

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