

CARLSON LEROY T JR
 Form 5
 February 07, 2006

FORM 5

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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 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)
 12/31/2005

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

(City) (State) (Zip)

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 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) Amount Price			
Common Shares	12/31/2005	Â	J ⁽⁷⁾	7.4 A \$ ⁽⁷⁾	2,732.2	D	Â
Special Common Shares	12/31/2005	Â	J ⁽⁷⁾	94.6 A \$ ⁽⁷⁾	12,432	D	Â
Common Shares	12/31/2005	Â	J ⁽⁷⁾	10.8 A \$ ⁽⁷⁾	1,156.2	I	By wife
Special Common	12/31/2005	Â	J ⁽⁷⁾	48.2 A \$ ⁽⁷⁾	6,433.5	I	By Wife

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Shares

Common Shares	12/31/2005	Â	J ⁽⁶⁾	361.63	A	\$ ⁽⁶⁾ 7,984.57	I	By 401K plan
Special Common Shares ⁽⁹⁾	12/31/2005	Â	J ⁽⁶⁾⁽⁹⁾	8,017.3	A	\$ ⁽⁶⁾ 8,017.3	I	By 401K Plan
Special Common	12/31/2005	Â	J ⁽⁷⁾	2,453.9	A	\$ ⁽⁷⁾ <u>⁽¹²⁾ 1,813,098.7</u>	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 (Instr. 3 and 4)
					(A)	(D)	Date Exercisable	Expiration Date	Title
Option (Right to buy) ⁽⁸⁾	\$ 47.6	Â	Â	Â	Â	Â	12/15/1996	12/15/2006	Tandem Common and Special Common Shares ⁽⁸⁾
Option (Right to buy) ⁽⁸⁾	\$ 43.88	Â	Â	Â	Â	Â	12/15/1997	12/15/2007	Tandem Common and Special Common Shares ⁽⁸⁾
Option (Right to buy) ⁽⁸⁾	\$ 39.75	Â	Â	Â	Â	Â	12/15/1998	06/22/2008	Tandem Common and Special Common Shares ⁽⁸⁾
Option (Right to buy) ⁽⁸⁾	\$ 43.75	Â	Â	Â	Â	Â	Â ⁽⁴⁾	11/05/2007	Tandem Common and Special Common

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Option (Right to buy) ⁽⁸⁾	\$ 66.75	Â	Â	Â	Â	Â	12/15/1999	04/30/2009	Tandem Common and Special Common Shares ⁽⁸⁾
Option (Right to buy) ⁽⁸⁾	\$ 105.13	Â	Â	Â	Â	Â	12/15/2000	05/05/2010	Tandem Common and Special Common Shares ⁽⁸⁾
Option (Right to buy) ⁽⁸⁾	\$ 121.12	Â	Â	Â	Â	Â	Â ⁽⁵⁾	09/16/2010	Tandem Common and Special Common Shares
Option (Right to buy) ⁽⁸⁾	\$ 99.44	Â	Â	Â	Â	Â	12/15/2001	04/30/2011	Tandem Common and Special Common Shares ⁽⁸⁾
Option (Right to buy) ⁽⁸⁾	\$ 60.2	Â	Â	Â	Â	Â	12/15/2002	08/19/2012	Tandem Common and Special Common Shares
Option (Right to buy) ⁽⁸⁾	\$ 52.92	Â	Â	Â	Â	Â	12/15/2003	07/03/2013	Tandem Common and Special Common Shares ⁽⁸⁾
Option (Right to buy) ⁽⁸⁾	\$ 66	Â	Â	Â	Â	Â	12/15/2004	05/08/2014	Tandem Common and Special Common Shares ⁽⁸⁾
Option (Right to buy) ⁽⁸⁾	\$ 77.36	Â	Â	Â	Â	Â	12/15/2005	04/20/2005	Tandem Common and Special

Option (Right to Buy) ⁽¹³⁾							12/15/2007	⁽¹¹⁾	Common Shares ⁽⁸⁾
Series A Common Shares		12/31/2005		J ⁽⁷⁾	7,286.2		⁽¹⁾	⁽¹⁾	Common or Special Common Shares
Deferred Compensation		12/31/2005		J ⁽³⁾	110.4		⁽³⁾	⁽³⁾	Common Shares
Deferred Compensation		05/13/2005		J ⁽⁹⁾	12,070.2		⁽¹⁰⁾	⁽¹⁰⁾	Special Common Shares
Deferred Compensation		12/31/2005		J ⁽⁷⁾	88.8		⁽¹⁰⁾	⁽¹⁰⁾	Special Common Shares
Series A Common Shares		12/31/2005		J ⁽⁷⁾	117.7		⁽¹⁾	⁽¹⁾	Common or Special Common Shares
Series A Common Shares		12/31/2005		J ⁽⁷⁾	49.2		⁽¹⁾	⁽¹⁾	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	X		President and CEO	

Signatures

Julie D. Mathews, by power of atty
 08/18/2005
**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) Series A Common shares are convertible, on a share-for-share basis, into common or special common.

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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 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) 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.

(2) Reporting person deferred 1998 bonus pursuant to the TDS 1998 Long Term Incentive Plan. The deferred bonus was 2284.36 shares and the employer match was 662.46 shares which vests ratably at a rate of 33%, 33%, 34% on 12/31/99, 12/31/00 and 12/31/01. Reporting person deferred 2000 bonus and received 2773.16 shares in deferred bonus and 804.22 shares in employer match with vests ratably at 33%, 33%, 34% on 12/31/01, 12/31/02, 12/31/03. Reporting person deferred 2002 bonus and received 4204.45 shares in deferred bonus and 1051.114 in employer match which vests ratably at 33%, 33%, 34% in 12/31/03, 12/31/04 and 12/31/05. Reporting person had accumulated 375.805 in dividend reinvestment shares.

(3) Granted under the TDS 1998 Long Term Incentive Plan. The option is 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) 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 2005 in the TDS 401K. The information is based on a plan statement dated 12/31/05. The number of shares fluctuates and is attributable to the price of the shares on 12/31/05.

(6) Voluntary reporting of shares acquired through dividend reinvestment in 2005.

(7) 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 common shares originally subject to the option plus an equal number of special common.

(8) On May 13 TDS authorized a special common dividend to holders of common shares in which one special common share was distributed to all shareholders making this acquisition exempt from Section 16a-9(a).

(9) Reporting person deferred 1998 bonus pursuant to the TDS 1998 Long Term Incentive Plan. The deferred bonus was 2284.36 shares and the employer match was 662.46 shares which vests ratably at a rate of 33%, 33%, 34% on 12/31/99, 12/31/00 and 12/31/01. Reporting person deferred 2000 bonus and received 2773.16 shares in deferred bonus and 804.22 shares in employer match with vests ratably at 33%, 33%, 34% on 12/31/01, 12/31/02, 12/31/03. Reporting person deferred 2002 bonus and received 4204.45 shares in deferred bonus and 1051.114 in employer match which vests ratably at 33%, 33%, 34% in 12/31/03, 12/31/04 and 12/31/05. Reporting person had accumulated 290.5 in dividend reinvestment shares as May 13. Reporting person accumulated 88.8 shares in dividend reinvestment in the remainder of 2005.

(10) Restricted stock unit award pursuant to the 2004 Long-Term Incentive Plan. Stock units will become vested on December 15, 2007.

(11) Reporting person is one of four trustees which is record owner of these shares which files its holdings on forms 4. Of these shares, 83792.9 (including 16326.93 acquired in dividend reinvestment) are held as custodian for children and 9077.8 (including 1120.8 acquired in dividend reinvestment) are held by spouse, and 683158.1 (including 13161.1 acquired in dividend reinvestment) shares are held by a family partnership of which reporting person is a general partner. Of the remaining shares, 2106.9 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.

(12) 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 units as of May 13 that are to be settled in common shares, whether vested or 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.

(13) 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.