

INTER TEL INC
Form 4
February 23, 2005

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 *
STOUT NORMAN

(Last) (First) (Middle)

C/O INTER-TEL,
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)
02/18/2005

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)
CAO and Executive VP

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 Price (D) | | |
| Common Stock | 02/18/2005 | | M | | 2,500 A \$ 9.125 | 21,361 | D |
| Common Stock | 02/18/2005 | | M | | 5,000 A \$ 9.125 | 26,361 | D |
| Common Stock | 02/18/2005 | | M | | 5,000 A \$ 9.125 | 31,361 | D |
| Common Stock | 02/18/2005 | | M | | 2,500 A \$ 9.125 | 33,861 | D |
| Common Stock | 02/18/2005 | | M | | 2,500 A \$ 9.125 | 36,361 | D |

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| | | | | | | | |
|--------------|------------|---|-------|---|----------|--------|---|
| Common Stock | 02/18/2005 | M | 7,500 | A | \$ 9.125 | 43,861 | D |
| Common Stock | 02/18/2005 | M | 7,500 | A | \$ 9.125 | 51,361 | D |
| Common Stock | 02/18/2005 | M | 2,500 | A | \$ 9.125 | 53,861 | D |
| Common Stock | 02/18/2005 | M | 7,500 | A | \$ 9.125 | 61,361 | D |
| Common Stock | 02/18/2005 | M | 2,500 | A | \$ 9.125 | 63,861 | D |
| Common Stock | 02/18/2005 | M | 2,500 | A | \$ 9.125 | 66,361 | D |
| Common Stock | 02/18/2005 | M | 2,500 | A | \$ 9.125 | 68,861 | D |
| Common Stock | 02/18/2005 | S | 2,500 | D | \$ 28 | 66,361 | D |
| Common Stock | 02/18/2005 | S | 5,000 | D | \$ 27.9 | 61,361 | D |
| Common Stock | 02/18/2005 | S | 5,000 | D | \$ 27.96 | 56,361 | D |
| Common Stock | 02/18/2005 | S | 2,500 | D | \$ 27.88 | 53,861 | D |
| Common Stock | 02/18/2005 | S | 2,500 | D | \$ 27.87 | 51,361 | D |
| Common Stock | 02/18/2005 | S | 7,500 | D | \$ 27.85 | 43,861 | D |
| Common Stock | 02/18/2005 | S | 7,500 | D | \$ 27.8 | 36,361 | D |
| Common Stock | 02/18/2005 | S | 2,500 | D | \$ 27.76 | 33,861 | D |
| Common Stock | 02/18/2005 | S | 7,500 | D | \$ 27.75 | 26,361 | D |
| Common Stock | 02/18/2005 | S | 2,500 | D | \$ 27.64 | 23,861 | D |
| Common Stock | 02/18/2005 | S | 2,500 | D | \$ 27.6 | 21,361 | D |
| Common Stock | 02/18/2005 | S | 2,500 | D | \$ 27.4 | 18,861 | D |

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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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 |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Stock Options | \$ 9.89 | 02/18/2005 | | M | 19,200 (3) | 04/30/2002 ⁽¹⁾ 04/30/2011 ⁽²⁾ | Common Stock | 19,200 |
| Stock Options | \$ 9.89 | 02/18/2005 | | M | 30,800 (4) | 04/30/2002 ⁽¹⁾ 04/30/2011 ⁽²⁾ | Common Stock | 30,800 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| STOUT NORMAN C/O INTER-TEL, INCORPORATED 1615 SOUTH 52ND STREET TEMPE, AZ 85281 | | | CAO and Executive VP | |

Signatures

/s/ Kristi Bonfiglio for Norman Stout 02/23/2005

__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) One year vesting.

(2) Ten year vesting.

(3) 1994 Plan grant date 4/30/01

(4) 1997 Plan grant date 4/30/01

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.