

Edgar Filing: TELEPHONE & DATA SYSTEMS INC /DE/ - Form SC 13D/A

TELEPHONE & DATA SYSTEMS INC /DE/  
Form SC 13D/A  
February 20, 2009

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D  
Under the Securities Exchange Act of 1934

Amendment No. 15

Telephone and Data Systems, Inc.

---

(Name of Issuer)

Special Common Stock

---

(Title of Class and Securities)

879433860

---

(CUSIP Number of Class of Securities)

O. Mason Hawkins  
Chairman of the Board and C.E.O.  
and  
Andrew R. McCarroll  
Vice President & General Counsel

Southeastern Asset Management, Inc.  
6410 Poplar Avenue; Suite 900  
Memphis, TN 38119  
(901) 761-2474

---

(Name, Address and Telephone Number of Person Authorized to  
Receive Notices and Communications)

February 20, 2009

---

(Date of Event which Requires  
Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this Schedule because of Sections 240.13d-1(e), 240.13d-1(f), or 240.13d-1(g), check the following box: [ ]

CUSIP No. 879433860

13D

---

(1) NAMES OF REPORTING PERSONS

Southeastern Asset Management, Inc.

I.D. No. 62-0951781

Edgar Filing: TELEPHONE & DATA SYSTEMS INC /DE/ - Form SC 13D/A

---

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:  
(a)  
(b) X

---

(3) SEC USE ONLY

---

(4) SOURCE OF FUNDS  
OO: Funds of investment advisory clients

---

(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS  
REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) [X]

---

(6) CITIZENSHIP OR PLACE OF ORGANIZATION  
Tennessee

---

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	:	(7) SOLE VOTING POWER
	:	(Discretionary Accounts)
	:	7,959,558 shares
	:	(8) SHARED OR NO VOTING POWER
	:	5,666,200 shares (Shared)
	:	1,799,337 shares (None)
	:	(9) SOLE DISPOSITIVE POWER
	:	(Discretionary Accounts)
	:	9,752,895 shares
	:	(10) SHARED OR NO DISPOSITIVE POWER
:	5,666,200 shares (Shared)	
:	6,000 shares (None)	

---

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
15,425,095 shares

---

(12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 11 EXCLUDES  
CERTAIN SHARES

---

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11  
27.8%

---

(14) TYPE OF REPORTING PERSON  
IA

---

Note: All shares identified above are shares of the Issuer's class of Special Common Stock, and the percentage in Row 13 above relates to such class of Special Common Stock.

CUSIP No. 879433860 13D

---

(1) NAMES OF REPORTING PERSONS  
Longleaf Partners Fund I.D. No. 63-6147721

---

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:  
(a)  
(b) X

---

(3) SEC USE ONLY

Edgar Filing: TELEPHONE & DATA SYSTEMS INC /DE/ - Form SC 13D/A

---

(4) SOURCE OF FUNDS  
OO: Funds of investment company shareholders

---

(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS  
REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) [ ]

---

(6) CITIZENSHIP OR PLACE OF ORGANIZATION  
Massachusetts

---

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

: (7) SOLE VOTING POWER  
:  
: None

---

: (8) SHARED VOTING POWER  
:  
: 5,666,200 shares

---

: (9) SOLE DISPOSITIVE POWER  
:  
: None

---

: (10) SHARED DISPOSITIVE POWER  
:  
: 5,666,200 shares

---

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
5,666,200 shares

---

(12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 11 EXCLUDES  
CERTAIN SHARES [ ]

---

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11  
10.2%

---

(14) TYPE OF REPORTING PERSON  
IV

---

Note: All shares identified above are shares of the Issuer's class of Special Common Stock, and the percentage in Row 13 above relates to such class of Special Common Stock.

CUSIP No. 879433860

13D

---

(1) NAMES OF REPORTING PERSONS  
O. Mason Hawkins I.D. No. XXX-XX-XXXX

---

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:  
(a)  
(b) X

---

(3) SEC USE ONLY

---

(4) SOURCE OF FUNDS  
OO: None

---

Edgar Filing: TELEPHONE & DATA SYSTEMS INC /DE/ - Form SC 13D/A

(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS  
 REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) [ ]

(6) CITIZENSHIP OR PLACE OF ORGANIZATION  
 Citizen of United States

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	:	(7) SOLE VOTING POWER
	:	(Discretionary Accounts)
	:	None
	:	(8) SHARED VOTING POWER
	:	None
	:	(9) SOLE DISPOSITIVE POWER
	:	None
	:	(10) SHARED DISPOSITIVE POWER
	:	None

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
 None (See Item 2)

(12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 11 EXCLUDES  
 CERTAIN SHARES [ ]

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11  
 0.0%

(14) TYPE OF REPORTING PERSON  
 IN

Note: All shares identified above are shares of the Issuer's class of Special Common Stock, and the percentage in Row 13 above relates to such class of Special Common Stock.

Item 4. Purpose of Transaction

Item 4 of Southeastern's previously filed Schedule 13D entitled "Purpose of Transaction" is hereby amended and supplemented by adding the following at the end thereof:

Southeastern Asset Management, Inc. ("Southeastern") today, with the assistance of its client Longleaf Partners Fund, initiated a request under Section 220 of the Delaware General Corporation Law to require Telephone and Data Systems, Inc. ("TDS") to disclose information related to its purported retention of a nationally recognized consulting firm (the "Consultant") and that firm's findings and recommendations to TDS.

In multiple conversations with Southeastern, TDS's Board has repeatedly cited its Consultant's report(s) and findings as justification for TDS's strategy; however, the Board and management have refused to disclose any details surrounding such engagement or its findings. Southeastern believes that the Board and management have an obligation to act in the best interest of all shareholders by pursuing that corporate strategy which maximizes

## Edgar Filing: TELEPHONE & DATA SYSTEMS INC /DE/ - Form SC 13D/A

shareholder value. As part of that process, Southeastern believes the Board must provide some level of disclosure to interested shareholders and not expect shareholders to act "on faith" without supporting disclosure of facts and research. Accordingly, Southeastern has informally iterated its request for a copy of the Consultant's report cited by the Board. TDS's Board and management have refused. Because of that response, Southeastern is filing today's request.

Southeastern and/or one or more of its affiliates and investment advisory clients, including Longleaf Partners Fund (collectively, the "Southeastern Group"), may purchase from time to time in open market or privately negotiated transactions additional Securities, or options or derivatives related thereto. From time to time, one or more members of the Southeastern Group may also hold discussions or otherwise communicate with the Issuer's management, Board and other representatives of the Issuer, as well as other shareholders of the Issuer or other relevant parties, to discuss potential strategic alternatives available to the Issuer, including, but not limited to, a recapitalization, a sale of all or a portion of the Issuer or other matters that may include one or more of the other actions described in subsections (a) through (j) of Item 4 of Schedule 13D. The Southeastern Group may also pursue other available courses of action, but it has elected not to submit Board of Director nominees for election at the Issuer's 2009 Annual Meeting. In addition, the Southeastern Group may determine to dispose of all or a portion of its Securities.

Except as set forth above, none of the Reporting Persons has any plans or proposals which relate to, or could result in, any of the matters referred to in subsections (a) through (j) of Item 4 of Schedule 13D. Each member of the Southeastern Group may, at any time, review or reconsider its position with respect to the Issuer and formulate plans or proposals with respect to any of such matters.

### Item 5. Interest in Securities of the Issuer

Item 5 shall be amended and restated as follows:

(a) The aggregate number and percentage of Securities to which this Schedule 13D relates is 15,425,095 shares of the Special Common Stock of the Issuer, constituting approximately 27.8% of the 55,457,401 shares outstanding.

	Common Shares Held	% of outstanding Common Shares
<hr/>		
Voting Authority		
Sole:	7,959,558	14.4%
Shared:	5,666,200*	10.2%
None:	1,799,337	3.2%
 Total	 15,425,095	 27.8%

\*Shares owned by Longleaf Partners Fund, a series of Longleaf Partners Funds Trust.

### Dispositive Authority

Sole:	9,752,895	17.6%
Shared:	5,666,200*	10.2%
None:	6,000	0.0%
 Total	 15,425,095	 27.8%

Edgar Filing: TELEPHONE & DATA SYSTEMS INC /DE/ - Form SC 13D/A

\*Shares owned by Longleaf Partners Fund, a series of Longleaf Partners Funds Trust.

(b) Southeastern generally has the sole power to dispose of or to direct the disposition of the Securities held for discretionary accounts of its investment clients, and may be granted the sole power to vote or direct the vote of such Securities; such powers may be retained by or shared with the respective clients for shared or non-discretionary accounts, for which Southeastern generally makes recommendations with respect thereto. Shares held by any Series of Longleaf Partners Funds Trust are reported in the "shared" category.

(c) Transactions in the Securities during the last sixty days are attached as Schedule II.

(d) The investment advisory clients of Southeastern have the sole right to receive and, subject to notice, to withdraw the proceeds from the sale of the Securities, and the sole power to direct the receipt of dividends from any of the Securities held for their respective accounts. Such clients may also terminate the investment advisory agreements without penalty upon appropriate notice. Southeastern does not have an economic interest in any of the Securities reported herein.

(e) Not applicable.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: February 20, 2009

SOUTHEASTERN ASSET MANAGEMENT, INC.

By /s/ Andrew R. McCarroll

\_\_\_\_\_  
Andrew R. McCarroll  
Vice President & General Counsel

LONGLEAF PARTNERS FUND

By Southeastern Asset Management, Inc.

By /s/ Andrew R. McCarroll

\_\_\_\_\_  
Andrew R. McCarroll  
Vice President and General Counsel

O. MASON HAWKINS  
(Individually)

/s/ O. Mason Hawkins  
\_\_\_\_\_

Joint Filing Agreement

In accordance with Rule 13d-1(k) under the Securities Exchange Act of 1934, the persons or entities named below agree to the joint

Edgar Filing: TELEPHONE & DATA SYSTEMS INC /DE/ - Form SC 13D/A

filing on behalf of each of them of this Amendment No. 15 to Schedule 13D with respect to the Securities of the Issuer and further agree that this joint filing agreement be included as an exhibit to this Amendment No. 15 to Schedule 13D. In evidence thereof, the undersigned hereby execute this Agreement as of February 20, 2009.

Southeastern Asset Management, Inc.

By: /s/ Andrew R. McCarroll

---

Andrew R. McCarroll  
Vice President and General Counsel

Longleaf Partners Fund  
By Southeastern Asset Management, Inc.

By /s/ Andrew R. McCarroll

---

Andrew R. McCarroll  
Vice President and General Counsel

O. Mason Hawkins, Individually

/s/ O. Mason Hawkins

---

SCHEDULE II

Transaction Type	Date	# of Shares	Price per Share*
Sale	12/22/08	301	\$27.57
Sale	12/22/08	1,000	\$27.57
Sale	12/22/08	5,200	\$27.57
Sale	12/22/08	1,000	\$27.57
Sale	12/22/08	4,699	\$27.02
Sale	01/07/09	3,829	\$29.03
Sale	01/07/09	12,671	\$29.03
Sale	01/08/09	12,229	\$28.90
Sale	01/21/09	3,777	\$27.52
Sale	01/21/09	13,175	\$26.96

Sales in the ordinary course of business on the American Stock Exchange or through Electronic Communication Networks (ECNs).

\* Net of commissions.