

CARLSON LEROY T
 Form 5
 January 21, 2009

FORM 5

**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).
 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)
 12/31/2008

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)	Price			
Common Shares	Â	Â	Â	Â	Â	Â	56,185.34	D	Â
Special Common Shares	Â	Â	Â	Â	Â	Â	29,488.14	D	Â
Common Shares	12/31/2008	Â	J ⁽³⁾	324.71	D	\$ ⁽³⁾	3,931.51	I	By 401k plan

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Special Common Shares	12/31/2008	Â	J ⁽³⁾	485.47	D	\$ ⁽³⁾	2,897.24	I	By 401K plan
Special Common Shares	Â	Â	Â	Â	Â	Â	217,910.61 ⁽⁸⁾	I	By Voting Trust
Special Common Shares	Â	Â	Â	Â	Â	Â	9,167.83	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 Security (Instr. 3 and 4)
					(A)	(D)	Date Exercisable	Expiration Date	Title
Option (Right to buy) ⁽⁶⁾	\$ 66.75	Â	Â	Â	Â	Â	12/15/1999	04/30/2009	Tandem Common and Special Common Shares ⁽⁶⁾
Option (Right to buy) ⁽⁶⁾	\$ 105.13	Â	Â	Â	Â	Â	12/15/2000	05/05/2010	Tandem Common and Special Common Shares ⁽⁶⁾
Option (Right to buy) ⁽⁶⁾	\$ 121.12	Â	Â	Â	Â	Â	Â ⁽⁵⁾	09/16/2010	Tandem Common and Special Common Shares ⁽⁶⁾
Option (Right to buy) ⁽⁶⁾	\$ 99.44	Â	Â	Â	Â	Â	12/15/2001	04/30/2011	Tandem Common and Special

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										Common Shares ⁽⁶⁾
Option (Right to buy) ⁽⁶⁾	\$ 59	Â	Â	Â	Â	Â	12/15/2002	07/05/2012		Tandem Common and Special Common Shares ⁽⁶⁾
Option (Right to buy) ⁽⁶⁾	\$ 52.92	Â	Â	Â	Â	Â	12/15/2003	07/03/2013		Tandem Common and Special Common Shares ⁽⁶⁾
Option (Right to buy) ⁽⁶⁾	\$ 66	Â	Â	Â	Â	Â	12/15/2004	05/08/2014		Tandem Common and Special Common Shares ⁽⁶⁾
Option (Right to buy) ⁽⁶⁾	\$ 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 Shares
Option (Right to buy)	\$ 59.45	Â	Â	Â	Â	Â	12/15/2007	07/02/2017		Special Common Shares
Option (Right to buy)	\$ 35.35	Â	Â	Â	Â	Â	Â ⁽¹⁰⁾	08/26/2018		Special Common Shares
Restricted Stock Units	Â	Â	Â	Â	Â	Â	12/15/2009	Â ⁽¹¹⁾		Special Common Shares
Restricted Stock Units	Â	Â	Â	Â	Â	Â	12/15/2010	Â ⁽¹¹⁾		Special Common Shares
Series A Common Shares	Â	Â	Â	Â	Â	Â	Â ⁽¹⁾	Â ⁽¹⁾		Common Shares or Special Common Shares

Series A Common shares	Â	Â	Â	Â	Â	Â	Â	Â (1)	Â (1)	Common Shares or Special Common Shares
Deferred Compensation	Â	12/31/2008	Â	J ⁽⁹⁾	392.405	Â	Â	Â (4)	Â (4)	Common Shares
Deferred Compensation	Â	12/31/2008	Â	J ⁽⁹⁾	673.645	Â	Â	Â (7)	Â (7)	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 01/21/2009

__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.
Beneficial ownership of shares held in Voting Trust. Reporting person disclaims ownership of 189,649.81 (including 38,377.81 shares acquired pursuant to a dividend reinvestment plan) owned by wife. Includes 6467.83 shares acquired pursuant to a dividend reinvestment plan.
- (2) Voluntary reporting of shares acquired in 2008 in the TDS 401K. The information is based on a plan statement dated 12/31/08. The number of shares fluctuates and is attributable to the price of the shares on 12/31/08.
- (3) Reporting person has deferred bonuses pursuant to the Long term incentive plan. The employer match vests ratably at 33%, 33% and 34% per year over a 3 year period. Common share units vested at 12/31/08 were 30,779.84.
- (4) 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.
- (5) Reporting person has deferred bonuses pursuant to the Long term incentive plan. The employer match vests ratably at 33%, 33% and 34% per year over a 3 year period. Special common share units vested at 12/31/08 were 48,224.71.
Beneficial ownership of shares held in Voting Trust. Reporting person disclaims ownership of 188,633.92 (including 37,361.92 shares acquired pursuant to a dividend reinvestment plan) owned by wife. Includes 2,622.69 shares acquired pursuant to a dividend reinvestment plan.
- (6)
- (7)
- (8)

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- (9) Voluntary reporting of shares acquired through dividend reinvestment in 2008.
- (10) Granted under the 2004 Long Term Incentive Plan. Options vest over a 3 year period with one-third of the number of shares becoming exercisable on the Aug. 26, 2009, one-third on Aug. 26, 2010 and one-third on Aug. 26, 2011.
- (11) Restricted stock unit award pursuant to the Long Term Incentive 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.