

TELEPHONE & DATA SYSTEMS INC /DE/
Form 4
August 17, 2006

FORM 4

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

OMB APPROVAL

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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 *
CARLSON LEROY T JR

2. Issuer Name and Ticker or Trading Symbol
TELEPHONE & DATA SYSTEMS INC /DE/ [TDS]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
30 N. LASALLE ST., STE. 4000

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
08/15/2006

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

CHICAGO, IL 60602

(City) (State) (Zip)

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

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 | | | |
| Special Common Shares | 08/15/2006 | | J(2) | V 0 (2) D (2) | 862,693 (1) | I | By Family Partnership through Voting Trust |
| Special Common Shares | 08/15/2006 | | J(2) | V 0 (2) A (2) | 862,693 (1) | I | By Family Partnership through Voting Trust |

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

SEC 1474 (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) | 8. Price of Derivative Security (Instr. 5) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|----------------------------|
| | | | | | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| | | | | | | Code | V | (A) | (D) |
| Series A Common Shares | (3) | 08/15/2006 | | J(2) | V 0 | (3) (3) | Common or Special Common Shares (3) | (2) (2) | |
| Series A Common Shares | (3) | 08/15/2006 | | J(2) | V 0 | (3) (3) | Common or Special Common Shares (3) | (2) (2) | |

Reporting Owners

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

Signatures

Julie D. Mathews, by power of atty 08/17/2006

**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).

Reporting person is one of four trustees of a voting trust which is the record owner of Special Common Shares and Series A Common Shares and which reports its holdings on Forms 4 and 5. Prior to and after the transactions reported herein, the voting trust held 1,811,787 Special Common Shares and 1,816,776 Series A Common Shares which are also reported by the reporting person, of which voting trust certificates representing 862,693 Special Common Shares and 862,693 Series A Common Shares were owned by a family limited partnership (FLP), of which reporting person and his spouse collectively hold all general partnership interests and all limited partnership (LP) interests (directly and through grantor retained annuity trusts).

- (1) On August 15, 2006, the reporting person transferred 346.36 LP interests in the FLP to his spouse in consideration for \$427.63 per unit.
- (2) The transfer of LP interests did not result in any change in the number of securities reported as beneficially owned by the reporting person. Nevertheless, reporting person is voluntarily reporting the transfer of such LP interests.
- (3) Series A Common Shares are convertible, on a share-for-share basis, into either Common Shares or Special Common Shares.

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.