Hall Thomas M Form 4 December 28, 2006

FORM 4

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

OMB Number: 3235-0287

Estimated average

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Expires: January 31, 2005

OMB APPROVAL

Form 4 or Form 5 obligations may continue.

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

burden hours per response... 0.5

See Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * Hall Thomas M			2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer			
(Last) ((Last) (First) (Middle)		TELKONET INC [TKO] 3. Date of Earliest Transaction	(Check all applicable)			
20374 SENECA PARKWAY	MEADOW	VS	(Month/Day/Year) 12/26/2006	_X_ Director 10% Owner Officer (give title below) Other (special below)			
(Street)			4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check			
GERMANTOW	N,, MD 208	376-7004	Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person			
(City)	(State)	(Zip)	Table I - Non-Derivative Securities Acq	uired, Disposed of, or Beneficially Owned			

	Tubic 1 Tion Delivative Securities Required, Disposed 61, 61 Deliciteding 6 wife								ij O wiicu
1.Title of	2. Transaction Date	2A. Deemed	3.	4. Securitie	es Ac	quired	5. Amount of	6. Ownership	7. Nature of
Security	(Month/Day/Year)	Execution Date, if	Transactio	on(A) or Disp	Disposed of		Securities	Form: Direct	Indirect
(Instr. 3)		any	Code	(D)			Beneficially	(D) or	Beneficial
		(Month/Day/Year)	(Instr. 8)	(Instr. 3, 4	and 5	5)	Owned	Indirect (I)	Ownership
				, , ,			Following	(Instr. 4)	(Instr. 4)
							Reported		
					(A)		Transaction(s)		
					or		(Instr. 3 and 4)		
			Code V	Amount	(D)	Price	(,		
Common									
Stock par						\$			
^	12/26/2006		G	20,000	D	2.5	567,790	D	
value						2.3			
\$0.001									

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474

(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of	2.	3. Transaction Date		4.	5.	6. Date Exerc		7. Titl		8. Price of	9. Nu
Derivative Security (Instr. 3)	Conversion or Exercise Price of Derivative Security	(Month/Day/Year)	Execution Date, if any (Month/Day/Year)	Transacti Code (Instr. 8)	ofNumber of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)			Amou Under Securi (Instr.	rlying	Derivative Security (Instr. 5)	Deriv Secur Bene Own Follo Repo Trans (Instr
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Hall Thomas M 20374 SENECA MEADOWS PARKWAY X GERMANTOWN,, MD 20876-7004

Signatures

/s/ Thomas M. 12/28/2006 Hall

**Signature of Date
Reporting Person

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).

Note: File three copies of this Form, one of which must be manually signed. If space 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.

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