

HERBERT C THEODORE
Form 5
January 28, 2009

FORM 5

**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).
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 *
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)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2008

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

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

Form Filed by One Reporting Person
 Form Filed by More than One Reporting Person

(City) (State) (Zip)

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) | (A) or (D) | Price | 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|------------|-------|--|--|-----------------------------------|
| Common Shares | Â | Â | Â | Â | Â | Â | 41,364 | D | Â |
| Special Common Shares | Â | Â | Â | Â | Â | Â | 29,543 | D | Â |

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

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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 Securities (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|-----|--|-----------------|---|----------------------------|
| | | | | | (A) | (D) | Date Exercisable | Expiration Date | | |
| Option (Right to buy) | \$ 66.75 | Â | Â | Â | Â | Â | 12/15/1999 | 04/30/2009 | Tandem Common and Special Common Shares | 5,190 |
| Option (Right to buy) | \$ 105.13 | Â | Â | Â | Â | Â | 12/15/2000 | 05/05/2010 | Tandem Common and Special Common shares | 5,500 |
| Option (Right to buy) | \$ 117.51 | Â | Â | Â | Â | Â | Â ⁽¹⁾ | 09/16/2010 | Tandem Common and Special Common shares | 10,200 |
| Option (Right to buy) | \$ 99.44 | Â | Â | Â | Â | Â | 12/15/2001 | 04/30/2011 | Tandem Common and Special Common shares | 4,810 |
| Option (Right to buy) | \$ 59 | Â | Â | Â | Â | Â | 12/15/2002 | 07/05/2012 | Tandem Common and Special Common Shares | 8,855 |
| Option (Right to buy) | \$ 52.92 | Â | Â | Â | Â | Â | 12/15/2003 | 07/03/2013 | Tandem Common | 9,085 |

| | | | | | | | | | | | |
|------------------------------|----------|---|---|---|---|---|------------------|------------------|--|--|--------|
| buy) | | | | | | | | | | and Special Common Shares | |
| Option (Right to buy) | \$ 66 | Â | Â | Â | Â | Â | 12/15/2004 | 05/08/2014 | | Tandem Common and Special Common shares | 8,545 |
| Option (Right to Buy) | \$ 77.36 | Â | Â | Â | Â | Â | 12/15/2005 | 04/20/2015 | | Tandem Common and Special Common shares | 13,435 |
| Option (Right to buy) | \$ 38 | Â | Â | Â | Â | Â | 12/15/2006 | 06/19/2016 | | Special Common Shares | 37,437 |
| Option (Right to buy) | \$ 59.45 | Â | Â | Â | Â | Â | 12/15/2007 | 07/02/2017 | | Special Common Shares | 25,737 |
| Option (Right to buy) | \$ 35.35 | Â | Â | Â | Â | Â | Â ⁽⁴⁾ | 08/26/2018 | | Special Common Shares | 31,500 |
| Restricted Stock Units | Â | Â | Â | Â | Â | Â | 12/15/2009 | Â ⁽²⁾ | | Special Common Shares | 2,847 |
| Restricted Stock Units | Â | Â | Â | Â | Â | Â | 12/15/2010 | Â ⁽³⁾ | | Special Common Shares | 4,691 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| HERBERT C THEODORE 30 N. LASALLE ST., STE. 4000 CHICAGO, IL 60602 | Â | Â | Â VP Human Resources | Â |

Signatures

Julie D. Mathews, by power
of atty 01/28/2009

__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 2550 common shares on 12/15/01, 12/15/02, 12/15/03 and 12/15/04 for a total of 10,200 common shares.
- (2) Restricted stock unit award pursuant to the 2004 Long-Term Incentive Plan. Stock units will become vested on December 15, 2009.
- (3) Restricted stock unit award pursuant to the 2004 Long-Term Incentive Plan. Stock units will become vested on December 15, 2010.
- (4) Granted under the 2004 Long-Term Incentive Plan. Options vest over a 3 year period with one-third of the number of shares becoming exercisable on Aug. 26, 2009, one-third on Aug. 26, 2010 and one-third on Aug. 26, 2010.

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