

BRASSELLE WARREN

Form 4

December 18, 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 *
BRASSELLE WARREN

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)

EVP - Network Operations

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)
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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------------|---|---|---|--|--|--|---|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock ⁽¹⁾ | 12/15/2006 | | D | | 9,833 | D | \$ 8.1 |
| | | | | | | | 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
displays a currently valid OMB control
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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) | | | |
|---|---|---|---|---|--|--|-----|---|--------------------|-----------------|-------------------------------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Stock Option (right to buy) ⁽²⁾ | \$ 1.53 | 12/15/2006 | | D | | 3,334 | | 03/08/2002 | 03/08/2010 | Common Stock | 3,334 |
| Stock option (right to buy) ⁽²⁾ | \$ 1.53 | 12/15/2006 | | D | | 16,666 | | 03/08/2003 | 03/08/2010 | Common Stock | 16,666 |
| Stock option (right to buy) ⁽²⁾ | \$ 1.53 | 12/15/2006 | | D | | 2,778 | | 04/05/2003 | 04/05/2012 | Common Stock | 2,778 |
| Stock option (right to buy) ⁽²⁾ | \$ 1.53 | 12/15/2006 | | D | | 2,778 | | 04/05/2004 | 04/05/2012 | Common Stock | 2,778 |
| Stock option (right to buy) ⁽²⁾ | \$ 1.53 | 12/15/2006 | | D | | 2,777 | | 04/05/2005 | 04/05/2012 | Common Stock | 2,777 |

Reporting Owners

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

Signatures

/s/ Aloysius T. Lawn, IV, attorney-in-fact for Warren
Brasselle

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.

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