

HERBERT C THEODORE  
Form 4  
January 26, 2012

**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 \*  
HERBERT C THEODORE

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)  
01/24/2012

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
VP Human Resources

CHICAGO, IL 60451

(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 Ownership (Instr. 4)
			Code	V Amount (D) Price			
Special Common Shares	01/24/2012		J <sup>(1)</sup>	38,712 D 0		D	
Common Shares	01/24/2012		J <sup>(1)</sup>	38,712 A 38,712		D	
Common Shares	01/24/2012		J <sup>(1)</sup>	41,364 D 0		D	
Common Shares	01/24/2012		J <sup>(1)</sup>	44,962 A 83,674		D	

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)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Underlying (Instr. 3 and 4)
					V	(A)	(D)	Date Exercisable	
Stock Option (Right to buy)	\$ 59	01/24/2012		J <sup>(1)</sup>		8,855	12/15/2002	07/05/2012	Common and Special Common Shares
Stock Option (Right to buy)	\$ 28.27	01/24/2012		J <sup>(1)</sup>	18,480.385		12/15/2002	07/05/2012	Common Shares
Stock Option (Right to buy)	\$ 52.92	01/24/2012		J <sup>(1)</sup>		9,085	12/15/2003	07/03/2013	Common and Special Common Shares
Stock Option (Right to buy)	\$ 25.36	01/24/2012		J <sup>(1)</sup>	18,960.395		12/15/2003	07/03/2013	Common Shares
Stock Option (Right to buy)	\$ 66	01/24/2012		J <sup>(1)</sup>		8,545	12/15/2004	05/08/2014	Common and Special Common Shares
Stock Option (Right to buy)	\$ 31.62	01/24/2012		J <sup>(1)</sup>	17,833.42		12/15/2004	05/08/2014	Common Shares
Stock Option (Right to buy)	\$ 77.36	01/24/2012		J <sup>(1)</sup>		13,435	12/15/2005	04/20/2015	Common and Special Common Shares

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Stock Option (Right to buy)	\$ 37.07	01/24/2012	J <sup>(1)</sup>	28,038.85	12/15/2005	04/20/2015	Common Shares
Stock Option (Right to buy)	\$ 38	01/24/2012	J <sup>(1)</sup>	37,437	12/15/2006	06/19/2016	Special Common Shares
Stock Option (Right to buy)	\$ 38	01/24/2012	J <sup>(1)</sup>	37,437	12/15/2006	06/19/2016	Common Shares
Stock Option (Right to buy)	\$ 59.45	01/24/2012	J <sup>(1)</sup>	25,737	12/15/2007	07/02/2017	Special Common Shares
Stock Option (Right to buy)	\$ 59.45	01/24/2012	J <sup>(1)</sup>	25,737	12/15/2007	07/02/2017	Common Shares
Stock Option (Right to buy)	\$ 35.35	01/24/2012	J <sup>(1)</sup>	31,500	<sup>(2)</sup>	08/26/2018	Special Common Shares
Stock Option (Right to buy)	\$ 35.35	01/24/2012	J <sup>(1)</sup>	31,500	<sup>(2)</sup>	08/26/2018	Common Shares
Stock Option (Right to buy)	\$ 26.95	01/24/2012	J <sup>(1)</sup>	38,600	<sup>(2)</sup>	05/20/2019	Special Common Shares
Stock Option (Right to buy)	\$ 26.95	01/24/2012	J <sup>(1)</sup>	38,600	<sup>(2)</sup>	05/20/2019	Common Shares
Stock Option (Right to buy)	\$ 26.66	01/24/2012	J <sup>(1)</sup>	37,800	<sup>(2)</sup>	05/25/2020	Special Common Shares
Stock Option (Right to buy)	\$ 26.66	01/24/2012	J <sup>(1)</sup>	37,800	<sup>(2)</sup>	05/25/2020	Common Shares
	\$ 29.94	01/24/2012	J <sup>(1)</sup>	32,900	<sup>(2)</sup>	05/13/2021	

Stock Option (Right to buy)	Exercise Price	Grant Date	Expiration Date	Number of Shares	Relationship	Acquisition Date	Expiration Date	Share Type
Stock Option (Right to buy)	\$ 29.94	01/24/2012		32,900	J <sup>(1)</sup>		05/13/2021	Common Shares
Restricted Stock Units	(3)	01/24/2012		5,100	J <sup>(1)</sup>	12/15/2012	12/15/2012	Special Common Shares
Restricted Stock Units	(3)	01/24/2012		5,100	J <sup>(1)</sup>	12/15/2012	12/15/2012	Common Shares
Restricted Stock Units	(4)	01/24/2012		5,000	J <sup>(1)</sup>	12/02/2013	12/02/2013	Special Common Shares
Restricted Stock Units	(4)	01/24/2012		5,000	J <sup>(1)</sup>	12/02/2013	12/02/2013	Common Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HERBERT C THEODORE 30 N. LASALLE ST., STE. 4000 CHICAGO, IL 60451			VP Human Resources	

## Signatures

Julie D. Mathews, by power of atty  
 01/26/2012  
 \*\*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).  
 Pursuant to a reclassification exempt under Rule 16b-3 and Rule 16b-7, each Special Common Share was reclassified into one Common Share, each Common Share was reclassified into 1.087 Common Shares, and each Series A Common Share was reclassified into 1.087 Series A Common Shares, and each stock award relating to such shares was appropriately adjusted.
- (1) Share, each Common Share was reclassified into 1.087 Common Shares, and each Series A Common Share was reclassified into 1.087 Series A Common Shares, and each stock award relating to such shares was appropriately adjusted.
- (2) Granted under the 2004 Long Term Incentive Plan. Option vests over a 3 year period with one-third vesting on the first annual anniversary, one-third on the second annual anniversary and one-third on the third annual anniversary.
- (3) Restricted stock that vests on Dec. 15, 2012.
- (4) Restricted stock that vests on Dec. 2, 2013.

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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