

SHANNON W PATRICK
 Form 4
 January 04, 2007

FORM 4

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

OMB APPROVAL

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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 *
 SHANNON W PATRICK

(Last) (First) (Middle)

1155 PEACHTREE STREET, NE,
 SUITE 1703

(Street)

ATLANTA, GA 30309

(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
 ___X___ Officer (give title below) ___ Other (specify below)

Chief Financial Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
 ___X___ 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 | 100,600 | D 0 | D | |
| Common Stock | 12/29/2006 | | D | 784,789 | D 0 | I | ESOP |

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

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SEC 1474 (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 Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----------------|---|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title |
| Phantom Deferral Shares | (2) | 12/29/2006 | | D | 15,167.562 | (2) | (2) | Common Stock |
| Restricted Stock Units | (3) | 12/29/2006 | | D | 75,000 | (3) | 01/02/2011 | Common Stock |
| Restricted Stock Units | (4) | 12/29/2006 | | D | 25,400 | (4) | 03/01/2009 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 45.5313 | 12/29/2006 | | D | 37,500 | (5) | 02/01/2009 | Common Stock |
| Incentive Stock Option (right to buy) | \$ 43.625 | 12/29/2006 | | D | 2,292 | (6) | 04/26/2009 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 45.6563 | 12/29/2006 | | D | 49,600 | (7) | 02/01/2010 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 42.3125 | 12/29/2006 | | D | 12,300 | (8) | 12/29/2006 | Common Stock |
| Incentive Stock Option (right to buy) | \$ 50.9375 | 12/29/2006 | | D | 1,963 | (9) | 04/24/2010 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 37.8438 | 12/29/2006 | | D | 7,500 | (10) | 09/15/2010 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 42.25 | 12/29/2006 | | D | 64,700 | (11) | 02/01/2011 | Common Stock |
| Incentive Stock Option (right to buy) | \$ 40.265 | 12/29/2006 | | D | 2,483 | (12) | 04/23/2011 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 39.02 | 12/29/2006 | | D | 108,700 | (13) | 03/01/2012 | Common Stock |

| | | | | | | | |
|---|-----------|------------|---|--------|-------------|------------|-----------------|
| Incentive Stock Option (right to buy) | \$ 30.725 | 12/29/2006 | D | 3,254 | <u>(14)</u> | 04/22/2012 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 28.08 | 12/29/2006 | D | 60,000 | <u>(15)</u> | 11/25/2012 | Common Stock |
| Incentive Stock Option (right to buy) | \$ 24.245 | 12/29/2006 | D | 4,124 | <u>(16)</u> | 04/28/2013 | Common Stock |
| Incentive Stock Option (right to buy) | \$ 26.365 | 12/29/2006 | D | 3,792 | <u>(17)</u> | 04/26/2014 | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| SHANNON W PATRICK 1155 PEACHTREE STREET, NE, SUITE 1703 ATLANTA, GA 30309 | | | Chief Financial Officer | |

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 having a market value of \$47.37 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 20,097.02 shares of AT&T phantom stock on the effective date of the merger.
- (3) These restricted stock units, which vest 1/3 per year beginning on 1/2/2009, were converted to AT&T restricted stock units on the effective date of the merger.
- (4) These restricted stock units were converted to AT&T restricted stock units 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 49,687 shares of AT&T common stock for \$34.37 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 3,036 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 65,720 shares of AT&T common stock for \$34.46 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 16,297 shares of AT&T common stock for \$31.93 per share on the effective date of the merger.

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- (9) This option was assumed by AT&T Inc. in the merger and replaced with an option to purchase 2,600 shares of AT&T common stock for \$38.45 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 9,937 shares of AT&T common stock for \$28.57 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 85,727 shares of AT&T common stock for \$31.89 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 3,289 shares of AT&T common stock for \$30.39 per share on the effective date of the merger.
- (13) This option was assumed by AT&T Inc. in the merger and replaced with an option to purchase 144,027 shares of AT&T common stock for \$29.45 per share on the effective date of the merger.
- (14) This option was assumed by AT&T Inc. in the merger and replaced with an option to purchase 4,311 shares of AT&T common stock for \$23.19 per share on the effective date of the merger.
- (15) This option was assumed by AT&T Inc. in the merger and replaced with an option to purchase 79,500 shares of AT&T common stock for \$21.20 per share on the effective date of the merger.
- (16) This option was assumed by AT&T Inc. in the merger and replaced with an option to purchase 5,464 shares of AT&T common stock for \$18.30 per share on the effective date of the merger.
- (17) This option was assumed by AT&T Inc. in the merger and replaced with an option to purchase 5,024 shares of AT&T common stock for \$19.90 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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