

CARLSON LEROY T
 Form 5
 February 06, 2006

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)
 12/31/2005

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 Indirect Beneficial Ownership (Instr. 4)
				(A) or (D) Amount Price			
Common Shares	12/31/2005	Â	J ⁽¹⁾	8.2 A \$ ⁽¹⁾	874.7	D	Â
Common Shares	12/31/2005	Â	J ⁽⁴⁾	69.38 A \$ ⁽⁴⁾	3,743.43	I	By 401k plan
Special Common Shares	12/31/2005	Â	J ⁽¹⁾	4.4 A \$ ⁽¹⁾	872.8	D	Â

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Special Common Shares ⁽⁹⁾	12/31/2005	Â	J ⁽⁴⁾⁽⁹⁾	3,714.09	A	\$ ⁽⁴⁾	3,714.09	I	By 401K
Special Common Shares	12/31/2005	Â	J ⁽¹⁾	308.1	A	\$ ⁽¹⁾	216,700.9 ⁽¹³⁾	I	By Voting Trust
Special Common Shares	12/31/2005	Â	J ⁽¹⁾	16.3	A	\$ ⁽¹⁾	52,693.9	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 Underlying (Instr. 3 and 4)
					(A)	(D)	Date Exercisable	Expiration Date	Title
Option (Right to buy) ⁽⁸⁾	\$ 47.6	Â	Â	Â	Â	Â	12/15/1996	12/15/2006	Tandem Common and Special Common Shares ⁽⁸⁾
Option (Right to buy) ⁽⁸⁾	\$ 43.88	Â	Â	Â	Â	Â	12/15/1997	12/15/2007	Tandem Common and Special Common Shares ⁽⁸⁾
Option (Right to buy) ⁽⁸⁾	\$ 39.75	Â	Â	Â	Â	Â	12/15/1998	06/22/2008	Tandem Common and Special Common Shares ⁽⁸⁾
Option (Right to buy) ⁽⁸⁾	\$ 43.75	Â	Â	Â	Â	Â	Â ⁽⁶⁾	11/05/2007	Tandem Common and Special

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										Common Shares ⁽⁸⁾
Option (Right to buy) ⁽⁸⁾	\$ 66.75	Â	Â	Â	Â	Â	12/15/1999	04/30/2009		Tandem Common and Special Common Shares ⁽⁸⁾
Option (Right to buy) ⁽⁸⁾	\$ 105.13	Â	Â	Â	Â	Â	12/15/2000	05/05/2010		Tandem Common and Special Common Shares ⁽⁸⁾
Option (Right to buy) ⁽⁸⁾	\$ 121.12	Â	Â	Â	Â	Â	Â ⁽⁷⁾	09/16/2010		Tandem Common and Special Common Shares ⁽⁸⁾
Option (Right to buy) ⁽⁸⁾	\$ 99.44	Â	Â	Â	Â	Â	12/15/2001	04/30/2011		Tandem Common and Special Common Shares ⁽⁸⁾
Option (Right to buy) ⁽⁸⁾	\$ 59	Â	Â	Â	Â	Â	12/15/2002	07/05/2012		Tandem Common and Special Common Shares ⁽⁸⁾
Option (Right to buy) ⁽⁸⁾	\$ 52.92	Â	Â	Â	Â	Â	12/15/2003	07/03/2013		Tandem Common and Special Common Shares ⁽⁸⁾
Option (Right to buy) ⁽⁸⁾	\$ 66	Â	Â	Â	Â	Â	12/15/2004	05/08/2014		Tandem Common and Special Common Shares ⁽⁸⁾
Option (Right to buy) ⁽⁸⁾	\$ 77.36	Â	Â	Â	Â	Â	12/15/2005	04/20/2015		Tandem Common and

Option (Right to buy) ⁽¹²⁾	Â	Â	Â	Â	Â	Â	12/15/2007	Â	⁽¹⁰⁾	Special Common Shares	
Series A Common Shares	Â	12/31/2005	Â	<u>J⁽¹⁾</u>	494.4	Â	Â	⁽²⁾	Â	⁽²⁾	Tandem Common and Special Common Shares
Series A Common shares	Â	12/31/2005	Â	<u>J⁽¹⁾</u>	1,668.4	Â	Â	⁽²⁾	Â	⁽²⁾	Common Shares or Special Common Shares
Deferred Compensation	Â	12/31/2005	Â	<u>J⁽¹⁾</u>	257.065	Â	Â	⁽⁵⁾	Â	⁽⁵⁾	Common Shares or Special Common Shares
Deferred Compensation	Â	05/13/2005	Â	<u>J⁽⁹⁾⁽¹¹⁾</u>	29,799.3	Â	Â	⁽¹¹⁾	Â	⁽¹¹⁾	Common Shares or Special Common Shares
Deferred Compensation	Â	12/31/2005	Â	<u>J⁽¹⁾</u>	211.015	Â	Â	⁽¹¹⁾	Â	⁽¹¹⁾	Common Shares or 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	Â X	Â	Â Chairman Emeritus	Â

Signatures

Julie D. Mathews, by power of atty 02/06/2006

^{**}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).

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- (1) Voluntary reporting of shares acquired through dividend reinvestment in 2005.
- (2) Series A Common shares are convertible, on a share-for-share basis, into common or special common shares.
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.
- (4) Voluntary reporting of shares acquired in 2005 in the TDS 401K. The information is based on a plan statement dated 12/31/05. The number of shares fluctuates and is attributable to the price of the shares on 12/31/05.
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 817.823 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 will not be fully matched until 12/31/07.
- (5) The deferred bonuses total 22,623.4 special common shares. The employer matches total 6560.8 and dividend reinvestment has accumulated to 817.823 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 will not be fully matched until 12/31/07.
- (6) 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.
- (7) 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.
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) On May 13 TDS authorized a special common dividend to holders of common shares in which one special common share was distributed to all shareholders making this acquisition exempt from Section 16a-9(a).
- (9) Restricted stock unit award pursuant to the 2004 Long-Term Incentive Plan. Stock units will become vested on December 15, 2007.
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 shares. The employer matches total 6560.8 and dividend reinvestment had accumulated to 615.123
- (10) shares as of the May 13 stock dividend. In addition, reporting person accumulated 211.015 special common shares 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 will not be fully matched until 12/31/07.
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 units 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.
- (11) 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.
- (12) 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.
- (13) 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.

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.