

WATTS DONALD W  
Form 4  
January 30, 2012

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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 \*  
WATTS DONALD W

2. Issuer Name and Ticker or Trading Symbol  
AT&T INC. [T]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
208 S. AKARD STREET  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
01/26/2012

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Sr. Exec. VP and Gen. Counsel

DALLAS, TX 75202

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

(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) | 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 Indirect Beneficial Ownership (Instr. 4) |                           |   |                 |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|---------------------------|---|-----------------|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price   |                           |   |                 |
| Common Stock                    | 01/26/2012                           |  | A <sup>(1)</sup>               |   | 97,127.04   | A  | \$ 0  | 124,030.415               | I | By Benefit Plan |
| Common Stock                    | 01/26/2012                           |  | F <sup>(2)</sup>               |   | 32,399.093  | D  | \$ 29.45  | 91,631.322                | I | By Benefit Plan |
| Common Stock                    | 01/26/2012                           |  | D <sup>(3)</sup>               |   | 32,364.947  | D  | \$ 29.45  | 26,903.375 <sup>(5)</sup> | I | By Benefit Plan |
| Common Stock                    | 01/26/2012                           |  | M                              |   | 1,306   | A  | \$ 0  | 107,500                   | D |                 |

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|              |            |                  |       |   |          |                        |   |           |
|--------------|------------|------------------|-------|---|----------|------------------------|---|-----------|
| Common Stock | 01/26/2012 | F <sup>(4)</sup> | 1,306 | D | \$ 29.45 | 106,194 <sup>(5)</sup> | D |           |
| Common Stock |            |                  |       |   |          | 6,384.0611             | I | By 401(k) |

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 1474  
(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 Amount of Underlying Securities (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
|  |  |                                      |  | Code V                         | (A) (D)   | Date Exercisable Expiration Date                         | Title   |                            |
| Restricted Stock Units (2012)              | \$ 0   | 01/26/2012                           |  | A                              | 58,574  | <sup>(6)</sup> <sup>(6)</sup>                            | Common Stock  | 58,574                     |
| Restricted Stock Units (2012)              | \$ 0   | 01/26/2012                           |  | M                              | 1,306   | <sup>(6)</sup> <sup>(6)</sup>                            | Common Stock  | 1,306                      |

## Reporting Owners

|   |                      |           |                               |       |
|---|----------------------|-----------|-------------------------------|-------|
| <b>Reporting Owner Name / Address</b>                     | <b>Relationships</b> |           |                               |       |
|   | Director             | 10% Owner | Officer                       | Other |
| WATTS DONALD W<br>208 S. AKARD STREET<br>DALLAS, TX 75202 |                      |           | Sr. Exec. VP and Gen. Counsel |       |

## Signatures

|   |            |
|---|------------|
| /s/ Ann E. Meuleman, Secy.,<br>Attorney-in-fact | 01/30/2012 |
|---|------------|

          \*\*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) Total performance shares distributed.
- (2) Mandatory tax withholding on distribution of performance shares.
- (3) Represents portion of the performance shares distributed in cash, after taxes.
- (4) Mandatory tax withholding on vesting of Restricted Stock Units.
- (5) Reflects transfer of 32,363 shares owned indirectly in benefit plan to direct ownership due to distribution of performance shares.
- (6) Restricted stock units acquired pursuant to 2011 Incentive Plan. Each unit will convert into one share of Issuer's common stock. Units vested on 1/26/2012 and will distribute on 1/26/2016.

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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