

TELEPHONE & DATA SYSTEMS INC /DE/
 Form 4
 January 24, 2008

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)
01/23/2008

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 | (A) or (D) | Price | | | |
| Common Shares | 01/23/2008 | | M ⁽¹⁾ | | 3,600 | A | ② | 8,294.2 | D | |
| Special Common Shares | 01/23/2008 | | M ⁽¹⁾ | | 3,600 | A | ② | 25,242 | D | |
| Common Shares | 01/23/2008 | | S | | 100 | D | \$ 53.31 | 8,194.2 | D | |
| Common Shares | 01/23/2008 | | S | | 100 | D | \$ 53.3101 | 8,094.2 | D | |
| Common Shares | 01/23/2008 | | S | | 200 | D | \$ 53.55 | 7,894.2 | D | |

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| | | | | | | | |
|-----------------------|------------|---|-----|---|------------|---------|---|
| Common Shares | 01/23/2008 | S | 100 | D | \$ 53.56 | 7,794.2 | D |
| Common Shares | 01/23/2008 | S | 100 | D | \$ 53.73 | 7,694.2 | D |
| Common Shares | 01/23/2008 | S | 100 | D | \$ 53.77 | 7,594.2 | D |
| Common Shares | 01/23/2008 | S | 100 | D | \$ 53.78 | 7,494.2 | D |
| Common Shares | 01/23/2008 | S | 400 | D | \$ 53.95 | 7,094.2 | D |
| Common Shares | 01/23/2008 | S | 400 | D | \$ 54.23 | 6,694.2 | D |
| Common Shares | 01/23/2008 | S | 200 | D | \$ 54.51 | 6,494.2 | D |
| Common Shares | 01/23/2008 | S | 200 | D | \$ 54.5101 | 6,294.2 | D |
| Common Shares | 01/23/2008 | S | 100 | D | \$ 54.62 | 6,194.2 | D |
| Common Shares | 01/23/2008 | S | 100 | D | \$ 54.66 | 6,094.2 | D |
| Common Shares | 01/23/2008 | S | 200 | D | \$ 54.6601 | 5,894.2 | D |
| Common Shares | 01/23/2008 | S | 400 | D | \$ 54.7501 | 5,494.2 | D |
| Common Shares | 01/23/2008 | S | 400 | D | \$ 55.6301 | 5,094.2 | D |
| Common Shares | 01/23/2008 | S | 400 | D | \$ 56.54 | 4,694.2 | D |
| Special Common Shares | 01/23/2008 | S | 300 | D | \$ 47.9701 | 24,942 | D |
| Special Common Shares | 01/23/2008 | S | 200 | D | \$ 48.05 | 24,742 | D |
| Special Common Shares | 01/23/2008 | S | 300 | D | \$ 48.2001 | 24,442 | D |
| Special Common Shares | 01/23/2008 | S | 300 | D | \$ 48.61 | 24,142 | D |
| Special Common | 01/23/2008 | S | 100 | D | \$ 48.62 | 24,042 | D |

| | | | | | | | |
|-----------------------|------------|---|-------|---|------------|--------|---|
| Shares | | | | | | | |
| Special Common Shares | 01/23/2008 | S | 300 | D | \$ 48.8 | 23,742 | D |
| Special Common Shares | 01/23/2008 | S | 100 | D | \$ 48.8001 | 23,642 | D |
| Special Common Shares | 01/23/2008 | S | 200 | D | \$ 49.15 | 23,442 | D |
| Special Common Shares | 01/23/2008 | S | 200 | D | \$ 49.16 | 23,242 | D |
| Special Common Shares | 01/23/2008 | S | 300 | D | \$ 49.28 | 22,942 | D |
| Special Common Shares | 01/23/2008 | S | 1,300 | D | (6) | 21,642 | D |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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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) | \$ 39.75 | 01/23/2008 | | M | 3,600 | 12/15/1998 | 06/22/2008 | Tandem Common and Special Common Shares | 3,600 |
| | (5) | | | | | (5) | (5) | | |

| | | | | | |
|------------------------------|------------|--|------------|--|------------------------|
| Series A Common Shares | | | | Common or Special Common shares | 1,816,77 <u>(4)</u> |
| Series A Common Shares | <u>(5)</u> | | <u>(5)</u> | Common or Special Common Shares | 12,633.2 |
| Series A Common Shares | <u>(5)</u> | | <u>(5)</u> | Common or Special Common Shares | 5,274.9 |

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 01/24/2008

__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) Exercise of stock options and subsequent sale of shares pursuant to a previously disclosed 10b5-1 Rule plan.
As a result of the special common dividend on 5/13/05, all options to purchase common shares were adjusted into tandem options. The
- (2) tandem option provides that upon exercise, the optionee purchases the number of common shares originally subject to the option plus an equal number of of special common shares.
- (3) Granted under the Long Term Incentive Plan.
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)
- (4) 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.
- (5) Sereis A Shares are convertible on a share for share basis into common or special common shares.
- (6) Shares sold at prices ranging from \$49.29 to \$51.00.

Note: File three copies of this Form, one of which must be manually signed. If space 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.