

TELEPHONE & DATA SYSTEMS INC /DE/
 Form 4
 August 18, 2005

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)
03/31/2005

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

CHICAGO, IL 60602

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

(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) | 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 | 05/13/2005 | | J ⁽⁴⁾ | V | 862,693 | A | (4) 862,693 | I | By family partnership through voting trust ⁽⁷⁾ |
| Special Common Shares | 07/26/2005 | | J ⁽²⁾ | V | 0 ⁽²⁾ | D | ⁽²⁾ 862,693 | I | By family partnership through voting trust ⁽⁷⁾ |
| Special Common Shares | 07/26/2005 | | J ⁽²⁾ | V | 0 ⁽²⁾ | A | ⁽²⁾ 862,693 | I | By family partnership |

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

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.

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(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 a Underlyi (Instr. 3 a | | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---------------------------------|------------------|-----------------|--|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title |
| Series A Common Shares | <u>(2)</u> <u>(13)</u> | 07/26/2005 | | J ⁽²⁾ | V | | 0 <u>(2)</u> | <u>(2)</u> (13) | <u>(2)</u> (13) | Comm Shares Specia Comm Share |
| Series A Common Shares | <u>(2)</u> <u>(13)</u> | 07/26/2005 | | J ⁽²⁾ | V | 0 | <u>(2)</u> | <u>(2)</u> (13) | <u>(2)</u> (13) | Comm Shares Specia |

| | | | | | | | | |
|------------------------------|-------------|------------|----------------|---|-----------|-------------|-------------|---|
| Series A Common Shares | <u>(13)</u> | 03/31/2005 | <u>J(9)</u> | V | 1,729,753 | <u>(13)</u> | <u>(13)</u> | Comm Share |
| Series A Common Shares | <u>(13)</u> | 03/31/2005 | <u>J(9)</u> | V | 27,951 | <u>(13)</u> | <u>(13)</u> | Comm Share Specia Comm Share |
| Series A Common Shares | <u>(13)</u> | 03/31/2005 | <u>J(9)</u> | V | 11,671 | <u>(13)</u> | <u>(13)</u> | Comm Share Specia Comm Share |
| Option (Right to buy) | \$ 38.12 | 05/13/2005 | <u>J(4)(5)</u> | V | 3,614 | 12/15/1995 | 12/15/2005 | Tande Comm and Specia Comm Share |
| Option (Right to buy) | \$ 47.6 | 05/13/2005 | <u>J(4)(5)</u> | V | 13,233 | 12/15/1996 | 12/15/2006 | Tande Comm and Specia Comm Share |
| Option (Right to buy) | \$ 43.88 | 05/13/2005 | <u>J(4)(5)</u> | V | 11,770 | 12/15/1997 | 12/15/2007 | Tande Comm and Specia Comm Share |
| Option (Right to buy) | \$ 39.75 | 05/13/2005 | <u>J(4)(5)</u> | V | 27,300 | 12/15/1998 | 06/22/2008 | Tande Comm and Specia Comm Share |
| Option (Right to buy) | \$ 43.75 | 05/13/2005 | <u>J(4)(5)</u> | V | 54,600 | <u>(1)</u> | 11/05/2007 | Tande Comm and Specia Comm |

| | | | | | | | | |
|-----------------------|-----------|------------|---------|---|---------|------------|------------|--|
| Option (Right to buy) | \$ 66.75 | 05/13/2005 | J(4)(5) | V | 27,850 | 12/15/1999 | 04/30/2009 | Tandem Comm and Specia Comm Share |
| Option (Right to buy) | \$ 105.13 | 05/13/2005 | J(4)(5) | V | 32,000 | 12/15/2000 | 05/05/2010 | Tandem Comm and Specia Comm Share |
| Option (Right to buy) | \$ 121.12 | 05/13/2005 | J(4)(5) | V | 56,720 | (8) | 09/16/2010 | Tandem Comm and Specia Comm Share |
| Option (Right to buy) | \$ 99.44 | 05/13/2005 | J(4)(5) | V | 29,429 | 12/15/2001 | 04/30/2011 | Tandem Comm and Specia Comm Share |
| Option (Right to buy) | \$ 60.2 | 05/13/2005 | J(4)(5) | V | 68,215 | 12/15/2002 | 08/19/2012 | Tandem Comm and Specia Comm Share |
| Option (Right to buy) | \$ 52.92 | 05/13/2005 | J(4)(5) | V | 65,567 | 12/15/2003 | 07/03/2013 | Tandem Comm and Specia Comm Share |
| Option (Right to buy) | \$ 66 | 05/13/2005 | J(4)(5) | V | 67,540 | 12/15/2004 | 05/08/2014 | Tandem Comm and Specia Comm Share |
| Option (Right to Buy) | \$ 77.36 | 05/13/2005 | J(4)(5) | V | 111,045 | 12/15/2005 | 04/20/2015 | Tandem Comm Share and |

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

Special
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Share

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and
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Share

Comm
Share
and
Specia
Comm
Share

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 08/18/2005

 **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 exercisable 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 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 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

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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.

- (6) Reporting person disclaims beneficial ownership of shares for the benefit of spouse and children.
- (7) 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.
- (8) 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 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.

- (9) 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. 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.
- (10) Shares gifted
- (11) 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 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.