

TANDY LEATHER FACTORY INC  
 Form 4  
 November 21, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
 MARKWARDT MICHAEL A

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. Date of Earliest Transaction (Month/Day/Year)  
 11/20/2006

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

3717 S UNIVERSITY DRIVE

(Street)

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

FORT WORTH, TX 76109

(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)
				(A) or (D)	Amount	Price			
COMMON STOCK, PV \$0.0024	11/20/2006		S	9,000	D	\$ 8 0		D	
COMMON STOCK PV \$0.0024	11/21/2006		X	2,000	A	\$ 3.9 2,000		D	
COMMON STOCK, PV \$0.0024	11/21/2006		X	2,000	A	\$ 3.87 4,000		D	
COMMON STOCK, PV	11/21/2006		X	2,000	A	\$ 6,000 4.96		D	

\$0.0024

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 number.**

SEC 1474  
(9-02)

**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 (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Underlying Security (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
NON-QUALIFIED STOCK OPTION (RIGHT TO BUY) <u>(1)</u>	\$ 3.9	11/21/2006		X	2,000	03/26/2004	09/26/2013	COMMON STOCK P \$0.0024
NON-QUALIFIED STOCK OPTION (RIGHT TO BUY) <u>(1)</u>	\$ 3.87	11/21/2006		X	2,000	03/27/2005	09/27/2014	COMMON STOCK P \$0.0024
NON-QUALIFIED STOCK OPTION (RIGHT TO BUY) <u>(1)</u>	\$ 4.96	11/21/2006		X	2,000	03/26/2006	09/26/2015	COMMON STOCK P \$0.0024
NON-QUALIFIED STOCK OPTION (RIGHT TO BUY) <u>(1)</u>	\$ 6.33					03/26/2007	09/26/2016	COMMON STOCK P \$0.0024

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MARKWARDT MICHAEL A 3717 S UNIVERSITY DRIVE	X			

FORT WORTH, TX 76109

## Signatures

MICHAEL A

MARKWARDT

11/21/2006

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).

(1) GRANTED PURSUANT TO THE 1995 DIRECTOR NON-QUALIFIED STOCK OPTION PLAN OF TANDY LEATHER FACTORY, INC. IN A TRANSACTION EXEMPT UNDER RULE 16B-3.

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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