

OMB APPROVAL	
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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>KATZ STEPHEN</u>  (Last) (First) (Middle) <u>2815 2ND AVENUE</u> <u>SUITE 100</u>  (Street) <u>SEATTLE WA 98121</u>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>CELLULAR TECHNICAL SERVICES CO INC [ CTSC ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) <u>Chief Executive Officer</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>08/12/2004</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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)			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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	08/12/2004		P		154	A	\$0.75	237,834	D	
Common Stock	08/13/2004		P		5,000	A	\$0.79	242,834	D	

**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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					
Options to Purchase Common Stock	\$0.73							06/10/2005	06/10/2014	Common Stock 15,000		15,000	D	
Options to Purchase Common Stock	\$0.99							(1)	09/23/2012	Common Stock 10,000		10,000	D	
Options to Purchase Common Stock	\$2.745							(2)	09/10/2011	Common Stock 15,000		15,000	D	
Options to Purchase Common Stock	\$8							(3)	06/21/2010	Common Stock 65,000		65,000	D	
Options to Purchase Common Stock	\$11.344							(4)	03/22/2010	Common Stock 5,000		5,000	D	
Options to Purchase Common Stock	\$3.281							(5)	06/14/2009	Common Stock 3,400		3,400	D	

**Explanation of Responses:**

1. Exercisable in four equal annual installments beginning September 23, 2003.
2. Exercisable in four equal annual installments beginning September 10, 2002.
3. Exercisable in five equal annual installments beginning June 21, 2001.
4. Exercisable in five equal annual installments beginning March 22, 2001.
5. Exercisable in five equal annual installments beginning June 14, 2000.

/s/ Bruce R. York as Attorney in Fact 08/16/2004

\*\* Signature of Reporting Person Date

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

\* 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).**

**Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.**

**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 Number.**