

HERBERT C THEODORE  
Form 4  
December 08, 2005

**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 \*  
HERBERT C THEODORE

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)  
05/13/2005

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
VP Human Resources

CHICAGO, IL 60451

(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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Special Common Shares	05/13/2005		J <sup>(2)</sup>	V	23,468	A	<u>(2)</u> 25,344
Common Shares	12/07/2005		F <sup>(9)</sup>		2,710	D	\$ 36.88 17,880
Common Shares	12/07/2005		M <sup>(4)</sup>		2,622	A	<u>(4)</u> <u>(8)</u> 17,880
Special Common Shares	12/07/2005		M <sup>(4)</sup>		2,622	A	<u>(4)</u> <u>(8)</u> 25,344
	12/07/2005		F <sup>(3)</sup>		746	D	25,344

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Special  
Common  
Shares

\$  
35.59  
(3)

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

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**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)
					Code	V	(A)	(D)	Date Exercisable	Expiration Date	
Option (Right to buy) <u>(2)</u> <u>(4)</u>	\$ 38.12	05/13/2005		J <sup>(4)</sup>	V	2,622			12/15/1995	12/15/2005	Tandem Common and Special Common Shares
Option (Right to buy) <u>(2)</u> <u>(4)</u>	\$ 47.6	05/13/2005		J <sup>(4)</sup>	V	2,663			12/15/1996	12/15/2006	Tandem Common and Special Common Shares
Option (Right to buy) <u>(2)</u> <u>(4)</u>	\$ 43.88	05/13/2005		J <sup>(4)</sup>	V	2,302			12/15/1997	12/15/2007	Tandem Common and Special Common Shares
Option (Right to buy) <u>(2)</u> <u>(4)</u>	\$ 39.75	05/13/2005		J <sup>(4)</sup>	V	5,190			12/15/1998	06/22/2008	Tandem Common and Special Common Shares
Option (Right to	\$ 43.75	05/13/2005		J <sup>(4)</sup>	V	11,700			<u>(6)</u>	11/05/2007	Tandem Common

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buy) <u>(2)</u> <u>(4)</u>								and Special Common Shares
Option (Right to buy) <u>(2)</u> <u>(4)</u>	\$ 66.75	05/13/2005	J <sup>(4)</sup>	V	5,190	12/15/1999	04/30/2009	Tandem Common and Special Common Shares
Option (Right to buy) <u>(2)</u> <u>(4)</u>	\$ 105.13	05/13/2005	J <sup>(4)</sup>	V	5,500	12/15/2000	05/05/2010	Tandem Common and Special Common Shares
Option (Right to buy) <u>(2)</u> <u>(4)</u>	\$ 117.51	05/13/2005	J <sup>(4)</sup>	V	10,200	<u>(7)</u>	09/16/2010	Tandem Common and Special Common Shares
Option (Right to buy) <u>(2)</u> <u>(4)</u>	\$ 99.44	05/13/2005	J <sup>(4)</sup>	V	4,810	12/15/2001	04/30/2011	Tandem Common and Special Common Shares
Option (Right to buy) <u>(2)</u> <u>(4)</u>	\$ 59	05/13/2005	J <sup>(4)</sup>	V	8,855	12/15/2002	07/05/2012	Tandem Common and Special Common Shares
Option (Right to buy) <u>(2)</u> <u>(4)</u>	\$ 52.92	05/13/2005	J <sup>(4)</sup>	V	9,085	12/15/2003	07/03/2013	Tandem Common and Special Common Shares
Option (Right to buy) <u>(2)</u> <u>(4)</u>	\$ 66	05/13/2005	J <sup>(4)</sup>	V	8,545	12/15/2004	05/08/2014	Tandem Common and Special Common Shares
	\$ 77.36	05/13/2005	J <sup>(4)</sup>	V	13,435	12/15/2005	04/20/2015	

Option (Right to Buy) <u>(2)</u> <u>(4)</u>									Tandem Common and Special Common Shares
Restricted Stock Units <u>(1)</u> <u>(5)</u>	<u>(1)</u>	05/13/2005	J <sup>(5)</sup>	V	2,478	12/15/2007		<u>(1)</u>	Tandem Common and Special Common Shares
Option (Right to Buy) <u>(4)</u> <u>(8)</u>	\$ 38.12	12/07/2005	M <sup>(4)(8)</sup>		2,622	12/15/1995	12/15/2005		Tandem Common and Special Common Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HERBERT C THEODORE 30 N. LASALLE ST., STE. 4000 CHICAGO, IL 60451			VP Human Resources	

## Signatures

Julie D. Mathews, by power  
of atty 12/08/2005

\_\_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) Restricted stock granted under the 2004 Long-Term Incentive Plan.  
On May 13 TDS authorized a special common dividend to holders of common shares in which one special common shares was distributed for each common share. The stock dividend was distributed to all shareholders making this aquisition exempt from Section 16 pursuant to Rule 16a-9(a).
- (3) Delivery of special common shares as settlement for taxes due in connection with the exercise of Employee Stock Options acquired under the Telephone and Data Systems, Inc. Long Term Incentive Plan.  
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 of common shares originally subject to the option plus an equal number of special common.
- (5) 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 unit awards as of May 13 that are to be settled in common shares, whether vested or

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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.

- (6) Granted under the TDS 1998 Long Term Incentive Plan. The option is exercisable with respect to 3900 common shares on 12/15/98, 12/15/99 and 12/15/00 for a total of 11,700 common shares.
- (7) Granted under the TDS 1998 Long Term Incentive Plan. The option is exercisable with respect to 2550 common shares on 12/15/01, 12/15/02, 12/15/03 and on 12/15/04 for a total of 10,200 common shares.
- (8) The exercise price of this tandem option is \$38.12
- (9) Delivery of mature common shares in payment of exercise price of Employee Stock Options acquired under the Telephone and Data Systems, Inc. Long Term Incentive Plan.

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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