

TALK AMERICA HOLDINGS INC
 Form 4
 December 18, 2006

FORM 4

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

OMB APPROVAL

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
FOWLER MARK S

2. Issuer Name and Ticker or Trading Symbol
**TALK AMERICA HOLDINGS INC
 [TALK]**

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
**C/O TALK AMERICA HOLDINGS,
 INC., 6805 ROUTE 202**
 (Street)

3. Date of Earliest Transaction
 (Month/Day/Year)
12/15/2006

Director 10% Owner
 Officer (give title below) Other (specify below)

NEW HOPE, PA 18938

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Price | | |
| | | | Code | V | Amount | | |
| Common Stock ⁽¹⁾ | 12/15/2006 | | D | | \$ 80,341 | D | |
| Common Stock ⁽¹⁾ | 12/15/2006 | | D | | \$ 7,033 | D | Wife |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
 (9-02)

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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) | Amount or Number of Shares |
|---|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Stock option (right to buy) ⁽²⁾ | \$ 1.2 | 12/15/2006 | | D | 10,000 | 11/06/2002 11/06/2011 | Common Stock | 10,000 |
| Stock option (right to buy) ⁽²⁾ ⁽³⁾ | \$ 7.36 | 12/15/2006 | | D | 15,000 | 12/22/2005 ⁽³⁾ 12/22/2014 | Common Stock | 15,000 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

FOWLER MARK S
C/O TALK AMERICA HOLDINGS, INC.
6805 ROUTE 202
NEW HOPE, PA 18938

X

Signatures

/s/ Aloysius T. Lawn, IV attorney-in-fact for Mark Fowler

12/15/2006

__Signature of Reporting Person

Date

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) Disposed of pursuant to an Agreement and Plan of Merger (the "Merger Agreement"), dated September 22, 2006, by and among the issuer, Cavalier Telephone Corporation and Cavalier Acquisition Corp. (the "Merger") in exchange for \$8.10 per share of common stock, without interest.

(2) This option was cancelled in the Merger pursuant to the Merger Agreement and converted into the right to receive an amount equal to the difference between \$8.10 and the exercise price of such option.

(3) This option, which provided for vesting in three equal annual installments beginning December 22, 2005, was cancelled in the Merger pursuant to the Merger Agreement and converted into the right to receive an amount equal to the difference between \$8.10 and the

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exercise price of such option.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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