

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

December 21, 2009

(Date of earliest event reported)

TELKONET, INC.

(Exact Name of Registrant as Specified in Its Charter)

Utah

(State or Other Jurisdiction of Incorporation)

000-31972

(Commission File No.)

87-0627421

(I.R.S. Employer Identification No.)

20374 Seneca Meadows Parkway, Germantown, Maryland 20876

(Address of Principal Executive Offices)

(240)-912-1800

(Registrant's Telephone Number)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425).
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12).
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b)).
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c)).
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**Item 5.02. Departure of Directors of Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On December 21, 2009, Telkonet, Inc. (the "Company") announced that its Chief Financial Officer Rick Leimbach will be leaving the Company to pursue other opportunities. A departure date for Mr. Leimbach has yet to be established. Until his departure date, Mr. Leimbach will remain employed as the Company's Chief Financial Officer. In that capacity, Mr. Leimbach will continue to perform the duties and responsibilities customary and consistent with his position and will continue to report to the Company's President and Chief Executive Officer.

A copy of the press release issued by the Company on December 21, 2009 announcing Mr. Leimbach's resignation is attached hereto as Exhibit 99.2 and incorporated herein by reference.

**Item 8.01. Other Items.**

On December 21, 2009, the Company issued a press release announcing its intention to move its main office from Germantown, Maryland to Milwaukee, Wisconsin. A copy of the Company's press release dated December 21, 2009 related to the relocation of the main office is attached as Exhibit 99.2 and incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits**

(d) *Exhibits*

See Exhibit Index hereto.

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.

TELKONET, INC.

Date: December 28, 2009

By: /s/ Richard J. Leimbach

Richard J. Leimbach  
Chief Financial Officer

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**EXHIBIT INDEX**

Exhibit No. Description

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99.2 Press Release issued by the Company on December 21, 2009

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**Media Contacts:**

Telkonet Investor Relations, 240.912.1811, [ir@telkonet.com](mailto:ir@telkonet.com)

Garrett Axford, Georgina Garrett / Simon Jones, 866.940.9987, +44.1903.854900 [mail@garrett-axford.co.uk](mailto:mail@garrett-axford.co.uk)

***For Immediate Release***

**Telkonet Furthers Strategic Clean Technology Positioning through Restructuring**

*Telkonet restructures, including relocation of headquarters to Milwaukee, WI*

December 21, 2009: Germantown, MD – Telkonet, Inc. (OTC Bulletin Board: TKOI), a Clean Technology company that develops and manufactures proprietary energy management and SmartGrid networking technology, is conducting a restructuring which includes the relocation of its offices from Germantown, Maryland to Milwaukee, Wisconsin. This transition is part of an ongoing focus to competitively position the company within the \$50 billion SmartGrid and Clean Technology industries while achieving favorable cost reductions. This completes the Company's corporate strategy to consolidate the Telkonet and EthoStream businesses into a single location. Also as part of the corporate restructuring, Telkonet has announced that its Chief Financial Officer Rick Leimbach will be leaving the Company to pursue other opportunities in the near future. Mr. Leimbach will be assisting the Company in the transition and will be continuing in his CFO role throughout the search process. The roles and responsibilities of the Company's Germantown staff will be transferred to the Milwaukee location in 2010 and the Company is actively pursuing alternatives for its 16,400 square-foot office building in Germantown, MD.

Jason Tienor, President and CEO, commented, "The decision to consolidate Telkonet's operations demonstrates our continued commitment to realign our business and operations, helping us achieve our growth and expansion goals. With this relocation strategy, we're able to optimize our resources, positioning the Company to more effectively address the needs of the growing Clean Technology market. In addition, we look forward to becoming a significant part of the Clean Technology landscape in Wisconsin. This transition demonstrates our dedication to Wisconsin and further meets the conditions of our funding with the State to increase employment within Wisconsin. Rick Leimbach and his team have been a significant asset throughout Telkonet's corporate transition. We'd like to thank them for their enormous contribution to the Company over many years and wish them every good fortune in their future careers."

**About Telkonet**

Telkonet is one of the market-leading Clean Technology companies providing integrated, centrally-managed energy management and SmartGrid networking solutions to the emerging \$50 billion SmartGrid and Energy Efficiency markets. As a provider of "negawatts," Telkonet's products improve energy consumption and reduce the demand for new energy generation. Telkonet is one of the top three occupancy-based energy management control providers in each of the hospitality, commercial, military, healthcare and education markets. The Company's in-room energy management systems are lowering heating and cooling costs in over 170,000 rooms and are an integral part of various utilities' green energy efficiency and rebate programs.

Primarily targeting SmartGrid and utility applications, Telkonet's patented powerline communications (PLC) platform delivers cost-effective, robust networking, with real-time online monitoring and maintenance capabilities, increasing the reliability and energy efficiency across the entire utility grid. [www.telkonet.com](http://www.telkonet.com).

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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 revenue 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).