**TELKONET INC** Form 5 April 25, 2007

Check this box if

no longer subject

to Section 16.

5 obligations

may continue.

Form 4 or Form

# FORM 5 UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**OMB APPROVAL** 

**OMB** 3235-0362 Number:

January 31, Expires: 2005

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ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Washington, D.C. 20549

See Instruction Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, 1(b). Form 3 Holdings Section 17(a) of the Public Utility Holding Company Act of 1935 or Section Reported 30(h) of the Investment Company Act of 1940 Form 4

Transactions Reported

1. Name and Address of Reporting Person \* 2. Issuer Name and Ticker or Trading 5. Relationship of Reporting Person(s) to Issuer Hall Thomas M Symbol TELKONET INC [TKO] (Check all applicable) 3. Statement for Issuer's Fiscal Year Ended (Last) (First) (Middle) (Month/Day/Year) \_X\_ Director 10% Owner Officer (give title 12/31/2006 Other (specify below) below) 20374 SENECA MEADOWS **PARKWAY** (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Reporting Filed(Month/Day/Year) (check applicable line) GERMANTOWN, MDÂ 20876 \_X\_ Form Filed by One Reporting Person Form Filed by More than One Reporting (City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 1. Title of 2. Transaction Date 2A. Deemed 3. 4. Securities 5. Amount of 6. Ownership 7. Nature of Security (Month/Day/Year) Execution Date, if Transaction Acquired (A) or Securities Form: Direct Indirect (Instr. 3) Code Disposed of (D) Beneficially (D) or Beneficial any (Month/Day/Year) (Instr. 3, 4 and 5) Owned at end Indirect (I) Ownership (Instr. 8) of Issuer's (Instr. 4) (Instr. 4) (A) Fiscal Year or (Instr. 3 and 4) Amount (D) Price Common Stock par Â Â Â Â Â Â Â 3 D value \$0.001

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

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**SEC 2270** (9-02)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercis Expiration Dat (Month/Day/Y	e	7. Title and Amount Underlying Securitie (Instr. 3 and 4)	
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amour or Number of Shar
Option to purchase	\$ 1	03/28/2002	Â	J(4)(5)	50,000	Â	03/28/2002	03/28/2005	Common	50,00
Option to purchase (3)	\$ 1	04/25/2002	Â	J(4)(5)	50,000	Â	04/25/2002	04/25/2005	Common	50,00
Option to purchase	\$ 3.45	04/20/2004	Â	A4	40,000	Â	(6)	04/01/2014	Common	40,00
Option to purchase	\$ 3.45	04/01/2005	Â	A4	40,000	Â	(6)	04/01/2015	Common	40,00

## **Reporting Owners**

Reporting Owner Name / Address	Relationships					
<b>FG</b>	Director	10% Owner	Officer	Othe		
Hall Thomas M						
20374 SENECA MEADOWS PARKWAY	ÂΧ	Â	Â	Â		
GERMANTOWN, MD 20876						

## **Signatures**

/s/ Thomas M.
Hall

\*\*Signature of Reporting Person

O4/25/2007

Date

## **Explanation of Responses:**

- \* If the form is filed by more than one reporting person, see Instruction 4(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) Shares beneficially owned as of April 20, 2004, the date of appointment to the Board of Directors
- Warrants to purchase shares of common stock attached to a Series A convertible debenture, dated April 2, 2002 with a 3 year expiration (2) and exerciseable at \$1.00 per share. These warrants were converted into 50,000 shares of common stock on March 25, 2005. This transaction was reported on SEC EDGAR Form 4, filed April 7, 2005.
- Warrants to purchase shares of common stock attached to a Series A convertible debenture, dated April 25, 2002 with a 3 year expiration (3) and exerciseable at \$1.00 per share. These warrants were converted into 36,150 shares of common stock (net of consideration paid in shares of common stock) on April 25, 2005. This transaction was reported on SEC EDGAR Form 4, filed April 28, 2005.

(4) This transaction was supposed to be filed on a Form 3.

Reporting Owners 2

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- (5) Represents warrants to purchase shares of common stock at \$1.00 per share, beneficially owned as of April 20, 2004.
- (6) Stock options issued pursuant to the Director's Compensation Plan vest at a rate of 10,000 options per quarter.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.