

TELKONET INC
Form SC 13G/A
February 14, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 13G
Under the Securities Exchange Act of 1934

(Amendment No. 1*)

TELKONET, INC.
(Name of Issuer)

Common Stock
(Title of Class of Securities)

879604106
(CUSIP Number)

December 31, 2007
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
 Rule 13d-1(c)
 Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section

18 of the Securities Exchange Act of 1934 (“Act”) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

-1-

| | | |
|-----|---|--------------------------------|
| 1. | Names of Reporting Persons. | Enable Capital Management, LLC |
| | I.R.S. Identification Nos. of above persons (entities only). | 73-1625368 |
| 2. | Check the Appropriate Box if a Member of a Group (See Instructions) | (a) £ (b) £ |
| 3. | SEC Use Only | |
| 4. | Citizenship or Place of Organization | Delaware |
| | 5. Sole Voting Power | 4,668,419 |
| | 6. Shared Voting Power | 0 |
| | 7. Sole Dispositive Power | 4,668,419 |
| | 8. Shared Dispositive Power | 0 |
| 9. | Aggregate Amount Beneficially Owned by Each Reporting Person | 4,668,419 |
| 10. | Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) | £ |
| 11. | Percent of Class Represented by Amount in Row (9) | 6.6% |
| 12. | Type of Reporting Person (See Instructions) | OO |

| | | |
|-----|---|------------------------------|
| 1. | Names of Reporting Persons. | Enable Growth Partners, L.P. |
| | I.R.S. Identification Nos. of above persons (entities only). | 75-3030215 |
| 2. | Check the Appropriate Box if a Member of a Group (See Instructions) | (a) £ (b) £ |
| 3. | SEC Use Only | |
| 4. | Citizenship or Place of Organization | Delaware |
| | 5. Sole Voting Power | 3,997,734 |
| | 6. Shared Voting Power | 0 |
| | 7. Sole Dispositive Power | 3,997,734 |
| | 8. Shared Dispositive Power | 0 |
| 9. | Aggregate Amount Beneficially Owned by Each Reporting Person | 3,997,734 |
| 10. | Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) | £ |
| 11. | Percent of Class Represented by Amount in Row (9) | 5.7% |
| 12. | Type of Reporting Person (See Instructions) | PN |

| | | | |
|-----|---|-----|--------------------|
| 1. | Names of Reporting Persons. | | Mitchell S. Levine |
| | I.R.S. Identification Nos. of above persons (entities only). | | |
| 2. | Check the Appropriate Box if a Member of a Group (See Instructions) | (a) | £ |
| | | (b) | £ |
| 3. | SEC Use Only | | |
| 4. | Citizenship or Place of Organization | | United States |
| | 5. Sole Voting Power | | 4,668,419 |
| | 6. Shared Voting Power | | 0 |
| | 7. Sole Dispositive Power | | 4,668,419 |
| | 8. Shared Dispositive Power | | 0 |
| 9. | Aggregate Amount Beneficially Owned by Each Reporting Person | | 4,668,419 |
| 10. | Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) | | £ |
| 11. | Percent of Class Represented by Amount in Row (9) | | 6.6% |
| 12. | Type of Reporting Person (See Instructions) | | IN |

Item 1(a).

Name of Issuer:

Telkonet, Inc.

Item 1(b).

Address of Issuer's Principal Executive Office:

20374 Seneca Meadows Parkway
Germantown, MD 20876

Item 2(a).

Name of Person Filing:

Enable Capital Management, LLC ("ECM")

Enable Growth Partners, L.P. ("EGP")

Mitchell S. Levine

Item 2(b).

Address of Principal Business Office or, if none, Residence:

The principal business address of the reporting persons is One Ferry Building, Suite 255, San Francisco, CA 94111.

Item 2(c).

Citizenship:

Reference is made to Item 4 of pages 2, 3, and 4, of this Schedule 13G (this "Schedule"), which Items are incorporated by reference herein.

Item 2(d).

Title of Class of Securities:

Common Stock

Item 2(e).

CUSIP Number:

879604106

Item 3. If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

(a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).

(b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).

(c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).

£ (d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C 80a-8).

£ (e) An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);

£ (f) An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);

£ (g) A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);

£ (h) A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);

£ (i) A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);

£ (j) Group, in accordance with §240.13d-1(b)(1)(ii)(J).

Item 4. Ownership:

Reference is hereby made to Items 5-9 and 11 of pages 2, 3, and 4, of this Schedule 13, which Items are incorporated by reference herein.

ECM, as investment manager of EGP and various client accounts, and Mitchell S. Levine, as ECM's manager and majority owner, may be deemed to beneficially own the securities owned by such accounts, in that they may be deemed to have the power to direct the voting or disposition of those securities. Neither the filing of this Schedule nor any of its contents shall be deemed to constitute an admission that ECM or Mitchell S. Levine is, for any purpose, the beneficial owner of any securities to which this Schedule relates (the "Securities"), and each of ECM and Mitchell S. Levine disclaims beneficial ownership as to the Securities, except to the extent of his or its pecuniary interests therein. Neither the filing of this Schedule nor any of its contents shall be deemed to constitute an admission that any of the other individual officers and members of ECM is, for any purpose, the beneficial owner of any of the Securities, and such beneficial ownership is expressly disclaimed.

The calculation of percentage of beneficial ownership in item 11 of pages 2, 3, and 4 was derived from the Issuer's Form 10-Q filed with the Securities and Exchange Commission on November 9, 2007, in which the Issuer stated that the number of shares of its common stock outstanding as of November 1, 2007 was 67,786,342 shares.

Item 5. Ownership of Five Percent or Less of a Class:

Not applicable.

Item 6. Ownership of More than Five Percent on Behalf of Another Person:

ECM is the investment manager of EGP and one or more other investment partnerships, pooled investment vehicles and/or other client accounts that beneficially hold the Securities and, in that capacity, has been granted the authority to dispose of and vote the Securities held by those accounts. The client accounts have the right to receive (or the power to direct the receipt of) dividends received in connection with ownership of the Securities relates and the proceeds from the sale of such securities. Other than EGP, no single client's holdings exceed five percent of the Securities.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company:

Not applicable.

Item 8. Identification and Classification of Members of the Group:

Not applicable.

Item 9. Notice of Dissolution of Group:

Not applicable.

Item 10. Certification:

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: February 13, 2008

ENABLE CAPITAL MANAGEMENT, LLC

By: /s/ Mitchell S. Levine
Mitchell S. Levine, its Managing Member

ENABLE GROWTH PARTNERS, L.P.
By: Enable Capital Management, LLC,
its General Partner

By: /s/ Mitchell S. Levine
Mitchell S. Levine, its Managing Member

MITCHELL S. LEVINE

/s/ Mitchell S.
Levine
Mitchell S. Levine

EXHIBITS LIST

Exhibit A

Joint Filing Undertaking

Page 9

EXHIBIT A

JOINT FILING UNDERTAKING

The undersigned, being authorized thereunto, hereby execute this agreement as an exhibit to this Schedule 13G to evidence the agreement of the below-named parties, in accordance with rules promulgated pursuant to the Securities Exchange Act of 1934, to file this Schedule, as it may be amended, jointly on behalf of each of such parties.

Dated: February 13, 2008

ENABLE CAPITAL MANAGEMENT, LLC

By: /s/ Mitchell S. Levine
Mitchell S. Levine, its Managing Member

ENABLE GROWTH PARTNERS, L.P.
By: Enable Capital Management, LLC,
its General Partner

By: /s/ Mitchell S. Levine
Mitchell S. Levine, its Managing Member

MITCHELL S. LEVINE

/s/ Mitchell S.
Levine
Mitchell S. Levine