

TANDY LEATHER FACTORY INC
 Form 5
 February 14, 2007

FORM 5

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

OMB APPROVAL

OMB Number: 3235-0362
 Expires: January 31, 2005
 Estimated average burden hours per response... 1.0

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 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

(Last) (First) (Middle)

3800 FALCON LAKE DRIVE

(Street)

ARLINGTON, TX 76016

(City) (State) (Zip)

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

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
 12/31/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Reporting

(check applicable line)

Form Filed by One Reporting Person
 Form Filed by More than One Reporting Person

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)	(A) or (D)	Price	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 Indirect Beneficial Ownership (Instr. 4)
COMMON STOCK, PV \$0.0024	Â	Â	Â	Â	Â	Â	39,208.431	D	Â
COMMON STOCK, PV \$0.0024	Â	Â	Â	Â	Â	Â	12,410.8236	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 40,000
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 02/14/2007

⁽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.