

TANDY LEATHER FACTORY INC
 Form 5
 February 13, 2006

FORM 5

**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).
 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

1. Name and Address of Reporting Person *
 GREENE SHANNON L

2. Issuer Name and Ticker or Trading Symbol
 TANDY LEATHER FACTORY INC [TLF]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
 12/31/2005

Director 10% Owner
 Officer (give title below) Other (specify below)
 CFO/TREASURER

3800 FALCON LAKE DRIVE

(Street)

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

6. Individual or Joint/Group Reporting

(check applicable line)

ARLINGTON, TX 76016

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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
COMMON STOCK, PV \$0.0024	Â	Â	Â	Â Â Â (A) or (D) Price	28,318.978	D	Â
COMMON STOCK, PV \$0.0024	Â	Â	Â	Â Â Â (A) or (D) Price	11,588.616	I	BY ESOP

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

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SEC 2270 (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)
QUALIFIED INCENTIVE STOCK OPTION (RIGHT TO BUY) ⁽¹⁾	\$ 0.9375	Â	Â	Â	Â Â Â ⁽²⁾	09/13/2010	COMMON STOCK, PV \$0.0024 50,000
QUALIFIED INCENTIVE STOCK OPTION (RIGHT TO BUY) ⁽¹⁾	\$ 1.35	Â	Â	Â	Â Â Â ⁽³⁾	05/24/2011	COMMON STOCK, PV \$0.0024 60,000
QUALIFIED INCENTIVE STOCK OPTION (RIGHT TO BUY) ⁽¹⁾	\$ 4.24	Â	Â	Â	Â Â Â ⁽⁴⁾	09/16/2013	COMMON STOCK, PV \$0.0024 25,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GREENE SHANNON L 3800 FALCON LAKE DRIVE ARLINGTON, TX 76016	Â X	Â	Â CFO/TREASURER	Â

Signatures

SHANNON L GREENE 02/13/2006

⁽¹⁾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).

- (1) GRANTED PURSUANT TO THE TERMS OF THE 1995 STOCK OPTION PLAN OF TANDY LEATHER FACTORY, INC. FOR KEY MANAGEMENT EMPLOYEES
- (2) THE OPTIONS BECOME VESTED IN 5 EQUAL ANNUAL INSTALLMENTS COMMENCING 09/13/2001.
- (3) THE OPTIONS BECOME VESTED IN 5 EQUAL ANNUAL INSTALLMENTS COMMENCING 05/24/2002.
- (4) THE OPTIONS BECOME VESTED IN 5 EQUAL ANNUAL INSTALLMENTS COMMENCING 09/16/2004.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.