

FORM 4

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

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response...	0.5

STATEMENT OF CHANGES IN 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

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * SADLE STEPHEN L		2. Issuer Name and Ticker or Trading Symbol TELKONET INC [TLKO]		5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) President and COO	
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 08/05/2003		
902A Commerce Road			4. If Amendment, Date Original Filed(Month/Day/Year) 11/12/2003		6. Individual or Joint/Group Filing (Check Applicable Line) <input type="checkbox"/> Form filed by One Reporting Person <input checked="" type="checkbox"/> Form filed by More than One Reporting Person
(Street)					
Annapolis, MD 21401					
(City)			(State)		(Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code	V	Amount	(A) or (D)	Price				
Common Stock, par value \$0.001 per share	08/05/2003		C		185,514	(1)	A	\$1	3,325,514	D	

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)

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 Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Series A Convertible Debenture	\$0.5	08/05/2003		C		1		10/30/2002	04/29/2005	Common Stock, par value \$0.001 per share	130,000	\$65,000	0	D	
Series A Convertible Stock Purchase Warrant par value \$0.001	\$1	08/05/2003		C		1		04/30/2003	04/29/2005	Common Stock, par value \$0.001 per share	65,000	(2)	0	D	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SADLE STEPHEN L 902A Commerce Road Annapolis, MD 21401	X	X	President and COO	
SADLE BARBARA J 902A COMMERCE ROAD ANNAPOLIS, MD 21401				spouse

Signatures

Stephen L. Sadle		11/11/2003
<small>**Signature of Reporting Person</small>		<small>Date</small>
Barbara J. Sadle		11/11/2003
<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 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) Constitutes the maximum number of shares of common stock subject to purchase upon cashless exercise of the Series A Convertible Debenture & non-detachable common stock purchase warrant.

In connection with the purchase of Series A Convertible Debenture the issuer also issued a non-detachable common stock purchase warrant entitling the holder to acquire 65,000 shares of the

(2) Company common stock at \$1.00 per share. Since the common stock purchase warrant is non-detachable the price of this derivative security has been included in the purchase price for the Series A Convertible Debenture.

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.