

TELEPHONE & DATA SYSTEMS INC /DE/
 Form 5
 February 07, 2007

FORM 5

**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).
 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 *
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)

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

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

30 N. LASALLE ST., STE. 4000
 (Street)

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

6. Individual or Joint/Group Reporting
 (check applicable line)

CHICAGO, IL 60602

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

(City) (State) (Zip)

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|------------|--------------------|--|--|-----------------------------------|
| Common Shares | 12/22/2006 | Â | G | 2,400 | D | \$ ₍₁₀₎ | 6,968.215 | D | Â |
| Special Common Shares | Â | Â | Â | Â | Â | Â | 9,051 | D | Â |
| Common Shares | Â | Â | Â | Â | Â | Â | 1,156.2 | I | By wife |
| Special Common | Â | Â | Â | Â | Â | Â | 6,433.6 | I | By Wife |

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Shares

| | | | | | | | | | |
|-----------------------|------------|---|------------------|--------|---|-------------------|--------------------------|---|-----------------|
| Common Shares | 12/31/2006 | Â | J ⁽⁶⁾ | 693.95 | A | \$ ⁽⁶⁾ | 8,678.52 | I | By 401K plan |
| Special Common Shares | 12/31/2006 | Â | J ⁽⁶⁾ | 33.68 | D | \$ ⁽⁶⁾ | 7,983.62 | I | By 401K plan |
| Special Common | Â | Â | Â | Â | Â | Â | 1,813,539 ⁽⁹⁾ | I | By 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 required to respond unless the form displays a currently valid OMB control number.

SEC 2270
(9-02)

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 Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|-----|--|-----------------|---|
| | | | | | (A) | (D) | Date Exercisable | Expiration Date | Title |
| Option (Right to buy) | \$ 43.88 | Â | Â | Â | Â | Â | 12/15/1997 | 12/15/2007 | Tandem Common and Special Common Shares |
| Option (Right to buy) | \$ 39.75 | Â | Â | Â | Â | Â | 12/15/1998 | 06/22/2008 | Tandem Common and Special Common Shares |
| Option (Right to buy) | \$ 43.75 | Â | Â | Â | Â | Â | Â ⁽⁴⁾ | 11/05/2007 | Tandem Common and Special Common Shares |
| Option (Right to buy) | \$ 66.75 | Â | Â | Â | Â | Â | 12/15/1999 | 04/30/2009 | Tandem Common and Special |

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| | | | | | | | | | |
|-----------------------|-----------|---|---|---|---|---|------------------|------------|--|
| Option (Right to buy) | \$ 105.13 | Â | Â | Â | Â | Â | 12/15/2000 | 05/05/2010 | Common Shares Tandem Common and Special Common Shares |
| Option (Right to buy) | \$ 121.12 | Â | Â | Â | Â | Â | Â ⁽⁵⁾ | 09/16/2010 | Tnadem Common and Special Common Shares |
| Option (Right to buy) | \$ 99.44 | Â | Â | Â | Â | Â | 12/15/2001 | 04/30/2011 | Tandem Common and Special Common Shares |
| Option (Right to buy) | \$ 60.2 | Â | Â | Â | Â | Â | 12/15/2002 | 08/19/2012 | Tandem Common and Special Common Shares |
| Option (Right to buy) | \$ 52.92 | Â | Â | Â | Â | Â | 12/15/2003 | 07/03/2013 | Tandem Common and Special Common Shares |
| Option (Right to buy) | \$ 66 | Â | Â | Â | Â | Â | 12/15/2004 | 05/08/2014 | Tandem Common and Special Common Shares |
| Option (Right to buy) | \$ 77.36 | Â | Â | Â | Â | Â | 12/15/2005 | 04/20/2015 | Tandem Common and Special Common Shares |
| Option (Right to buy) | \$ 49.8 | Â | Â | Â | Â | Â | 12/15/2006 | 12/13/2016 | Special Common Shares |

| | | | | | | | | | |
|------------------------|---|------------|---|-------|--------|---|------------|--------|--|
| Restricted Stock Units | Â | Â | Â | Â | Â | Â | 12/15/2007 | Â (8) | Tandem Common or Special Common Shares |
| Restricted Stock Units | Â | Â | Â | Â | Â | Â | 12/15/2008 | Â (11) | Special Common Shares |
| Series A Common Shares | Â | Â | Â | Â | Â | Â | Â (1) | Â (1) | Common or Special Common Shares |
| Deferred Compensation | Â | 12/30/2006 | Â | J(12) | 82.782 | Â | Â (3) | Â (3) | Common Shares |
| Deferred Compensation | Â | 12/30/2006 | Â | J(12) | 94.823 | Â | Â (7) | Â (7) | Special Common Shares |
| Series A Common Shares | Â | Â | Â | Â | Â | Â | Â (1) | Â (1) | Common or Special Common Shares |
| Series A Common Shares | Â | Â | Â | Â | Â | Â | Â (1) | Â (1) | Common or Special Common Shares |

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 | Â X | Â | Â President and CEO | Â |

Signatures

Julie D. Mathews, by power of atty 02/07/2007

**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) Series A Common shares are convertible, on a share-for-share basis, into common or special common.
- (2) Reporting person is one of four trustees which is record owner of these shares which files its holdings on forms 4. Of these shares, 83760.5 (including 16294.5 acquired in dividend reinvestment) are held as custodian for children and 9074.3 (including 1117.3 acquired

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in dividend reinvestment) are held by spouse, and 686294.6 (including 16297.6 acquired in dividend reinvestment) shares are held by a family partnership of which reporting person is a general partner. Of the remaining shares, 2683.7 were earned pursuant to a dividend reinvestment plan. Reporting person disclaims beneficial ownership of shares owned by wife and as custodian for children. In addition, 862,693 Series A common Shares owned by family limited partnership of which reporting person and his spouse each hold 500 general partnership interests and collectively hold 99,000 limited partnership interests.

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 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. Reporting person had accumulated 458.6 in dividend reinvestment shares.

- (3) Reporting person deferred 2000 bonus and received 2773.16 shares in deferred bonus and 804.22 shares in employer match with vests ratably at 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. Reporting person had accumulated 458.6 in dividend reinvestment shares.
- (4) Granted under the TDS 1998 Long Term Incentive Plan. The option is exercisable with respect to 18,200 common shares on 12/15/98, 12/15/99 and on 12/15/00 for a total of 54,600.
- (5) Granted under the TDS 1998 Long Term Incentive Plan. 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.
- (6) Voluntary reporting of shares acquired in 2006 in the TDS 401K. The information is based on a plan statement dated 12/31/06. The number of shares fluctuates and is attributable to the price of the shares on 12/31/06.

Reporting person deferred 1998, 2000, 2002 and 2005 bonuses pursuant to the TDS 1998 Long Term Incentive Plan. The deferred bonuses receive a employer match which vests ratably over a 3 year period at 33%, 33% and 34%. The deferred bonuses total 11,470.805. Employer matches total 3070.002 and dividend reinvestment has accumulated to 473.823. The employer match from the 2005 bonus has not vested in its entirety.

- (7) Reporting person deferred 1998, 2000, 2002 and 2005 bonuses pursuant to the TDS 1998 Long Term Incentive Plan. The deferred bonuses receive a employer match which vests ratably over a 3 year period at 33%, 33% and 34%. The deferred bonuses total 11,470.805. Employer matches total 3070.002 and dividend reinvestment has accumulated to 473.823. The employer match from the 2005 bonus has not vested in its entirety.
- (8) Restricted stock unit award pursuant to the 2004 Long-Term Incentive Plan. Stock units will become vested on December 15, 2007.

Reporting person is one of four trustees which is record owner of these shares which files its holdings on forms 4. Of these shares, 83792.9 (including 16326.93 acquired in dividend reinvestment) are held as custodian for children and 9077.8 (including 1120.8 acquired in dividend reinvestment) are held by spouse, and 684,910.4 (including 14,913.4 acquired in dividend reinvestment) shares are held by a family partnership of which reporting person is a general partner. Of the remaining shares, 794.9 were earned pursuant to a dividend reinvestment plan. Reporting person disclaims beneficial ownership of shares owned by wife and as custodian for children. In addition, 862,693 Series A common Shares owned by family limited partnership of which reporting person and his spouse each hold 500 general partnership interests and collectively hold 99,000 limited partnership interests.

- (9) held by a family partnership of which reporting person is a general partner. Of the remaining shares, 794.9 were earned pursuant to a dividend reinvestment plan. Reporting person disclaims beneficial ownership of shares owned by wife and as custodian for children. In addition, 862,693 Series A common Shares owned by family limited partnership of which reporting person and his spouse each hold 500 general partnership interests and collectively hold 99,000 limited partnership interests.
- (10) Gift
- (11) Restricted stock unit award pursuant to the 2004 Long-Term Incentive Plan. Stock units will become vested on December 15, 2008.
- (12) Voluntary reporting of dividend reinvestment earned in 2006.

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.