

Mercantile Alternative Strategies Fund for Tax-Exempt/Deferred Investors (TEDI) LLC  
 Form 3  
 August 23, 2006

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0104  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

**INITIAL STATEMENT OF 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)

|   |   |   |  |   |   |
|---|---|---|--|---|---|
| <p>1. Name and Address of Reporting Person *</p> <p>Â MERCANTILE BANKSHARES CORP</p> <p>(Last) (First) (Middle)</p> <p>2 HOPKINS PLAZA</p> <p>(Street)</p> <p>BALTIMORE,Â MDÂ 21201</p> <p>(City) (State) (Zip)</p> | <p>2. Date of Event Requiring Statement</p> <p>(Month/Day/Year)</p> <p>06/30/2006</p> | <p>3. Issuer Name and Ticker or Trading Symbol</p> <p>Mercantile Alternative Strategies Fund for Tax-Exempt/Deferred Investors (TEDI) LLC [N/A]</p> | <p>4. Relationship of Reporting Person(s) to Issuer</p> <p>(Check all applicable)</p> <p>___ Director ___X___ 10% Owner<br/>                 ___ Officer ___ Other<br/>                 (give title below) (specify below)</p> | <p>5. If Amendment, Date Original Filed(Month/Day/Year)</p> | <p>6. Individual or Joint/Group Filing(Check Applicable Line)</p> <p>__X__ Form filed by One Reporting Person<br/>                 ___ Form filed by More than One Reporting Person</p> |
|---|---|---|--|---|---|

**Table I - Non-Derivative Securities Beneficially Owned**

| 1. Title of Security<br>(Instr. 4)                | 2. Amount of Securities Beneficially Owned<br>(Instr. 4) | 3. Ownership Form:<br>Direct (D)<br>or Indirect (I)<br>(Instr. 5) | 4. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|---|--|---|--|
| Limited Liability Company Interest <sup>(1)</sup> | \$ 135,000 <sup>(1)</sup> <sup>(2)</sup> <sup>(3)</sup>  | D <sup>(1)</sup>  | Â  |

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

SEC 1473 (7-02)

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security<br>(Instr. 4) | 2. Date Exercisable and Expiration Date<br>(Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security<br>(Instr. 4)<br><br>Title | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security:<br>Direct (D) | 6. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|---|---|---|--|---|--|
|---|---|---|--|---|--|

|                     |                    |                                  |                                  |
|---------------------|--------------------|----------------------------------|----------------------------------|
| Date<br>Exercisable | Expiration<br>Date | Amount or<br>Number of<br>Shares | or Indirect<br>(I)<br>(Instr. 5) |
|---------------------|--------------------|----------------------------------|----------------------------------|

## Reporting Owners

| Reporting Owner Name / Address                                       | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| MERCANTILE BANKSHARES CORP<br>2 HOPKINS PLAZA<br>BALTIMORE, MD 21201 | ^             | ^ X       | ^       | ^     |

## Signatures

Mercantile Bankshares Corporation By: /s/ John L. Unger,  
Secretary 08/22/2006

\*\*Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 5(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).
- Mercantile Alternative Strategies Fund for Tax-Exempt/Deferred Investors (TEDI) LLC (the "Company") is a limited liability company organized under the laws of the State of Delaware and registered under the Investment Company Act of 1940, as amended, as a closed-end, non-diversified management investment company. Each Interest is a percentage of ownership interest in the Company. The value of each Interest is the corresponding percentage of the net asset value of the Company (as more fully set forth in the Company documents available with the Securities and Exchange Commission ("SEC")). Filer's Interest has been held directly by Mercantile Bankshares Corporation ("MBC") since June 30, 2006, which was the effective date of the registration statement filed by the Company with the SEC on June 29, 2006 (the "Registration Statement"). Filer's Interest was in exchange for the seed capital that MBC placed into the Company.
- (1) Filer's Interest represented 100% of the outstanding Interests of the Company as of June 30, 2006. However, as a result of subsequent sales of Interest, Filer's Interest currently represents less than 100% of the outstanding Interests. The percentage interest in the Company held by MBC at a given time is related to the investments made by other investors in the Company and is subject to change when other investors buy or sell Interests. The audited financials attached by reference to the Registration Statement inadvertently state that the seed money Interest was held by and received in exchange for consideration tendered by Mercantile Capital Advisors, Inc., an indirect wholly-owned subsidiary of MBC. In fact, as noted herein, MBC directly paid for and received the Interest.
  - (2) The Interest held by MBC represented 100% of the Interests outstanding at the conclusion of the transaction.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.