2)	Common Stock	57,956	\$ (3)	I	By the Bell Family Trust (4)
Warrant	(5)	(6)	Common Stock	43,150	\$ (7)	I	By the Bell Family Trust (4)

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BELL LON E 5004 BEE CREEK ROAD SUITE 600 SPICEWOOD, TX 78669	X			

# Signatures

/s/ Lon E. Bell		11/21/2013
<small>**Signature of Reporting Person</small>		<small>Date</small>

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The senior secured convertible promissory note (the "Note") must be converted in conjunction with the Company's initial public offering. The Note may be converted prior to the Company's initial public offering on a change of control or at the election of the holder.

(2) The Note must be paid in full at the earlier of (i) January 6, 2014, (ii) the occurrence of an Event of Default as defined in the Note or (iii) the closing of an initial public offering raising at least \$10 million in gross proceeds ("IPO").

If the Note is converted in conjunction with an IPO, the conversion price will be equal to the lower of 0.70 times the IPO price or \$1.46. If the holder elects to convert the Note prior to the IPO or the maturity date, the conversion price will be equal to the lower of 0.70 times the price per share paid by investors in the most recent Private Equity Financing (as defined in the Note) to occur prior to the Calendar Due Date or \$1.46. For purposes of this report, we have accrued shares for the payment of interest through the date of filing.

(4) The Note and the warrant are issued to the Bell Family Trust. The reporting person is a trustee and beneficiary of the Bell Family Trust.

(5) The warrant may be exercised prior to January 6, 2014 in conjunction with an IPO or a Private Equity Financing. Otherwise, the warrant may not be exercised prior to January 6, 2014.

(6) The warrant will expire on November 21, 2020 provided, however, if the Company completes an IPO after November 21, 2018 but prior to November 21, 2020, then the expiration date will be extended for an additional five years following the completion of the IPO.

In the event an IPO is completed prior to January 6, 2014, the per-share exercise price will be equal to the lower of 0.70 times the IPO Price or \$1.46. In the event of a Private Equity Financing that occurs prior to January 6, 2014, the per-share exercise price will equal the lower of 0.70 times the Private Equity Financing price or \$1.46; provided, however, that (A) if the Company undertakes first, a Private Equity Financing and secondly, an IPO prior to January 6, 2014 and (B) the Private Equity Financing price is higher than the IPO price, then the per share exercise price will be adjusted to equal the exercise price calculated based on the IPO price. If the Company does not undertake a Private Equity Financing or an IPO prior to January 6, 2014, then the exercise price will be \$1.46 per share.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.

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