

GAMCO  
ASSET MANAGEMENT

One Corporate Center  
Rye, NY 10580-1422  
t 914.921.7793  
f 914.921.5384  
e [dgoldman@gabelli.com](mailto:dgoldman@gabelli.com)  
e [gmaldonado@gabelli.com](mailto:gmaldonado@gabelli.com)

February 19, 2015

Via Overnight Delivery

Ms. Jane W. McCahon  
Vice President – Corporate Relations & Corporate Secretary  
Telephone and Data Systems, Inc.  
30 North LaSalle Street  
Suite 4000  
Chicago, IL 60602

Re: Notice of Intent to Nominate Directors at the Telephone and Data Systems, Inc.'s 2015 Annual Meeting of Shareholders

Dear Ms. McCahon:

This letter is to advise you that GAMCO Asset Management Inc. ("GAMCO") hereby notifies Telephone and Data Systems, Inc. (the "Company") that it intends to nominate Mr. Philip T. Blazek and Mr. Walter M. Schenker as nominees for election, by the holders of the Company's common shares, as directors to the Board of Directors of Telephone and Data Systems, Inc. at the Company's 2015 Annual Meeting of Shareholders ("Annual Meeting").

In accordance with the Company's Bylaws we provide the following information concerning Mr. Philip T. Blazek

1. The nominee's name, age, principal occupation and employer.

*Philip T. Blazek, 47. President, Special Diversified Opportunities Inc.*

*Business address for Special Diversified Opportunities Inc. is 500 Crescent Court, Suite 230, Dallas, TX, 75201.*

2. The nominee's address and telephone number.

*10019 Rock Hill Lane, Dallas, TX, 75229. (469) 248-3743*

3. A biographical profile of the nominee, including educational background and business and professional experience.

*Mr. Blazek, 47, has been a principal executive, investor and investment banking advisor to companies in a range of mature and emerging growth industries. He has advised and invested in a number of telecommunications and related technology/business services*



GAMCO  
ASSET MANAGEMENT

One Corporate Center  
Rye, NY 10580-1422  
t 914.921.7793  
f 914.921.5384  
e [dgoldman@gabelli.com](mailto:dgoldman@gabelli.com)  
e [gmaldonado@gabelli.com](mailto:gmaldonado@gabelli.com)

*companies throughout his career. Mr. Blazek has extensive experience working with management teams regarding corporate strategy, allocation of capital, financial and strategic transactions, and business model improvements. Since 2013, he serves as President of Special Diversified Opportunities Inc. (OTC Markets: SDOI), leading the company through the sale of its operating assets and strategic alternatives to deploy the proceeds. In 2012, he was Managing Director at Korenvaes Management, a debt and equity investment fund. From 2008 through 2011, Mr. Blazek was President and Chief Investment Officer of Blazek Crow Holdings Capital, an equity small cap value investment fund he founded with the Crow Holdings Family Office. From 2005 to 2008, he was a Partner at Greenway Capital, investing and providing growth capital to small cap companies. His investment banking advisory tenure included Dresdner Kleinwort Wasserstein (formerly Wasserstein Perella) from 1996 to 2004 and the Investment Banking Division (Telecom/Media/Technology Group) of Goldman Sachs from 1991 to 1994. Mr. Blazek received an Economics degree from Harvard University in 1990 and MBA degree Harvard Business School in 1996.*

*GAMCO believes that Mr. Blazek's qualifications to serve on the Board of Directors include his vast financial, strategic and investment experience working with companies in a wide range of industries. GAMCO believes Mr. Blazek brings extensive investment experience and strongly supports the nomination of Mr. Blazek for election to the Board of Directors of the Company at its 2015 Annual Meeting of Shareholders.*

*A copy of Mr. Blazek's biographical sketch is enclosed (Exhibit A).*

4. Any relationship between the nominee and the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) and all other information necessary for the Board to determine whether the nominee meets the Board's independence standards and qualifies as independent under the NYSE rules.

*We are advised that no business relationship exists between Mr. Blazek and the Company, directly or indirectly, and that Mr. Blazek would qualify under NYSE rules as an independent director.*

5. The classes and number of shares of stock of the Company owned beneficially and of record by the nominee.

*As of the date hereof, Mr. Blazek beneficially owns 1,000 shares of the Company's Common Stock.*

*Transactions In Securities of the Company During the Past Two Years  
(Purchase/Sale) (Date of Purchase/Sale) (Shares of Common Stock Purchased/Sold)*

*Purchase 06/06/2014 1,000*



GAMCO  
ASSET MANAGEMENT

One Corporate Center  
Rye, NY 10580-1422  
t 914.921.7793  
f 914.921.5384  
e [dgoldman@gabelli.com](mailto:dgoldman@gabelli.com)  
e [gmaldonado@gabelli.com](mailto:gmaldonado@gabelli.com)

6. Any other information relating to the nominee (including a written consent of the nominee to serve as a Director if elected) that would be required to be disclosed in a proxy statement or other filing required to be made in connection with the solicitation of proxies for the election of Directors pursuant to the SEC's proxy rules and the rules of the NYSE; and
7. Any other information regarding the nominee that the Shareholder wishes the Board to consider in evaluating the recommended nominee.

*Mr. Blazek's written consent letter is enclosed (Exhibit B).*

In accordance with the Company's Bylaws we provide the following information concerning Mr. Walter M. Schenker

8. The nominee's full name, age, principal occupation and employer.

*Walter M. Schenker, 68. Sole Principal, MAZ Capital Advisors, LLC.*

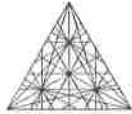
*Business address for MAZ Capital Advisors, LLC is 1130 Route 46, Suite 22, Parsippany, NJ, 07054.*

9. The nominee's address and telephone number.

*105 Windsor Drive, Pine Brook, NJ, 07058. (973) 277-2737*

10. A biographical profile of the nominees, including educational background and business and professional experience.

*Mr. Schenker has worked in the investment business for over 40 years. He worked for a number of leading brokerage/investment banks as well as money management firms. In 1999, he was one of the founders of Titan Capital Management, a registered investment advisor and hedge fund. In June 2010, after the retirement of Mr. Schenker's partner, he founded MAZ Capital Advisors where he is self-employed. Since the mid-1970's Mr. Schenker has followed the automotive parts industry, and in the 1970's and 1980's published significant research on the industry and was quoted in major publications. Mr. Schenker has worked with public and private companies to advise and assist with raising capital. Mr. Schenker has been the lead plaintiff in securities class actions, and is knowledgeable on corporate governance issues. Mr. Schenker has served as a director of Sevcon, Inc. (NasdaqCM: SEV) since December 2013, where he also serves as Chairman of its board's compensation committee. Mr. Schenker graduated from Cornell University, with a Bachelor of Arts degree, and received a Masters in Business Administration from Columbia University.*



GAMCO  
ASSET MANAGEMENT

One Corporate Center  
Rye, NY 10580-1422  
t 914.921.7793  
f 914.921.5384  
e [dgoldman@gabelli.com](mailto:dgoldman@gabelli.com)  
e [gmaldonado@gabelli.com](mailto:gmaldonado@gabelli.com)

*GAMCO believes Mr. Schenker's qualifications to serve on the Board of Directors include his experience with many aspects of public company investing including accounting, financial reporting, capital allocation, strategic transactions, corporate governance and investor relations. GAMCO strongly supports the nomination of Mr. Schenker for election to the Board of Directors of the Company at its 2015 Annual Meeting of Shareholders.*

*A copy of Mr. Schenker's biographical sketch is enclosed (Exhibit C).*

11. Any relationship between the nominee and the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) and all other information necessary for the Board to determine whether the nominee meets the Board's independence standards and qualifies as independent under the NYSE rules.

*We are advised that no business relationship exists between Mr. Schenker and the Company, directly or indirectly, and that Mr. Schenker would qualify under NYSE rules as an independent director.*

12. The classes and number of shares of stock of the Company owned beneficially and of record by the candidate.

*At present, Mr. Schenker does not hold any shares of stock of the Company.*

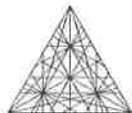
13. Any other information relating to the nominee (including a written consent of the nominee to serve as a Director if elected) that would be required to be disclosed in a proxy statement or other filing required to be made in connection with the solicitation of proxies for the election of Directors pursuant to the SEC's proxy rules and the rules of the NYSE; and
14. Any other information regarding the nominee that the Stockholder wishes the Board to consider in evaluating the recommended nominee.

*In 2007, TCMP3 Partners, L.P., its general partner TCMP3 Capital, LLC, its investment manager Titan Capital Management, LLC, and portfolio managers Steven E. Slawson and Walter M. Schenker agreed to a settlement with the SEC in connection with unregistered securities offerings, which are commonly referred to as "PIPEs" (Private Investment in Public Equity). The settlement was reached without admitting or denying the allegations of the complaint.*

*Mr. Schenker's written consent letter is enclosed (Exhibit D).*

In addition, GAMCO provides the following information.

1. GAMCO's full name, principal occupation and employer.



**GAMCO**  
ASSET MANAGEMENT

One Corporate Center  
Rye, NY 10580-1422  
t 914.921.7793  
f 914.921.5384  
e [dgoldman@gabelli.com](mailto:dgoldman@gabelli.com)  
e [galdonado@gabelli.com](mailto:galdonado@gabelli.com)

*GAMCO is a registered investment adviser to institutional and high net worth investors. GAMCO is a wholly-owned subsidiary of GAMCO Investors, Inc., a publicly-traded company. GAMCO is not acting in concert with any affiliate or other person in connection with this nomination.*

2. GAMCO's address and telephone number. GAMCO's name and address as it appears on the Company's books.

*GAMCO's principal offices are located at One Corporate Center, Rye, NY 10580. (914) 921-5100.*

*GAMCO Asset Management Inc. / 401 Theodore Fremd Ave., Rye, NY, 10580.*

3. The classes and number of shares of stock of the Company owned beneficially and of record by GAMCO, including, if GAMCO is not a Shareholder of record, proof of ownership of the type referred to in the SEC's proxy rules.

*As of February 19, 2015, GAMCO was the record and/or beneficial owner of 4,587,741 shares of the Company's common stock, representing 4.56% of the outstanding shares of the common stock. A copy of the most recent Schedule 13D filed on behalf of GAMCO and its affiliates, dated November 26, 2014, is enclosed (Exhibit E).*

4. A description of all arrangements and understandings between GAMCO and each nominee being nominated by GAMCO and any other person or persons (including their names) pursuant to which the nominee is being recommended by the Shareholder; and
5. Any other information relating to GAMCO that would be required to be disclosed in a proxy statement or other filing required to be made in connection with the solicitation of proxies for the election of Directors pursuant to the SEC's proxy rules and rules of the NYSE.

*There are no arrangements or understanding between GAMCO and Mr. Blazek and Mr. Schenker or others pursuant to which Mr. Blazek and Mr. Schenker are being nominated by GAMCO.*

*Certain affiliates of GAMCO are beneficial owners of 1.02% of the common stock of Special Diversified Opportunities Inc., for which Mr. Blazek serves as President.*

*GAMCO and its affiliates are beneficial owners, on behalf of their investment advisory clients, of 38.68% of the common stock of Sevcon, Inc., for which Mr. Schenker serves as a director.*



GAMCO  
ASSET MANAGEMENT

One Corporate Center  
Rye, NY 10580-1422  
t 914.921.7793  
f 914.921.5384  
e [dgoldman@gabelli.com](mailto:dgoldman@gabelli.com)  
e [gmaldonado@gabelli.com](mailto:gmaldonado@gabelli.com)

6. Whether GAMCO intends to deliver a proxy statement and form of proxy to holders.

*GAMCO does intend to deliver a proxy statement and form of proxy. GAMCO intends to deliver a proxy statement and form of proxy to all holders of the Company's common shares and it is anticipated that certain staff members of GAMCO will participate in the solicitation.*

GAMCO and the nominees agree to make available to the Board of Directors all information reasonably requested in furtherance of the evaluation of this nomination.

This letter and all attachments hereto are submitted in a good faith effort to satisfy Telephone and Data Systems, Inc. requirements. Should this letter and/or any attachments hereto be deemed deficient in any way, please contact me at the above address so that any deficiency may be cured. GAMCO reserves all rights available to it under applicable law.

GAMCO is a holder of record of stock of the Company entitled to vote at the Company's Annual Meeting. GAMCO intends to be present at the Annual Meeting of Shareholders in person or by proxy to nominate Mr. Blazek and Mr. Schenker to serve as directors of the Company and it intends to continue to own the shares of the Company through the date of the Annual Meeting.

Sincerely,

GAMCO Asset Management Inc.

---

By: David Goldman  
General Counsel

DG/gm

Enclosures

Exhibit A – Mr. Blazek’s Biographical Sketch (Document Provided to Issuer)

## Exhibit B



February 17, 2015

Ms. Jane W. McCahon  
Vice President – Corporate Relations & Corporate Secretary  
Telephone and Data Systems, Inc.  
30 North LaSalle Street  
Suite 4000  
Chicago, IL 60602

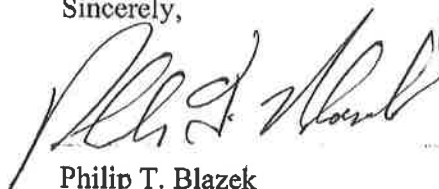
**Re: Director Nomination**

Dear Ms. McCahon:

I understand that GAMCO Asset Management Inc. is nominating me for election to the Board of Directors of Telephone and Data Systems, Inc. ("TDS"). I hereby consent to being named as a nominee in TDS's proxy statement for its 2015 Annual Meeting of Shareholders, and to serving as a Director if elected.

I further agree that I will make available to TDS all information reasonably requested in furtherance of TDS's evaluation of my nomination.

Sincerely,

A handwritten signature in dark ink, appearing to read "Philip T. Blazek", written in a cursive style.

Philip T. Blazek

Exhibit C – Mr. Schenker’s Biographical Sketch (Document Provided to Issuer)

## Exhibit D

February 17, 2015

Ms. Jane W. McCahon  
Vice President – Corporate Relations & Corporate Secretary  
Telephone and Data Systems, Inc.  
30 North LaSalle Street  
Suite 4000  
Chicago, IL 60602

**Re: Director Nomination**

Dear Ms. McCahon:

I understand that GAMCO Asset Management Inc. is nominating me for election to the Board of Directors of Telephone and Data Systems, Inc. ("TDS"). I hereby consent to being named as a nominee in TDS's proxy statement for its 2015 Annual Meeting of Shareholders, and to serving as a Director if elected.

I further agree that I will make available to TDS all information reasonably requested in furtherance of TDS's evaluation of my nomination.

Sincerely,

A handwritten signature in dark ink, appearing to read "Walter Schenker". The signature is fluid and cursive, with the first name "Walter" being more prominent and the last name "Schenker" following in a similar style.

Walter M. Schenker

Exhibit E – Amendment Number 38 to Schedule 13D, Filed on November 26, 2014 (Complete Filing Available on EDGAR)