#### TELEPHONE & DATA SYSTEMS INC /DE/

Form 4

August 18, 2005

# FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

**OMB APPROVAL** 

OMB Number: 3235-0287

Expires: January 31, 2005

10% Owner

\_ Other (specify

Estimated average burden hours per response... 0.5

5. Relationship of Reporting Person(s) to

(Check all applicable)

Issuer

\_X\_\_ Director

X\_ Officer (give title \_

Check this box if no longer subject to Section 16. Form 4 or

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

2. Issuer Name and Ticker or Trading

**TELEPHONE & DATA SYSTEMS** 

Form 5 obligations may continue. See Instruction Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

Symbol

(Middle)

INC /DE/ [TDS]

(Month/Day/Year)

3. Date of Earliest Transaction

1(b).

(Last)

(Print or Type Responses)

CARLSON LEROY T JR

1. Name and Address of Reporting Person \*

(First)

30 N. LAS	SALLE ST., STE.	*	/2005	,		bel	low) Preside	below) ent and CEO	
	(Street) O, IL 60602	Filed(N	nendment, Ionth/Day/Y	Date Original Year)		Ap _X	Individual or Join opticable Line)  L Form filed by One Form filed by Morrson	e Reporting Per	son
(City)	(State)	(Zip) Ta	ble I - No	n-Derivative Secu	rities Ac	quir	ed, Disposed of, o	or Beneficiall	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transacti Code (Instr. 8)		(A) or	A) or	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)
Special Common Shares	05/13/2005		J(4) V		, ,	4)	862,693	I	By family partnership through voting trust (7)
Special Common Shares	07/26/2005		J(2) V	7 0 (2)	D ú	2)	862,693	I	By family partership through voting trust (7)
Special Common	07/26/2005		J <u>(2)</u> V	<i>y</i> 0 <u>(2)</u>	A	2)	862,693	I	By family partnership

Shares									through voting trust (7)
Common Shares	03/31/2005	J <u>(9)</u>	V	0.196	A	<u>(9)</u>	87.996	D	
Common Shares	03/31/2005	J <u>(9)</u>	V	2.558	A	<u>(9)</u>	1,147.958	I	By wife (7)
Special Common Shares	05/13/2005	J <u>(4)</u>	V	12,631.4397	A	<u>(4)</u>	12,631.4397	D	
Special Common Shares	05/13/2005	J <u>(4)</u>	V	6,385.38	A	<u>(4)</u>	6,385.38	I	By Wife (7)
Special Common Shares	05/13/2005	J <u>(4)</u>	V	948,526.84	A	<u>(4)</u>	947,951.84 (10)	I	By voting trust (7)
Special Common Shares	08/01/2005	G	V	575	D	(12)	947,951.84 (10)	I	By voting trust (7)

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.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned

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. Transact Code (Instr. 8)		5. Number of Derivative Securities Acquir (A) or Disposed of (D) (Instr. 3, 4, and 5)	ed (	6. Date Exerci Expiration Da (Month/Day/Y	te	7. Title a Underlyi (Instr. 3 a
				Code	V	(A) (		Date Exercisable	Expiration Date	Title
Series A Common Shares	(2) (13)	07/26/2005		J(2)	V		0 (2)	(2)(13)	(2)(13)	Common Shares Specia Common Share
Series A Common Shares	(2) (13)	07/26/2005		J(2)	V	0 (2)		(2)(13)	(2)(13)	Common Shares Specia

(e.g., puts, calls, warrants, options, convertible securities)

SEC 1474

(9-02)

								Commo
Series A Common Shares	(13)	03/31/2005	J <u>(9)</u>	V	1,729.753	<u>(13)</u>	<u>(13)</u>	Common Shares Common Share
Series A Common Shares	(13)	03/31/2005	J <u>(9)</u>	V	27.951	(13)	(13)	Common Shares  Special Common Shares
Series A Common Shares	(13)	03/31/2005	J <u>(9)</u>	V	11.671	<u>(13)</u>	<u>(13)</u>	Common Shares Common Share
Option (Right to buy)	\$ 38.12	05/13/2005	J(4)(5)	V	3,614	12/15/1995	12/15/2005	Tande Comm and Specia Comm Share
Option (Right to buy)	\$ 47.6	05/13/2005	J(4)(5)	V	13,233	12/15/1996	12/15/2006	Tande Command Specia Command Share
Option (Right to buy)	\$ 43.88	05/13/2005	J(4)(5)	V	11,770	12/15/1997	12/15/2007	Tande Command Specia Common Share
Option (Right to buy)	\$ 39.75	05/13/2005	J(4)(5)	V	27,300	12/15/1998	06/22/2008	Tande Command Specia Comma
Option (Right to buy)	\$ 43.75	05/13/2005	J(4)(5)	V	54,600	<u>(1)</u>	11/05/2007	Tande Commondand Specia

Comm

							Share
\$ 66 75	05/13/2005	<b>J</b> (4)(5)	V	27 850	12/15/1999	04/30/2009	Tander Commo
\$ 00.73	03/13/2003	J <u>~</u>	v	27,630	12/13/1999	04/30/2009	Specia Common Share
\$ 105 13	05/13/2005	J(4)(5)	V	32 000	12/15/2000	05/05/2010	Tander Commo
ψ 103.13	03/13/2003	J		32,000	12/13/2000	03/03/2010	Specia Commo Share
\$ 121 12	05/13/2005	J(4)(5)	V	56 720	(8)	09/16/2010	Tander Commo
Ψ 121.12	03/13/2003	J		30,720	_	07/10/2010	Specia Commo Share
\$ 99 44	05/13/2005	<b>I</b> (4)(5)	V	20 420	12/15/2001	04/30/2011	Tander Commo
Ψ	03/13/2003	<u> </u>	•	27,427		0 11 0 0 1 2 0 1 1	Specia Commo Share
\$ 60.2	05/13/2005	<b>I</b> (4)(5)	V	68 215	12/15/2002	08/10/2012	Tander Commo
\$ 00.2	03/13/2003	J <u>~</u>	v	00,213	12/13/2002	00/19/2012	Specia Commo Share
¢ 52.02	05/12/2005	T(4)(5)	<b>3</b> 7	65 567	12/15/2002	07/02/2012	Tander Commo
\$ 32.92	03/13/2003	<u>J(4)(3)</u>	V	03,307	12/13/2003	07/03/2013	Specia Commo Share
Φ. C.C.	05.11.2.1200.5	<b>T</b> (4)(5)	* 7	(7.540	12/15/2004	05/00/0014	Tander Commo
<b>\$</b> 00	03/13/2003	J(+)(3)	V	07,340	12/13/2004	03/08/2014	Specia Commo Share
\$ 77.36	05/13/2005	J(4)(5)	V	111,045	12/15/2005	04/20/2015	Tander Commo
	\$ 66.75 \$ 105.13 \$ 121.12 \$ 99.44 \$ 60.2 \$ 52.92	\$ 105.13	\$ 105.13	\$ 105.13  05/13/2005	\$ 105.13 05/13/2005	\$ 105.13	\$ 105.13 05/13/2005

and

Restricted Stock Units	<u>(6)</u>	05/13/2005	J(4)(6) V 19,024	12/15/2007	(3)
Deferred Compensation	<u>(11)</u>	05/13/2005	J(4)(11) V 12,045.164	<u>(11)</u>	(11)

**Reporting Owners** 

Reporting Owner Name / Address	Relationships							
· · · · · · · · · · · · · · · · · · ·	Director	10% Owner	Officer	Other				
CARLSON LEROY T JR								
30 N. LASALLE ST., STE. 4000	X		President and CEO					
CHICAGO, IL 60602								

# **Signatures**

Julie D. Mathews, by power of atty 08/18/2005

\*\*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) The option is exercisiable with respect to 18,200 common shres on 12/15/98, 12/15/99, and on 12/15/00 for a total of 54,600.
  - The reported securities are held indirectly by a family limited partnership of which the reporting person and his spouse each hold 500 general partnership interests and collectively hold 99,000 limited partnership interests. On July 26, 2005, the reporting person transferred 340.97 limited partnership interests to his spouse in consideration for \$402.69 per unit. At the time of such transfer, the family limited
- (2) partnership held voting trust certificates representing 862,693 Series A Common Shares, which are convertible into Common Shares or Special Common shares on a one-for-one basis and 862,693 Special Common shares. The reporting person reports all securities held by family limited partnership. Accordingly, the transfer of limited partnership interests did not result in any change in the number of derivative securities reported as beneficially owned the reporting person. Nevertheless, reporting person is voluntarily reporting the transfer of limited partnership interests.
- (3) Restricted stock unit award pursuant to the 2004 Long-Term Incentive Plan. Stock units will become vested on December 15, 2007.
- On May 13 TDS authorized a special common dividend to holders of common shares in which one special common share was

  (4) distributed for each common share. The stock dividend was distributed to all shareholders making this acquisition exempt from Section 16 pursuant to Rule 16a-9(a).
- (5) Common shares were granted without consideration under the long term incentive plan. As a result of the special common stock dividend, all options to purchase common shares as of May 13 under the long term incentive plan, whether vested or unvested, were

Reporting Owners 5

Special Comm Share Tande Comm Share

and Specia Comm

Share

Comm Share and

Specia Comm Share

adjusted into tandem options. The tandem option provides that upon exercise, the optionee purchases the number of common shares originally subject to the option plus an equal number of special common.

- Restricted stock units for common shares were granted without consideration under the long term incentive plan. As a result of the special common stock dividend, all restricted stock unit awards as of May 13 that are to be settled in common shares, whether vested or unvested, were adjusted to provide that such award will be settled in the number of common shares originally subject to the award plus an equal number of special common shares.
- (7) Reporting person disclaims beneficial ownership of shares for the benefit of spouse and children.
- (8) The option is exercisable with respect to 14,180 common shares on 12/15/01, 12/15/02, 12/15/03 and 12/15/04 for a total of 56,720 common shares.
- (9) Voluntary reporting of dividend reinvestment acquired on 3/31/05.
  - Reporting person is one of four trustees which is record owner of these special common shares which files its holdings on forms 4. Of these shares, 83,165.27 (including 15,699.27 held in dividend reinvestment) are held as custodian for children and 9,009.79 (including 1,052.79 held in dividend reinvestment) are held by spouse and 681,417.1 (including 11,420.1 held in dividend reinvestment) shares are
- (10)
  1,052.79 held in dividend reinvestment) are held by spouse and 681,417.1 (including 11,420.1 held in dividend reinvestment) shares are held by a family partnership of which reporting person is a general partner. Of the remaining shares, 2664.684 are held pursuant to a dividend reinvestment plan. In addition, the reporting person holds 862,693 Special Common shares through a family limited partnership that are reported on a separate line in Table I as discussed in footnote 2.
  - Reporting person deferred 1998 bonus pursuant to the TDS 1998 Long Term Incentive Plan. The deferred bonus was 2284.36 shares and the employer match was 662.46 shares which vests ratably at a rate of 33%, 33%, 34% on 12/31/99, 12/31/00 and 12/31/01. Reporting person deferred 2000 bonus and received 2773.16 shares in deferred bonus and 804.22 shares in employer match with vests ratably at 23%, 23%, 24% on 12/31/01, 12/31/02, 12/31/03. Reporting person deferred 2002 bonus and received 4204.45 shares in deferred bonus
- (11) 33%, 33%, 34% on 12/31/01, 12/31/02, 12/31/03. Reporting person deferred 2002 bonus and received 4204.45 shares in deferred bonus and 1051.114 in employer match which vests ratably at 33%, 33%, 34% in 12/31/03, 12/31/04 and 12/31/05. In prior years, reporting person had accumulated 188.4 in dividend reinvestment shares, including the 2004 dividend reinvestment, the reporting person now has 265.4 shares in dividend reinvestment. As a result of the stock dividend, all shares will be settled in common shares plus an equal amount of special common shares.
- (12) Shares gifted
- (13) Series A common shares are convertible on a share for share basis into common or special common shares.
  - Reporting person is one of four trustees which is record owner of these shares which files its holdings on forms 4. Of these shares, 83,165.27 (including 15,699.27 acquired in dividend reinvestment) are held as custodian for children and 9,009.79 (including 1,052.79
- (14) acquired in dividend reinvestment) are held by spouse and 681,417.1 (including 11,420.1 acquired in dividend reinvestment) shares are held by a family partnership of which reporting person is a general partner, 2664.684 were earned pursuant to a dividend reinvestment plan. In addition, the reporting person holds 862,693 Series A Common shares through a family limited partnership that are reported on a separate line in Table II as discussed in footnote 2.

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