

O Leary Patrick
Form 4
October 27, 2006

FORM 4

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

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

OMB APPROVAL

OMB
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(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
__X__ Officer (give title ____ Other (specify
below) below)

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

10/05/2006

EVP Business Services

(Street)

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

6. Individual or Joint/Group Filing(Check
Applicable Line)

X 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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