

EARHART JEFFREY

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
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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 *
EARHART JEFFREY

(Last) (First) (Middle)

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

(Street)

NEW HOPE, PA 18938

(City)

(State)

(Zip)

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

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

12/15/2006

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

EVP - Customer Operations

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

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 Indirect Beneficial Ownership (Instr. 4)
				(A) or (D) Code V Amount Price D 4,768 D \$ 8.1			
Common Stock ⁽¹⁾	12/15/2006				0	D	

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

**Persons who respond to the collection of
information contained in this form are not
required to respond unless the form
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SEC 1474
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)**

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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)	
					Date Exercisable	Expiration Date	Title	Amount or Number of Shares
					Code V (A) (D)			
Stock option (right to buy) ⁽²⁾	\$ 6	12/15/2006		D	31,000	12/12/2005 12/12/2010	Common Stock	31,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
EARHART JEFFREY C/O TALK AMERICA HOLDINGS, INC. 6805 ROUTE 202 NEW HOPE, PA 18938			EVP - Customer Operations	

Signatures

/s/ Aloysius T. Lawn, IV, attorney-in-fact for Jeffrey Earhart	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).
 Disposed of pursuant to an Agreement and Plan of Merger (the "Merger Agreement"), dated September 22, 2006, by and among the
 (1) issuer, Cavalier Telephone Corporation and Cavalier Acquisition Corp. (the "Merger") in exchange for \$8.10 per share of common stock, without interest.
 (2) Each of these options 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.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.