

INTER TEL INC
Form 4
August 01, 2006

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 *
RAUCHLE CRAIG W

(Last) (First) (Middle)

C/O INTER-TEL (DELAWARE),
INCORPORATED, 1615 SOUTH
52ND STREET

(Street)

TEMPE, AZ 85281

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
INTER TEL INC [INTL]

3. Date of Earliest Transaction
(Month/Day/Year)
07/28/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
President & COO

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 Indirect Beneficial Ownership (Instr. 4)	
				(A) or (D)	Price			
				Code	V	Amount		
Common Stock	07/31/2006		M	1,500	A	\$ 9.89	7,398	D
Common Stock	07/31/2006		M	100	A	\$ 9.89	7,498	D
Common Stock	07/31/2006		M	1,000	A	\$ 9.89	8,498	D
Common Stock	07/31/2006		M	195	A	\$ 9.89	8,693	D
Common Stock	07/31/2006		M	3,205	A	\$ 9.89	11,898	D

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Common Stock	07/31/2006	S	1,500	D	\$ 21.5	10,398	D
Common Stock	07/31/2006	S	100	D	\$ 21.25	10,298	D
Common Stock	07/31/2006	S	1,000	D	\$ 21.221	9,298	D
Common Stock	07/31/2006	S	195	D	\$ 21.22	9,103	D
Common Stock	07/31/2006	S	3,205	D	\$ 21.2	5,898	D

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

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(9-02)

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)	Amount or Number of Shares
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Stock Option	\$ 21.23	07/28/2006		A	50,000	<u>(1)</u>	07/28/2016	Common Stock	50,000
Restricted Stock Option	\$ 0	07/28/2006		A	10,000	<u>(2)</u>	04/27/2009	Common Stock	10,000
Stock Option	\$ 9.89	07/31/2006		M	1,500	04/30/2006	04/30/2011	Common Stock	1,500
Stock Option	\$ 9.89	07/31/2006		M	100	04/30/2006	04/30/2011	Common Stock	100
Stock Option	\$ 9.89	07/31/2006		M	1,000	04/30/2006	04/30/2011	Common Stock	1,000
Common Stock	\$ 9.89	07/31/2006		M	195	04/30/2006	04/30/2011	Common Stock	195
Stock Option	\$ 9.89	07/31/2006		M	3,205	04/30/2006	04/30/2011	Common Stock	3,205

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
RAUCHLE CRAIG W C/O INTER-TEL (DELAWARE), INCORPORATED 1615 SOUTH 52ND STREET TEMPE, AZ 85281			President & COO	

Signatures

Kurt R. Kneip, Sr. VP
& CFO

08/01/2006

__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) 1/3 of options are exercisable on 7/28/2007 1/3 of options are exercisable on 7/28/2008 1/3 of options are exercisable on 7/28/2009
- (2) Subject to performance-based vesting: 5000 on 04/27/2008 5000 on 04/27/2009

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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