

BELLSOUTH CORP  
 Form 4  
 January 04, 2007

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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).

**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 \*  
 MULLIN LEO F

(Last) (First) (Middle)

DELTA AIRLINES, P.O. BOX  
 20706

(Street)

ATLANTA, GA 30320

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
 BELLSOUTH CORP [BLS]

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 12/29/2006

4. 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)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D) Price			
Common Stock	12/29/2006		D	18,988 D 11 0		D	

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

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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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)		
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
Phantom Deferral Shares	(2)	12/29/2006		D		15,194.3074		(2)	(2)	Common Stock
Restricted Stock Units	(3)	12/29/2006		D		2,504		(3)	(3)	Common Stock
Non-Qualified Stock Option (right to buy); Tandem SAR	\$ 31.5	12/29/2006		D		4,000		(4)	04/27/2008	Common Stock
Non-Qualified Stock Option (right to buy); Tandem SAR	\$ 43.625	12/29/2006		D		8,000		(5)	04/26/2009	Common Stock
Non-Qualified Stock Option (right to buy); Tandem SAR	\$ 50.938	12/29/2006		D		8,000		(6)	04/24/2010	Common Stock
Non-Qualified Stock Option (right to buy); Tandem SAR	\$ 40.265	12/29/2006		D		5,304		(7)	04/23/2011	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 30.725	12/29/2006		D		4,732		(8)	04/22/2012	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 25.065	12/29/2006		D		4,089		(9)	05/01/2013	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 26.03	12/29/2006		D		4,399		(10)	05/01/2014	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 26.4	12/29/2006		D		5,948		(11)	05/01/2015	Common Stock

## Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

2

Director 10% Owner Officer Other

MULLIN LEO F  
 DELTA AIRLINES, P.O. BOX 20706 X  
 ATLANTA, GA 30320

## Signatures

Marcy A. Bass, Attorney  
 in Fact 01/04/2007

  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) Disposed of pursuant to Agreement and Plan of Merger dated as of March 4, 2006 by and among the Company, AT&T Inc. and a wholly owned subsidiary of AT&T Inc. (the "merger") in exchange for shares of AT&T common stock. Reporting person received 1.325 shares of AT&T common stock in exchange for each share of BellSouth common stock on December 29, 2006, the effective date of the merger (the "effective date of the merger").
  - (2) These shares of BellSouth phantom stock were replaced by 20,132.4573 shares of AT&T phantom stock on the effective date of the merger.
  - (3) These restricted stock units were paid out in shares of BellSouth common stock on the effective date of the merger and are reflected on Table 1 of this Form 4.
  - (4) This option was assumed by AT&T Inc. in the merger and replaced with an option to purchase 5,300 shares of AT&T common stock for \$23.78 per share on the effective date of the merger.
  - (5) This option was assumed by AT&T Inc. in the merger and replaced with an option to purchase 10,600 shares of AT&T common stock for \$32.93 per share on the effective date of the merger.
  - (6) This option was assumed by AT&T Inc. in the merger and replaced with an option to purchase 10,600 shares of AT&T common stock for \$38.45 per share on the effective date of the merger.
  - (7) This option was assumed by AT&T Inc. in the merger and replaced with an option to purchase 7,027 shares of AT&T common stock for \$30.39 per share on the effective date of the merger.
  - (8) This option was assumed by AT&T Inc. in the merger and replaced with an option to purchase 6,269 shares of AT&T common stock for \$23.19 per share on the effective date of the merger.
  - (9) This option was assumed by AT&T Inc. in the merger and replaced with an option to purchase 5,417 shares of AT&T common stock for \$18.92 per share on the effective date of the merger.
  - (10) This option was assumed by AT&T Inc. in the merger and replaced with an option to purchase 5,828 shares of AT&T common stock for \$19.65 per share on the effective date of the merger.
  - (11) This option was assumed by AT&T Inc. in the merger and replaced with an option to purchase 7,881 shares of AT&T common stock for \$19.93 per share on the effective date of the merger.

Note: File three copies of this Form, one of which must be manually signed. If space 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.