

TELEPHONE & DATA SYSTEMS INC /DE/

Form 5

January 26, 2006

FORM 5**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**Check this box if
no longer subject
to Section 16.Form 4 or Form
5 obligations
may continue.See Instruction
1(b).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

OMB APPROVAL

OMB
Number: 3235-0362Expires: January 31,
2005Estimated average
burden hours per
response... 1.01. Name and Address of Reporting Person *
WILLIAMSON SCOTT H

(Last) (First) (Middle)

30 N. LASALLE ST., STE. 4000

(Street)

2. Issuer Name **and** Ticker or Trading
Symbol
**TELEPHONE & DATA SYSTEMS
INC /DE/ [TDS]**3. Statement for Issuer's Fiscal Year Ended
(Month/Day/Year)
12/31/20054. If Amendment, Date Original
Filed(Month/Day/Year)5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

☐ Director ☐ 10% Owner
☒ Officer (give title below) ☐ Other (specify below)

Senior Vice President

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)
Common Shares	Â	Â	Â	Â Â Â Â	1,364	D	Â
Special Common Shares	05/13/2005	Â	J ⁽⁵⁾	1,364 A \$ ⁽⁵⁾	1,364	D	Â

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.**SEC 2270
(9-02)

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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 Amount of Underlying Security (Instr. 3 and 4)	
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (Right to buy) <u>(3)</u> <u>(5)</u>	\$ 66.75	05/13/2005	Â	J ⁽³⁾⁽⁵⁾	6,370	Â	12/15/1999	04/30/2009	Tandem Common and Special Common Shares <u>(3)</u>	6,370
Option (Right to buy) <u>(3)</u> <u>(5)</u>	\$ 105.13	05/13/2005	Â	J ⁽³⁾⁽⁵⁾	8,600	Â	12/15/2000	05/05/2010	Tandem Common and Special Common Shares <u>(3)</u>	8,600
Option (Right to buy) <u>(3)</u> <u>(5)</u>	\$ 117.51	05/13/2005	Â	J ⁽³⁾⁽⁵⁾	14,760	Â	Â <u>(1)</u>	09/16/2010	Tandem Common and Special Common Shares <u>(3)</u>	14,760
Option (Right to buy) <u>(3)</u> <u>(5)</u>	\$ 99.44	05/13/2005	Â	J ⁽³⁾⁽⁵⁾	7,690	Â	12/15/2001	04/30/2011	Tandem Common and Special Common Shares <u>(3)</u>	7,690
Option (Right to buy) <u>(3)</u> <u>(5)</u>	\$ 59	05/13/2005	Â	J ⁽³⁾⁽⁵⁾	14,670	Â	12/15/2002	07/05/2012	Tandem Common and Special Common Shares <u>(3)</u>	14,670
Option (Right to buy) <u>(3)</u> <u>(5)</u>	\$ 66	05/13/2005	Â	J ⁽³⁾⁽⁵⁾	14,965	Â	12/15/2004	05/08/2014	Tandem Common and Special Common	14,965

										Shares ⁽³⁾
										Tandem Common and Special Common Shares ⁽³⁾
Option (Right to Buy) ⁽³⁾ ⁽⁵⁾	\$ 77.36	05/13/2005	Â	J ⁽³⁾⁽⁵⁾	24,493	Â	12/15/2005	04/20/2015		24,4
										Tandem Common and Special Common Shares ⁽³⁾
Restricted Stock Units ⁽⁴⁾ ⁽⁵⁾	Â	05/13/2005	Â	J ⁽⁴⁾⁽⁵⁾	4,187	Â	12/15/2007	Â ⁽²⁾		4,1
										Tandem Common and Special Common Shares ⁽⁴⁾

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WILLIAMSON SCOTT H 30 N. LASALLE ST., STE. 4000 CHICAGO, IL 60602	Â	Â	Â Senior Vice President	Â

Signatures

Julie D. Mathews, by power
of atty 01/26/2006

__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 TDS 1998 Long term incentive plan. The option is exercisable with respect to 3690 common shares on 12/15/01, 12/15/02, 12/15/03 and on 12/15/04 for a total of 14,760 common shares.
- (2) Restricted stock unit award pursuant to the 2004 Long-Term Incentive Plan. Stock units will become vested on December 15, 2007.
Common shares were granted without consideration under the long-term incentive plan. As a result of the special common 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 shares.
- (3) 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.
- (4) 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).
- (5) 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).

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.