

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

April 20, 2004

(Date of earliest event reported)

TELKONET, INC.

(Exact Name of Registrant as Specified in Its Charter)

UTAH 000-27305 87-0627421
(State of Other Jurisdiction (Commission File No.) (I.R.S. Employer
of Incorporation) Identification No.)

902-A COMMERCE ROAD, ANNAPOLIS, MARYLAND 21401
(Address of Principal Executive Offices)

410-897-5900
(Registrant's Telephone Number)

ITEM 5. OTHER EVENTS.

On April 20, 2004, Mr. Hugo DeCesaris offered his resignation from the Company's Board of Directors in order to provide his seat to Dr. Thomas M. Hall. And The Board also Appointed Mr. James L. Peeler to serve as Director. The Company's announcement is included in the press release attached as Exhibit 99.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

- (a) No financial statements are required to be filed as part of this Current Report on Form 8-K.
- (b) No pro forma financial information is required to be filed as part of this Current Report on Form 8-K.
- (c) The following exhibit is filed as part of this Current Report on Form 8-K:

99 Press Release dated April 20, 2004

ITEM 9. REGULATION FD DISCLOSURE.

The Company is furnishing under Item 9 of this Current Report on Form 8-K the information included as Exhibit 99 to this report, which is hereby incorporated herein by reference. Exhibit 99 is the Company's press release announcing Mr. Hugo DeCesaris resignation from the Company's Board of Directors and the Appointment of Thomas M. Hall, M.D. and James L. Peeler to the Board of Directors.

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.

Date: April 20, 2004

TELKONET, INC.

/s/ Ronald W. Pickett

Ronald W. Pickett
Chief Executive Officer

EXHIBIT 99

TELKONET ENHANCES BOARD OF DIRECTORS

ANNAPOLIS, MD, APRIL 20, 2004, TELKONET, INC. (AMEX: TKO), THE LEADER IN COMMERCIAL POWERLINE COMMUNICATIONS (PLC) AND THE COMPANY BRIDGING THE "OUTLET TO THE INTERNET," announced today that James L. "Lou" Peeler, founder of Digital Communications Corporation, and Dr. Thomas M. Hall, executive medical director of Digital Angel Corporation, have joined Telkonet's board of directors. A. Hugo DeCesaris, regional vice president and director for the Maryland Division of Washington Homes, who has been a valued member of the board since 2001, has resigned from the board to make space for the two new Directors. In addition, David Powell, formerly Telkonet's chief operating officer, is now Telkonet's managing director, international, responsible for Telkonet's international expansion, initially focusing on the European market.

"Mr. Peeler and Dr. Hall each bring valuable experience and expertise to Telkonet's board of directors," said Ron Pickett, Telkonet's president and CEO. "I am pleased to have them join the team and contribute to Telkonet's future expansion." James L. "Lou" Peeler was a founder and member of the board of Digital Communications Corporation (DCC), which evolved into Hughes Network Systems (HNS), a provider of global broadband, satellite, and wireless communications products for home and business, such as DirecTV and DIRECWAY. Mr. Peeler retired as executive vice president of operations in 1999 after 27 years of service and is presently a member of the Advisory Council to Hughes Network Systems. Mr. Peeler also served on the board of Hughes Software Systems (HSS). Prior to the founding of DCC, he was vice president of Engineering for Washington Technological Associates (WTA), where he was instrumental in the development of rocket and satellite communications and instrumentation equipment. Mr. Peeler received a bachelor of science degree in electrical engineering from Auburn University.

Dr. Thomas M. Hall is the Executive Director of Digital Angel Corporation and the Managing Partner of Marrell Enterprises LLC, a partnership that specializes in international business development. Dr. Hall serves on the board of directors of Coris International SA, a Paris-based insurance services company with subsidiaries in 36 countries. For 12 years, Dr. Hall was the chief executive officer of Medical Advisory Systems, Inc., a company providing international medical services and pharmaceutical distribution. Dr. Hall holds a bachelor of science and a medical degree from the George Washington University and a master of international management degree from the University of Maryland.

As indicated in Telkonet's April 13 shareholders' letter, Cohen Independent Research Group released a new research report on Telkonet, however, an inaccurate, unedited draft of the report was inadvertently posted on Cohen's web site. The corrected research report is now posted on their web site at www.cohenresearch.com under "Technology" Reports.

About Telkonet

The Telkonet PlugPlus(TM) family of networking and internetworking products offers a viable and cost-effective alternative to the challenges of hardwired and wireless local area networks (LANs) due to the fact that Telkonet products provide connectivity over existing electrical wiring and do not require the costly installation of additional wiring or major disruption of business activity. Telkonet PlugPlus products are designed for use in commercial and residential applications, including multi-dwelling units and the hospitality and government markets where the Telkonet system can, in many cases, be implemented more quickly and less expensively than adding dedicated wiring or installing a wireless system. For more information, visit www.telkonet.com.

Statements included in this release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve a number of risks and uncertainties such as competitive factors, technological development, market demand and the Company's ability to obtain new contracts and accurately estimate net revenues due to variability in size, scope and duration of projects, and internal issues in the sponsoring client. Further information on potential factors that could affect the Company's financial results, can be found in the Company's Registration Statement and in its Reports on Forms 8-K filed with the Securities and Exchange Commission (SEC).

