

O Leary Patrick  
 Form 4  
 October 27, 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 \*  
 O Leary Patrick

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)

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

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 EVP Business Services

C/O TALK AMERICA HOLDINGS, INC., 6805 ROUTE 202

(Street)

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

NEW HOPE, PA 18938

(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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	10/05/2006		M		15,000	A	\$ 8.62
Common Stock	10/05/2006		M		15,000	D	\$ 9.23
Common Stock	10/05/2006		M		20,000	A	\$ 8.62
Common Stock	10/05/2006		M		20,000	D	\$ 9.25
Common Stock	10/05/2006		M		20,000	A	\$ 8.62

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Common Stock	10/05/2006	M	20,000	D	\$ 9.29	0	D
Common Stock	10/05/2006	M	20,000	A	\$ 8.62	20,000	D
Common Stock	10/05/2006	M	20,000	D	\$ 9.28	0	D

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

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(9-02)

**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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option	\$ 8.62	10/05/2006		M	15,000	07/13/2006	07/13/2010	Common Stock	15,000
Employee Stock Option	\$ 8.62	10/05/2006		M	20,000	07/13/2006	07/13/2010	Common Stock	20,000
Employee Stock Option	\$ 8.62	10/05/2006		M	20,000	07/13/2006	07/12/2010	Common Stock	20,000
Employee Stock Option	\$ 8.62	10/05/2006		M	20,000	07/13/2006	07/13/2010	Common Stock	20,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
O Leary Patrick C/O TALK AMERICA HOLDINGS, INC.			EVP Business Services	

6805 ROUTE 202  
NEW HOPE, PA 18938

## Signatures

/s/ Aloysius T. Lawn, IV, attorney-in-fact for Patrick  
O'Leary

10/27/2006

\_\_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).

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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