

Gary Marc
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 *
Gary Marc

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
1155 PEACHTREE STREET,
SUITE 2002

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

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
General Counsel

(Street)
ATLANTA, GA 30309-3610

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

(City) (State) (Zip)

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	51,735	D 11 0	D	
Common Stock	12/29/2006		D	70.111	D 11 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 Amount of Underlying Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Am Nur Sha
Phantom Deferral Shares	(2)	12/29/2006		D	563,313	(2)	(2)	Common Stock	56
Restricted Stock Units	(3)	12/29/2006		D	17,350	(3)	03/01/2009	Common Stock	17
Non-Qualified Stock Option (right to buy)	\$ 46.6563	12/29/2006		D	35,000	(4)	06/01/2010	Common Stock	35
Non-Qualified Stock Option (right to buy)	\$ 43.6563	12/29/2006		D	30,000	(5)	12/15/2010	Common Stock	30
Non-Qualified Stock Option (right to buy)	\$ 42.25	12/29/2006		D	32,000	(6)	02/01/2011	Common Stock	32
Non-Qualified Stock Option (right to buy)	\$ 39.02	12/29/2006		D	34,000	(7)	03/01/2012	Common Stock	34
Non-Qualified Stock Option (right to buy)	\$ 28.08	12/29/2006		D	17,000	(8)	11/25/2012	Common Stock	17
Non-Qualified Stock Option (right to buy)	\$ 21.745	12/29/2006		D	36,100	(9)	03/03/2013	Common Stock	36

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Gary Marc 1155 PEACHTREE STREET, SUITE 2002 ATLANTA, GA 30309-3610			General Counsel	

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 746.389725 shares of AT&T phantom stock on the effective date of the merger.
 - (3) These restricted stock units were converted to AT&T restricted stock units on the effective date of the merger.
 - (4) This option was assumed by AT&T Inc. in the merger and replaced with an option to purchase 46,375 shares of AT&T common stock for \$35.22 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 39,750 shares of AT&T common stock for \$32.95 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 42,400 shares of AT&T common stock for \$31.89 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 45,050 shares of AT&T common stock for \$29.45 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 22,525 shares of AT&T common stock for \$21.20 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 47,832 shares of AT&T common stock for \$16.42 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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