

CARLSON LEROY T JR  
Form 4  
May 18, 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 \*  
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)  
05/16/2012

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)
Common Shares					5,553.7302 (2)	D	
Common Shares	03/25/2012		G <sup>(3)</sup>	V 150,000 D \$ 0	150,000	I	By Marital Trust
Common Shares	05/11/2012		G <sup>(4)</sup>	V 124,126 D \$ 0	0	I	By Voting Trust
Common Shares	05/11/2012		G <sup>(4)</sup>	V 124,126 A \$ 0	124,126	I	By FLP through Voting Trust
					518.35	I	By Wife

Common  
Shares

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 Underlying Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title
Series A Common Shares	(1)					(1) (1)	Common Shares
Series A Common Shares	(1)					(1) (1)	Common Shares
Series A Common Shares	(1)	05/11/2012		G(4)	V 175,874	(4) (4)	Common Shares
Series A Common Shares	(1)	05/11/2012		G(4)	V 175,874	(4) (4)	Common Shares
Option (Right to buy)	\$ 20.79	05/16/2012		A	309,200	(6) 05/16/2022	Common shares
Restricted stock units	(5)	05/16/2012		A	57,500	12/01/2014 (5)	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	X		President and CEO	

## Signatures

Julie D. Mathews, by power  
of atty

05/18/2012

\_\_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).

(1) Series A Common Shares are convertible, on a share-for-share basis, into common shares.

(2) Includes 3768 shares owned by children. Reporting person disclaims beneficial ownership of shares owned by children.

(3) Voting trust certificates representing 150,000 Common Shares were contributed by the reporting person to a marital trust. The reporting person's spouse is the trustee and a beneficiary of the marital trust. The reporting person continues to report beneficial ownership of all of the shares contributed to the marital trust, but disclaims beneficial ownership thereof.

(4) Voting trust certificates representing 124,126 Common Shares and 175,874 Series A Common Shares were contributed by the reporting person to a family limited partnership (FLP) in exchange for general partner units and limited partner units. The reporting person and his spouse received general partner units and the reporting person received limited partner units. The reporting person continues to report all Common Shares and Series A Common Shares in the FLP, but disclaims beneficial ownership of shares in which he has no pecuniary interest.

(5) Restricted stock units award pursuant to the long term incentive plan. Stock units will become vested on December 1, 2014.

(6) Granted under the 2011 Long-Term Incentive Plan. Options vest over a 3 year period with one-third of the number of shares becoming exercisable on the first annual anniversary, one-third on the second annual anniversary and one-third on the third annual anniversary.

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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