

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) | I See footnote (2) |
| Common Stock | 11/23/2004 | | S | | 9,858,000 | D | (3) 19,719,218 (2) | I See footnote (2) |

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

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 (9-02)

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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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