

CARLSON LEROY T JR  
Form 4  
September 13, 2007

**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)  
09/12/2007

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			
Common Shares	09/12/2007		M <sup>(5)</sup>	3,600 A <u>(2)</u>	3,695.2	D	
Special Common Shares	09/12/2007		M <sup>(5)</sup>	3,600 A <u>(2)</u>	10,706	D	
Common Shares	09/12/2007		S	3,600 D \$ 64.773 <u>(3)</u>	95.2	D	
Special Common Shares	09/12/2007		S	3,600 D \$ 61.4796 <u>(3)</u>	7,106	D	
	08/24/2007		J <sup>(7)</sup>	1,838 D <u>(7)</u>	1,812,745 <u>(6)</u>	I	

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Special Common Shares								By Voting Trust	
Special Common Shares	08/24/2007		J <sup>(7)</sup>	1,838	A	Ⓣ	1,812,745 <sup>(6)</sup>	I	By Voting Trust
Common Shares							1,156.2	I	By wife
Special Common Shares							6,433.6	I	By wife

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

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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 and Amount of Underlying Securities (Instr. 3 and 4)	8. Derivative Securities (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (Right to Buy) <sup>(2)</sup>	\$ 43.75	09/12/2007		M	3,600	<sup>(4)</sup>	11/05/2007	Tandem Common and Special Common Shares	3,600

## 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

09/13/2007

\_\_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) Granted under the Long-Term Incentive Plan.

As a result of the special common dividend on 5/13/05, all options to purchase common shares were adjusted into tandem options. The

(2) tandem option provide that upon exercise, the optionee purchases the number of common shares originally subject to the option plus an equal number of special common shares.

(3) Weighted average sales price

(4) The option became 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) Exercise of a stock options pursuant to a previously disclosed 10b5-1 Rule plan.

Reporting person is one of four trustees of a voting trust that is the record owner of Special Common Shares of TDS and which reports its holdings on Forms 4 and 5. The voting trust also holds Series A Common Shares, but this Form 4 does not report any transactions in

(6) Series A Common Shares. Prior to and after the transactions reported herein, 1,812,745 Special Common Shares held in such voting trust were beneficially owned by reporting person and his spouse (directly and through grantor retained annuity trusts). Reporting person reports beneficial ownership of all securities beneficially owned by his spouse and children, but disclaims beneficial ownership of securities held for the benefit of his spouse and children.

On August 24, 2007, the reporting person transferred voting trust certificates representing 1,838 Special Common Shares to his spouse (through grantor retained annuity trusts). The reporting person previously reported all securities held by his spouse (directly and through a

(7) grantor retained annuity trust). Accordingly, the transfer of voting trust certificates 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 voting trust certificates.

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

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