

TELEPHONE & DATA SYSTEMS INC /DE/  
 Form 4  
 October 26, 2007

**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)  
 10/24/2007

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

CHICAGO, IL 60602

(City) (State) (Zip)

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

**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) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|
|                                 |                                      |                                                    | Code                           | V                                                                 | Amount or Price                                                                               |                                                          |                                                       |
| Common Shares                   | 10/24/2007                           |                                                    | M <sup>(4)</sup>               |                                                                   | 3,600                                                                                         | A                                                        | \$ 67.65                                              |
| Special Common Shares           | 10/24/2007                           |                                                    | M <sup>(4)</sup>               |                                                                   | 3,600                                                                                         | A                                                        | \$ 67.66                                              |
| Common Shares                   | 10/24/2007                           |                                                    | S                              |                                                                   | 200                                                                                           | D                                                        | \$ 67.72                                              |
| Common Shares                   | 10/24/2007                           |                                                    | S                              |                                                                   | 100                                                                                           | D                                                        | \$ 67.66                                              |
| Common Shares                   | 10/24/2007                           |                                                    | S                              |                                                                   | 100                                                                                           | D                                                        | \$ 67.72                                              |

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|                       |            |   |     |   |          |         |   |
|-----------------------|------------|---|-----|---|----------|---------|---|
| Common Shares         | 10/24/2007 | S | 100 | D | \$ 67.84 | 3,195.2 | D |
| Common Shares         | 10/24/2007 | S | 400 | D | \$ 67.85 | 2,795.2 | D |
| Common Shares         | 10/24/2007 | S | 300 | D | \$ 67.92 | 2,495.2 | D |
| Common Shares         | 10/24/2007 | S | 400 | D | \$ 67.93 | 2,095.2 | D |
| Common Shares         | 10/24/2007 | S | 300 | D | \$ 68    | 1,795.2 | D |
| Common Shares         | 10/24/2007 | S | 100 | D | \$ 68.02 | 1,695.2 | D |
| Common Shares         | 10/24/2007 | S | 100 | D | \$ 68.05 | 1,595.2 | D |
| Common Shares         | 10/24/2007 | S | 300 | D | \$ 68.15 | 1,295.2 | D |
| Common Shares         | 10/24/2007 | S | 200 | D | \$ 68.35 | 1,095.2 | D |
| Common Shares         | 10/24/2007 | S | 100 | D | \$ 68.36 | 995.2   | D |
| Common Shares         | 10/24/2007 | S | 100 | D | \$ 68.37 | 895.2   | D |
| Common Shares         | 10/24/2007 | S | 400 | D | \$ 68.4  | 495.2   | D |
| Common Shares         | 10/24/2007 | S | 300 | D | \$ 68.45 | 195.2   | D |
| Common Shares         | 10/24/2007 | S | 100 | D | \$ 68.55 | 95.2    | D |
| Special Common Shares | 10/24/2007 | S | 400 | D | \$ 64.34 | 10,306  | D |
| Special Common Shares | 10/24/2007 | S | 400 | D | \$ 64.45 | 9,906   | D |
| Special Common Shares | 10/24/2007 | S | 300 | D | \$ 64.49 | 9,606   | D |
| Special Common Shares | 10/24/2007 | S | 100 | D | \$ 64.5  | 9,506   | D |
| Special Common        | 10/24/2007 | S | 400 | D | \$ 64.52 | 9,106   | D |

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| Shares                |            |   |     |   |            |       |   |
|-----------------------|------------|---|-----|---|------------|-------|---|
| Special Common Shares | 10/24/2007 | S | 300 | D | \$ 64.63   | 8,806 | D |
| Special Common Shares | 10/24/2007 | S | 100 | D | \$ 64.64   | 8,706 | D |
| Special Common Shares | 10/24/2007 | S | 200 | D | \$ 64.65   | 8,506 | D |
| Special Common Shares | 10/24/2007 | S | 200 | D | \$ 64.66   | 8,306 | D |
| Special Common Shares | 10/24/2007 | S | 400 | D | \$ 64.8    | 7,906 | D |
| Special Common Shares | 10/24/2007 | S | 800 | D | <u>(1)</u> | 7,106 | D |

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 Securities (Instr. 3 and 4) |                                         |                            |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------|----------------------------|
|                                            |                                                        |                                      |                                                    | Code                           | V (A) (D)                                                                               | Date Exercisable                                         | Expiration Date                                               | Title                                   | Amount or Number of Shares |
| Option (Right to Buy) <u>(2)</u>           | \$ 43.75                                               | 10/24/2007                           |                                                    | M                              | 3,600                                                                                   | <u>(3)</u>                                               | 11/05/2007                                                    | Tandem Common and Special Common Shares | 3,600                      |
|                                            | <u>(5)</u>                                             |                                      |                                                    |                                |                                                                                         | <u>(5)</u>                                               | <u>(5)</u>                                                    |                                         |                            |

|                              |            |  |            |            |                                          |                         |
|------------------------------|------------|--|------------|------------|------------------------------------------|-------------------------|
| Series A<br>Common<br>Shares |            |  |            |            | Common<br>or Special<br>Common<br>shares | 1,816,776<br><u>(6)</u> |
| Series A<br>Common<br>Shares | <u>(5)</u> |  | <u>(5)</u> | <u>(5)</u> | Common<br>or Special<br>Common<br>Shares | 12,633.2                |
| Series A<br>Common<br>Shares | <u>(5)</u> |  | <u>(5)</u> | <u>(5)</u> | Common<br>or Special<br>Common<br>Shares | 5,274.9                 |

## Reporting Owners

| Reporting Owner Name / Address                                          | Relationships |           |                   |       |
|-------------------------------------------------------------------------|---------------|-----------|-------------------|-------|
|                                                                         | Director      | 10% Owner | Officer           | Other |
| CARLSON LEROY T JR<br>30 N. LASALLE ST., STE. 4000<br>CHICAGO, IL 60602 | X             |           | President and CEO |       |

## Signatures

Julie D. Mathews, by power  
of atty 10/26/2007

\_\_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) Granted under the Long-Term Incentive Plan.

(2) As a result of the special common dividend on 5/13/05, all options to purchase common shares were adjusted into tandem options. The tandem option provide that upon exercise, the optionee purchases the number of common shares originally subject to the option plus an equal number of special common shares.

(3) The option became exercisable with respect to 18,200 common shares on 12/15/98, 12/15/99 and on 12/15/00 for a total of 54,600.

(4) Exercise of a stock options and subsequent sale of shares pursuant to a previously disclosed 10b5-1 Rule plan.

(5) 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 Series A Common shares which files its holdings on forms 4. Of these shares, 83760.5 (including 16294.5 acquired in dividend reinvestment) are held as custodian for children and 9074.3 (including 1117.3 acquired in dividend reinvestment) are held by spouse, and 686294.6 (including 16297.6 acquired in dividend reinvestment)

(6) shares are held by a family partnership of which reporting person is a general partner. Of the remaining shares, 2683.7 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.

(7) 400 shares were sold at \$64.99 and 400 shares were sold at \$65.01

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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