

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
February 22, 2008

ADMINISTRATIVE PROCEEDING
File No. 3-12965

In the Matter of

TelcoBlue, Inc.,

Respondent.

**ORDER INSTITUTING PROCEEDINGS
PURSUANT TO SECTION 12(j) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND NOTICE OF HEARING**

I.

The Securities and Exchange Commission (“Commission”) deems it necessary and appropriate for the protection of investors that public administrative proceedings be, and hereby are, instituted pursuant to Section 12(j) of the Securities Exchange Act of 1934 (“Exchange Act”).

II.

After an investigation, the Division of Enforcement alleges that:

Respondent

1. **TelcoBlue, Inc.** was incorporated in Delaware in 1997. Its headquarters are in Lexington, Kentucky. TelcoBlue’s common stock is registered with the Commission pursuant to Section 12(g) of the Exchange Act and is quoted in the Pink Sheets.

Delinquent Filings

2. TelcoBlue has failed to file its last six required periodic reports and is up to 18 months delinquent in its filings. Specifically, the company has failed to file its Form 10-KSB for the fiscal year ended December 31, 2006 (due April 2, 2007), and its Forms 10-QSB for the quarters ended September 30, 2007 (due November 14, 2007), June 30, 2007 (due August 14, 2007), March 31, 2007 (due May 15, 2007), September 30, 2006 (due November 14, 2006), and June 30, 2006 (due August 14, 2006). Further, five of TelcoBlue’s prior ten periodic reports were filed late. Finally, in June 2004, TelcoBlue changed the end of its fiscal year from September 30 to December 31, but failed in its Form 10-KSB for the fiscal year ended December 31, 2004 to include audited financial statements for the transition period between the closing date of its most recent fiscal year and the opening date of its new fiscal year. A chart detailing TelcoBlue’s recent filing history is attached as an Appendix.

Violations

3. As a result of the foregoing, TelcoBlue has failed to comply with Section 13(a) of the Exchange Act and Rules 13a-1, 13a-10, and 13a-13 thereunder while its common stock was registered with the Commission, which require issuers with classes of securities registered pursuant to Exchange Act Section 12 to file with the Commission current and accurate information in periodic reports. Specifically, Rule 13a-1 requires issuers to file annual reports (Forms 10-K or 10-KSB), Rule 13a-10 requires issuers who have changed their fiscal year to file audited financial statements for the transition period, and Rule 13a-13 requires issuers to file quarterly reports (Forms 10-Q or 10-QSB).

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate for the protection of investors to institute public administrative proceedings to determine:

A. Whether the allegations set forth in Section II are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and

B. Whether it is necessary and appropriate for the protection of investors to suspend for a period not exceeding twelve months or revoke the registration of each class of securities of the Respondent registered pursuant to Section 12 of the Exchange Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice [17 C.F.R. § 201.110].

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within ten (10) days after service of this Order, as provided by Rule 220(b) of the Commission's Rules of Practice [17 C.F.R. § 201.220(b)].

If Respondent fails to file the directed Answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against it upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f), and 310 of the Commission's Rules of Practice [17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f), and 201.310].

This Order shall be served forthwith upon Respondent personally, or by certified, registered, or express mail, or any other means of verifiable delivery.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 120 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice [17 C.F.R. § 201.360(a)(2)].

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Nancy M. Morris
Secretary