

**Compression Labs, Incorporated v. Agfa Corporation et al.,
C.A. No. 2:04CV-158 DF**

**Motion to Dismiss Under Fed. R. Civ. P. 12(b)(7), or,
in the Alternative, Motion to Transfer**

**Attachment B to the
Declaration of Joseph M. Casino**

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C.A. No. 2:04CV-158 DF**

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ATTN: **dgoldberg99997/59**

Report Printed: JUN 28 2004
In Date

BUSINESS SUMMARY

FORGENT NETWORKS, INC
FORGENT
108 Wild Basin Road
Austin, TX 78746

Now Included with this Report **NEW!**

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Payment trends and industry benchmarks

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Rating Change

This is a **headquarters** location.
Branch(es) or division(s) exist.

D-U-N-S Number: 14-713-4548

Web site: www.forgent.com

D&B Rating: --
Formerly
4A3

Telephone: 512 437-2700

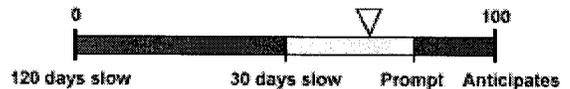
Fax: 512 314-2792

D&B PAYDEX®:

Chief executive: RICHARD N SNYDER, CHB-
CEO

12-Month D&B PAYDEX: 71
When weighted by dollar amount, payments to
suppliers average 14 days beyond terms.

Stock symbol: FORG



Year started: 1985

Based on trade collected over last 12 months.

Employs: 62 (60 here)

Financial statement date: APR 30 2004

NEW! [Enhanced payment trends and industry benchmarks are available on this business](#)

Sales F: \$53,864,000

Net worth: \$39,254,000

History: CLEAR

Financing: SECURED

Financial condition: FAIR

SIC: 3669

Line of business: Mfg video conferencing
systems

SPECIAL EVENTS

06/16/2004

OTHER SPECIAL EVENT: EARNINGS UPDATE: According to published reports, comparative operating results for the 9 months ended April 30, 2004: Revenue of \$11,300,000, Net Income of (\$20,442,000); compared to Revenue of \$29,563,000, Net Income of \$3,963,000 for the comparable period in the prior year. For the 9 months ended April 30, 2004, the subject reported the following: Total Equity of \$19,698,000 **RATING CHANGE:** In view of the relatively sizeable net loss reported for the period, the significant decline in revenues, and other factors, no rating is currently assigned.

06/15/2004

OTHER SPECIAL EVENT: EARNINGS UPDATE: According to published reports, comparative operating results for the 9 months ended April 30, 2004: Revenue of \$11,300,000, Net Income of (\$20,442,000); compared to Revenue of \$29,563,000, Net Income of \$3,963,000 for the comparable period in the prior year. For the 9 months ended April 30, 2004, the subject reported the following: Total Equity of \$19,698,000.

RATING CHANGE: In view of the relatively sizeable net loss reported for the period, the significant decline in revenues, and other factors, no rating is currently assigned.

03/09/2004

EARNINGS UPDATE: According to published reports, comparative operating results for the 6 months ended January 31, 2004: Revenue of \$10,484,000, Net Income of (\$16,026,000); compared to Revenue of \$16,182,000, Net Income of \$2,240,000 for the comparable period in the prior year.

02/11/2004

According to a published report dated Feb 9, 2004, the company laid off 42% of workforce because of disappointing sales of its Forgent Alliance meeting scheduling software. The company now employs 62 people. Forgent reversed its fiscal 2004 earnings forecast for profitability and predicting a loss for the year. The company will take a non-cash charge in the second quarter because of development expenses for the Alliance software. "We are disappointed with the sales of Forgent Alliance, which came in below our expectations," says Richard Snyder, chairman and CEO. Snyder says Forgent isn't seeing the momentum it expected for the product. However, sales of Forgent's Network Simplicity marketing and purchasing software appear strong, Snyder says. "We will also continue to seek acquisitions, which will allow us to broaden our software footprint as well as acquire new customers," Snyder says.

12/04/2003

EARNINGS UPDATE: According to published reports, comparative operating results for the 3 months ended October 31, 2003: Revenue of \$3,871,000, Net Income of (\$2,523,000); compared to Revenue of \$7,809,000, Net Income of \$925,000 for the comparable period in the prior year.

SUMMARY ANALYSIS

D&B Rating:--

The Rating was changed on June 16, 2004 because of changes in financial information, payment information, or other information about this business. The blank rating symbol should not be interpreted as indicating that credit should be denied. It simply means that the information available to D&B does not permit us to classify the company within our rating key and that further enquiry should be made before reaching a decision. Some reasons for using a "-" symbol include: deficit net worth, bankruptcy proceedings, insufficient payment information, or incomplete history information. For more information, see the D&B Rating Key.

Below is an overview of the company's rating history since 04/16/93:

D&B Rating	Date Applied
--	06/16/04
4A3	06/15/04
--	06/15/04
4A3	10/05/01
5A2	12/02/97
5A1	12/12/96
4A1	09/19/95
4A2	09/09/95
4A1	04/19/95
4A2	04/16/93

The Summary Analysis section reflects information in D&B's file as of June 28, 2004.

NEW! How does FORGENT NETWORKS, INC's payment record compare to its industry? 

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Additional D&B products, monitoring services and specialized investigations are available to help you evaluate this company or its industry. Call Dun & Bradstreet's Customer Resource Center at 1.800.234.3867 from anywhere within the U.S. or visit our website at www.dnb.com.

HISTORY

The following information was reported **02/11/2004**:

Officer(s): RICHARD N SNYDER, CHB-CEO+
JAY C PETERSON, VP FIN-CFO-TREAS
DENNIS M EGAN, V PRES-GLOBAL SVCES
KEN KALINOSKI, V PRES-DEV/CTO
H R CACCAMISI, SR VP SALES

DIRECTOR(S): The officers identified by (+) and Kathleen A Cote, James H Wells, Lou Mazzucchelli, Richard J Agnich and Ray Miles.

Business started 1985. Delaware corporation succeeded a Texas corporation formed in 1986 as Video Telecom Corp which, in turn, succeeded a limited partnership which began operations in 1985. The company completed an initial public stock offering in Apr 1992.

This was a publicly held corporation whose common stock is traded on NASDAQ under the symbol "VTEL".

As of July 2001, the Company's common stock is traded on the Nasdaq National Market under the symbol "FORG." The Company.

Consummated the sale of its manufacturing products business on January 23, 2002, shifting its focus from hardware manufacturing to enterprise software and services. The Company also changed its name from VTEL Corporation to Forgent Networks, Inc in January 2002.

As of Oct 21, 2003 there were 12,682 stockholders of record and 24,637,547 shares outstanding of the company's common stock. As of Feb 28, 2003 beneficial owners who own more than 5% are as follows: Dimensional Fund Advisors Inc. beneficially owns 7.0%, Corbin & Company (formerly Marathon Fund L.P.) beneficially owns 7.7%, Royce & Associates, LLC beneficially owns 5.1% and all directors and officers as a group (9 persons) beneficially own 7.6% of the stock. No director or executive officer beneficially owns more than 5% on an individual basis.

RECENT ACQUISITIONS:

On October 9, 2003, an inside source, stated that Forgent Networks, Austin, TX, has acquired certain assets of NetworkSimplicity Software Inc. The total purchase price for the assets acquired from Network Simplicity was approximately \$3.5 million, assuming certain earn out conditions are met. With the acquisition, Forgent has acquired Network Simplicity's flagship product, Meeting Room Manager(tm) (MRM), a scheduling application designed for ease of use and rapid deployment across small-medium businesses.

As approved by each Company's board of directors, Forgent acquired certain assets and liabilities of Global Scheduling Solutions, Inc, a global provider of enterprise conference room scheduling and resource management solutions, on June, 4, 2002. Forgent paid Global Scheduling Solutions, Inc. a combination of \$4.0 million in cash, \$0.7 million tied to certain future contingent "earn-out" payments and the assumption of certain liabilities.

RICHARD N SNYDER born 1945. He joined the Company's Board of Directors in December of 1997 and became Chairman of the Board in March 2000. In June 2001 Mr. Snyder was named the Forgent's President and Chief Executive Officer. Mr. Snyder has over twenty-five years of senior management experience including Founder and Chief Executive Officer at Corum Cove Consulting, LLC, Senior Vice President of Worldwide Sales, Marketing, Service and Support at Compaq Computer Corporation, and Group General Manager at Hewlett-Packard. Mr. Snyder received a Masters in Business Administration from Saint Mary's College and a Bachelor of Science from Southern Illinois University.

JAY C PETERSON born 1957. He joined the Forgent in September 1995 as Manager of Corporate Planning and has served as Chief Financial Officer and Vice President of Finance since May 2000. Prior to joining the Company, Mr. Peterson performed as Assistant Controller with the Dell Direct Channel that generated \$1 billion in annual sales at Dell Computer Corporation and held various financial positions during eleven years with IBM Corporation. Mr. Peterson holds a Masters in Business Administration and a Bachelor of Arts in Economics from the University of Wisconsin.

DENNIS M EGAN born 1953. He joined the Company in November 1995 as Vice President - Service Operations when Forgent acquired the Integrated Communications Systems Group of Pierce-Phelps, Inc. From January 1993 to November 1995, Mr. Egan served as Senior Vice President of Peirce-Phelps, Inc. From June 1985 to January 1993, Mr. Egan was Vice President and General Manager of the Integrated Communications Systems Group of Peirce-Phelps. Mr. Egan's pre-1985 experience includes thirteen years serving in various sales and management positions with Peirce-Phelps. Mr. Egan holds a Master in Business Administration from Widener University and a Bachelor of Science from Villanova University.

KEN KALINOSKI born 1961. He joined the Company in February 2001 as Vice-President - Development, currently serves as Chief Technology Officer, and is responsible for all aspects of technology for the company. Mr. Kalinoski's previous 19 year career focused on client/server and communications technology. He was the founder, company officer, and Vice-President of Development at Netpliance from February 1999 to January 2001 and was responsible for delivering the first information appliance to the consumer marketplace. Prior to that, Mr. Kalinoski spent 17 years at IBM and held multiple management positions, including director of IBM PC Systems and Licensing (1998), program director of AIX Development from January 1993 to 1995, and program director of IBM Multimedia Systems 1995-1997. Mr. Kalinoski received a Masters in Computer Engineering from State University of New York, and a Bachelor of Science from Wilkes University and currently hold five patents.

H R CACCAMISI born 1949. He joined in September 2002 as Senior Vice President of Sales, responsible for worldwide sales of all software and software-related services. Mr. Caccamisi has over thirty years of experience in sales, marketing, and management, including Executive Vice President at productmarketing.com from June 1999 to February 2001, President and Chief Executive Officer at Reliant Data Systems from June 1996 to February 1999, Vice President of Marketing at Tivoli Systems, Vice President of Worldwide Marketing at BMC Software, Vice President of Sales and Marketing at System One Corporation, and numerous sales and management positions at IBM Corporation. Mr. Caccamisi received a Bachelor of Arts from Mississippi State University.

KATHLEEN A COTE. She has served as a director of the company since December 1999. Is chief executive officer of WorldPort Communications, Inc, a provider of internet managed services to the European market.

JAMES H WELLS. He has served as a director of the Company since December 1999. He currently consults with early stage internet start-up companies.

LOU MAZZUCHELLI. He has served as a director of the Company since February 2002. He is currently a venture partner at Ridgewood Capital, a venture capital firm focusing its investments in the information technology industry.

RICHARD J AGNICH. Formerly served as Senior Vice President, Secretary, and General Counsel of Texas Instruments from 1988 until his retirement in early 2000.

RAY MILES. Formerly served as President, Communications Services of Electronic Data Systems Corporation.

CORPORATE FAMILY

Click below to buy a Business Information Report on that family member.
For an expanded, more current corporate family view, use D&B's Global Family Linkage product.

Buy Selected Report(s)

Subsidiaries (International):

<input type="checkbox"/> VIEL Deutschland GmbH	GUNDELFINGEN, GERMANY	DUNS # 31-527-1226
<input type="checkbox"/> VTEL AUSTRALIA PTY LTD	MELBOURNE, AUSTRALIA	DUNS # 74-346-6216
<input type="checkbox"/> VTEL EUROPE LTD	READING, UK (ENGLAND, SCOTLAND, WALES, N.IRELAND)	DUNS # 77-210-9443

Branches (US):

<input type="checkbox"/> Forgent Networks	Marietta, GA	DUNS # 02-165-9250
<input type="checkbox"/> Forgent Networks	Evanston, IL	DUNS # 17-621-4740
<input type="checkbox"/> Forgent Networks	Palatine, IL	DUNS # 04-480-0154

<input type="checkbox"/>	Forgent Networks	Indianapolis, IN	DUNS # <u>01-211-5551</u>
<input type="checkbox"/>	Forgent Networks	Dallas, TX	DUNS # <u>02-975-1885</u>
<input type="checkbox"/>	Forgent Networks	Houston, TX	DUNS # <u>80-716-2701</u>
<input type="checkbox"/>	Forgent Networks	Houston, TX	DUNS # <u>06-792-0152</u>
<input type="checkbox"/>	Forgent Networks, Inc	Goodyear, AZ	DUNS # <u>08-525-3412</u>
<input type="checkbox"/>	Forgent Networks, Inc	San Francisco, CA	DUNS # <u>96-891-7575</u>
<input type="checkbox"/>	Forgent Networks, Inc	Braintree, MA	DUNS # <u>02-225-3574</u>
<input type="checkbox"/>	Forgent Networks, Inc	Kimball, MN	DUNS # <u>05-963-9711</u>
<input type="checkbox"/>	Forgent Networks, Inc	New York, NY	DUNS # <u>08-825-0246</u>
<input type="checkbox"/>	Forgent Networks, Inc	Cranberry Township, PA	DUNS # <u>96-960-5583</u>
<input type="checkbox"/>	Forgent Networks, Inc	King of Prussia, PA	DUNS # <u>94-996-3003</u>
<input type="checkbox"/>	Forgent Networks, Inc	Austin, TX	DUNS # <u>04-845-5450</u>
<input type="checkbox"/>	Forgent Networks, Inc	Reston, VA	DUNS # <u>11-137-7693</u>
<input type="checkbox"/>	Forgent Networks, Inc	Bellevue, WA	DUNS # <u>04-946-2000</u>

Buy Selected Report(s)

BUSINESS REGISTRATION

CORPORATE AND BUSINESS REGISTRATIONS PROVIDED BY MANAGEMENT OR OTHER SOURCE

The Corporate Details provided below may have been submitted by the management of the subject business and may not have been verified with the government agency which records such data.

Registered Name: VTEL CORPORATION

Business type:	CORPORATION	Common stock	
Corporation type:	PROFIT	Authorized shares:	40,000,000
Date incorporated:	JUN 13 1989	Par value:	\$0.0100
State of incorporation:	DELAWARE	Preferred stock	
Filing date:	JUN 13 1989	Authorized shares:	10,000,000
		Par value:	\$0.0100

Where filed: SECRETARY OF STATE/CORPORATIONS DIVISION, DOVER, DE

OPERATIONS

02/11/2004

Description: Manufactures and provides systems integration, installation and end-user support of multi-media conferencing systems. These systems integrate traditional video and audio conferencing with additional functions including the sharing of PC software applications and the transmission of images and facsimiles.

The Company has three business lines - enterprise software and services, intellectual property licensing, and legacy services.

Terms: Net 30 days. Has 200 account(s). Sells to commercial concerns, governmental agencies, educational institutions, health care industry and resellers. Territory : International.

Nonseasonal. Some or all of the operations at this location have been registered to the international quality system standard -- ISO 9002.

Employees: 62 which includes officer(s). 60 employed here.

Facilities: Leases 139,000 sq. ft. in a three story concrete block stucco building.

Location: Suburban business section on main street.

Branches: This business has multiple branches, detailed branch/division information is available in D&B's linkage or family tree products.

Subsidiaries: This business has several subsidiaries; detailed subsidiary information is available in D&B's linkage or family tree products.

SIC & NAICS

SIC:

Based on information in our file, D&B has assigned this company an extended 8-digit SIC. D&B's use of 8-digit SICs enables us to be more specific to a company's operations than if we use the standard 4-digit code.

The 4-digit SIC numbers link to the description on the Occupational Safety & Health Administration (OSHA) Web site. Links open in a new browser window.

36699901 Intercommunication systems, electric

NAICS:

334290 Other Communications Equipment Manufacturing

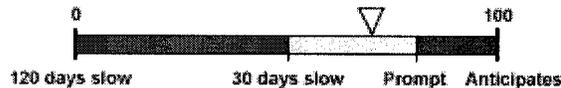
D&B PAYDEX

NEW! Enhanced payment trends and industry benchmarks are available on this business

The D&B PAYDEX is a unique, dollar weighted indicator of payment performance based on up to 65 payment experiences as reported to D&B by trade references.

3-Month D&B PAYDEX: 70

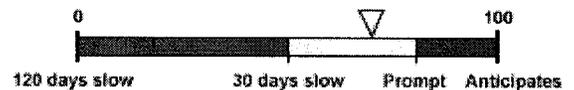
When weighted by dollar amount, payments to suppliers average 15 days beyond terms.



Based on trade collected over last 3 months.

12-Month D&B PAYDEX: 71

When weighted by dollar amount, payments to suppliers average 14 days beyond terms.



Based on trade collected over last 12 months.

When dollar amounts are not considered, then approximately 63% of the company's payments are within terms.

PAYMENT SUMMARY

The Payment Summary section reflects payment information in D&B's file as of the date of this report.

Below is an overview of the company's dollar-weighted payments, segmented by its suppliers' primary industries:

	Total Rcv'd (#)	Total Dollar Amt (\$)	Largest High Credit (\$)	Within Terms (%)	Days Slow			
					<31	31-60	61-90	90>
Top industries:								
Nonclassified	9	21,100	7,500	86	7	-	7	-
Telephone communictns	7	47,700	35,000	92	8	-	-	-
Arrange cargo transpt	6	20,350	7,500	18	19	25	-	38
Whol computers/softwr	5	58,500	25,000	78	1	21	-	-
Whol electronic parts	4	48,100	45,000	47	47	6	-	-
Misc business credit	1	35,000	35,000	100	-	-	-	-
Computer system desgn	1	25,000	25,000	100	-	-	-	-
Ret-direct selling	1	7,500	7,500	50	-	50	-	-

Public finance	1	5,000	5,000	100	-	-	-	-
Mfg computers	1	5,000	5,000	50	50	-	-	-
OTHER INDUSTRIES	26	18,200	2,500	57	18	21	4	-

Other payment categories:

Cash experiences	0	0	0					
Payment record unknown	3	60,250	45,000					
Unfavorable comments	0	0	0					

Placed for collections:

With D&B	0	0						
Other	0	N/A						
Total in D&B's file	65	351,700	45,000					

The highest **Now Owes** on file is \$15,000

The highest **Past Due** on file is \$10,000

D&B receives nearly 400 million payment experiences each year. We enter these new and updated experiences into D&B Reports as this information is received.

NEW! Have FORGENT NETWORKS, INC's payment habits changed over time?	?
A Payment Trends Profile will show you - View Now	

PAYMENT DETAILS

Detailed payment history

Date Reported (mm/yy)	Paying Record	High Credit (\$)	Now Owes (\$)	Past Due (\$)	Selling Terms	Last Sale Within (months)
06/04	Ppt	7,500	100	100		2-3 mos
	Slow 30-90	2,500	0	0		1 mo
05/04	Ppt	35,000	10,000	0	Lease Agreemnt	1 mo
	Ppt	35,000	500	0		1 mo
	Ppt	25,000	5,000	0	N30	1 mo
	Ppt	5,000	2,500	0		1 mo
	Ppt	5,000	0	0		1 mo
	Ppt	750	750	0		1 mo
	Ppt	250	250	0		1 mo
	Ppt	250	0	0		6-12 mos
	Ppt	100	100	0		1 mo
	Ppt	100	50	0		1 mo
	Ppt	0	0	0		6-12 mos
	Ppt-Slow 30	45,000	10,000	10,000		1 mo
	Ppt-Slow 30	5,000	0	0		4-5 mos
	Ppt-Slow 30	2,500	2,500	0		1 mo
	Ppt-Slow 30	250	0	0		6-12 mos
	Ppt-Slow 45	25,000	15,000	1,000		1 mo
	Ppt-Slow 60	7,500	0	0	N30	2-3 mos
	Ppt-Slow 60	5,000	250	0		1 mo
	Ppt-Slow 60	2,500	2,500	500		1 mo
	Ppt-Slow 60	250	100	0		1 mo
	Ppt-Slow 90	750	0	0		6-12 mos
	Ppt-Slow 90	500	500	500		2-3 mos
	Ppt-Slow 120	2,500	0	0		2-3 mos

	Slow 30	50	0	0		6-12 mos
	Slow 30	50	0	0		6-12 mos
	Slow 60	2,500	0	0		6-12 mos
	Slow 60	500	0	0	N45	6-12 mos
	Slow 30-60+	500	0	0		6-12 mos
	Slow 120	250	250	250		
04/04	Ppt	2,500	50	0		1 mo
	Ppt	500	0	0	N30	6-12 mos
	Slow 90	50	0	0		6-12 mos
03/04	Ppt	5,000	2,500	0		1 mo
	Ppt	2,500	0	0		2-3 mos
	Ppt	1,000	500	0		1 mo
	Ppt	100	0	0	N30	6-12 mos
	Ppt	50	0	0		1 mo
	Ppt	50	50	0		1 mo
	Slow 30	500	500	250	N30	1 mo
	Slow 30	500	0	0		6-12 mos
	Slow 30-90+	7,500	1,000	1,000	N30	2-3 mos
	Slow 60-90+	5,000	500	500	N30	6-12 mos
	(045)	250	250	250	N30	
	(046)	50				6-12 mos
	Satisfactory.					
12/03	Ppt	25,000	0	0		6-12 mos
11/03	Slow 30	2,500	0	0		6-12 mos
	Slow 30	1,000	0	0	N30	6-12 mos
10/03	Slow 30	100	0	0	N30	6-12 mos
	(051)	750				1 mo
	Satisfactory.					
09/03	Ppt	100	100	0		1 mo
08/03	Ppt	7,500	0	0		6-12 mos
	Slow 15	1,000	100	100		2-3 mos
	Slow 60	2,500	0	0	N15	6-12 mos
	(056)	15,000	0	0	N30	6-12 mos
07/03	(057)	45,000	0	0	N30	6-12 mos
06/03	Ppt	2,500	0	0		6-12 mos
	Slow 5-30	250	250	250		
05/03	Ppt	5,000				2-3 mos
	Ppt	250	0	0		6-12 mos
04/03	Ppt	250	250	0		1 mo
	Slow 30	100	0	0		6-12 mos
03/03	Ppt	250	0	0		6-12 mos
	(065)	50				6-12 mos
	Satisfactory.					

Payment experiences reflect how bills are met in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, skipped invoices etc.

Each experience shown is from a separate supplier. Updated trade experiences replace those previously reported.

NEW!	Have FORGENT NETWORKS, INC's payment habits changed over time?	
A Payment Trends Profile will show you - View Now		

STATEMENT UPDATE

06/15/2004

Interim Consolidated statement dated APR 30 2004:

Assets		Liabilities	
Cash	17,434,000	Accts Pay	1,268,000
Accts Rec	634,000	Notes Pay	355,000
Notes Rec	77,000	Deferred Revenue	531,000
Mktble Securities	3,675,000	Accruals	1,900,000
Prepaid Exps & Other Current Assets	432,000		
Curr Assets	\$ 22,252,000	Curr Liabs	\$ 4,054,000
Fixt & Equip	3,478,000	Deferred Revenue	41,000
Intangible Assets-Net	308,000	Other Long-Term Obligations	2,511,000
Other Assets	266,000	COMMON STOCK	265,000
		ADDIT. PD.-IN CAP	264,540,000
		TREASURY STOCK	(4,685,000)
		RETAINED EARNINGS	(240,433,000)
		ADJUSTMENTS	11,000
Total Assets	\$ 26,304,000	Total	\$ 26,304,000

From AUG 01 2003 to APR 30 2004 sales \$11,300,000; cost of goods sold \$11,212,000. Gross profit \$88,000; operating expenses \$20,506,000. Operating income \$(20,418,000); other income \$737,000; other expenses \$761,000; net income before taxes \$(20,442,000); (net loss) \$20,442,000.

Statement obtained from Securities And Exchange Commission. Prepared from books without audit.

Accounts receivable shown net less \$145,000 allowance.

Explanations

Adjustments consists of Unearned compensation and Accumulated other comprehensive income.

FINANCE

11/19/2003

Three-year statement comparative:

	Fiscal Consolidated Jul 31 2001	Fiscal Consolidated Jul 31 2002	Fiscal Consolidated Jul 31 2003
Current Assets	44,852,000	21,603,000	34,992,000
Current Liabs	25,050,000	8,317,000	6,126,000
Current Ratio	1.79	2.6	5.71
Working Capital	19,802,000	13,286,000	28,866,000
Other Assets	24,854,000	20,975,000	12,257,000
LT Liabilities	3,034,000	1,983,000	1,869,000
Net Worth	41,622,000	32,278,000	39,254,000
Sales	103,000	33,386,000	53,864,000
Net Income (Loss)	(32,540,000)	(6,103,000)	8,020,000
Deprec & Amort	3,783,000	2,029,000	2,585,000
Cash Prov (Used) Op	1,147,000	9,618,000	2,228,000
Capital Expenditures	1,848,000	786,000	136,000
Research & Devel	7,439,000	3,210,000	3,869,000

Fiscal Consolidated statement dated JUL 31 2003:

Assets

Liabilities

Cash	21,201,000	Accts Pay	3,178,000
Accts Rec	9,457,000	Notes Pay	323,000
Notes Rec	74,000	Deferred Revenue	281,000
Mktble Securities	3,845,000	Accruals	2,344,000
Present Expenses & Oth Curr Assets	415,000		
Curr Assets	\$ 34,992,000	Curr Liabs	\$ 6,126,000
Fixt & Equip	2,158,000	Other Long-Term Obligations	1,810,000
Intangible Assets	5,042,000	Def. Credits/Income	59,000
Capitalized Software	4,827,000	COMMON STOCK	261,000
Other Assets	230,000	ADDIT. PD.-IN CAP	263,875,000
		TREASURY STOCK	(4,231,000)
		RETAINED EARNINGS	(219,991,000)
		ADJUSTMENTS	(660,000)
Total Assets	\$ 47,249,000	Total	\$ 47,249,000

From AUG 01 2002 to JUL 31 2003 annual sales \$53,864,000; cost of goods sold \$28,306,000. Gross profit \$25,558,000; operating expenses \$16,022,000. Operating income \$9,536,000; other income \$759,000; other expenses \$2,149,000; net income before taxes \$8,146,000; Federal income tax \$126,000. Net income \$8,020,000.

Prepared from statement(s) by Accountant: Ernst & Young LLP, Austin, TX.

ACCOUNTANT'S OPINION

A review of the accountant's opinion indicates the financial statements meet generally accepted accounting principles and that the audit contains no qualifications.

Accounts receivable shown net less \$163,000 allowance. Fixed assets shown net less \$4,155,000 depreciation.

Explanations

Adjustments consists unearned compensation and accumulated other comprehensive income.

The net worth of this company includes intangibles.

The July 31, 2003 fiscal financial statement reflects a good condition with satisfactory liquidity and leverage positions. The company reported two years of net losses in 2001 and 2002, but did report a profit in 2003. Some slowness in payments is reported by vendors. An overall fair composite credit appraisal is assigned at this time.

On Nov 19, 2003 the report was updated using information the company filed with the Securities and Exchange Commission.

KEY BUSINESS RATIOS

Statement date: JUL 31 2003
Based on this number of establishments: 36

Firm		Industry Median	
Return of Sales:	14.9	Return of Sales:	2.0
Current Ratio:	5.7	Current Ratio:	2.9
Assets / Sales:	87.7	Assets / Sales:	59.8
Total Liability / Net Worth:	20.4	Total Liability / Net Worth:	44.6

PUBLIC FILINGS

The following Public Filing data is for information purposes only and is not the official record. Certified copies can only be obtained from the official source.

LIENS

A lienholder can file the same lien in more than one filing location. The appearance of multiple liens filed by the same lienholder against a debtor may be indicative of such an occurrence.

Amount: \$1,120 Withholding
Status: Open

DOCKET NO.: 02007356
Type: State Tax
Filed by: STATE OF MARYLAND
Against: FORGENT NETWORKS INC.
Where filed: BALTIMORE CITY CIRCUIT COURT, BALTIMORE, MD

Date status attained: 11/01/2002
Date filed: 11/01/2002
Latest Info Received: 03/10/2003

Status: **Open**
FILING NO.: 0111460759
Type: State Tax
Filed by: EMPLOYMENT DEVELOPMENT DEPARTMENT
Against: VTEL CORPORATION
Where filed: SECRETARY OF STATE/UCC DIVISION, SACRAMENTO, CA

Date status attained: 04/18/2001
Date filed: 04/18/2001
Latest Info Received: 05/04/2001

Status: **Open**
FILING NO.: 0104460461
Type: State Tax
Filed by: EMPLOYMENT DEVELOPMENT DEPARTMENT
Against: VTEL CORPORATION
Where filed: SECRETARY OF STATE/UCC DIVISION, SACRAMENTO, CA

Date status attained: 02/06/2001
Date filed: 02/06/2001
Latest Info Received: 02/27/2001

Amount: **\$3,646**
Status: **Open**
FILING NO.: G783810
Type: State Tax
Filed by: EMPLOYMENT DEVELOPMENT DEPARTMENT
Against: VTEL CORPORATION
Where filed: SAN FRANCISCO COUNTY RECORDERS OFFICE, SAN FRANCISCO, CA

Date status attained: 06/07/2000
Date filed: 06/07/2000
Latest Info Collected: 06/21/2000

UCC FILINGS

Collateral: All Assets including proceeds and products - All Account(s) including proceeds and products - All General intangibles(s) including proceeds and products
Type: Original
Sec. party: SILICON VALLEY BANK, SANTA CLARA, CA
Debtor: VTEL CORPORATION
Filing number: 01002475
Filed with: SECRETARY OF STATE/UCC DIVISION, AUSTIN, TX

Date filed: 01/05/2001
Latest Info Received: 01/31/2001

Collateral: Negotiable instruments and proceeds - Account(s) and proceeds - General intangibles(s) and proceeds - Contract rights and proceeds - Chattel paper and proceeds
Type: Original
Sec. party: SILICON VALLEY BANK, SANTA CLARA, CA
Debtor: FORGENT NETWORKS, INC.
Filing number: 3295996 6
Filed with: SECRETARY OF STATE/UCC DIVISION, DOVER, DE

Date filed: 11/11/2003
Latest Info Received: 02/02/2004

Collateral: Negotiable instruments and proceeds - Inventory and proceeds - Assets and proceeds - Account(s) and proceeds - and OTHERS
Type: Original
Sec. party: SILICON VALLEY BANK, SANTA CLARA, CA
Debtor: VTEL CORPORATION
Filing number: 99091602
Filed with: SECRETARY OF STATE/UCC DIVISION, AUSTIN, TX

Date filed: 05/10/1999
Latest Info Received: 05/28/1999

Collateral: Negotiable instruments and proceeds - Inventory and proceeds - Account(s) and proceeds - Vehicles and proceeds - and OTHERS
Type: Original
Sec. party: SILICON VALLEY BANK SERVICING AGENT, SANTA CLARA, CA
Debtor: VTEL CORPORATION VTEL CORPORATION, KING OF PRUSSIA, PA
Filing number: 30250092
Filed with: SECRETARY OF STATE/UCC DIVISION, HARRISBURG, PA

Date filed: 05/10/1999
Latest Info Received: 06/17/1999

Collateral: Negotiable instruments and proceeds - Inventory and proceeds - Assets and proceeds - Account(s) and proceeds - and OTHERS
Type: Original
Sec. party: SILICON VALLEY BANK, IN ITS CAPACITY AS SERVICING AGENT, SANTA CLARA, CA
Debtor: VTEL CORPORATION VTEL CORPORATION, SUNNYVALE, CA
Filing number: 9913161046
Filed with: SECRETARY OF STATE/UCC DIVISION, SACRAMENTO, CA

Date filed: 05/10/1999
Latest Info Received: 05/19/1999

Type: Continuation
Sec. party: SILICON VALLEY BANK, IN ITS CAPACITY AS SERVICING AGENT, SANTA CLARA, CA
Debtor: VTEL CORPORATION, SUNNYVALE, CA and OTHERS
Filing number: 04133C0280
Filed with: SECRETARY OF STATE/UCC DIVISION, SACRAMENTO, CA

Date filed: 05/07/2004
Latest Info Received: 05/18/2004
Original UCC filed date: 05/10/1999
Original filing no.: 9913161046

Collateral: Specified Negotiable instruments
Type: Partial release
Sec. party: NATIONSBANK OF TEXAS, NA, AUSTIN, TX
Debtor: VTEL CORPORATION
Filing number: 94660593
Filed with: SECRETARY OF STATE/UCC DIVISION, AUSTIN, TX

Date filed: 05/16/1994
Latest Info Received: 08/31/1994
Original UCC filed date: 11/03/1993
Original filing no.: 93-211975

Collateral: All Inventory including proceeds and products - All Account(s) including proceeds and products - All Contract rights including proceeds and products
Type: Original
Sec. party: SILICON VALLEY BANK, PALO ALTO, CA
Debtor: VTEL CORPORATION
Filing number: 95018563
Filed with: SECRETARY OF STATE/UCC DIVISION, AUSTIN, TX

Date filed: 01/30/1995
Latest Info Received: 02/07/1995

Collateral: SECURITY AGREEMENT

Type: Assignment
Assignee: SILICON VALLEY BANK, AS SERVICING AGENT, SANTA CLARA, CA
Debtor: VTEL CORPORATION
Filing number: 95018563
Filed with: SECRETARY OF STATE/UCC DIVISION, AUSTIN, TX

Date filed: 01/29/1998
Latest Info Received: 03/03/1998
Original UCC filed date: 01/30/1995
Original filing no.: 95018563

Collateral: Account(s)
Type: Partial release
Assignee: SILICON VALLEY BANK, AS SERVICING AGENT, SANTA CLARA, CA
Debtor: VTEL CORPORATION
Filing number: 95018563
Filed with: SECRETARY OF STATE/UCC DIVISION, AUSTIN, TX

Date filed: 01/29/1998
Latest Info Received: 03/03/1998
Original UCC filed date: 01/30/1995
Original filing no.: 95018563

Type: Release
Assignee: SILICON VALLEY BANK, AS SERVICING AGENT, SANTA CLARA, CA
Debtor: VTEL CORPORATION
Filing number: 95018563
Filed with: SECRETARY OF STATE/UCC DIVISION, AUSTIN, TX

Date filed: 02/11/1999
Latest Info Received: 02/18/1999
Original UCC filed date: 01/30/1995
Original filing no.: 95018563

Type: Release
Assignee: SILICON VALLEY BANK, AS SERVICING AGENT, SANTA CLARA, CA
Debtor: VTEL CORPORATION
Filing number: 95018563
Filed with: SECRETARY OF STATE/UCC DIVISION, AUSTIN, TX

Date filed: 05/14/1999
Latest Info Received: 05/20/1999
Original UCC filed date: 01/30/1995
Original filing no.: 95018563

Collateral: Inventory and proceeds - Account(s) and proceeds - Computer equipment and proceeds - Contract rights and proceeds
Type: Original
Sec. party: SILICON VALLEY BANK, IN ITS CAPACITY AS SERVICING AGENT ON B, SANTA CLARA, CA
Debtor: VTEL CORPORATION
Filing number: 97247982
Filed with: SECRETARY OF STATE/UCC DIVISION, AUSTIN, TX

Date filed: 12/05/1997
Latest Info Received: 12/31/1997

Type: Release
Sec. party: SILICON VALLEY BANK, IN ITS CAPACITY AS SERVICING AGENT ON B, SANTA CLARA, CA
Debtor: VTEL CORPORATION
Filing number: 97247982
Filed with: SECRETARY OF STATE/UCC DIVISION, AUSTIN, TX

Date filed: 02/11/1999
Latest Info Received: 02/18/1999
Original UCC filed date: 12/05/1997
Original filing no.: 97247982

Type: Release

Sec. party: SILICON VALLEY BANK, IN ITS CAPACITY AS SERVICING AGENT ON B, SANTA CLARA, CA
Debtor: VTEL CORPORATION
Filing number: 97247982
Filed with: SECRETARY OF STATE/UCC DIVISION, AUSTIN, TX

Date filed: 05/03/1999
Latest Info Received: 05/10/1999
Original UCC filed date: 12/05/1997
Original filing no.: 97247982

Collateral: Leased Inventory including proceeds and products - Account(s) including proceeds and products - Chattel paper including proceeds and products - General intangibles(s) including proceeds and products - and OTHERS

Type: Original
Sec. party: NTFC CAPITAL CORPORATION, FRANKLIN, TN
Debtor: VTEL CORPORATION
Filing number: 9822261026
Filed with: SECRETARY OF STATE/UCC DIVISION, SACRAMENTO, CA

Date filed: 08/10/1998
Latest Info Received: 08/19/1998

Collateral: Leased Inventory including proceeds and products - Account(s) including proceeds and products - Chattel paper including proceeds and products - General intangibles(s) including proceeds and products - and OTHERS

Type: Amendment
Sec. party: NTFC CAPITAL CORPORATION, FRANKLIN, TN
Debtor: VTEL CORPORATION
Filing number: 99139C0360
Filed with: SECRETARY OF STATE/UCC DIVISION, SACRAMENTO, CA

Date filed: 05/18/1999
Latest Info Received: 06/03/1999
Original UCC filed date: 08/10/1998
Original filing no.: 9822261026

Collateral: Leased Inventory including proceeds and products - Account(s) including proceeds and products - Chattel paper including proceeds and products - General intangibles(s) including proceeds and products - and OTHERS

Type: Original
Sec. party: NTFC CAPITAL CORPORATION, FRANKLIN, TN
Debtor: VTEL CORPORATION
Filing number: 98160998
Filed with: SECRETARY OF STATE/UCC DIVISION, AUSTIN, TX

Date filed: 08/10/1998
Latest Info Received: 08/26/1998

Collateral: Leased Inventory including proceeds and products - Account(s) including proceeds and products - Chattel paper including proceeds and products - General intangibles(s) including proceeds and products - and OTHERS

Type: Amendment
Sec. party: NTFC CAPITAL CORPORATION, FRANKLIN, TN
Debtor: VTEL CORPORATION
Filing number: 98160998
Filed with: SECRETARY OF STATE/UCC DIVISION, AUSTIN, TX

Date filed: 05/10/1999
Latest Info Received: 06/14/1999
Original UCC filed date: 08/10/1998
Original filing no.: 98160998

There are additional UCC's in D&B's file on this company available by contacting 1-800-234-3867.

The public record items contained in this report may have been paid, terminated, vacated or released prior to the date this report was printed.

GOVERNMENT ACTIVITY

Activity summary

Borrower (Dir/Guar):	NO
Administrative debt:	NO
Contractor:	YES
Grantee:	NO
Party excluded from federal program(s):	NO

Possible candidate for socio-economic program consideration

Labor surplus area:	N/A
Small Business:	YES (2004)
8(A) firm:	N/A

The details provided in the Government Activity section are as reported to Dun & Bradstreet by the federal government and other sources.

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