

CARLSON LEROY T JR  
 Form 5  
 January 22, 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 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)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)  
 12/31/2008

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 President and CEO

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	^	^	^	^	^	^	4,748.55	D	^
Special Common Shares	^	^	^	^	^	^	34,340.84	D	^
Common Shares	^	^	^	^	^	^	1,158.011	I	By wife
Special Common	^	^	^	^	^	^	6,444.2514	I	By Wife

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Shares									
Common Shares	12/31/2008	Â	J <sup>(5)</sup>	75.02	A	\$ <sup>(5)</sup>	9,230.87	I	By 401K plan
Special Common Shares	12/31/2008	Â	J <sup>(5)</sup>	248.36	A	\$ <sup>(5)</sup>	8,230.57	I	By 401K plan
Special Common	Â	Â	Â	Â	Â	Â	1,813,384.25 <sup>(7)</sup>	I	By Voting Trust

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	
Option (Right to buy)	\$ 66.75	Â	Â	Â	Â	Â	12/15/1999	04/30/2009	Tandem Common and Special Common Shares
Option (Right to buy)	\$ 105.13	Â	Â	Â	Â	Â	12/15/2000	05/05/2010	Tandem Common and Special Common Shares
Option (Right to buy)	\$ 121.12	Â	Â	Â	Â	Â	Â <sup>(4)</sup>	09/16/2010	Tnadem Common and Special Common Shares
Option (Right to buy)	\$ 99.44	Â	Â	Â	Â	Â	12/15/2001	04/30/2011	Tandem Common and Special

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										Common Shares
Option (Right to buy)	\$ 60.2	Â	Â	Â	Â	Â	12/15/2002	08/19/2012		Tandem Common and Special Common Shares
Option (Right to buy)	\$ 52.92	Â	Â	Â	Â	Â	12/15/2003	07/03/2013		Tandem Common and Special Common Shares
Option (Right to buy)	\$ 66	Â	Â	Â	Â	Â	12/15/2004	05/08/2014		Tandem Common and Special Common Shares
Option (Right to buy)	\$ 77.36	Â	Â	Â	Â	Â	12/15/2005	04/20/2015		Tandem Common and Special Common Shares
Option (Right to buy)	\$ 49.8	Â	Â	Â	Â	Â	12/15/2006	12/13/2016		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 <sup>(10)</sup>	08/26/2018		Special Common Shares
Restricted Stock Units	Â	Â	Â	Â	Â	Â	12/15/2009	Â <sup>(9)</sup>		Special Common Shares
Restricted Stock Units	Â	Â	Â	Â	Â	Â	12/15/2010	Â <sup>(11)</sup>		Special Common Shares
Series A Common Shares	Â	Â	Â	Â	Â	Â	Â <sup>(1)</sup>	Â <sup>(1)</sup>		Common or Special Common Shares

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Deferred Compensation	Â	12/31/2008	Â	J <sup>(8)</sup>	159.024	Â	Â <sup>(3)</sup>	Â <sup>(3)</sup>	Common Shares
Deferred Compensation	Â	12/31/2008	Â	J <sup>(8)</sup>	307.806	Â	Â <sup>(6)</sup>	Â <sup>(6)</sup>	Special Common Shares
Series A Common Shares	Â	Â	Â	Â	Â	Â	Â <sup>(1)</sup>	Â <sup>(1)</sup>	Common or Special Common Shares
Series A Common Shares	Â	Â	Â	Â	Â	Â	Â <sup>(1)</sup>	Â <sup>(1)</sup>	Common or Special 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	Â X	Â	Â	President and CEO

## Signatures

Julie D. Mathews, by power of atty  
01/22/2009

\*\*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.  
Reporting person is one of four trustees which is record owner of these shares which files its holdings on forms 4. Of these Series A Common shares, 84,106.71 (including 16,640.71 acquired in dividend reinvestment) are held as custodian for children and 9103.3 (including 1146.3 acquired in dividend reinvestment) are held by spouse, and 686,533.82 (including 16,536.82 acquired in dividend reinvestment) shares are held by a family partnership of which reporting person is a general partner. Of the remaining shares, 2723.14 were earned pursuant to a dividend reinvestment plan. Reporting person disclaims beneficial ownership of shares owned by wife and as custodian for children. In addition, 862,693 Series A common Shares owned by family limited partnership of which reporting person and his spouse each hold 500 general partnership interests and collectively hold 99,000 limited partnership interests.
- (3) Reporting person deferred bonuses pursuant to the TDS Long Term Incentive Plan. Employer matches vest ratably at a rate of 33%, 33%, 34% over three years. A total of 12,473.62 common shares units were vested at 12/31/08.
- (4) Granted under the TDS 1998 Long Term Incentive Plan. The option is exercisable with respect to 14,180 common shares on 12/15/01, 12/15/02, 12/15/03 and 12/15/04 for a total of 56,720 common shares.
- (5) 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.
- (6) Reporting person deferred bonuses pursuant to the TDS Long Term Incentive Plan. Employer matches vest ratably at a rate of 33%, 33% and 34% over three years. A total of 22,083.82 special common share units were vested at 12/31/08.
- (7)

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Reporting person is one of four trustees which is record owner of these shares which files its holdings on forms 4. Of these Special Common shares, 84,161.27 (including 16,695.27 acquired in dividend reinvestment) are held as custodian for children and 13429.93 (including 1158.93 acquired in dividend reinvestment) are held by spouse, and 685143.16 (including 15146.16 acquired in dividend reinvestment) shares are held by a family partnership of which reporting person is a general partner. Of the remaining shares, 0.89 were earned pursuant to a dividend reinvestment plan. Reporting person's GRAT owns 513,154 and wife's GRAT owns 320,410. Reporting person disclaims beneficial ownership of shares owned by wife and as custodian for children.

- (8) Voluntary reporting of dividend reinvestment earned in 2008.
- (9) Restricted stock unit award pursuant to the Long Term Incentive Plan. Stock units will become vested on December 15, 2009.
- (10) Granted under the 2004 Long Term Incentive Plan. Options vest over a 3 year period with one-third vesting on Aug. 26, 2009, one-third vesting on Aug. 26, 2010 and one-third vesting Aug. 26, 2011.
- (11) Restricted stock unit award pursuant to Long Term Incentive Plan. Stock units will become vested on Dec. 15, 2010.

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.