

CARLSON LEROY T  
 Form 5  
 February 07, 2007

**FORM 5**

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

OMB APPROVAL

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 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**

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)  
 Chairman Emeritus

**TELEPHONE AND DATA SYSTEMS, INC., 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)	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)
				(A) Amount or (D) Price			
Common Shares	Â	Â	Â	Â	10,241.7	D	Â
Special Common Shares	Â	Â	Â	Â	7,202.9	D	Â
Common Shares	12/31/2006	Â	J <sup>(3)</sup>	410.15 A	\$ <sup>(3)</sup> 4,153.58	I	By 401k plan

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Special Common Shares	12/31/2006	Â	J <sup>(3)</sup>	167.28	D	\$ <sup>(3)</sup>	3,546.81	I	By 401K
Special Common Shares	Â	Â	Â	Â	Â	Â	216,700.9 <sup>(10)</sup>	I	By Voting Trust
Special Common Shares	Â	Â	Â	Â	Â	Â	37,693.9	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 Security (Instr. 3 and 4)
					(A) (D)	Date Exercisable Expiration Date	Title
Option (Right to buy) <sup>(7)</sup>	\$ 43.88	Â	Â	Â	Â	12/15/1997 12/15/2007	Tandem Common and Special Common Shares <sup>(7)</sup>
Option (Right to buy) <sup>(7)</sup>	\$ 39.75	Â	Â	Â	Â	12/15/1998 06/22/2008	Tandem Common and Special Common Shares <sup>(7)</sup>
Option (Right to buy) <sup>(7)</sup>	\$ 43.75	Â	Â	Â	Â	Â <sup>(5)</sup> 11/05/2007	Tandem Common and Special Common Shares <sup>(7)</sup>
Option (Right to buy) <sup>(7)</sup>	\$ 66.75	Â	Â	Â	Â	12/15/1999 04/30/2009	Tandem Common and

Option (Right to buy) <sup>(7)</sup>	\$ 105.13	Â	Â	Â	Â	Â	12/15/2000	05/05/2010	Tandem Common and Special Common Shares <sup>(7)</sup>
Option (Right to buy) <sup>(7)</sup>	\$ 121.12	Â	Â	Â	Â	Â	Â <sup>(6)</sup>	09/16/2010	Tandem Common and Special Common Shares <sup>(7)</sup>
Option (Right to buy) <sup>(7)</sup>	\$ 99.44	Â	Â	Â	Â	Â	12/15/2001	04/30/2011	Tandem Common and Special Common Shares <sup>(7)</sup>
Option (Right to buy) <sup>(7)</sup>	\$ 59	Â	Â	Â	Â	Â	12/15/2002	07/05/2012	Tandem Common and Special Common Shares <sup>(7)</sup>
Option (Right to buy) <sup>(7)</sup>	\$ 52.92	Â	Â	Â	Â	Â	12/15/2003	07/03/2013	Tandem Common and Special Common Shares <sup>(7)</sup>
Option (Right to buy) <sup>(7)</sup>	\$ 66	Â	Â	Â	Â	Â	12/15/2004	05/08/2014	Tandem Common and Special Common Shares <sup>(7)</sup>
Option (Right to buy) <sup>(7)</sup>	\$ 77.36	Â	Â	Â	Â	Â	12/15/2005	04/20/2015	Tandem Common and Special Common Shares
Option (Right to buy)	\$ 38	Â	Â	Â	Â	Â	12/15/2006	06/19/2016	Special Common

Restricted Stock Units	^	^	^	^	^	^	12/15/2007	^	(8)	Shares Tandem Common and Special Common Shares
Restricted Stock Units	^	^	^	^	^	^	12/15/2008	^	(12)	Special Common Shares
Series A Common Shares	^	^	^	^	^	^	^	^	(1)	Common Shares or Special Common Shares
Series A Common shares	^	^	^	^	^	^	^	^	(1)	Common Shares or Special Common Shares
Deferred Compensation	^	12/30/2006	^	J <sup>(11)</sup>	198.8	^	^	^	(4)	Common Shares
Deferred Compensation	^	12/30/2006	^	J <sup>(11)</sup>	247	^	^	^	(9)	Special Common Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CARLSON LEROY T TELEPHONE AND DATA SYSTEMS, INC. 30 N. LASALLE ST., STE. 4000 CHICAGO, IL 60602	^ X	^	^ Chairman Emeritus	^

## 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 shares.

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- (2) Beneficial ownership of shares held in Voting Trust. Reporting person disclaims ownership of 188,622.5 (including 37350.5 shares acquired pursuant to a dividend reinvestment plan) owned by wife. Includes 6291 shares acquired pursuant to a dividend reinvestment plan.
- (3) 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.
- (4) Reporting person has deferred 1998, 1999, 2000, 2001, 2002, 2003 and 2004 bonuses pursuant to the 1998 Long term incentive plan. The deferred bonuses total 22,623.4 special common shares. The employer matches total 6560.8 and dividend reinvestment has accumulated to 1016.6 special common shares. The employer match vests ratably at 33%, 33% and 34% per year over a 3 year period. Some employer matches are fully vested while some matches are not fully vested.
- (5) Granted under the TDS 1998 Long term incentive plan. The option is exercisable with respect to 13200 common shares on 12/15/98, 12/15/99 and 12/15/00 for a total of 39,600 common shares.
- (6) Granted under the TDS 1998 Long term incentive plan. The option is exercisable with respect to 8590 common shares on 12/15/01, 12/15/02, 12/15/03 and 12/15/04 for a total of 34,360 common shares.
- (7) 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 adjusted into tandem options. The tandem option provides that upon exercise, the optionee purchases the number common shares originally subject to the option plus an equal number of special common.
- (8) Restricted stock unit award pursuant to the 2004 Long-Term Incentive Plan. Stock units will become vested on December 15, 2007.
- (9) Reporting person has deferred 1998, 1999, 2000, 2001, 2002, 2003, 2004 and 2005 bonuses pursuant to the 1998 Long term incentive plan. The deferred bonuses total 27845.3 shares. The employer matches total 8075.1 and 1073.1 earned in dividend reinvestment. The employer match vests ratably at 33%, 33% and 34% per year over a 3 year period. Some employer matches are fully vested while some matches are not fully vested.
- (10) Beneficial ownership of shares held in Voting Trust. Reporting person disclaims ownership of 187,553.7 (including 36281.7 shares acquired pursuant to a dividend reinvestment plan) owned by wife. Includes 2493.2 shares acquired pursuant to a dividend reinvestment plan.
- (11) Voluntary reporting of shares acquired through dividend reinvestment in 2006.
- (12) Restricted stock unit award pursuant to the 2004 Long-Term Incentive Plan. Stock units will become vested on December 15, 2008.

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.