

TELEPHONE & DATA SYSTEMS INC /DE/
 Form 5
 February 02, 2006

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 *
WERTZ BYRON A

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)
 VP-Corp. Development

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 | | | |
| Special Common Common | 05/13/2005 | Â | J ⁽⁷⁾ | 397 A \$ ⁽⁷⁾ | 398 | D | Â |
| Special Common Shares | 12/31/2005 | Â | J ⁽¹⁾ | 0.6 A \$ ⁽¹⁾ | 398 | D | Â |
| Special Common | 05/13/2005 | Â | J ⁽⁷⁾ | 24,476.4 A \$ ⁽⁷⁾ | 24,525.4 | I | By Voting Trust |

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| | | | | | | | | | | |
|--------------------------------------|---------------------------|---|---------------------|---------|---|-------------------|----------|---|--|------------------------|
| Shares | | | | | | | | | | |
| Special Common Shares | 12/31/2005 | Â | J ⁽¹⁾ | 49 | A | \$ ⁽¹⁾ | 24,525.4 | I | | By Voting Trust |
| Common Shares | 03/31/2005 | Â | J ⁽³⁾ | 40.2488 | A | \$ 69.36 | 516.6 | D | | Â |
| Common Shares | 06/30/2005 | Â | J ⁽³⁾ | 37.477 | A | \$ 34.6885 | 516.6 | D | | Â |
| Common Shares | 09/30/2005 | Â | J ⁽³⁾ | 39.2163 | A | \$ 33.15 | 516.6 | D | | Â |
| Common Shares | 12/31/2005 | Â | U ⁽³⁾ | 42.4489 | A | \$ 30.6255 | 516.6 | D | | Â |
| Common Shares | Â | Â | Â | Â | Â | Â | 15 | I | | Custodian for children |
| Special Common Shares | 05/13/2005 | Â | J ⁽⁷⁾ | 15 | A | \$ ⁽⁷⁾ | 15 | I | | Custodian for children |
| Common Shares | Â | Â | Â | Â | Â | Â | 25.1 | I | | By Trust |
| Special Common Shares | 05/13/2005 | Â | J ⁽⁷⁾ | 25.1 | A | \$ ⁽⁷⁾ | 25.1 | I | | By Trust |
| Common Shares | 12/31/2005 ⁽⁴⁾ | Â | J ⁽⁴⁾ | 1.31 | D | \$ ⁽⁴⁾ | 467.69 | I | | By 401K plan |
| Special Common Shares ⁽⁷⁾ | 12/31/2005 ⁽⁴⁾ | Â | J ⁽⁴⁾⁽⁷⁾ | 469.6 | A | \$ ⁽⁴⁾ | 469.6 | I | | By 401K plan |

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)

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 Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | | (A) (D) | Date Exercisable Expiration Date | Title |
| | \$ 69.36 | 03/31/2005 | Â | J ⁽³⁾ | Â 40.2488 | 03/31/2005 03/31/2005 | |

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| | | | | | | | | | | |
|-----------------------------|------------|------------|---|---------------------------|-------|---------|--------------|------------|--|--|
| Option (Right to buy) | | | | | | | | | | Common Shares |
| Option (Right to buy) | \$ 34.6885 | 06/30/2005 | Â | <u>J⁽³⁾</u> | Â | 37.477 | 06/30/2005 | 06/30/2005 | | Common Shares |
| Option (Right to buy) | \$ 33.15 | 09/30/2005 | Â | <u>J⁽³⁾</u> | Â | 39.2163 | 09/30/2005 | 09/30/2005 | | Common Shares |
| Option (Right to buy) | \$ 30.6255 | 12/31/2005 | Â | <u>J⁽³⁾</u> | Â | 42.4489 | 12/31/2005 | 12/31/2005 | | Common Shares |
| Option (Right to buy) | \$ 58.96 | 05/13/2005 | Â | <u>J⁽⁷⁾⁽⁸⁾</u> | 4,400 | Â | 12/15/1999 | 04/30/2009 | | Tandem Common and Special Common Shares |
| Option (Right to buy) | \$ 102.79 | 05/13/2005 | Â | <u>J⁽⁷⁾⁽⁸⁾</u> | 4,000 | Â | 12/15/2000 | 04/28/2010 | | Tandem Common and Special Common Shares |
| Option (Right to buy) | \$ 117.51 | 05/13/2005 | Â | <u>J⁽⁷⁾⁽⁸⁾</u> | 7,160 | Â | Â <u>(2)</u> | 09/16/2010 | | Tandem Common and Special Common Shares |
| Option (Right to buy) | \$ 99.44 | 05/13/2005 | Â | <u>J⁽⁷⁾⁽⁸⁾</u> | 3,410 | Â | 12/15/2001 | 04/30/2011 | | Tandem Common and Special Common Shares |
| Option (Right to buy) | \$ 59 | 05/13/2005 | Â | <u>J⁽⁷⁾⁽⁸⁾</u> | 4,115 | Â | 12/15/2002 | 07/05/2012 | | Tandem Common and Special Common Shares |
| Option (Right to buy) | \$ 66 | 05/13/2005 | Â | <u>J⁽⁷⁾⁽⁸⁾</u> | 3,950 | Â | 12/15/2004 | 05/08/2014 | | Tandem Common and Special |

| Option (Right to Buy) | Price | Grant Date | Exercise Price | Exercise Type | Quantity | Expiration Date | Termination Date | Common Shares |
|------------------------|----------|------------|----------------|----------------------|----------|-----------------|-----------------------------------|---|
| Option (Right to Buy) | \$ 77.36 | 05/13/2005 | Â | J ⁽⁷⁾⁽⁸⁾ | 4,476 | Â | 12/15/2005 04/20/2015 | Tandem Common and Special Common Shares |
| Restricted Stock Units | Â | 05/13/2005 | Â | J ⁽⁷⁾⁽¹⁰⁾ | 992 | Â | 12/15/2007 Â ⁽⁹⁾ | Tandem Common and Special Common Shares |
| Series A Common Shares | Â | 12/31/2005 | Â | J ⁽¹⁾ | 60.8 | Â | Â ⁽⁵⁾ Â ⁽⁵⁾ | Common or Special Common Shares |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| WERTZ BYRON A 30 N. LASALLE ST., STE. 4000 CHICAGO, IL 60602 | Â | Â | Â VP-Corp. Development | Â |

Signatures

Julie D. Mathews, by power of atty 02/02/2006

__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) Voluntary reporting of shares acquired through dividend reinvestment in 2005.
- (2) Granted under the TDS 1998 Long Term incentive plan. The option was exercisable with respect to 1790 common shares on 12/15/01, 12/15/02, 12/15/03 and on 12/15/04 for a total of 7160.
- (3) Disposition of option and acquisition of shares under the TDS Employee Stock Purchase Plan.
- (4) 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.
- (5) Series A Common shares are convertible, on a share-for-share basis, into common or special common.
- (6) Of these shares, 18,132.886 (of which 701.886 were earned pursuant to a dividend reinvestment plan) are held as custodian for children. Of the remaining shares held in a personal trust (348.117 were earned pursuant to a dividend reinvestment plan).
- (7) On May 13 TDS authorized a special common dividend to holders of common shares in which one special common share was distributed for each common share. The stock dividend was distributed to all shareholders making this acquisition exempt from Section

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16 pursuant to Rule 16a-9(a).

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

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

(10) 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 unit awards 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.

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.