

TALK AMERICA HOLDINGS INC  
Form SC 13D  
September 28, 2006

**UNITED STATES  
SECURITIES AND EXCHANGE  
COMMISSION**  
Washington, D.C. 20549  
**SCHEDULE 13D**  
Under the Securities Exchange Act of 1934

**Talk America Holdings, Inc.**

(Name of Issuer)

**Common Stock, Par Value \$0.01**

(Title of Class of Securities)

**87426R202**

(CUSIP Number)

**Marc J. Leder**

**Rodger R. Krouse**

**Sun Capital Securities, LLC**

**5200 Town Center Circle, Suite 470**

**Boca Raton, Florida 33486**

**(561) 394-0550**

(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

**with a copy to**

**Clifford E. Neimeth, Esq.**

**Greenberg Traurig, LLP**

**The Metlife Building**

**200 Park Avenue**

**New York, NY 10168**

**(212) 801-9200**

**September 22, 2006**

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. . 87426R202

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
SCSF Equities, LLC
  2. Check the Appropriate Box if a Member of a Group (See Instructions)
    - (a)
    - (b)
  3. SEC Use Only
  4. Source of Funds (See Instructions)  
OO
  5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
  6. Citizenship or Place of Organization  
Delaware
- |   |     |  |  |
|---|-----|--|--|
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | 7.  | Sole Voting Power<br>0 (See Item 5)                |  |
|   | 8.  | Shared Voting Power<br>4,242,520 (See Item 5)      |  |
|   | 9.  | Sole Dispositive Power<br>0 (See Item 5)           |  |
|   | 10. | Shared Dispositive Power<br>4,242,520 (See Item 5) |  |
11. Aggregate Amount Beneficially Owned by Each Reporting Person  
4,242,520 (See Item 5)
  12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
  13. Percent of Class Represented by Amount in Row (11)  
13.9%
  14. Type of Reporting Person (See Instructions)  
PN
-

CUSIP No. . 87426R202

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
Sun Capital Securities Offshore Fund, LP
2. Check the Appropriate Box if a Member of a Group (See Instructions)
 

(a)	<input type="radio"/>
(b)	<input checked="" type="radio"/>
3. SEC Use Only
4. Source of Funds (See Instructions)  
OO
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
6. Citizenship or Place of Organization  
Cayman Islands
 

7.	Sole Voting Power	0 (See Item 5)
8.	Shared Voting Power	4,242,520 (See Item 5)
9.	Sole Dispositive Power	0 (See Item 5)
10.	Shared Dispositive Power	4,242,520 (See Item 5)
11. Aggregate Amount Beneficially Owned by Each Reporting Person  
4,242,520 (See Item 5)
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
13. Percent of Class Represented by Amount in Row (11)  
13.9%
14. Type of Reporting Person (See Instructions)  
CO

CUSIP No. . 87426R202

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
Sun Capital Securities Fund, LP
  2. Check the Appropriate Box if a Member of a Group (See Instructions)
    - (a)
    - (b)
  3. SEC Use Only
  4. Source of Funds (See Instructions)  
OO
  5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
  6. Citizenship or Place of Organization  
Delaware
- |   |     |  |  |
|---|-----|--|--|
|   | 7.  | Sole Voting Power<br>0 (See Item 5)                |  |
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | 8.  | Shared Voting Power<br>4,242,520 (See Item 5)      |  |
|   | 9.  | Sole Dispositive Power<br>0 (See Item 5)           |  |
|   | 10. | Shared Dispositive Power<br>4,242,520 (See Item 5) |  |
11. Aggregate Amount Beneficially Owned by Each Reporting Person  
4,242,520 (See Item 5)
  12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
  13. Percent of Class Represented by Amount in Row (11)  
13.9%
  14. Type of Reporting Person (See Instructions)  
PN
-

CUSIP No. . 87426R202

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
Sun Capital Securities Advisors, LP
  2. Check the Appropriate Box if a Member of a Group (See Instructions)
    - (a)
    - (b)
  3. SEC Use Only
  4. Source of Funds (See Instructions)  
OO
  5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
  6. Citizenship or Place of Organization  
Delaware
- |   |     |  |
|---|-----|--|
|   | 7.  | Sole Voting Power<br>0 (See Item 5)                |
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | 8.  | Shared Voting Power<br>4,242,520 (See Item 5)      |
|   | 9.  | Sole Dispositive Power<br>0 (See Item 5)           |
|   | 10. | Shared Dispositive Power<br>4,242,520 (See Item 5) |
11. Aggregate Amount Beneficially Owned by Each Reporting Person  
4,242,520 (See Item 5)
  12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
  13. Percent of Class Represented by Amount in Row (11)  
13.9%
  14. Type of Reporting Person (See Instructions)  
PN
-

CUSIP No. . 87426R202

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
Sun Capital Securities, LLC
  2. Check the Appropriate Box if a Member of a Group (See Instructions)
 

(a)	<input type="radio"/>
(b)	<input checked="" type="radio"/>
  3. SEC Use Only
  4. Source of Funds (See Instructions)  
OO
  5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
  6. Citizenship or Place of Organization  
Delaware
- |   |     |  |
|---|-----|--|
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | 7.  | Sole Voting Power<br>0 (See Item 5)                |
|   | 8.  | Shared Voting Power<br>4,242,520 (See Item 5)      |
|   | 9.  | Sole Dispositive Power<br>0 (See Item 5)           |
|   | 10. | Shared Dispositive Power<br>4,242,520 (See Item 5) |
11. Aggregate Amount Beneficially Owned by Each Reporting Person  
4,242,520 (See Item 5)
  12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
  13. Percent of Class Represented by Amount in Row (11)  
13.9%
  14. Type of Reporting Person (See Instructions)  
PN
-

CUSIP No. **87426R202**

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
Marc J. Leder
  2. Check the Appropriate Box if a Member of a Group (See Instructions)
 

(a)	<input type="radio"/>
(b)	<input checked="" type="radio"/>
  3. SEC Use Only
  4. Source of Funds (See Instructions)  
OO
  5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
  6. Citizenship or Place of Organization  
United States
- |     |  |
|-----|--|
| 7.  | Sole Voting Power<br>0 (See Item 5)                |
| 8.  | Shared Voting Power<br>4,242,520 (See Item 5)      |
| 9.  | Sole Dispositive Power<br>0 (See Item 5)           |
| 10. | Shared Dispositive Power<br>4,242,520 (See Item 5) |
11. Aggregate Amount Beneficially Owned by Each Reporting Person  
4,242,520 (See Item 5)
  12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
  13. Percent of Class Represented by Amount in Row (11)  
13.9%
  14. Type of Reporting Person (See Instructions)  
IN



CUSIP No. **87426R202**

- |     |  |
|-----|--|
| 1.  | Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)<br>Rodger R. Krouse                              |
| 2.  | Check the Appropriate Box if a Member of a Group (See Instructions)<br>(a) <input type="radio"/><br>(b) <input checked="" type="radio"/> |
| 3.  | SEC Use Only   |
| 4.  | Source of Funds (See Instructions)<br>OO   |
| 5.  | Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) <input type="radio"/>                                |
| 6.  | Citizenship or Place of Organization<br>United States  |
| 7.  | Sole Voting Power<br>0 (See Item 5)  |
| 8.  | Shared Voting Power<br>4,242,520 (See Item 5)  |
| 9.  | Sole Dispositive Power<br>0 (See Item 5)   |
| 10. | Shared Dispositive Power<br>4,242,520 (See Item 5)   |
| 11. | Aggregate Amount Beneficially Owned by Each Reporting Person<br>4,242,520 (See Item 5)   |
| 12. | Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) <input type="radio"/>                               |
| 13. | Percent of Class Represented by Amount in Row (11)<br>13.9%  |
| 14. | Type of Reporting Person (See Instructions)<br>IN  |

Number of  
Shares  
Beneficially  
Owned by  
Each  
Reporting  
Person With

Item 1. Security and Issuer

The class of equity security to which this statement relates is the Common Stock, par value \$0.01 per share (the Common Stock ), of Talk America Holdings, Inc., a Delaware corporation (the Issuer ). The address of the principal executive offices of the Issuer are:

6805 Route 202

New Hope, Pennsylvania 18938

Item 2. Identity and Background

This statement is being jointly filed by each of the following persons pursuant to Rule 13d-1(k) promulgated by the Securities and Exchange Commission ( Commission ) pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the Exchange Act ): SCSF Equities, LLC, a Delaware limited liability company ( SCSF Equities ), Sun Capital Securities Offshore Fund, Ltd., a Cayman Islands corporation ( Sun Offshore Fund ), Sun Capital Securities Fund, LP, a Delaware limited partnership ( Sun Securities Fund ), Sun Capital Securities Advisors, LP, a Delaware limited partnership ( Sun Advisors ), Sun Capital Securities, LLC, a Delaware limited liability company ( Sun Capital Securities ), Marc J. Leder ( Leder ) and Rodger R. Krouse ( Krouse ). Leder and Krouse may each be deemed to control SCSF Equities, Sun Securities Fund and Sun Advisors, as Leder and Krouse each own 50% of the membership interests in Sun Capital Securities, which in turn is the general partner of Sun Advisors, which in turn is the general partner of Sun Securities Fund. Sun Offshore Fund owns a majority of the membership interests of SCSF Equities. Leder and Krouse may each be deemed to control the Sun Offshore Fund by virtue of their being the only directors of the Sun Offshore Fund. SCSF Equities, Sun Offshore Fund, Sun Securities Fund, Sun Advisors, Sun Capital Securities, Leder and Krouse are collectively referred to as the Reporting Persons.

The principal business address of each of the Reporting Persons is 5200 Town Center Circle, Suite 470, Boca Raton, Florida 33486.

SCSF Equities, Sun Offshore Fund, Sun Securities Fund, Sun Advisors and Sun Capital Securities are each principally engaged in making investments. Leder and Krouse are principally engaged in merchant banking and the acquisition of middle market companies.

During the past five years, none of the Reporting Persons and, to the knowledge of the Reporting Persons, none of the executive officers or directors of the Reporting Persons, if applicable, has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), or has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Certain information with respect to the executive officers and directors of the Reporting Persons, if applicable, is set forth on SCHEDULE A attached hereto.

Item 3. Source and Amount of Funds or Other Consideration

The Reporting Persons are all affiliated with Sun Securities Fund and Sun Offshore Fund, which are private equity funds formed for the purpose of making investments in public and private securities. The source of funds is capital committed by the limited partners or shareholders, respectively, of these funds, who are not themselves necessarily affiliates of the funds.

The information set forth in Item 4 of this Schedule 13D is hereby incorporated herein by reference.

Item 4. Purpose of Transaction

The shares of Common Stock were acquired as part of the proprietary trading strategy of the Reporting Persons. The Reporting Persons intend to optimize the value of its investments and, therefore, will review from time to time the Issuer's business affairs and financial position. Based on such evaluation and review, as well as general economic and industry conditions existing at the time, the Reporting Persons may consider from time to time various alternative courses of action. Such actions may include the acquisition or disposition of the Common Stock or other securities through open market transactions, privately negotiated transactions, a tender offer, an exchange offer or otherwise. In addition, subject to applicable law, the Reporting Persons reserve the right to communicate directly with one or more directors and/or officers of the Issuer as well as with one or more shareholders of the Issuer regarding the Issuer, including, but not limited to its operations, structure, strategic alternatives and potential strategies to maximize shareholder value.

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The Reporting Persons delivered today to the Board of Directors of the Company a letter proposing to acquire in an all-cash merger transaction all outstanding shares of Common Stock at \$9.00 per share, subject to completion of confirmatory due diligence for a maximum period of 30 days (the Proposal Letter ). A true and complete copy of the Proposal Letter is attached hereto as Exhibit 99.C and the full text thereof is incorporated in this Item 4 as though fully set forth herein.

Except as set forth in this Item 4 and the Proposal Letter, the Reporting Persons have no present plans or proposals that relate to or that would result in any of the actions specified in clauses (a) through (j) of Item 4 of Schedule 13D.

The information set forth in Item 3 of this Schedule 13D is hereby incorporated herein by reference.

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Item 5. Interest in Securities of the Issuer

- (a) (b) On September 22, 2006, the Reporting Persons purchased shares of the Common Stock increasing the total number of shares owned by the Reporting Persons to 2,314,977 shares of the Common Stock or approximately 7.6% of the Issuer's outstanding Common Stock. Since September 22, 2006, the Reporting Persons have purchased additional shares of the Common Stock increasing the total number of shares of Common Stock owned by the Reporting Persons. As of close of September 27, 2006, the Reporting Persons beneficially own and have sole power to vote and sole power of disposition over 4,242,520 shares of the Common Stock of the Issuer, or approximately 13.9% of the Issuer's outstanding Common Stock.
- (c) Except for the transactions described herein, there have been no other transactions in the securities of the Issuer effected by the Reporting Persons during the past 60 days.
- (d) Except as stated within this Item 5, to the knowledge of the Reporting Persons, only the Reporting Persons have the right to receive or the power to direct the receipt of dividends from, or proceeds from the sale of, the shares of Common Stock of the Issuer reported by this statement.
- (e) Inapplicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Except for the agreements described above or in response to Items 3 and 4 of this Schedule 13D, which are hereby incorporated herein by reference, to the knowledge of the Reporting Persons, there are no contracts, arrangements, understandings or relationships (legal or otherwise) among the persons enumerated in Item 2 of this Schedule 13D, and any other person, with respect to any securities of the Issuer, including, but not limited to, transfer or voting of any of the securities, finder's fees, joint ventures, loan or option agreements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

Item 7. Material to Be Filed as Exhibits

- |              |  |
|--------------|--|
| Schedule A   | Additional Information Required by Item 2 of this Schedule 13D.  |
| Exhibit 99.A | Joint Filing Agreement, dated September 28, 2006, by and among each of the Reporting Persons.                  |
| Exhibit 99.B | Limited Power of Attorney, dated June 29, 2006, by and among the Reporting Persons.                            |
| Exhibit 99.C | Proposal Letter, dated September 28, 2006, from the Reporting Persons to the board of directors of the Issuer. |
-

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: September 28, 2006

**SCSF Equities, LLC**

- By : \*  
Name: Marc J. Leder  
Its: Co-CEO

**Sun Capital Securities Offshore Fund, Ltd.**

- By : \*  
Name: Marc J. Leder  
Its: Director

**Sun Capital Securities Fund, LP**

By: Sun Capital Securities Advisors, LP  
Its: General Partner

By: Sun Capital Securities, LLC  
Its: General Partner

- By : \*  
Name: Marc J. Leder  
Its: Co-CEO

**Sun Capital Securities Advisors, LP**

By: Sun Capital Securities, LLC  
Its: General Partner

- By : \*  
Name: Marc J. Leder  
Its: Co-CEO

**Sun Capital Securities, LLC**

- By : \*  
Name: Marc J. Leder  
Its: Co-CEO

\*  
Marc J. Leder

\*  
Rodger R. Krouse

The undersigned, by signing his name hereto, does sign and execute this Schedule 13D pursuant to the Limited Power of Attorney executed by the above Reporting Persons and incorporated by reference hereto on behalf of the Reporting Persons

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Dated: September 28, 2006

\*By:

/s/ Michael H. Kalb  
Michael H. Kalb

Attorney-in-Fact

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## SCHEDULE A

**SCSF EQUITIES, LLC**

Set forth below is the name and business address of each manager of SCSF Equities. Each such person is a citizen of the United States of America.

<u>Name</u>	<u>Title</u>	<u>Address</u>
Marc J. Leder	Co-CEO	5200 Town Center Circle, Suite 470 Boca Raton, Florida 33486
Rodger R. Krouse	Co-CEO	5200 Town Center Circle, Suite 470 Boca Raton, Florida 33486

**SUN CAPITAL SECURITIES OFFSHORE FUND, LTD.**

Set forth below is the name and business address of each manager of Sun Offshore Fund. Each such person is a citizen of the United States of America.

<u>Name</u>	<u>Title</u>	<u>Address</u>
Marc J. Leder	Director	5200 Town Center Circle, Suite 470 Boca Raton, Florida 33486
Rodger R. Krouse	Director	5200 Town Center Circle, Suite 470 Boca Raton, Florida 33486

**SUN CAPITAL SECURITIES, LLC**

Set forth below is the name and business address of each manager of Sun Capital Securities. Each such person is a citizen of the United States of America.

<u>Name</u>	<u>Title</u>	<u>Address</u>
Marc J. Leder	Co-CEO	5200 Town Center Circle, Suite 470 Boca Raton, Florida 33486
Rodger R. Krouse	Co-CEO	5200 Town Center Circle, Suite 470 Boca Raton, Florida 33486

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