

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-KSB/A AMENDMENT NO. 2

(Mark One)

Annual report pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2005

OR

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number 0-19437

CELLULAR TECHNICAL SERVICES COMPANY, INC.

(Name of Small Business Issuer as Specified in Its Charter)

Delaware

11-2962080

(State or Other Jurisdiction of Incorporation or Organization) (I.R.S. Employer Identification No.)

20 East Sunrise Highway, Suite 200, Valley Stream, NY 11581

(Address of Principal Executive Offices) (Zip Code)

Issuer's Telephone Number, Including Area Code: (516) 568-0100

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, \$.001 par value

(Title of Class)

Check whether the issuer is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to the filing requirements for the past 90 days. Yes No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained herein in any form, and, no disclosure will be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes No

The Issuer had no revenue for the fiscal year ended December 31, 2005.

As of October 1, 2006 there were 4,586,757 shares of Common Stock, \$.001 par value outstanding.

As of October 1, 2006 the aggregate market value of the Registrant's Common Stock, \$.001 par value, held by non-affiliates was approximately \$8.7 million. The aggregate market value of the Company's stock was calculated using \$1.90, the closing price for its Common Stock on October 1, 2006 as reported on the over-the-counter bulletin board.

Transitional Small Business Disclosure Format Yes No

INTRODUCTION

Cellular Technical Services Company, Inc. is filing this Amendment on Form 10-KSB/A to amend its Annual Report on Form 10-KSB for the fiscal year ended December 31, 2005, as filed with the Securities and Exchange Commission (the "SEC") on March 31, 2006, as amended by a filing with the SEC on April 10, 2006 (collectively, the "Original Filing"). The purpose of this Amendment is to amend in their entirety Items 10, 11, 12, 13 and 14 of the Original Filing. This Amendment does not otherwise update information in the Original Filing to reflect facts or events occurring subsequent to the date of the Original Filing.

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Item 10. EXECUTIVE COMPENSATION.

Summary Compensation Table

The following table sets forth information concerning annual and long-term compensation, paid or accrued, for the Named Executive Officers (as said term is defined in Item 402 of Regulation S-B) for services in all capacities to the Company during fiscal years 2005, 2004 and 2003.

	Annual Compensation			Long Term Compensation Awards(1)			
	Year	Salary	Bonus	Other Annual Compensation	Restricted Stock Awards(2)	Securities Underlying Options	All Other Compensation
Stephen Katz Chairman of the Board of Directors and Chief Executive Officer	2005	\$ 0	\$ 0	\$ 0	\$ 0	0	\$ 0
	2004	\$ 0	\$ 0	\$ 0	\$ 6,753	15,000	\$ 0
	2003	\$ 0	\$ 0	\$ 0	\$ 59,400	0	\$ 0
Kenneth Block Chief Financial Officer	2005	\$ 0	\$ 0	\$ 0	\$ 0	0	\$ 0
	2004	\$ 0	\$ 0	\$ 0	\$ 0	0	\$ 0
	2003	\$ 0	\$ 0	\$ 0	\$ 0	0	\$ 0

1. None of the Named Executive Officers received any LTIP Payouts in 2005, 2004 or 2003.

2. The stock awards granted to Stephen Katz in 2004 and 2003 vested after one year. The values set forth above are based on the closing prices of \$0.73 and \$0.66 respectively, on the dates the plan was approved by the Compensation Committee of the Board of Directors. The value of the grants at December 31, 2005 was \$208,425.

No stock options or SARs were granted during 2005.

Aggregated Option Exercises in 2005 and Year-End Option Values

The following table sets forth information with respect to the exercise of stock options during 2005 by the Named Executive Officers and unexercised options held by them on December 31, 2005.

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Name	Shares Acquired on Exercise	Value Realized	Number of Securities Underlying Unexercised Options at December 31, 2005 Exercisable/Unexercisable	Value of Unexercised In-the-Money Options at December 31, 2005 Exercisable/Unexercisable
Stephen Katz	None	--	110,650/2,750	\$29,430/\$2,220
Kenneth Block	None	--	--	--

1. There were no SAR exercises during 2005 and no SARs were outstanding at December 31, 2005.

2. The closing price for the Company's Common Stock as reported on the Over the Counter Bulletin Board on December 31, 2005 was \$2.10 per share. Value is calculated by multiplying; (i) the difference between \$2.10 and the option exercise price, by (ii) the number of shares of Common Stock underlying the option.

Director Compensation

No payments were made to non-employee directors during 2005.

Item 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The following table and footnotes thereto set forth, as of September 26, 2006, information with respect to the beneficial ownership of the Company's Common Stock by: (i) each person known by the Company to beneficially own more than 5% of the outstanding shares of Common Stock; (ii) each director of the Company; (iii) the Named Executive Officers; and (iv) all current directors and executive officers of the Company as a group.

Name of Beneficial Owners	Amount And Nature of Beneficial Ownership(1)	Percent of Outstanding Shares
Phillip Frost	1,400,000(2)	30.5%
Stephen Katz	251,173(3)	5.5%
Jane Hsiao	200,000	4.4%
Richard Pfenniger	100,000	2.2%
Lawrence J. Schoenberg	76,850(4)	1.2%
Joshua J. Angel	55,850(5)	1.2%
Kenneth Block	5,000	*
All directors and executive officers as a group (7 persons)	2,088,873(6)	45.4%

*Less than 1%

1. Unless otherwise indicated, each person or group has sole voting and investment power with respect to such shares. For purposes of this table, a person or group of persons is deemed to have "beneficial ownership" of any shares which such person or group has the right to acquire within 60 days. For purposes of computing the percent of outstanding shares held by each person or group named above as of a given date, any shares which such person or group has the right to so acquire are deemed to be outstanding, but are not deemed to be outstanding for the purpose of computing the percentage owned by any other person or group.

2. These shares are held by Frost Gamma Investments Trust ("Frost Trust"), of which Dr. Frost is the trustee and Frost Gamma, Limited Partnership is the sole and exclusive beneficiary. Dr. Frost is the sole limited partner of Frost Gamma, Limited Partnership. The general partner of Frost Gamma, Limited Partnership is Frost Gamma, Inc. and the sole shareholder of Frost Gamma, Inc.

is Frost-Nevada Corporation. Dr. Frost is also the sole shareholder of Frost Nevada Corporation. As such, Dr. Frost may be deemed the beneficial owner of all shares owned by the Frost Trust by virtue of his power to vote or direct the vote of such shares or to dispose or direct the disposition of such shares owned by the Frost Trust.

3. Includes 41,273 shares held by a partnership controlled by Mr. Katz. Also includes 110,650 shares subject to currently exercisable options, 23,000 of which are at prices lower than the market price of the Company's Common Stock.
4. Includes 40,600 shares subject to currently exercisable options, 17,400 of which are at prices lower than the market price of the Company's Common Stock.
5. Includes 20,600 shares subject to currently exercisable options, 17,400 of which are at prices lower than the market price of the Company's Common Stock.
6. Includes an aggregate of 171,850 shares subject to currently exercisable options, 57,800 of which are at prices lower than the market price of the Company's Common Stock and 41,273 shares held by a partnership controlled by Mr. Katz.

Equity Compensation Plan Information

The following table provides information about the Company's equity compensation plans as of December 31, 2005.

Plan Category	A	B	C
	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights securities reflected in column (A)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (A))
Equity compensation plans approved by security holders	174,600	\$1,419,959	0
Equity compensation plans not approved by security holders	-0-	0	0
Total:	174,600	\$1,419,959	0

Item 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

On April 12, 2005, the Company entered into a Securities Purchase Agreement (the "Agreement") with certain purchasers including Frost Gamma Investments Trust ("Frost Trust"), Richard C. Pfenniger, Jr. and Jane Hsiao (collectively, the "Purchasers"). Pursuant to the Agreement, the Company sold to the Purchasers an aggregate of 2,100,000 shares, or 43% of the outstanding shares, of the common stock of the Company, par value \$0.001 per share (the "Common Stock"). The purchase price for the sale of the Common Stock was \$0.75 per share in cash for an aggregate price of \$1,425,000. Pursuant to the Agreement, the Company appointed Dr. Phillip Frost, Richard C. Pfenniger, Jr. and Jane Hsiao to the Board of Directors.

Pursuant to the Agreement, Frost Trust purchased 1,400,000 shares of Common Stock for a cash purchase price of \$1,050,000, or 32% of the outstanding shares of Common Stock. Dr. Phillip

Frost controls Frost Trust. Richard C. Pfenniger, Jr. purchased 100,000 shares of Common Stock for an aggregate purchase price of \$75,000 and Jane Hsiao purchased 200,000 shares of Common Stock at an aggregate purchase price of \$150,000.

Item 13. Exhibits:

- 3.1 Restated Certificate of Incorporation of the Registrant, as amended (1)
- 3.2 Amendment to Restated Certificate of Incorporation of the Registrant (5)
- 3.3 By-Laws of the Registrant (1)
- 3.4 Amendment I to By-Laws of the Registrant, dated October 28, 1993 (3)
- 4.1 Specimen Certificate for Common Stock of Registrant (1)
- 7.1 1991 Qualified Stock Option Plan (as amended as of November 30, 1993) (+)(2)
- 7.2 Amendment to 1991 Qualified Stock Option Plan dated July 11, 1996 (+)(5)
- 7.3 1991 Non-Qualified Stock Option Plan (as amended as of November 30, 1993) (+)(2)
- 7.4 Amendment to 1991 Non-Qualified Stock Option Plan dated July 11, 1996 (+)(5)
- 7.5 1993 Non-Employee Director Stock Option Plan (+)(3)
- 7.6 Amendment to 1993 Non-Employee Director Stock Option Plan dated July 11, 1996 (+)(5)
- 7.7 Amendment to 1993 Non-Employee Director Stock Option Plan dated April 22, 1999 (+)(6)
- 7.8 1996 Stock Option Plan (+)(4)
- 7.9 Amendment to 1996 Stock Option Plan dated December 14, 1998 (+)(4)
- 7.10 2002 Stock Incentive Plan+ (7)
- 14.1 Code of Ethics Pursuant to Section 406 of the Sarbanes-Oxley Act of 2002 (8)
- 21.1 Subsidiaries of the Registrant (9)

- 23.1 Consent of Stonefield Josephson, Inc., independent auditors (9)
- 31.1 Rule 13a-14(a)/15d-14(a) Certification by CFO (10)
- 31.2 Rule 13a-14(a)/15d-14(a) Certification by CEO (10)
- 32.1 Section 1350 Certifications (10)

- (+) Management contract or compensation plan or arrangement required to be noted as provided in Item 14(a)(3).
- (1) Incorporated by reference to Registration Statement on Form S-1 declared effective on August 6, 1991 (File No. 33-41176).
- (2) Incorporated by reference to Registration Statement on Form S-8 filed on March 7, 1994 (File No. 33-76128).
- (3) Incorporated by reference to Annual Report on Form 10-K filed on March 30, 1994 for the year ended December 31, 1993 (File No. 0-19437).
- (4) Incorporated by reference to Quarterly Report on Form 10-Q filed on August 8, 1995 for the quarter ended June 30, 1995 (File No. 0-19437).
- (5) Incorporated by reference to Annual Report on Form 10-K filed on March 30, 1999 for the year ended December 31, 1998 (File No. 0-19437).
- (6) Incorporated by reference to Annual Report on Form 10-K filed on March 29, 2000 for the year ended December 31, 1999 (File No. 0-19437).
- (7) Incorporated by reference to Proxy Statement filed April 23, 2005 (File No. 0-19437).
- (8) Incorporated by reference to Annual Report on Form 10-K filed on March 30, 2004 for the year ended December 31, 2003 (File No. 0-19437).
- (9) Incorporated by reference to Annual Report on Form 10-KSB filed on March 31, 2006 for the year ended December 31, 2005 (file No. 0-19437)
- (10) Filed herewith.

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

The firm of Stonefield Josephson, Inc. ("Stonefield"), served as the Company's independent accountants for the years ended December 31, 2004 and 2005.

Audit Fees: Audit fees billed to the Company by Stonefield for its audit of the Company's consolidated annual financial statements for the year ended December 31, 2005 and for its review of the financial statements included in the Company's Quarterly Reports on Form 10-Q filed with the SEC for that year totaled \$ 1,841. Audit fees billed to the Company by Stonefield for its audit of the Company's consolidated annual financial statements for the year ended December 31, 2004 and for its review of the financial statements included in the Company's Quarterly Reports on Form 10-Q filed with the SEC for that year totaled \$8,993.

Audit-Related Fees: The Company did not engage Stonefield to provide any audit related fees to the Company during the years ended December 31, 2004 and 2005.

Tax Fees: No tax fees were billed to the Company for the years ended December 31, 2004 and 2005 by Stonefield Josephson, Inc.

All Other Fees: The Company did not engage Stonefield to provide any other non-audit services to the Company during 2004 or 2005.

In connection with the revised standards for independence of the Company's independent public accountants promulgated by the SEC, the Audit Committee considered whether the provision of such services was compatible with maintaining the independence of Stonefield Josephson, Inc. There were no such services provided in 2004 or 2005. The Audit Committee pre-approved all fees for 2004 and 2005.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this amended report to be signed on its behalf by the undersigned, thereunto duly authorized.

Cellular Technical Service Company, Inc.

Registrant

By: /s/ Stephen Katz

Stephen Katz, Chairman of the Board of
Directors and Chief Executive Officer

Date: October 12, 2006

Exhibit 31.1 Rule 13a-14(a)/15d-14(a) Certification

In connection with the filing of the Annual Report on Form 10-KSB/A for the Year Ended December 31, 2005 (the "Report") by Cellular Technical Services Company, Inc. ("registrant"), I, Kenneth Block, certify that:

1. I have reviewed this annual report on Form 10-KSB/A of Cellular Technical Services Company, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure control and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors
 - a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Kenneth Block

Kenneth Block
Secretary and Chief Financial Officer
October 12, 2006

Exhibit 31.2 Rule 13a-14(a)/15d-14(a) Certification

In connection with the filing of the Annual Report on Form 10-KSB/A for the Year Ended December 31, 2005 (the "Report") by Cellular Technical Services Company, Inc. ("registrant"), I, Stephen Katz, certify that:

1. I have reviewed this annual report on Form 10-KSB/A of Cellular Technical Services Company, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure control and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors

- a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Stephen Katz

Stephen Katz
Chief Executive Officer
October 12, 2006

Exhibit 32.1 Section 1350 Certification

In connection with the filing of the Annual Report on Form 10-KSB/A for the Year Ended December 31, 2005 (the "Report") by Cellular Technical Services Company, Inc. ("Registrant"), each of the undersigned hereby certifies that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Registrant.

By: /s/ Stephen Katz

Stephen Katz
Chief Executive Officer
October 12, 2006

By: /s/ Kenneth Block

Kenneth Block
Secretary and Chief Financial Officer
October 12, 2006

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Cellular Technical Services Company, Inc and will be retained by the Registrant and furnished to the Securities and Exchange Commission or its staff upon request.