

TALK AMERICA HOLDINGS INC
 Form 4
 May 27, 2005

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 *
WALSH THOMAS

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)
05/25/2005

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Sr. Vice President-Finance

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | Code V | Amount | (A) or (D) | Price |
| Common Stock | 05/25/2005 | | M | | 13,333 | A | \$ 1.53 |
| Common Stock | 05/25/2005 | | M | | 13,333 | D | \$ 8.72 |

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

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 (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 |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Employee Stock Option | \$ 1.53 | 05/25/2005 | | M | 6,667 | 04/05/2004 04/05/2012 | Common Stock | 6,667 |
| Employee Stock Option | \$ 1.53 | 05/25/2005 | | M | 6,666 | 04/05/2005 04/05/2012 | Common Stock | 6,666 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

WALSH THOMAS
C/O TALK AMERICA HOLDINGS, INC.
6805 ROUTE 202
NEW HOPE, PA 18938

Sr. Vice President-Finance

Signatures

/s/ Craig H. Pizer, Attorney-in-fact for Thomas Walsh

05/27/2005

__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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