

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D/A

Under the Securities Exchange Act of 1934  
(Amendment No. 3)

VTEL CORPORATION  
(Name of Issuer)

Common Stock  
(Title of Class of Securities)

92658-10-9  
(CUSIP Number)

F. Thomas Dunlap  
Vice President, General Counsel and Secretary  
Intel Corporation  
2200 Mission College Boulevard  
Santa Clara, CA 95052  
Telephone: (408) 765-8080  
(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

May 19, 1997  
(Date of Event which Requires  
Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1 (b) (3) or (4), check the following box [ ].

NOTE: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

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.

(continued on following pages)

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- |     |  |                    |
|-----|--|--------------------|
| 1.  | NAME OF REPORTING PERSON   | Intel Corporation  |
|     | S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  | 94-1672743         |
| 2.  | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP   | (a) [ ]<br>(b) [ ] |
| 3.  | SEC USE ONLY   |                    |
| 4.  | SOURCE OF FUNDS  | WC                 |
| 5.  | CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2 (d) OR 2 (e) | [ ]                |
| 6.  | CITIZENSHIP OR PLACE OF ORGANIZATION   | Delaware           |
|     | NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH                        |                    |
| 7.  | SOLE VOTING POWER  | 1,604,799          |
| 8.  | SHARED VOTING POWER  | N/A                |
| 9.  | SOLE DISPOSITIVE POWER   | 1,604,799          |
| 10. | SHARED DISPOSITIVE POWER   | N/A                |
| 11. | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON                             | 1,604,799          |
| 12. | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES                    | [ ]                |

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11.29%  
(11)

14. TYPE OF REPORTING PERSON CO

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Intel Corporation ("Intel" or the "Reporting Person") hereby amends its statement on Schedule 13D filed with the Securities and Exchange Commission on November 2, 1993 (the "13D"), as amended by Amendment No. 1 filed on September 22, 1995 and Amendment No. 2 filed on February 1, 1996, with respect to the common stock (the "Common Stock") of VTEL Corporation ("VTEL" or the "Issuer"). This Amendment No. 3 is made to report the purchase of additional shares of Common Stock.

ITEM 2. Identity and Background.

(a) Name of Person Filing:

Intel Corporation

(b) Address of Principal Business Office:

2200 Mission College Boulevard  
Santa Clara, CA 95052-8119

(c) Principal Business:

Manufacturer of microcomputer components,  
modules and systems

(d) Criminal Proceedings:

During the last five years neither the Reporting Person nor any executive officer or director of the Reporting Person has been convicted in any criminal proceeding.

(e) Civil Proceedings:

During the last five years neither the Reporting Person nor any executive officer or director of the Reporting Person has been party to any civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which such person was or is subject to any judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, Federal or State securities laws or finding any violation with respect to such laws.

(f) Place of Organization:

Delaware

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Attached hereto as Appendix A is information required by this Item 2 with respect to the executive officers and directors of the Reporting Person. All such individuals are U.S. citizens.

ITEM 3. Source and Amount of Funds or Other Consideration.

Pursuant to a Development and License Agreement dated October 22, 1993, the Issuer was obligated to refund to the Reporting Person \$901,170 in respect of unexpended funding for certain development activities undertaken by the Issuer. In lieu of repaying such amount in cash, the Issuer issued 155,040 shares of Common Stock to the Reporting Person.

ITEM 4. Purpose of the Transaction.

Intel acquired 155,040 additional shares of VTEL Common Stock as an investment in lieu of receiving a cash refund of unexpended funding for development activities as described above under Item 3.

Intel presently holds its shares of Common Stock as an investment. Depending upon Intel's evaluation of market conditions, market price, alternative investment opportunities, liquidity needs and other factors, Intel will from time to time explore opportunities for liquidating all or a portion of its equity ownership in VTEL, through one or more sales pursuant to public or private offerings or otherwise. Intel may determine to retain some portion of such securities as an investment.

ITEM 5. Interest in Securities of the Issuer.

- (a) Number of Shares Beneficially Owned: 1,604,799 shares
- Right to Acquire: 0 shares
- Percent of Class: 11.29% (based on 14,219,773 shares outstanding as reported in VTEL's Joint Proxy Statement/Prospectus filed with the Securities and Exchange Commission on 4/25/97 and taking into account the issuance of 155,040 shares to Intel)
- (b) Sole Power to vote, Direct the Vote of,

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or Dispose of Shares: 1,604,799 shares

- (c) Recent Transactions:
- As described in Items 3 and 4 above, pursuant to an Agreement dated May 19, 1997 between VTEL and Intel (the "Agreement"), on May 19, 1997, Intel acquired an additional 155,040 shares of VTEL Common Stock at a price of \$5.8125 per share in lieu of receiving a refund of unexpended funding for development activities.
- (d) Rights with Respect to Dividends or Sales Proceeds: N/A
- (e) Date of Cessation of Five Percent Beneficial Ownership: N/A

ITEM 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Pursuant to the Agreement, VTEL agreed to register all of Intel's shares of Common Stock within 180 days after consummation of a pending merger with Compression Labs, Inc. and if such merger is not consummated prior to September 30, 1997, to register such shares prior to November 20, 1997.

ITEM 7. Material to be Filed as Exhibits.

- \*Exhibit 1 Common Stock and Warrant Purchase Agreement
  - \*Exhibit 2 Investor Rights Agreement
  - \*Exhibit 3 Warrant
  - \*Exhibit 4 Intel/VTEL Joint Press Release dated August 23, 1993
  - \*Exhibit 5 Agreement dated September 15, 1995
  - Exhibit 6 Agreement dated May 19, 1997
-

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: May 23, 1997.

INTEL CORPORATION

By: /s/ F. Thomas Dunlap, Jr.  
F. Thomas Dunlap, Jr.  
Vice President, General  
Counsel and Secretary

APPENDIX A

DIRECTORS

The following is a list of all Directors of Intel Corporation and certain other information with respect to each Director:

Name: Craig R. Barrett  
Business Address: 2200 Mission College Boulevard, Santa Clara, CA 95052  
Principal Occupation: President and Chief Operating Officer of Intel Corporation  
Name, principal business and address of corporation or other organization in which employment is conducted: Intel Corporation, a manufacturer of microcomputer components, modules and systems. 2200 Mission College Boulevard Santa Clara, CA 95052

Name: John Browne  
Business Address: The British Petroleum Company plc, Britannic House, 1 Finsbury Circus, London EC2M 7BA  
Principal Occupation: Group Chief Executive  
Name, principal business and address of corporation or other organization in which employment is conducted: The British Petroleum Company plc, an integrated oil company. Britannic House, 1 Finsbury Circus London EC2M 7BA

Name: Winston H. Chen  
Business Address: Paramitas Foundation, 3945 Freedom Circle, Suite 760, Santa Clara, CA 95054  
Principal Occupation: Chairman of Paramitas Foundation  
Name, principal business and address of corporation or other organization in which employment is conducted: Paramitas Foundation, a charitable foundation.

business and 3945 Freedom Circle, Suite 760  
address of Santa Clara, CA 95054  
corporation or  
other  
organization in  
which employment  
is conducted:

Name: Andrew S. Grove

Business 2200 Mission College Boulevard, Santa Clara,  
Address: CA 95052

Principal Chairman of the Board of Directors and Chief  
Occupation: Executive Officer of Intel Corporation

Name, principal Intel Corporation, a manufacturer of  
business and microcomputer components, modules and systems.  
address of 2200 Mission College Boulevard  
corporation or Santa Clara, CA 95052  
other  
organization in  
which employment  
is conducted:

Name: D. James Guzy

Business 1340 Arbor Road, Menlo Park, CA 94025  
Address:

Principal Chairman of The Arbor Company  
Occupation:

Name, principal The Arbor Company, a limited partnership  
business and engaged in the electronics and computer  
address of industry.  
corporation or 1340 Arbor Road  
other Menlo Park, CA 94025  
organization in  
which employment  
is conducted:

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Name: Gordon E. Moore

Business 2200 Mission College Boulevard, Santa Clara,  
Address: CA 95052

Principal Chairman Emeritus of the Board of Intel  
Occupation: Corporation

Name, principal Intel Corporation, a manufacturer of  
business and microcomputer components, modules and systems.  
address of 2200 Mission College Boulevard  
corporation or Santa Clara, CA 95052  
other  
organization in  
which employment  
is conducted:

Name: Max Palevsky

Business 924 Westwood Boulevard, Suite 700, Los Angeles  
Address: CA 90024

Principal Industrialist  
Occupation:

Name, principal Self-employed.  
business and  
address of  
corporation or  
other  
organization in  
which employment  
is conducted:

Name: Arthur Rock  
Business Address: One Maritime Plaza, Suite 1220, San Francisco, CA 94111  
Principal Occupation: Venture Capitalist

Name, principal business and address of corporation or other organization in which employment is conducted: Arthur Rock and Company, a venture capital firm.  
One Maritime Plaza, Suite 1220  
San Francisco, CA 94111

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Name: Jane E. Shaw  
Business Address: c/o Intel Corporation, 2200 Mission College Boulevard, Santa Clara, CA 95052

Principal Occupation: Founder of The Stable Network, a biopharmaceutical consulting company

Name, principal business and address of corporation or other organization in which employment is conducted: c/o Intel Corporation  
2200 Mission College Boulevard  
Santa Clara, CA 95052

Name: Leslie L. Vadasz  
Business Address: 2200 Mission College Boulevard, Santa Clara, CA 95052

Principal Occupation: Senior Vice President, Director, Corporate Business Development, Intel Corporation

Name, principal business and address of corporation or other organization in which employment is conducted: Intel Corporation, a manufacturer of microcomputer components, modules and systems.  
2200 Mission College Boulevard  
Santa Clara, CA 95052

Name: David B. Yoffie  
Business Address: Harvard Business School, Soldiers Field Park 1-411, Boston, MA 92163

Principal Occupation: Max and Doris Starr Professor of International Business Administration

Name, principal business and address of corporation or other organization in which employment is conducted: Harvard Business School, an educational institution.  
Harvard Business School  
Soldiers Field Park 1-411  
Boston, MA 92163

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Name: Charles E. Young  
Business Address: 405 Hilgard Avenue, Los Angeles, CA 90024

Principal Occupation: Chancellor

Occupation:

Name, principal business and address of corporation or other organization in which employment is conducted: University of California at Los Angeles, an educational institution.  
405 Hilgard Avenue  
Los Angeles, CA 90024

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EXECUTIVE OFFICERS

The following is a list of all executive officers of Intel Corporation excluding executive officers who are also directors. Unless otherwise indicated, each officer's business address is 2200 Mission College Boulevard, Santa Clara, California 95052-8119, which address is Intel Corporation's business address.

Name: Frank C. Gill  
Title: Executive Vice President, General Manager, Internet and Communications Group  
Address: 5200 N.E. Elam Young Parkway, Hillsboro, OR 97124-6497

Name: Paul S. Otellini  
Title: Executive Vice President, Director, Sales and Marketing Group

Name: Gerhard H. Parker  
Title: Executive Vice President, General Manager, Technology and Manufacturing Group

Name: Ronald J. Whittier  
Title: Senior Vice President, General Manager, Content Group

Name: Albert Y. C. Yu  
Title: Senior Vice President, General Manager, Microprocessor Products Group

Name: Michael A. Aymar  
Title: Vice President, General Manager, Desktop Products Group

Name: Andy D. Bryant  
Title: Vice President and Chief Financial Officer

Name: Dennis L. Carter  
Title: Vice President, Director, Sales and Marketing Group

Name: F. Thomas Dunlap, Jr.  
Title: Vice President, General Counsel and Secretary

Name: Patrick P. Gelsinger  
Title: Vice President, General Manager, Desktop Products Group  
Address: 5200 N.E. Elam Young Parkway, Hillsboro, OR 97124-6497

Name: John H. F. Miner  
Title: Vice President, General Manager, Enterprise Server Group  
Address: 5200 N.E. Elam Young Parkway, Hillsboro, OR 97124-6497

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Name: Stephen P. Nachtsheim  
Title: Vice President, General Manager, Mobile/Handheld Products Group

Name: Ronald J. Smith  
Title: Vice President, General Manager, Computing Enhancement Group

Name: Arvind Sodhani  
Title: Vice President, Treasurer

Name: Michael R. Splinter  
Title: Vice President, Assistant General Manager, Technology  
and Manufacturing Group

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EXHIBIT 6  
AGREEMENT DATED 5/19/97

AGREEMENT

This Agreement ("Agreement") is made and entered into as of May 19, 1997 by and between INTEL CORPORATION, a Delaware corporation ("Intel"), and VTEL CORPORATION, a Delaware corporation ("VTEL").

- A. Intel and VTEL have entered into a Development and License Agreement dated effective as of October 22, 1993 (the "Development and License Agreement");
- B. Pursuant to Section 2.5 of the Development and License Agreement, upon execution thereof, Intel paid to VTEL the amount of \$3,000,000 to be used for engineering expenses attributable to tasks undertaken under the Development and License Agreement; and
- C. Pursuant to Section 2.6 of the Development and License Agreement, on October 22, 1996, VTEL became obligated to refund to Intel \$901,170 of the \$3,000,000 previously advanced by Intel to VTEL but not earned by VTEL for NRE funding (as defined therein); and
- D. In lieu of the obligation of VTEL to refund to Intel the amount of \$901,170 due and owing by VTEL to Intel under the Development and License Agreement in respect of unexpended NRE funding, VTEL and Intel have agreed that VTEL shall issue to Intel 155,040 shares of its common stock in full satisfaction of VTEL's obligation to refund \$901,170 to Intel as aforesaid and the parties have reached the agreements herein contained.

NOW, THEREFORE, in consideration of the forgoing recitals and mutual promises hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Issuance of Stock in Satisfaction of Unfunded NRE Reimbursement. Within ten (10) business days of the execution of this Agreement, VTEL shall cause to be delivered to Intel a stock certificate representing 155,040 shares of VTEL common stock (the "Shares").
2. Satisfaction and Discharge. Intel agrees that effective upon receipt of the stock certificate referred to in paragraph 1 above, the obligation of VTEL to refund to Intel any amounts previously advanced by Intel to VTEL under Section 2.5 of the Development and License Agreement shall be satisfied and discharged and shall be of no further effect, and shall be deemed satisfied in all respects by the delivery of the Shares in lieu of the cash amount otherwise due under Section 2.6 of the Development and License Agreement. Upon receipt of such stock certificate, Intel shall promptly return to VTEL the Letter of Credit (as defined in the Development and License Agreement), which as of the date hereof has

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an undrawn face amount of \$888,670, and VTEL's obligations to maintain such standby Letter of Credit under the terms of the Development and License Agreement shall terminate. Intel agrees to make no further draws on the Letter of Credit from and after the date hereof. Except as set forth herein, the Development and License Agreement shall continue in accordance with its terms and shall not otherwise be modified.

3. Securities Act Representations. Intel represents and warrants to VTEL as follows:



- (i) Intel acknowledges that it has had an opportunity to discuss the business, affairs and current prospects of VTEL with its officers. Intel further acknowledges having had access to information about VTEL that it has requested.
- (ii) The Shares that Intel is acquiring hereunder are being acquired for its own account, not as a nominee or agent and not with a view to or in connection with the sale or distribution of any part thereof.
- (iii) Intel understands that the Shares have not been registered under the Securities Act of 1933 (the "Securities Act") on the basis that the sale provided for herein is exempt from registration under the Securities Act and that the reliance of VTEL on such exemption is predicated in part on Intel's representation set forth in this Agreement.
- (iv) Intel acknowledges that it is able to fend for itself in the transactions contemplated by this Agreement and has the ability to bear the economic risk of its investment pursuant to this Agreement.
- (v) Intel understands that the Shares are restricted securities within the meaning of Rule 144 under the Securities Act; that the Shares are not registered and must be held indefinitely unless they are subsequently registered or an exemption from such registration is available; that in any event, the exemption from registration under Rule 144 will not be available for at least one year.
- (vi) It is understood that the certificates representing the Shares will be legended as follows:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISPOSITION MAY BE AFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN EXEMPTION FROM SUCH REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED.

4. Representations by VTEL. VTEL represents and warrants to Intel as follows:

- (i) VTEL has filed all reports required to be filed with the Securities and Exchange Commission ("SEC") pursuant to the Securities Act and the Securities Exchange

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Act of 1934, and all such filings comply as to form, in all material respects, with the rules and regulations promulgated by the SEC thereunder. No such filing contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they are made, not misleading.

- (ii) Since the date of VTEL's most recent SEC filing on Form 10-K or Form 10-Q, there has been no material adverse change in the assets, liabilities, financial condition, business, operations or affairs of VTEL from that reflected in the financial statements contained in such filing, except changes in the ordinary course of business which have not been, in the aggregate, materially adverse to VTEL.
- (iii) There are no actions, suits, proceedings or investigations pending, or, to VTEL's best knowledge, threatened, against VTEL or any of its properties before any court or governmental agency which has not been disclosed in VTEL's SEC filings. VTEL is not a party to or subject to the provisions of any order, writ, injunction, judgment, or decree of any court or governmental agency or instrumentality which is not disclosed in VTEL's SEC filings.

5. Registration. VTEL agrees to file a Form S-3 Registration

Statement registering for public sale the Shares of VTEL common stock issued by VTEL to Intel, including (without limitation) the shares issued to Intel by VTEL pursuant to the terms hereof and shares issued by VTEL to Intel pursuant to the Common Stock and Warrant Purchase Agreement dated October 25, 1993 between VTEL and Intel, and shares issued to Intel pursuant to the Warrant to Purchase 1,199,124 shares of Common Stock of VTEL issued to Intel pursuant to such aforesaid Common Stock and Warrant Purchase Agreement; provided, VTEL shall have no obligation to cause such Registration Statement to be filed until after the occurrence of the consummation of the pending acquisition of Compression Labs, Incorporated by VTEL (the "Merger") and the lapse of all restriction periods necessary in order for such Merger to be accounted for as a pooling of interests. Notwithstanding anything to the contrary contained herein, such Registration Statement shall be filed by VTEL no later than the 180th day following the consummation of the Merger or, in the event that the Merger shall not have been consummated by September 30, 1997, such Registration Statement shall be filed by VTEL no later than November 30, 1997.

6. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one instrument.
7. Governing Law. This Agreement shall be governed by the laws of Delaware.
8. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof.

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9. Successors and Assigns. This Agreement shall be binding upon the parties and their successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

VTEL CORPORATION  
108 Wild Basin Road  
Austin, Texas 78746

By: /s/Rodney S. Bond  
Rodney S. Bond  
Vice President-Finance

INTEL CORPORATION  
2200 Mission College Boulevard  
Santa Clara, California 95052

By: /s/Arvind Sodhani  
Arvind Sodhani  
Vice President and Treasurer