

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 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person SMITH E BERRY		2. Date of Event Requiring Statement (Month/Day/Year) 01/01/2003	3. Issuer Name and Ticker or Trading Symbol TELKONET INC [TKO]	
(Last) (First) (Middle) 20374 SENECA MEADOWS PARKWAY	(Street) GERMANTOWN, MD 20876		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Chief Financial Officer	
(City) (State) (Zip)	5. If Amendment, Date Original Filed (Month/Day/Year)			
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)
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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.

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			
Option to Purchase	03/31/2003	01/01/2013	Common Stock par value \$0.001	41,667	\$ 1	D	
Option to Purchase	06/30/2003	01/01/2013	Common Stock par value \$0.001	41,667	\$ 1	D	
Option to Purchase	09/30/2003	01/01/2013	Common Stock par value \$0.001	41,667	\$ 1	D	
Option to Purchase	12/31/2003	01/01/2013	Common Stock par value \$0.001	41,667	\$ 1	D	
			Common Stock par				

Option to Purchase	03/31/2004	01/01/2013	value \$0.001	41,667	\$ 1	D	
Option to Purchase	06/30/2004	01/01/2013	Common Stock par value \$0.001	41,667	\$ 1	D	
Option to Purchase	09/30/2004	01/01/2013	Common Stock par value \$0.001	41,667	\$ 1	D	
Option to Purchase	12/31/2004	01/01/2013	Common Stock par value \$0.001	41,667	\$ 1	D	
Option to Purchase	03/31/2005	01/01/2013	Common Stock par value \$0.001	41,667	\$ 1	D	
Option to Purchase	06/30/2005	01/01/2013	Common Stock par value \$0.001	41,667	\$ 1	D	
Option to Purchase	09/30/2005	01/01/2013	Common Stock par value \$0.001	41,667	\$ 1	D	
Option to Purchase	12/31/2005	01/01/2013	Common Stock par value \$0.001	41,663	\$ 1	D	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SMITH E BERRY 20374 SENECA MEADOWS PARKWAY GERMANTOWN, MD 20876			Chief Financial Officer	

Signatures

/s/ E. Barry Smith	12/20/2005
<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).

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.