

MIHAYLO STEVEN G  
Form 4  
August 20, 2007

**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 \*  
MIHAYLO STEVEN G

2. Issuer Name and Ticker or Trading Symbol  
INTER TEL (DELAWARE), INC  
[INTL]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
P.O. BOX 19790  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
08/16/2007

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

RENO, NV 89511  
(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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
|                                 |                                      |  | Code                           | V   | Amount  | Price  |   |
| Common Stock                    | 08/16/2007                           |  | M                              |   | 7,500   | \$ 21.11   | 8,998 D   |
| Common Stock                    | 08/16/2007                           |  | M                              |   | 2,750   | \$ 20.95   | 11,748 D  |
| Common Stock                    | 08/16/2007                           |  | S                              |   | 7,500   | \$ 25.6  | 4,248 D   |
| Common Stock                    | 08/16/2007                           |  | S                              |   | 2,750   | \$ 25.6  | 1,498 D   |
| Common Stock                    | 08/16/2007                           |  | S                              |   | 2,000,000   | \$ 25.6  | 3,178,000 I via trust                                 |

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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 Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Options                              | \$ 21.11   | 08/16/2007                           |  | M                              | 7,500   | <sup>(1)</sup> 05/12/2016                                | Common Stock  | 7,500                         |
| Stock Options                              | \$ 20.95   | 08/16/2007                           |  | M                              | 2,750   | <sup>(1)</sup> 06/07/2016                                | Common Stock  | 2,750                         |

## Reporting Owners

| Reporting Owner Name / Address                       | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| MIHAYLO STEVEN G<br>P.O. BOX 19790<br>RENO, NV 89511 | X             | X         |         |       |

## Signatures

/s/ Steven G. Mihaylo 08/20/2007

\*\*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).

This option was immediately vested and disposed of pursuant to the Agreement and Plan of Merger, dated as of April 26, 2007, by and (1) among Inter-Tel (Delaware), Incorporated, Mitel Networks Corporation and Arsenal Acquisition Corporation for the price reflected in Column 8.

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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