

APAC CUSTOMER SERVICE INC
 Form 4
 November 24, 2004

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 *
 SCHWARTZ THEODORE G

2. Issuer Name and Ticker or Trading Symbol
 APAC CUSTOMER SERVICE INC [APAC]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 SIX PARKWAY NORTH
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 11/23/2004

Director 10% Owner
 Officer (give title below) Other (specify below)
 Chairman

DEERFIELD, IL 60015
 (City) (State) (Zip)

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

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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	11/23/2004		J		9,858,000	D	(1) 19,719,218 (2)
Common Stock	11/23/2004		S		9,858,000	D	(3) 19,719,218 (2)

See footnote (2)
 See footnote (2)

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

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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)
Stock Appreciation Rights (SARs)	\$ 1.72 ⁽⁴⁾	11/23/2004		J ⁽⁴⁾	79,000 ⁽⁴⁾	⁽⁴⁾ 11/23/2014 ⁽⁴⁾	APAC Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SCHWARTZ THEODORE G SIX PARKWAY NORTH DEERFIELD, IL 60015	X	X	Chairman	

Signatures

/s/ Theodore G. Schwartz
 11/24/2004
 **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).

The reported securities are held by a revocable trust which Mr. Schwartz controls (the "TGS Trust"). On November 23, 2004, the TGS Trust transferred 9,858,000 shares of APAC common stock to CAPA Partners, L.P. ("CAPA LP") for estate planning purposes.

(1) Immediately following such transfer, the interests in CAPA LP were held by the TGS Trust, members of Mr. Schwartz's family, and a corporation that is controlled by Mr. Schwartz's family. Mr. Schwartz disclaims beneficial ownership of the 9,858,000 shares of APAC common stock held by CAPA LP, except to the extent of his pecuniary interest therein.

The 19,719,218 shares listed as beneficially owned by Mr. Schwartz includes 9,858,000 shares held by the TGS Trust, 9,858,000 shares held by CAPA LP, and 3,218 shares held by Mr. Schwartz' spouse, as to which Mr. Schwartz disclaims beneficial ownership. Mr.

(2) Schwartz disclaims beneficial ownership of the 9,858,000 shares of APAC common stock held by CAPA LP, except to the extent of his pecuniary interest therein. Prior to the transactions reported herein, Mr. Schwartz reported beneficial ownership of 19,719,218 shares of APAC common stock.

The reported shares are held by CAPA LP. Mr. Schwartz disclaims beneficial ownership of the 9,858,000 shares of APAC common stock held by CAPA LP, except to the extent of his pecuniary interest therein. On November 23, 2004, Mr. Schwartz transferred approximately

(3) 8% (by value) of his interests in CAPA LP to a dynasty trust for estate planning purposes. In consideration for the interest in CAPA LP received by the dynasty trust, the dynasty trust issued a note to the TGS Trust. Mr. Schwartz has no pecuniary interest in the dynasty trust.

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- (4) The Stock Appreciation Rights (SARs) are obligations of TCS Group, LLC ("TCS"), which is controlled by Mr. Schwartz, and upon maturity will be worth the difference in cash between the value of a share of APAC common stock and the exercise price. On 11/23/04, an aggregate of 79,000 SARs were granted to employees of TCS for no consideration under a benefit plan of TCS. The exercise price of the SARs is \$1.72 (the market value of APAC common stock on the grant date). The SARs vest 20% on the 3rd anniversary of the grant date and 20% on each anniversary thereafter, resulting in 100% vesting on the 7th anniversary of the grant date. Each SAR grant expires on the 10th anniversary of the grant date. Mr. Schwartz disclaims beneficial ownership of any securities held by TCS, except to the extent of his pecuniary interest therein. The SAR grants and the maturity of the SARs will not affect the capitalization of APAC or his beneficial ownership of APAC securities.

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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