

MIHAYLO STEVEN G
Form SC 13D/A
August 23, 2006

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 9)

Inter-Tel (Delaware), Incorporated
(Name of Issuer)
Common Stock
(Title of Class of Securities)
458372109
(CUSIP Number)
Steven G. Mihaylo

P.O. Box 19790

Reno, Nevada 89511

(775) 338-4699

(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

Copies to:

Brian J. McCarthy, Esq.

Skadden, Arps, Slate, Meagher & Flom LLP

300 South Grand Avenue

Los Angeles, California 90071

(213) 687-5000

August 22, 2006

(Date of Event Which Requires Filing of This Statement)

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If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box [].

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1. Names of Reporting Persons. Steven G. Mihaylo

I.R.S. Identification Nos. of above persons (entities only). Not applicable.

2. Check the Appropriate Box if a Member of a Group (see Instructions)

(A)

(B)

3. SEC Use Only

4. Source of Funds (see Instructions)

OO, BK

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

United States of America

Number of Shares 7. Sole Voting Power

Beneficially Owned by

Each Reporting Person 5,179,498

With 8. Shared Voting Power

None

9. Sole Dispositive Power

5,179,498

10. Shared Dispositive Power

None

11. Aggregate Amount Beneficially Owned by Each Reporting Person

5,179,498

12. Check if the Aggregate Amount In Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row 11

19.5%

14. Type Of Reporting Person (See Instructions)

IN

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CUSIP No. 458372 109

1. Names of Reporting Persons. Vector Capital Corporation

I.R.S. Identification Nos. of above persons (entities only). 94-3311525

2. Check the Appropriate Box if a Member of a Group (see Instructions)

(A)

(B)

3. SEC Use Only

4. Source of Funds (see Instructions)

OO, BK

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

State of Delaware

Number of Shares 7. Sole Voting Power

Beneficially Owned by

Each Reporting Person None*

With 8. Shared Voting Power

9. None*
Sole Dispositive Power

10. None*
Shared Dispositive Power

None*

11. Aggregate Amount Beneficially Owned by Each Reporting Person

None*

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row 11

0*

14. Type Of Reporting Person (See Instructions)

CO

*Vector Capital Corporation affirms membership in a group for purposes of Section 13(d) and 13(g) of the Securities Exchange Act of 1934, as amended, with Steven G. Mihaylo, but disclaims beneficial ownership of the shares of the Issuer's Common Stock beneficially owned by Mr. Mihaylo.

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This Amendment No. 9 amends and supplements the Schedule 13D, dated March 3, 2006 (the Original Schedule 13D), and filed by Steven G. Mihaylo (Mr. Mihaylo) with the Securities and Exchange Commission (the SEC) on March 6, 2006, as amended by Amendment No. 1 thereto, dated April 10, 2006 and filed by Mr. Mihaylo with the SEC on April 10, 2006 (Amendment No. 1), Amendment No. 2 thereto, dated April 21, 2006 and filed by Mr. Mihaylo with the SEC on April 21, 2006 (Amendment No. 2), Amendment No. 3 thereto, dated May 8, 2006 and filed by Mr. Mihaylo with the SEC on May 8, 2006 (Amendment No. 3), Amendment No. 4 thereto, dated May 18, 2006 and jointly filed by Mr. Mihaylo and Vector Capital Corporation (Vector) with the SEC on May 18, 2006 (Amendment No. 4), Amendment No. 5 thereto, dated June 15, 2006 and jointly filed by Mr. Mihaylo and Vector with the SEC on June 15, 2006 (Amendment No. 5), Amendment No. 6 thereto, dated June 29, 2006 and jointly filed by Mr. Mihaylo and Vector with the SEC on June 29, 2006 (Amendment No. 6), Amendment No. 7 thereto, dated July 28, 2006 and jointly filed by Mr. Mihaylo and Vector with the SEC on July 28, 2006 (Amendment No. 7), and Amendment No. 8 thereto, dated August 21, 2006 and jointly filed by Mr. Mihaylo and Vector with the SEC on August 21, 2006 (Amendment No. 8) and, collectively with the Original Schedule 13D, Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4, Amendment No. 5, Amendment No. 6 and Amendment No. 7, the Schedule 13D), with respect to the common stock, par value \$0.001 per share (Common Stock), of Inter-Tel (Delaware), Incorporated, a Delaware corporation (Inter-Tel or the Company), formerly known as Inter-Tel, Incorporated, an Arizona corporation. Capitalized terms used but not defined herein shall have the respective meanings set forth in the Schedule 13D.

Item 4. Purpose of Transaction.

The response to Item 4 of the Schedule 13D is hereby amended and supplemented by adding the following paragraphs at the end of such Item 4:

On August 22, 2006, in response to media and other inquiries, Mr. Mihaylo and Vector issued a press release to respond to the Company's public statements that their offer is subject to a number of conditions. The text of the press release is set forth below, and a copy of the press release is filed as Exhibit 26 to the Schedule 13D:

STEVEN G. MIHAYLO AND VECTOR CAPITAL SAY OFFER IS FIRM; CONTRARY TO INTER-TEL'S STATEMENTS, ONLY ISSUE IS WHETHER SPECIAL COMMITTEE SAYS "YES"

TEMPE, AZ August 22, 2006In response to media and other inquiries, Steven G. Mihaylo, the founder, former Chairman and Chief Executive Officer and largest shareholder of Inter-Tel (Delaware), Incorporated (Nasdaq: INTL) and Vector Capital Corporation, wish to respond to Inter-Tel's public statements that their offer is subject to a number of conditions.

On the contrary, Mr. Mihaylo said, our only condition to our offer is that Inter-Tel sign customary definitive agreements. Other provisions, including the 30-day process to seek other bidders in order to maximize potential value, were intended for the benefit of Inter-Tel's board and stockholders, and are not requirements for the acquisition.

Mr. Mihaylo again urged Inter-Tel's board of directors to seriously consider their firm offer to acquire all of the Company's outstanding shares for \$23.25 per share.

Mr. Mihaylo stated, Our proposal is simple: We want to buy the Company. It is frustrating that the Company's press release characterizes our increased offer as conditional when the only meaningful issue is whether they say Yes by Friday.

Item 7. Material to be Filed as Exhibits.

The response to Item 7 of the Schedule 13D is hereby amended and supplemented by adding the following at the end of such Item 7:

Exhibit 26: Press release issued by Steven G. Mihaylo and Vector Capital Corporation dated August 22, 2006.

Exhibit 27: Joint Filing Agreement between Vector Capital Corporation and Steven G. Mihaylo dated May 18, 2006 (incorporated by reference to Exhibit 7 to the Schedule 13D).

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: August 22, 2006
/s/ Steven G. Mihaylo
STEVEN G. MIHAYLO

VECTOR CAPITAL CORPORATION

By: /s/ Christopher G. Nicholson
Name: Christopher G. Nicholson
Its: Authorized Signatory

EXHIBIT INDEX

The Exhibit Index is hereby amended and supplemented by adding the following at the end of such Exhibit Index:

- Exhibit 26: Press release issued by Steven G. Mihaylo and Vector Capital Corporation dated August 22, 2006.
- Exhibit 27: Joint Filing Agreement between Vector Capital Corporation and Steven G. Mihaylo dated May 18, 2006 (incorporated by reference to Exhibit 7 to the Schedule 13D).