U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

Amendment No. 2

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934

Date of Report (Date of earliest event reported): June 30, 2005

UCN, INC.

(Exact name of registrant as specified in its charter)

0-26917

(Commission File No.)

Delaware	**87-0528557**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

14870 Pony Express Road, Bluffdale, Utah 84065

(Address of principal executive offices)

(801) 320-3300

(Registrant s telephone number)

Not applicable

(Former name or 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))

Item 8.01 Other Events

In a report on Form 8-K dated May 1, 2005 filed with the Securities and Exchange Commission, UCN, Inc., reported that effective on that date it entered into an Asset Purchase Agreement with:

Telephone Electronics Corporation, a Mississippi corporation (TEC),

Transtel Communications, Inc., a Delaware corporation and subsidiary of TEC (Transtel),

Tel-America of Salt Lake City, Inc., a Utah corporation and subsidiary of Transtel,

Extelcom, Inc., a Utah corporation and subsidiary of Transtel,

Communication Recovery Services, Inc., a Utah corporation and subsidiary of Transtel, and

National Network Corporation, a Colorado corporation and subsidiary of Transtel.

Under the Asset Purchase Agreement UCN agreed to purchase all of the operating assets and accounts receivable of Transtel and its subsidiaries. Completion of the acquisition was subject to obtaining certain regulatory approvals from the Federal Communications Commission and state public utility commissions for transfer of the long distance customer base of Transtel and its subsidiaries to UCN. On June 30, 2005 all regulatory approvals for transfer of the customer base were obtained and the transaction closed. In September 2005, the historical financial statements of Transtel and subsidiaries and pro forma financial statements were filed by amendment to the report on Form 8-K filed in July 2005 to report the acquisition.

The Independent Auditors Report on the financial statements of Transtel and subsidiaries for each of the two years in the period ended December 31, 2003 contained an exception related to the accounting treatment of inter-company receivables due from TEC. Transtel recorded inter-company receivables for cash advances made by Transtel to TEC. Transtel expected repayments of these receivables from TEC. However, TEC (the parent) never intended to repay these advances in cash, but rather, intended to declare a distribution in lieu of repayment of the advances. During 2004, Transtel and TEC agreed to this distribution of $20,934,744 for repayment of the receivables. Transtel is amending its financial statements for 2003 and 2002 to properly record inter-company receivables as contra equity receivables and to remove an exception in Transtel s Independent Auditors Report in regards to this matter. Further, the audited financial statements have been reformatted to include operating results for the three years ended December 31, 2004 rather than present two sets of financial statements as previously reported. UCN is also furnishing in this amendment the unaudited financial statements of Transtel for the interim period ended March 31, 2004 to properly reflect the adjustment for contra equity receivables described above.

The audited balance sheet of Transtel and subsidiaries at December 31, 2004, and the unaudited balance sheet of Transtel and subsidiaries at March 31, 2005 (as well as pro forma financial statements based thereon) that were included in the amendment filed in September 2005, do not require any adjustment because no inter-company receivables were recorded on these statements due to the distribution agreed to by TEC and Transtel in 2004 to zero out the contra equity receivable described above.

Item 9.01 Financial Statements and Exhibits.

Financial Statements.

March 31, 2004 - Unaudited

December 31, 2004, 2003 and 2002 - Audited

In a report on Form 8-K/A filed with the Securities and Exchange Commission on September 16, 2005, certain historical consolidated financial statements of Transtel Communications, Inc. and subsidiaries (Transtel) were presented. The Independent Auditors Report on the financial statements of Transtel for each of the two years in the period ended December 31, 2003 contained an exception related to the accounting treatment of inter-company receivables due from Transtel s parent company at December 31, 2003 and 2002.

For this amendment filed December 28, 2005, Transtel has restated its financial statements for 2003 and 2002 by reclassifying the inter-company receivables as contra equity receivables, thus allowing Transtel s independent auditors to remove the exception in their report. Further, the audited financial statements have been reformatted to include operating results for the three years ended December 31, 2004 (rather than including separate sets of audited financial statements as previously presented).

In this amendment the unaudited financial statements of Transtel for the interim period ended March 31, 2004 have also been restated in order to consistently reflect the adjustment for contra equity receivables described above (see Note 9 to the financial statements as of and for the three months ended March 31, 2004).

TRANSTEL COMMUNICATIONS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET (UNAUDITED)

AS OF MARCH 31, 2004

Assets

	RESTATED
CURRENT ASSETS	
Cash and cash equivalents	$ 7,095,699
Cash investment	2,677,491
Accounts receivable trade (net)	3,145,424
Accounts receivable affiliates	143,247
Accounts receivable other	77,439
Notes receivable	24,224
Prepayments	523,882
Deferred tax asset	290,912
Other current assets	9,780
	13,988,098
NONCURRENT ASSETS	
Deferred charges	534,442
Deferred tax assets	608,933
Licenses and other assets	72,425
	1,215,800
PROPERTY AND EQUIPMENT	
Communications system	18,369,084
Office furniture and equipment	1,594,123
	19,963,207
Accumulated depreciation and amortization	(19,069,041)
	894,166
TOTAL ASSETS	$ 16,098,064

The accompanying notes are an integral part of these financial statements.

TRANSTEL COMMUNICATIONS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET (UNAUDITED)

AS OF MARCH 31, 2004

Liabilities and Stockholders Equity

	RESTATED
CURRENT LIABILITIES	
Accounts payable trade	$ 372,027
Accounts payable toll settlements	2,903,617
Accounts payable other	3,535
Advance billings and deposits	44,164
Accrued taxes	633,163
Other accrued liabilities	536,032
	4,492,538
REDEEMABLE PREFERRED STOCK	6
STOCKHOLDERS EQUITY	
Common stock	4
Paid-in capital	2,435,090
Retained earnings	28,603,695
Treasury stock	(20,206)
Receivables from TEC Note 9	(19,413,063)
	11,605,520
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	$ 16,098,064

The accompanying notes are an integral part of these financial statements.

TRANSTEL COMMUNICATIONS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2004

SALES AND REVENUE	$ 7,594,157
DIRECT COST	
Circuit costs	4,326,036
Other direct costs	126,957
	4,452,993
Gross profit	3,141,164
OPERATING EXPENSES	
Operating expenses	3,422,318
Depreciation and amortization	237,288
	3,659,606
Operating loss	(518,442)
NONOPERATING INCOME/(EXPENSE)	
Interest expense	(1,530)
Gain on sale of assets	400
Other income (expense) net	45,188
	44,058
Loss before income taxes	(474,384)
INCOME TAX BENEFIT	
Income taxes current	
Income taxes deferred	(40,002)
	(40,002)
Net Loss	$ (434,382)

The accompanying notes are an integral part of these financial statements.

TRANSTEL COMMUNICATIONS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS EQUITY (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2004

Common Shares Outstanding		Total Stockholders Equity	Common Stock	Paid-In Capital	Retained Earnings	Treasury Stock	Receivables from TEC
397	**RESTATED BALANCES, December 31, 2003 (Note 9)**	$ 12,039,902	$ 4	$ 2,435,090	$ 29,038,077	$ (20,206)	$ (19,413,063)
	Net Loss	(434,382)			(434,382)		
397	**RESTATED BALANCES, March 31, 2004 (Note 9)**	$ 11,605,520	$ 4	$ 2,435,090	$ 28,603,695	$ (20,206)	$ (19,413,063)

The accompanying notes are an integral part of these financial statements.

TRANSTEL COMMUNICATIONS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2004

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	$ (434,382)
Depreciation and amortization (Note 1)	184,948
Amortization included in circuit costs (Note 1)	52,340
Provision for uncollectible revenues	(102,791)
Provision for deferred income taxes (Note 4)	(40,002)
Adjustments to reconcile net loss to net cash used in operating activities:	
Changes in assets and liabilities:	
Accounts receivable customers	38,881
Accounts receivable other	2,240
Accounts receivable affiliates	108,336
Notes payable	(13,424)
Prepayments and other current assets	(153,427)
Accounts payable	178,713
Accrued taxes	154,045
Other accrued liabilities	(5,904)
Net cash used in operating activities	(30,427)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of property and equipment	(721)
Payments for deferred circuit installations (Note 1)	(44,093)
Net cash used in investing activities	(44,814)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Net decrease in cash and cash equivalents	(75,241)
Cash and cash equivalents at beginning of year	7,170,940
Cash and cash equivalents at end of year	$ 7,095,699
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash paid during the year for:	
Interest	$
Income taxes	$

The accompanying notes are an integral part of these financial statements.

TRANSTEL COMMUNICATIONS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The unaudited consolidated financial statements, which include the accounts of Transtel Communications, Inc. (Transtel) and all wholly-owned subsidiaries (collectively, the Company), have been prepared in accordance with generally accepted accounting principles for interim financial information. The Company s wholly-owned subsidiaries include Tel America of Salt Lake City, Inc., National Network Corporation, Extelcom, Inc., and Communication Recovery Services, Inc.

Except as otherwise disclosed, all significant intercompany transactions have been eliminated.

The financial information presented for the three months ended March 31, 2004 has not been audited by independent public accountants; however, in the opinion of management, all adjustments (which included only normal recurring adjustments) necessary to present fairly the results of operations for the three month period have been included therein. The results of operations for the first three months of 2004 are not necessarily indicative of the results of operations which might be expected for the entire fiscal year.

Nature of Operations

The Company is a diversified telecommunications enterprise. The Company s principal line of business is the provision of competitive communication and long distance services to individuals and businesses within the continental United States, primarily in the states of Utah, California, Nevada, Arizona and Colorado. Transtel is a wholly-owned subsidiary of Telephone Electronics Corporation (TEC).

Revenue Recognition

All revenues are recognized in the period in which fees are fixed and determinable and the related products or services are provided to the end user regardless of the period in which they are subsequently billed.

Deferred revenue results from the billing of revenue or the receipt of cash in advance of when such revenues are recognized. The underlying revenue is recorded in subsequent periods as the services are provided.

Allowance for Doubtful Accounts

The allowance for doubtful accounts reflects the Company s estimate of possible losses related to its trade accounts receivable. In establishing the allowance for doubtful accounts, the Company considers a number of factors, including historical collection experience, aging of the accounts receivable balances, current economic conditions, and a specific customer s ability to meet its financial obligations to the Company.

Property and Equipment

Property and equipment are recorded at cost. Maintenance and repairs to all classes of property, plant and equipment, as well as the replacement of minor items, are charged to maintenance expense as incurred, while renewals and major replacements are capitalized.

The Company generally provides depreciation on fixed assets using the straight-line method over the estimated useful lives of the respective assets as follows:

	Estimated Useful Life
Communications system	3 10 Years
Office furniture and equipment	3 10 Years

Depreciation and amortization for property, plant and equipment amounted to approximately $184,948 for the three months ended March 31, 2004.

Income Taxes

The Company is included in the consolidated federal income tax return of TEC and in certain TEC consolidated state income tax returns. For financial reporting purposes, income taxes are generally calculated and settled as though the Company had prepared a separate consolidated tax return. The federal income tax benefits of the Company s losses are credited to the Company in the year the losses occur, if they can be utilized on a TEC consolidated basis.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases and capital loss and tax credit carryforwards.

Deferred Charges

Deferred installation costs, which are included within Deferred charges in the accompanying unaudited consolidated balance sheet, represent the costs incurred to connect new circuits to long distance networks. Installation costs are amortized over their related benefit period of five years using the straight-line method. The Company deferred $44,093 of installation costs, and amortization expense amounted to $52,340 for the three months ended March 31, 2004.

Impairment or Disposal of Long-Lived Assets

In accordance with SFAS No. 144, the Company periodically reviews the carrying value of its long-lived assets and intangible assets subject to amortization whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. Recoverability of assets held for sale is measured by a comparison of the carrying value of such assets to their estimated fair market values. To the extent that the carrying value of an asset exceeds its estimated future cash flows, an impairment loss is recognized.

Cash, Cash Equivalents and Cash Investments

For purposes of the unaudited consolidated balance sheet and statement of cash flows, the Company considers all demand deposits, time deposits and certificates of deposit purchased with an original maturity of three months or less to be cash equivalents. All certificates of deposit purchased with an original maturity of greater than three months are classified as cash investments.

Disclosures About Concentrations

The Company is subject to credit risk primarily through cash balances in excess of FDIC coverage, short-term cash investments, trade receivables, and notes receivable.

Cash balances on deposit and short-term cash investments are placed with high credit-quality financial institutions and in short-duration, high quality debt securities. Although cash balances on deposit exceed the FDIC limits of coverage, the Company believes the risk of loss is remote.

The Company extends credit to customers generally on an unsecured basis in the normal course of business. The Company believes that the concentration of credit risk with respect to its trade receivables is minimized because of the Company s large customer base and its geographic dispersion.

Advertising Costs

Costs incurred for producing and communicating advertising are expensed as incurred. Advertising expense was $115,720 for the three months ended March 31, 2004.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the consolidated earnings of the Company in the period in which they become known.

Comprehensive Income

Comprehensive income (loss) includes net earnings (loss) and other non-owner related changes in equity not included in the net earnings (loss) of the Company, such as unrealized gains and losses on marketable equity securities classified as available-for-sale.

2. AFFILIATED TRANSACTIONS

In the normal course of operations, the Company receives and provides certain services or engages in transactions with TEC and certain subsidiaries of TEC (the TEC Group). The significant services and transactions with affiliated companies for the three months ended March 31, 2004, not discussed elsewhere, are summarized as follows:

Amounts incurred for executive, managerial, technical, accounting, insurance, and other services provided by TEC	$ 650,178

The net balances due (to)/from affiliated companies at March 31, 2004 are reflected in the unaudited financial statements as follows:

Receivable from TEC	$ 19,413,063
Amounts included in:	
Accounts receivable affiliates	143,247
Accounts payable circuit costs	(60)
Accounts payable affiliates	(130,097)
	$ 19,426.153

3. RELATED PARTY TRANSACTIONS

The Company engaged in transactions with certain related parties, the majority of which relate to network transmission services. The significant transactions with related parties for the three months ended March 31, 2004, not discussed elsewhere, are summarized as follows:

Rents paid to an officer and director of TEC for the use of property	5,400
Lease payments paid to an officer for rent of office space	2,850

4. INCOME TAXES

Income taxes for the three months ended March 31, 2004 were charged to operations as follows:

Current	
Federal	$
State	
D	