TELCO BLUE INC
Form 10KSB/A
March 21, 2003

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

FORM 10-KSB/A

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED September 30, 2002

Commission file number:

TELCO BLUE, INC.
(Formerly known as Wave Power.net, Inc.)

(Exact Name of Small Business Issuer as specified in its charter)

Delaware	43-1798970
(State of Incorporation)	(IRS Employer File Number)

388 Market Street, Suite 500, San Francisco, CA 94111, Tel. 604-628-5278

Thomas F. Pierson, Esq.

(Name of agent for service)

(954) 489-1210

(Telephone number, including area code, of agent for service)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B)
OF THE SECURITIES EXCHANGE ACT OF 1934:

Title of Each Class	Name of Each Stock Exchange on Which Registered
Common Stock, Par Value $0.001 Per Share	Not Applicable

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-B is not contained herein and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [ ]

Indicate by check mark whether the Registrant(1)has filed all reports required to be filed by Section 13 or 15(d)of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES X NO [ ]

The number of shares of Registrant's Common Stock outstanding on September 30, 2002, was 30,000,400.

The Registrant's total revenues for the period from August 2, 2002 through September 30, 2002 were $0.00.

PART I

Item 1. Description of Business.

Nature of Business. telcoBlue, Inc. ("telcoBlue") formerly Better Call Home, Inc. ("BCH"), a development stage company, was formed in Nevada on August 2, 2002 to operate an Internet-based long distance telephony network using state-of-the-art Voice over Internet Protocol (VoIP). Its long distance services will be marketed mainly by third parties to end users in the form of pre-paid phone cards or other media, including direct personal computer (PC) access and Internet-based long distance telephony network using state-of-the-art Voice over Internet Protocol. The name was changed to telcoBlue, Inc. on August 29, 2002.

On August 29, 2002, BCH entered into a reorganization with Wave Power.net, Inc. ("Wave Power"), an inactive public company, whereby Wave Power acquired all of the issued and outstanding shares of BCH's common stock by issuing to BCH's shareholders, pro-rata, 16,000,000 shares of Wave Power common stock. At that time, Wave Power had 14,000,000 shares outstanding. The combined entity changed its name to telcoBlue, Inc. on August 29, 2002.

Wave Power ("the Company") was originally incorporated as Novus Environmental, Inc. in the State of Delaware on November 6, 1997, to develop or acquire recycling technologies. On January 20, 2000, the Company entered into a reorganization agreement whereby the company was to merge with Wave Power, Inc., a privately held company. On March 3, 2000, the parties therein acknowledged that the merger contemplated had never been consummated and they subsequently mutually agreed to rescind that agreement and entered into an agreement releasing the parties of their right, title, interest, claims and obligations that they might otherwise have had or had been set forth in the aforementioned January 20, 2000 agreement. The Company formally changed is name to Wave Power.Net, Inc. on March 20, 2000.

Principal products or services and their markets
- ---

Equipped with the latest in Voice over Internet Protocol (VoIP) technology, telcoBlue products and services enable customers to make low-cost, high quality phone calls over the Internet using their personal computers or traditional telephones. telcoBlue's International PC-Phone Calling Cards are targeted at specific ethnic markets throughout North America and offers amongst the lowest long distance rates available today.

In 2002, telcoBlue's licensed VoIP technology won several industry awards including TMC Labs "2001 Innovation Award", Internet Telephony's "Editor's Choice Award" and both Consumer Inter@action Solution's and Internet Telephony's "Product of the Year" Awards.

telcoBlue's pre-paid International PC-Phone Calling Cards will be delivered as a CD business card which can be used from any phone or Internet connected PC in North America. To ensure the lowest long distance rate possible, each calling

card is city specific. For example, customers can purchase a card with a city specific dial-up number (such as to Manila or to Hong Kong) that guarantees the lowest long distance rate available for calling that particular city. This approach is very direct, very targeted and very specific - allowing telcoBlue to deliver the lowest rates.

Using the pre-paid International PC-Phone Calling Card, telcoBlue customers will `call home' over the Internet in three ways:

Phone-to-Phone:
Customers first call a toll-free 800 number and then enter their unique user ID (PIN). telcoBlue, as the VoIP provider, routes the call over the Internet to the receiver's calling area where a local call is placed.

PC-to-Phone:
Customers also call home using a multimedia PC with a headset or microphone and Internet connection. This option should be attractive to the large number of Asian students attending North American universities and colleges with PC access.

PC-to-PC:
PC-to-PC calls work much in the same way as PC-to-Phone calls, except for the main difference that the receiver is also answering using a multimedia PC, headset/microphone and Internet connection.

Item 2. Description of Property.

The Company has no physical assets. Operational expenses such as rent are covered under the management agreement with Vocalscape.

Item 3. Legal Proceedings.

None that are pending that the Company is aware of at present.

Item 4. Submission of Matters to a Vote of Security Holders.

On August 7, 2002, Wave Power.net, Inc. ("the Company"), entered into a conditional Agreement and Plan of Reorganization ("Agreement") with Better Call Home, Inc. ("BCH"), a Nevada corporation.

As set forth in the Agreement, the Company and BCH desired to effect a Type B reorganization under Section 368(a)(1)(B) of the Internal Revenue Code of 1986, as amended, on the terms and conditions set forth below, whereby the Company acquired all of the issued and outstanding shares of BCH's common stock by issuing solely in exchange therefore to BCH's shareholders, pro-rata, the Sixteen Million Restricted Common Shares (16,000,000) (the "Shares") after a 1:5 reverse split of the shares. The Company changed it's name to telcoBlue, Inc.

PART II - FINANCIAL INFORMATION

TELCO BLUE, INC.

(formerly known as Wave Power.net, Inc.

FINANCIAL STATEMENTS
SEPTEMBER 30, 2002
(RESTATED)

C O N T E N T S

INDEPENDENT AUDITORS REPORT

To the Board of Directors
telcoBlue, Inc.
(formerly Better Call Home, Inc.)
(A Development Stage Company)

Vancouver, British Columbia, Canada

We have audited the accompanying consolidated balance sheet of telcoBlue, Inc., as of September 30, 2002 and the related statements of expenses, stockholders deficit, and cash flows for the period from August 2, 2002 (Inception) through September 30, 2002. These financial statements are the responsibility of telcoBlue's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of telcoBlue, Inc., as of September 30, 2002, and the results of its operations and its cash flows for the period described in conformity with accounting principles generally accepted in the United States of America.

/S/ MALONE & BAILEY, PLLC
Houston, Texas
www.malone-bailey.com

November 29, 2002
except for Note 9,
which is dated
March 10, 2003

telcoBlue, Inc.
(formerly Better Call Home, Inc.)
(A Development Stage Company)
CONSOLIDATED BALANCE SHEET
As of September 30, 2002

ASSETS	
Current asset	
Cash	$ 74
Distribution Agreement	926
	$ 1,000
LIABILITIES AND STOCKHOLDERS' DEFICIT	
Current Liabilities	
Accounts payable	$ 34,114
Accounts payable to shareholder	17,218

Accrued expenses	61
Notes payable	3,343
Notes payable to related parties	161,162
Total Current Liabilities	215,898

STOCKHOLDERS' DEFICIT

Common stock, $.001 par value, 75,000,000 shares authorized, 30,000,400 issued and outstanding	30,000
Additional paid in capital	1,944,454
Accumulated other comprehensive income	217
Deficit accumulated during the development stage	(2,189,569)
Total Stockholders' deficit	(214,898)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 1,000

See accompanying summary of accounting policies
and notes to financial statements.

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telcoBlue, Inc.
(formerly Better Call Home, Inc.)
(A Development Stage Company)
CONSOLIDATED STATEMENT OF EXPENSES
For the Period from August 2, 2002 (Inception)
Through September 30, 2002

General and administrative	$ 2,176,332
Interest expense	13,237
Net loss	(2,189,569)
Other Comprehensive Income	
Gain on foreign currency translation	217
Total Comprehensive Loss	$(2,189,352)

See accompanying summary of accounting policies
and notes to financial statements.

telcoBlue, Inc.
(formerly Better Call Home, Inc.)
(A Development Stage Company)
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIT
For the Period from August 2, 2002 (Inception)
Through September 30, 2002
(Restated)

	Common Stock Shares	Common Stock $	Accumulated Other Compre-hensive Income	Deficit Accumulated During Development Stage	Tot
Stock issued for:					
- cash	74,000	$ 74	--	--	$
- distribution agreement	926,000	926	--	--	
Stock issued to Better Call Home shareholders for reverse merger with Wave Power	15,000,000	--	--	--	
Stock issued to Wave Power shareholders for reverse merger with Better Call Home	14,000,000	--	--	--	
Stock transferred back to telcoBlue	(4,520,000)	--	--	--	
Stock issued for services	4,520,000	2,134,003	--	--	2,13
Liabilities of Wave Power assumed in reverse merger	--	(173,725)	--	--	(17
Intrinsic value of beneficial conversion feature of convertible notes payable	--	13,176	--	--	1
Foreign currency translation adjustment	--	--	$ 217	--	
Rounding	400	--	--	--	
Net loss	--	--	--	$(2,189,569)	(2,18
Balances at September 30, 2002	30,000,400	1,974,454	$ 217	$(2,189,569)	$ (21
Less: par value		(30,000)			

	$ 1,944,454

See accompanying summary of accounting policies and notes to financial statements.

telcoBlue, Inc.
(formerly Better Call Home, Inc.)
(A Development Stage Company)
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Period from August 2, 2002 (Inception)
Through September 30, 2002
(Restated)

CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	$(2,189,569)
Adjustments to reconcile net loss to net cash used by operating activities:	
Stock issued for services	2,134,003
Intrinsic value of beneficial conversion feature of convertible notes payable	13,176
Changes in:	
Accounts payable	11,889
Accounts payable to related parties	17,218
Accrued expenses	61
NET CASH USED IN OPERATING ACTIVITIES	(13,222)
CASH FLOWS FROM FINANCING ACTIVITIES	
Sale of stock	74
Proceeds from notes payable	3,343
Proceeds from notes payable to related parties	9,662
NET CASH PROVIDED BY FINANCING ACTIVITIES	13,079
Effect of exchange rate changes on cash	217
NET CHANGE IN CASH	74
Cash balance, beginning	
Cash balance, ending	$ 74

Non-Cash Disclosures:	
Stock issued to related party for distribution agreement	$ 926
Accounts payable of WavePower assumed in merger	22,225
Note payable of WavePower assumed in merger	151,500

See accompanying summary of accounting policies and notes to financial statements.

telcoBlue, Inc.
(formerly Better Call Home, Inc.)

(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business. telcoBlue, Inc. ("telcoBlue") formerly Better Call Home, Inc. ("BCH"), a development stage company, was in Nevada on August 2, 2002 to operate an Internet-based long distance telephony network using state-of-the-art Voice over Internet Protocol. The name was changed to telcoBlue, Inc. on August 29, 2002.

On August 29, 2002, BCH entered into a reorganization with Wave Power.net, Inc. ("Wave Power"), an inactive public company, whereby Wave Power acquired all of the issued and outstanding shares of BCH's common stock by issuing to BCH's shareholders, pro-rata, 16,000,000 million shares of Wave Power common stock. At that time, Wave Power had 14,000,000 shares outstanding. The combined entity changed its name to telcoBlue, Inc. on August 29, 2002. After a 1 for 5 reverse split, Wave Power had 4,013,000 shares issued and outstanding, and 9,987,000 post-reverse split common shares were issued in connection with the Agreement to promoters and advisors. After payment of all reserved shares, management shares and shares issued pursuant to this Agreement there were 30,000,400 shares of common stock issued and outstanding.

Restatements of fiscal year end 2002 were made. See note 9 for details.

Principles of consolidation. The consolidated financial statements include the accounts of telcoBlue and its subsidiaries. All significant intercompany transactions and balances have been eliminated.

Cash and Cash Equivalents. telcoBlue considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Use of Estimates. In preparing financial statements, management makes estimates and assumptions that affect the reported amounts of assets and liabilities in the balance sheet and revenue and expenses in the income statement. Actual results could differ from those estimates.

Impairment of Long-Lived Assets. telcoBlue reviews the carrying value of its long-lived assets whenever events or changes in circumstances indicate that the historical cost-carrying value of an asset may no longer be appropriate. telcoBlue assesses recoverability of the carrying value of the asset by estimating the future net cash flows expected to result from the asset, including eventual disposition. If the future net cash flows are less than the carrying value of the asset, an impairment loss is recorded equal to the difference between the asset's carrying value and fair value.

Revenue recognition. There is no revenue recognition policy due to telcoBlue having no revenues as of September 30, 2002.

Basic and diluted loss per common share is calculated by dividing the net loss by the weighted average shares outstanding. There are no dilutive securities.

Income taxes. telcoBlue recognizes deferred tax assets and liabilities based on differences between the financial reporting and tax bases of assets and liabilities using the enacted tax rates and laws that are expected to be in effect when the differences are expected to be recovered. telcoBlue provides a valuation allowance for deferred tax assets for which it does not consider realization of such assets to be more likely than not.

Foreign currency translation. The functional currency of telcoBlue is the Canadian Dollar (CDN$). Assets and liabilities are translated at exchange rates in effect on the balance sheet date and income and expenses are translated based on the average exchange rate for the year. Translation gains and losses are accumulated as a component of Other Comprehensive Income.

Recently issued accounting pronouncements. telcoBlue does not expect the adoption of recently issued accounting pronouncements to have a significant impact on telcoBlue results of operations, financial position or cash flow.

NOTE 2 - DISTRIBUTION AGREEMENT

On August 7, 2002, telcoBlue issued 926,000 shares of common stock to Vocalscape Networks, Inc. ("Vocalscape") for the right to distribute Vocalscape's products. At the August 29 merger, this 926,000 shares became 14,816,000 shares. The agreement is for three years.

NOTE 3 - ACCOUNTS PAYABLE TO SHAREHOLDER

On August 7, 2002, telcoBlue entered into a one year management agreement with Vocalscape. Vocalscape will manage telcoBlue for $15,000 per month or 5 percent of gross revenues, whichever is greater. The $15,000 per month fee can be paid in telcoBlue common stock at $.25 per share if cash is not available. Vocalscape must be paid a minimum from inception of 2,000,000 shares or $500,000 if the agreement is terminated. As of September 30, 2002, telcoBlue owed Vocalscape $17,218 under this agreement.

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telcoBlue, Inc.
(formerly Better Call Home, Inc.)
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 - NOTES PAYABLE / NOTES PAYABLE TO RELATED PARTIES

In August and September 2002, telcoBlue executed four notes payable totaling $13,005. Two notes totaling $3,343 are due to third parties and two notes totaling $9,662 are due to shareholders. All four notes carry interest of 6 percent, with interest due monthly. The principal is due ten months from the funding date. Each note is convertible into common stock of telcoBlue at the holder's option. The price for conversion is the lower of 80 percent of the average closing price of telcoBlue stock for the five days preceding the conversion request or $.10 per share. The intrinsic value of the beneficial conversion feature was $13, 176 which has been recorded as interest expense.

As part of the reverse merger with Wave Power, telcoBlue assumed the liabilities of Wave Power. Wave Power owed a shareholder $151,500. The note is due on demand and bears no interest.

NOTE 5 - COMMON STOCK

In August 2002, 74,000 shares of stock were sold for $47 in total proceeds. At the August 29 merger, these shares became 1,184,000 shares.

In August 2002, 926,000 shares of stock were issued in exchange for a distribution agreement (see note 2) with Vocalscape. The shares were valued at

$587. At the August 29 merger, these shares became 14,816,000 shares.

On August 29, 2002, 14,000,000 shares of stock were issued in a merger with WavePower.net, Inc.

In September 2002, a telcoBlue shareholder issued 4,520,000 shares of telcoBlue shares of telcoBlue stock for agreements with consultants for services on behalf of telcoBlue. These transactions were accounted for as if the shares were returned to telcoBlue and telcoBlue issued them. The shares were valued at $2,134,000 and have been expensed as of September 30, 2002.

NOTE 6 - INCOME TAXES

Deferred tax assets	$ 6,400
Less: valuation allowance	(6,400)
Net deferred taxes	$ 0

telcoBlue has a net operating loss of approximately $42,000 as of September 30, 2002, which each can be carried forward 20 years.

NOTE 7 - COMMITMENTS

Operational expenses such as rent are covered under the management agreement with Vocalscape (see note 3).

NOTE 8 - SUBSEQUENT EVENT

In October and November 2002, telcoBlue sold 565,000 shares of telcoBlue common stock for proceeds of $56,500, or $.10 per share.

NOTE 9 - RESTATEMENTS OF PREVIOUSLY REPORTED FINANCIAL STATEMENTS

In the originally prepared financials, 4,520,000 shares issued to consultants for August agreements were erroneously not recorded. The value of the shares was $2,134,003. In addition, the liabilities of Wave Power that were assumed in the reverse merger and the beneficial conversion features of convertible notes payable were erroneously not recorded. There were also errors in the original translation of the foreign currency activity. These restated financials correct the financials as of September 30, 2002.

A summary of the restatements are as follows:

	Previously Stated	Increase (Decrease)
As of September 30, 2002:		

Balance Sheet:		
Cash	$ 46	$ 28
Distribution agreement	587	339
Total assets	$ 633	$ 367
Accounts payable	$ 11,888	$ 22,226
Accounts payable to shareholders	17,218	--
Accrued expenses	61	--
Notes payable	3,343	--
Notes payable to related parties	9,662	151,500
Common stock	30,000	--
Additional paid in capital	(29,366)	1,973,820
Accumulated other comprehensive income	217	--
Deficit accumulated during the development stage	(42,390)	(2,147,179)
Total liabilities and equity	$ 633	$ 367
For the year ended September 30, 2002:		
Statement of Expenses:		
General and administrative	$ 42,329	$ 2,134,003
Interest expense	61	13,176
Net loss	$ (42,390)	$(2,147,179)

Item 5. Market for Common Equity and Related Stockholder Matters.

a. Market Information. The Company's shares are traded on the Over The Counter Bulletin Board stock exchange ("OTCBB") under the symbol, "TLCB". The following table shows the high and low bid information for the period of inception through September 30 2002 reported to the Company by the OTC Bulletin Board. Such quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

2002	High Bid	Low Bid
Inception to September 30	$.60	$.15

b. The Company has 198 shareholders of record as of September 30, 2002.

c.

The Company has never declared or paid any dividends, and although there are no restrictions limiting its ability to do so, it is unlikely to pay any any dividends in the foreseeable future.

Item 6. Management's Discussion and Analysis or Plan of Operation.

The following discussion and analysis should be read in conjunction with the Company financial statements and notes thereto included elsewhere in this Form 10-KSB as amended. Errors resulting in an understatement of previously reported liabilities, par value of common stock, additional paid in capital, and deficit accumulated during the development stage as of September 30, 2002, were discovered by the management of telcoBlue during January 2003. Accordingly, previously reported financial statements have been restated as of September 30, 2002, to correct the errors. Note 9 to the financial statements provides a summary of the restatements.

Except for the historical information contained herein, the discussion in this Form 10-KSB as amended contains certain forward looking statements that involve risks and uncertainties, such as statements of the Company plans, objectives, expectations and intentions. The cautionary statements made in this Form 10-KSB should be read as being applicable to all related forward statements wherever they appear in this Form 10-KSB. The Company actual results could differ materially from those discussed here.

Nature of Business. telcoBlue, Inc. ("telcoBlue") formerly Better Call Home, Inc. ("BCH"), a development stage company, was in Nevada on August 2, 2002 to operate an Internet-based long distance telephony network using state-of-the-art Voice over Internet Protocol. The name was changed to telcoBlue, Inc. on August 29, 2002.

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On August 29, 2002, BCH entered into a reorganization with Wave Power.net, Inc. ("Wave Power"), an inactive public company, whereby Wave Power acquired all of the issued and outstanding shares of BCH's common stock by issuing to BCH's shareholders, pro-rata, 16,000,000 million shares of Wave Power common stock. At that time, Wave Power had 14,000,000 shares outstanding. The combined entity changed its name to telcoBlue, Inc. on August 29, 2002. After a 1 for 5 reverse split, Wave Power had 4,013,000 shares issued and outstanding, and 9,987,000 post-reverse split common shares were issued in connection with the Agreement to promoters and advisors. After payment of all reserved shares, management shares and shares issued pursuant to this Agreement there were 30,000,400 shares of common stock issued and outstanding.

The Company is not aware of any circumstances or trends which would have a negative impact upon future sales or earnings. There have been no material fluctuations in the standard seasonal variations of the Company business. The accompanying financial statements include all adjustments, which in the opinion of management are necessary in order to make the financial statements not misleading.

For the period from August 2, 2002 ("inception") through September 30, 2002, the Company sustained a net loss of $42,390.

The Company has been devoting its efforts to activities such as raising capital, establishing sources of information, and developing markets for its planned operations. The Company has not yet generated any revenues and, as such, it is considered a development stage company.

During the next twelve months, the Company will continue studying such things as the hardware and software requirements of its operations, identifying and evaluating acquisitions and related technology acquisitions. This will include analyzing the many products that are available to satisfy the Company's future technical support needs, with a focus on software and services that allow easy expansion and/or upgrades as the customer base increases. All of the research and findings prepared during this period will be compiled and used to set forth future operating budgets for the Company that will include new customer projections coupled with the capital and operating cash flow requirements necessary to meet those projections.

Results of Operations

The Company's "Total Liabilities and Stockholder's Equity (Deficit)" as of September 30, 2002 was, $1,000.

Capital Resources and Liquidity

At September 30, 2002, tecloBlue had working capital deficit of $42,126, total stockholders' deficit of $214,898 and a net loss for the period from inception through September 31, 2002 of $2,189,569. The net loss arises primarily from $2,134,003 in share value issued to consultantants for August agreements, $42,390 expenses incurrec to meet the Company's reporting requirements and an interest expense of $13,176 (see Note 9). During the period from inception through September 31, 2002, the operations were completely funded by stockholder loans. telcoBlue is dependent upon its ability to raise capital and funding from stockholders to fund expenses of operations.

There can be no assurance that the Company will be successful in raising additional capital in the future, or that the stockholders will continue to lend funds to the Company.

The Company anticipates that its current cash and cash equivalents and cash generated from operations, if any, will not be sufficient to satisfy its liquidity requirements for at least the next 12 months. The Company will require additional funds prior to such time and will seek to sell additional equity or debt securities or seek alternative sources of financing. If the Company is unable to obtain this additional financing, it may be required to reduce the scope of its planned sales and marketing and product development efforts, which could harm its business, financial condition and operating results. In addition, the Company may require additional funds in order to fund more rapid expansion, to develop new or enhanced services or products or to invest in complementary businesses, technologies, services or products. Additional funding may not be available on favorable terms, if at all.

Events Subsequent to September 30, 2002

In October and November 2002, telcoBlue sold 565,000 shares of telcoBlue common stock for proceeds of $56,500, or $.10 per share.

Item 7. Financial Statements.

The Financial Statements for the period from inception through September 30 2002 are attached hereto and incorporate herein as an Exhibit.

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PART III

Item 9. Directors, Executive Officers, Promoters and Control Persons; Compliance with Section 16(a) of the Exchange Act.

Officers and Directors

The following chart sets forth information on our officers and directors:

Name	Age	Title
Ron McIntyre	54	CEO, Chairman
Daniel Motsinger	51	Director
Dominic Martinez	31	Director, Secretary

Our Bylaws require that we have a minimum of one director. Directors are elected at our annual meeting to be held on the 6th of November. Directors shall serve until their successors are duly elected or appointed. A vacancy on the Board of Directors may be filled by a majority vote of the remaining directors.

Biography of Directors:

Ron McIntyre, CEO and Chairman

Ron McIntyre has extensive management experience with technology companies and start-ups in the United States and Canada. Included in his experience are three corporate mergers/acquisitions. On March 19, 1998, as President of Visionary Solutions (VSI:ASE), Mr. McIntyre signed merger documents for an Agresso (UNI:Oslo) take over bid. In 1992, Mr. McIntyre also served on the Board of Directors of Richmond Software (The Maximizer) until the company's merger with Modatech (NASDAQ). In 1989, he joined Consumers Software Inc. as Director of Sales & Marketing and was instrumental in increasing software sales by more than 500% until the company was acquired by Microsoft on April 8, 1991.

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Dominic Martinez, Director, Secretary

Dominic T. Martinez, age 31, is a resident of Florence, CO. After graduating from high school, Mr. Martinez attended the University of Southern Colorado as a full time student, working summers. Upon graduation from the university (1994), he worked at the Dayton-Hudson Corp. in the assets protection department. This work experience influenced his choice to accept his next position as a Clinical Therapist at a local hospital. Taking advantage of a business opportunity in the year 2000, he assumed a business consulting position for Starr Consulting. Working full time, and under the direction of other consultants, he gained valuable experience. This experience, coupled with his education led him to the position of Secretary and Director of telcoBlue, Inc.

Daniel Motsinger, Director

Mr. Motsinger is a resident of Winston Salem, NC. After graduating from high school, Mr. Motsinger attended the Bob Jones University as a full time student, Studying Business and Accounting. Following university (1971), Mr. Motsinger joined Cahill and Swain in the men's apparel industry. After graduation from sales to management, in 1985 Mr. Motsinger became a Partner of Cahill and Swain and holds the position of Vice President and Secretary.

Identify Significant Employees

As of the date of this registration statement, The Company has no persons, not mentioned above, who are expected to make a significant contribution to the business.

Family Relationships

As of the date of this registration statement, there are no family relationships between our promoters, executive officers, control persons, directors or persons nominated for such positions.

Involvement in Certain Legal Proceedings

As of the date of this registration statement, the Company has had no events, to the best of our knowledge, that occurred during the past five years, including bankruptcies, criminal convictions or proceedings, court orders or judgments, that are material to an evaluation of the ability or integrity of any director, executive officer, promoter, control person or any person nominated for such position.

Compliance with Section 16(a) of the Exchange Act

Based solely upon a review of Forms 3 and 4 and amendments thereto furnished to the Company under Rule 16a-3(d) during its most recent two fiscal years (for the period from inception through September 30 2002), and Forms 5 and amendments

thereto furnished to the Company with respect to its most recent two fiscal years (for the period from inception through September 30 2002), and any written representations received by the Company, the Company has not identified any person who, at any time during the two preceding fiscal years (for the period from inception through September 30 2002), was a director, officer, beneficial owner of more than ten percent of the Company's outstanding common stock that failed to file on a timely basis any reports required by Section 16(a) during the most recent two fiscal years (for the period from inception through September 30 2002) or any prior years.

Item 10. Executive Compensation.

Ron McIntyre	CEO	$5,000

Except as identified in this section, none of the Company's executive officers and directors received any compensation, cash or non-cash, during the period from inception through September 30, 2002.

Item 11. Security Ownership of Certain Beneficial Owners and Management.

The following table sets forth information as of September 30, 2002, regarding the ownership of the Company's common stock by each shareholder known to the Company to be the beneficial owner of more than five percent of its outstanding shares of common stock, each director and all executive officers and directors as a group. Except as otherwise indicated, each of the shareholders has sole voting and investment power with respect to the shares of common stock beneficially owned.

NAME	AMOUNT OF COMMON STOCK BENEFICIALLY OWNED(1)	PERCENT OF COMMON STOCK BENEFICIALLY OWNED
1. Vocalscape Networks, Inc.(2)	4,800,000	16%
2. Brian Fisher(3)	1,816,000	6%

(1) Out of 30,000,400 common stock shares.
(2) Vocalscape Networks, Inc., a British Columbia corporation.
(3) Brian Fisher was the President and Director of Wave Power.net, Inc. He voluntarily resigned on September 10, 2002.

Item 12. Certain Relationship and Related Transactions.

None.

Item 13. Exhibits and Reports on Form 10-KSB

EXHIBITS

EXHIBIT 2.1	Agreement and Plan of Reorganization
EXHIBIT 99.2	Certification

SIGNATURES

Pursuant to the requirements of Section 12 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 this 21st day of March 2003.

TelcoBlue, Inc.

/s/ Ron McIntyre

By: Ron McIntyre, CEO