

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
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 *
Smith Robin B

(Last) (First) (Middle)
382 CHANNEL DRIVE
(Street)

PORT WASHINGTON, NY 11050

(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) | Amount or Price | | |
| Common Stock | 12/29/2006 | | D | | 14,504 | D | |
| | | | | | 0 | | |

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 | |
| Phantom Deferral Shares | <u>(2)</u> | 12/29/2006 | | D | | 16,299.3683 | | <u>(2)</u> | <u>(2)</u> | Common Stock |
| Restricted Stock Units | <u>(3)</u> | 12/29/2006 | | D | | 2,504 | | <u>(3)</u> | <u>(3)</u> | Common Stock |
| Non-Qualified Stock Option (right to buy); Tandem SAR | \$ 21.655 | 12/29/2006 | | D | | 4,000 | | <u>(4)</u> | 04/29/2007 | Common Stock |
| Non-Qualified Stock Option (right to buy); Tandem SAR | \$ 31.5 | 12/29/2006 | | D | | 4,100 | | <u>(5)</u> | 04/27/2008 | Common Stock |
| Non-Qualified Stock Option (right to buy); Tandem SAR | \$ 43.625 | 12/29/2006 | | D | | 5,325 | | <u>(6)</u> | 04/26/2009 | Common Stock |
| Non-Qualified Stock Option (right to buy); Tandem SAR | \$ 50.938 | 12/29/2006 | | D | | 4,141 | | <u>(7)</u> | 04/24/2010 | Common Stock |
| Non-Qualified Stock Option (right to buy); Tandem SAR | \$ 40.265 | 12/29/2006 | | D | | 4,685 | | <u>(8)</u> | 04/23/2011 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 30.725 | 12/29/2006 | | D | | 5,094 | | <u>(9)</u> | 04/22/2012 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 25.065 | 12/29/2006 | | D | | 4,963 | | <u>(10)</u> | 05/01/2013 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 26.03 | 12/29/2006 | | D | | 5,438 | | <u>(11)</u> | 05/01/2014 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 26.4 | 12/29/2006 | | D | | 6,651 | | <u>(12)</u> | 05/01/2015 | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Smith Robin B 382 CHANNEL DRIVE PORT WASHINGTON, NY 11050 | | X | | |

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 21,596.6630 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 \$16.35 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 5,432 shares of AT&T common stock for \$23.78 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 7,055 shares of AT&T common stock for \$32.93 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 5,486 shares of AT&T common stock for \$38.45 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 6,207 shares of AT&T common stock for \$30.39 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 6,749 shares of AT&T common stock for \$23.19 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 6,575 shares of AT&T common stock for \$18.92 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 7,205 shares of AT&T common stock for \$19.65 per share on the effective date of the merger.
- (12) This option was assumed by AT&T Inc. in the merger and replaced with an option to purchase 8,812 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.

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