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DURHAM TIMOTHY S
Form SC 13D
February 23, 2006

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

SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934

Cellstar Corporation
(Name of Issuer)

COMMON STOCK
(Title of Class of Securities)

150925204
(CUSIP Number)

Timothy S. Durham
111 Monument Circle
Suite 4800
Indianapolis, Indiana 46204-2415
(317) 237-4122

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

February 23, 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 ss.ss. 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 Rule 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).

SCHEDULE 13D

CUSIP No. 150925204

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1. NAME OF REPORTING PERSON:
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON (ENTITIES ONLY)

Timothy S. Durham

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a)
(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS

PF

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF SHARES	7. SOLE VOTING POWER 782,500
BENEFICIALLY OWNED BY	8. SHARED VOTING POWER 0
EACH REPORTING PERSON	9. SOLE DISPOSITIVE POWER 782,500
WITH	10. SHARED DISPOSITIVE POWER 0

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
782,500

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11)
EXCLUDES CERTAIN SHARES

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
3.8%

14. TYPE OF REPORTING PERSON
IN

SCHEDULE 13D

CUSIP No. 150925204

1. NAME OF REPORTING PERSON:
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON (ENTITIES ONLY)

Patrick J. O'Donnell

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2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

- (a)
(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS

PF

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF SHARES	7. SOLE VOTING POWER 418,400
BENEFICIALLY OWNED BY	8. SHARED VOTING POWER 0
EACH REPORTING PERSON	9. SOLE DISPOSITIVE POWER 418,400
WITH	10. SHARED DISPOSITIVE POWER 0

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
418,400

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11)
EXCLUDES CERTAIN SHARES

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
2.0%

14. TYPE OF REPORTING PERSON
IN

SCHEDULE 13D

CUSIP No. 150925204

1. NAME OF REPORTING PERSON:
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON (ENTITIES ONLY)

Henri B. Najem, Jr.

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2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS

PF

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF
SHARES

7. SOLE VOTING POWER
78,100

BENEFICIALLY
OWNED BY

8. SHARED VOTING POWER
0

EACH REPORTING
PERSON

9. SOLE DISPOSITIVE POWER
78,100

WITH

10. SHARED DISPOSITIVE POWER
0

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
78,100

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11)
EXCLUDES CERTAIN SHARES

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
0.4%

14. TYPE OF REPORTING PERSON
IN

SCHEDULE 13D

CUSIP No. 150925204

ITEM 1. Security and Issuer

This Schedule 13D relates to the common shares, \$0.01 par value (the "Shares"), of Cellstar Corporation, a Delaware corporation (the "Issuer"). The address of the principal executive offices of the Issuer is 601 S. Royal

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Lane, Carrollton, Texas 75019.

ITEM 2. Identity and Background

The persons filing this statement are Timothy S. Durham ("Durham"), Patrick J. O'Donnell ("O'Donnell"), and Henri B. Najem, Jr. ("Najem").

Mr. Durham is a citizen of the United States and his principal address is 111 Monument Circle, Suite 4800, Indianapolis, Indiana 46204. Mr. Durham serves as the Chairman and Chief Executive Officer of Obsidian Enterprises, Inc. and as Chairman of Fair Holdings, Inc. The address of the principal offices of Obsidian Enterprises, Inc. and Fair Holdings, Inc. is 111 Monument Circle, Suite 4800, Indianapolis, Indiana 46204.

Mr. O'Donnell is a citizen of the United States and his principle address is 200 West Adams Street, Chicago, Illinois, 60606. O'Donnell is retired from the UBS Investment Bank where he was the CIO and a member of its Management Board.

Mr. Najem is a citizen of the United States and his principal address is 11699 Fall Creek Road, Indianapolis, Indiana 46256. Mr. Najem owns Bella Vita restaurant. The address of the principal office of Bella Vita is 11699 Fall Creek Road, Indianapolis, IN 46256.

During the last five years, none of the Reporting Persons (i) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) was 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.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

The aggregate purchase price for the 1,279,000 shares purchased by the Reporting Entities was \$1,066,461. The source of funds for the purchases was personal funds for Mr. Durham, Mr. O'Donnell, and Mr. Najem.

ITEM 4. PURPOSE OF TRANSACTION.

Each of the Reporting Entities acquired beneficial ownership of the shares of Common Stock to which this statement relates for the purpose of investment and to gain a significant equity interest in Cellstar.

Each of the Reporting Entities may acquire additional shares or other securities of Cellstar or sell or otherwise dispose of any or all of the shares or other securities of Cellstar they beneficially own.

The Reporting Entities may engage in discussions with the management and members of the Board of Directors of Cellstar concerning the business, operations and future plans of Cellstar.

The Reporting Entities may also consider other actions to maximize stockholder value including, without limitation:

- o Proposing an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving Cellstar or any of its subsidiaries; and

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- o Proposing change in the present Board of Directors or management of Cellstar.

Other than described above, none of the Reporting Entities currently have any plans or proposals which relate to, or may result in, any of the matters listed in Items 4(a) - (j) of Schedule 13D (although they reserve the right to develop such plans).

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

(a) As of the close of business on February 23, 2006, the Reporting Persons may be deemed to beneficially own, in the aggregate, 1,279,000 shares of Common Stock, representing approximately 6.0% of the Issuer's outstanding shares of Common Stock (based on the 20,830,529 shares stated to be outstanding as of February 8, 2006 in the Issuer's Annual Report on Form 10-K for the year ended November 30, 2005, filed with the Securities and Exchange Commission).

(b) Mr. Durham has sole voting and sole dispositive power with respect to 782,500 shares. Mr. O'Donnell has sole voting and sole dispositive power with respect to 418,400 shares. Mr. Najem has sole voting and sole dispositive power with respect to 78,100 shares.

(c) The following table presents information on securities transactions within the past sixty days. All of the transactions were open market transactions.

Shareholder	Date	Price Per Share (\$)	Transaction	No. of Shares
Timothy S. Durham	02/14/2006	\$2.47	Purchase	10,000
Timothy S. Durham	02/23/2006	\$2.33	Purchase	20,000

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

Except as described herein, neither of the Registrants has any contracts, arrangements, understandings or relationships (legal or otherwise) with any person with respect to any securities of the Issuer, including but not limited to the transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or losses, or the giving or withholding of proxies.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

Exhibit A: Joint Filing Agreement.

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SIGNATURES

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: February 23, 2006

/s/ Timothy S. Durham

Timothy S. Durham

/s/ Patrick J. O'Donnell

Patrick J. O'Donnell

/s/ Henri B. Najem, Jr.

Henri B. Najem, Jr.

SCHEDULE 13D

CUSIP No. 150925204

EXHIBIT INDEX

Exhibit No.	Description
A	Joint Filing Agreement.

SCHEDULE 13D

CUSIP No. 150925204

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EXHIBIT B
Joint Filing Agreement

Each of the undersigned hereby agrees and consents to the filing of a single Schedule 13D and any and all future amendments thereto with the Securities and Exchange Commission on behalf of the undersigned and the other persons listed in Item 2 of the Schedule 13D in connection with their beneficial ownership of securities of Cellstar Corporation.

IN WITNESS WHEREOF, the parties have executed this Joint Filing Agreement on February 23, 2006.

/s/ Timothy S. Durham

Timothy S. Durham

/s/ Patrick O'Donnell

Patrick O'Donnell

/s/ Henri B. Najem, Jr.

Henri B. Najem, Jr.