

As filed with the Securities and Exchange Commission on June 4, 1997
Registration No. 333-_____

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-8
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

VTEL CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

74-2415696
(I.R.S. Employer
Identification No.)

108 WILD BASIN ROAD
AUSTIN, TEXAS
(Address of principal executive offices)

78746
(Zip Code)

VTEL CORPORATION 1996 STOCK OPTION PLAN
(Full title of the plan)

RODNEY S. BOND
CHIEF FINANCIAL OFFICER
108 WILD BASIN ROAD
AUSTIN, TEXAS 78746
(Name, address and telephone number
including area code of agent for service)

COPY TO:
L. STEVEN LESHIN, ESQ.
JENKENS & GILCHRIST,
A PROFESSIONAL CORPORATION
1445 ROSS AVENUE, SUITE 3200
DALLAS, TEXAS 75202

CALCULATION OF REGISTRATION FEE

TITLE OF CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED (1)	PROPOSED MAXIMUM OFFERING PRICE PER SHARE (2) (3)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (2) (3)	AMOUNT OF REGISTRATION FEE (3)
Common Stock, \$0.01 par value per share	2,700,000 Shares	\$5.9375	\$16,509,987.64	\$5,448.30

(1) The securities to be registered consist of 2,700,000 shares reserved for issuance under the VTEL Corporation 1996 Stock Option Plan (the "Plan"). In addition, pursuant to Rule 416 under the Securities Act of 1933, this Registration Statement covers an indeterminate number of additional shares of the Corporation's Common Stock (the "Common Stock") issuable pursuant to the exercise of options and/or awards granted or to be granted under the Plan to prevent dilution which may result from any future stock splits, stock dividends or similar transactions affecting the Common Stock. These additional shares are also being registered by this Registration Statement.

(2) Estimated solely for the purpose of calculating the registration fee.

(3) Calculated pursuant to Rule 457(c) and (h). Accordingly, the price per share of the Common Stock offered hereunder pursuant to the Plan is based on (i) 2,147,012 shares of Common Stock reserved for issuance under the Plan, but not subject to outstanding stock options, at a price per share of \$5.9375, which is the average of the highest and lowest selling price per share of Common Stock on the NASDAQ National Market on May 30, 1997, and (ii) the following shares of Common Stock reserved for issuance under the Plan and subject to options already granted thereunder at the following exercise prices:

NUMBER OF SHARES
OF COMMON STOCK
RESERVED FOR ISSUANCE

EXERCISE PRICE
PER SHARE

1,734	4.063
10,000	4.532
84,015	6.688
9,880	8.125
101,000	9.000
11,250	9.063
15,000	9.938
14,789	4.094
4,345	5.938
50,975	5.688
250,000	6.125

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PART I

INFORMATION REQUIRED IN THE SECTION 10(A) PROSPECTUS

ITEM 1. PLAN INFORMATION*

ITEM 2. REGISTRANT INFORMATION AND EMPLOYEE PLAN ANNUAL INFORMATION*

PART II

INFORMATION REQUIRED IN REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE.

The registrant hereby incorporates by reference in this registration statement the following documents previously filed by the registrant with the Securities and Exchange Commission (the "Commission"):

(1) the registrant's Annual Report on Form 10-K filed with the Commission for the transition period ended July 31, 1996;

(2) the registrant's Annual Report on Form 10-K/A filed with the Commission for the transition period ended July 31, 1996;

(3) the registrant's Quarterly Reports on Form 10-Q for the quarters ended October 31, 1996, and January 31, 1997, filed with the Commission;

(4) the registrant's Current Report on Form 8-K dated May 23, 1996, filed with the Commission;

(5) the registrant's Current Report on Form 8-K dated July 10, 1996, filed with the Commission;

(6) the registrant's Current Report on Form 8-K dated January 6, 1997, filed with the Commission; and

(7) the description of the Common Stock of the registrant set forth in the Registration Statement on Form 8-A, filed with the Commission on March 31, 1992, including any amendment or report filed for the purpose of updating such description.

All documents filed by the registrant with the Commission pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), subsequent to the date of this registration statement shall be deemed to be incorporated herein by reference and to be a part hereof from the date of the filing of such documents until such time as there shall have been filed a post-effective amendment that indicates that all securities offered hereby have been sold or that deregisters all securities remaining unsold at the time of such amendment.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL.

None.

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*Information required by Part I to be contained in the Section 10(a) prospectus is omitted from this Registration Statement in accordance with Rule 428 under the Securities Act of 1933 and the Note to Part I of Form S-8.

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ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The Fourth Amended and Restated Certificate of Incorporation of the registrant provides for indemnification as follows:

"NINTH: The Corporation shall indemnify any person:

(a) who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had reasonable cause to believe his action was unlawful, or

(b) who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matters as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

To the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subparagraphs (a) and (b) of this Article 9, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Any indemnification under subparagraphs (a) and (b) of this Article 9 (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subparagraphs (a) and (b) of this Article 9. Such determination shall be made (i) by the Board of Directors by a majority vote of the quorum consisting of directors who were not parties to such

action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the stockholders.

Expenses (including attorneys' fees) incurred by an officer or director in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Article 9. Such expenses

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(including attorneys' fees) incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

The indemnification and advancement of expenses provided by, or granted pursuant to, this Article 9 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article 9.

For purposes of this Article 9, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article 9 with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

For purposes of this Article 9, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article 9.

The indemnification and advancement of expenses provided by, or granted pursuant to, this Article 9 shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person."

ITEM 8. EXHIBITS.

(a) Exhibits.

The following documents are filed as a part of this registration statement.

Exhibit	Description of Exhibit
4.1*	VTEL Corporation 1996 Stock Option Plan
4.2*	Form of Option Agreement
5.1*	Opinion of Jenkens & Gilchrist, a Professional Corporation

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23.1* Consent of Jenkens & Gilchrist, a Professional Corporation
(included in their opinion filed as Exhibit 5.1)

23.2* Consent of Price Waterhouse LLP.

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* Filed herewith.

ITEM 9. UNDERTAKINGS.

A. The undersigned registrant hereby undertakes:

(1) to file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

(2) that, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; and

(3) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

B. The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

C. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against

public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Austin, Texas, on April 29, 1997.

VTEL CORPORATION

By: /s/ F. H. (Dick) Moeller

F. H. (Dick) Moeller,
Chief Executive Officer and Chairman
of the Board of Directors

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each individual whose signature appears below constitutes and appoints F.H. (Dick) Moeller and Rodney S. Bond and each of this, each with full power to act without the other, his true and lawful attorneys-in-fact and agents, each with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Registration Statement, and to file the same with all exhibits, thereto, and all documents in connection therewith, with the SEC, granting unto each of said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents or his substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE -----	CAPACITY -----	DATE ----
/s/ F.H. (Dick) Moeller ----- F.H. (Dick) Moeller	Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	April 29, 1997
/s/ Rodney S. Bond ----- Rodney S. Bond	Chief Financial Officer, Vice President - Finance, Treasurer and Secretary (Principal Financial Officer and Principal Accounting Officer)	April 29, 1997
/s/ John V. Jagers ----- John V. Jagers	Director	April 30, 1997
/s/ Eric L. Jones ----- Eric L. Jones	Director	April 30, 1997
/s/ Gordon H. Matthews ----- Gordon H. Matthews	Director	May 4, 1997

EXHIBIT 4.1

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VTEL CORPORATION
1996 STOCK OPTION PLAN

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VTEL CORPORATION

1996 STOCK OPTION PLAN

1. Purposes of the Plan. The purposes of this Plan are to attract and retain, and provide additional incentive to Employees and Consultants of the Company and any Parent or Subsidiary in order to promote the success of such Employer's business.

It is intended that each option granted hereunder will either qualify as an "incentive stock option", as defined in Section 422 of the Internal Revenue Code of 1986, as amended (the "Code") or shall be an option which does not so qualify.

2. Definitions. As used herein, the following definitions shall apply:

(a) "Board" shall mean the Board of Directors of the Company.

(b) "Committee" shall mean the Committee appointed by the Board in accordance with paragraph (a) of Section 4 of the Plan.

(c) "Common Stock" shall mean the share or shares of common stock, par value \$.01 per share, of the Company.

(d) "Company" shall mean VTEL Corporation, a Delaware corporation.

(e) "Consultant" shall mean any person or entity who or which is engaged by the Employer to render consulting services and is compensated for such consulting services and any director of the Employer whether compensated for such services or not; provided that, in the event the Company registers any security under Section 12 of the Securities Exchange Act of 1934, as amended, the term Consultant shall thereafter not include directors who are not compensated for their services and are paid only a director's fee by the Employer.

(f) "Continuous Status as an Employee or Consultant" shall mean the absence of any interruption or termination of service as an Employee or Consultant. Continuous Status as an Employee or Consultant shall not be considered interrupted while an Employee or Consultant is on sick leave, military leave, or any other leave of absence approved by the Employer, if the period of such leave does not exceed 90 days, or, if longer, so long as the Employee's or Consultant's right to reemployment or to continue consulting services, as the case may be, with the Employer is guaranteed either by statute or by contract.

(g) "Date of Grant" shall mean the date on which the Committee takes formal action to grant an Option as provided in Section 12.

(h) "Designated Plans" shall mean, collectively, this Plan, the VTEL [Videotelecom Corp.] 1989 Stock Option Plan, and the VTEL Corporation Employee Stock Purchase Plan.

(i) "Eligible Committee Member" shall mean a person who is an "outside director" within the meaning of Section 162(m)(4)(C)(i) of the Code and the applicable treasury regulations at the time of reference, and also is a person having such qualifications, if any, as are necessary under Rule 16b-3, promulgated under the Securities Exchange Act of 1934, as amended, or any successor regulation or statute adopted under the federal securities laws as in effect at the time of the determination, to enable the Plan to comply with such Rule.

(j) "Employee" shall mean any person, including an officer or director, employed by the Employer. The payment of a director's fee by the Employer shall not be sufficient to constitute "employment" by the Employer.

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(k) "Employer" shall mean, collectively, the Company and any Parent or Subsidiary.

(l) "Exercise Price" shall mean the per Share price required to be paid by the Optionee in order to exercise his right to acquire the Share under the terms of the Option.

(m) "Fair Market Value" shall mean the fair market value of Shares as determined under Section 8(b).

(n) "Incentive Stock Option" shall mean an option intended to qualify as an incentive stock option within the meaning of Section 422A(b) of the Code.

(o) "Non-Statutory Stock Option" shall mean an option which is not intended to qualify as an Incentive Stock Option.

(p) "Option" shall mean an option which is granted pursuant to the Plan to purchase Shares.

(q) "Option Proceeds" shall mean the cash proceeds received by the Company from the exercise subsequent to December 31, 1991 of stock options granted under the Designated Plans.

(r) "Optioned Stock" shall mean the shares of Common Stock subject to an Option.

(s) "Optionee" shall mean an Employee or Consultant to whom an Option has been granted.

(t) "Parent" shall mean a "parent corporation" of the Company as defined in Section 425(e) of the Code. -----

(u) "Plan" shall mean this VTEL Corporation 1996 Stock Option Plan.

(v) "Reacquired Shares" shall mean Shares, if any, reacquired by the Company on the open market, but which shall not, at the time of reference, exceed, in the aggregate, the lesser of (i) Shares having an aggregate purchase price equal to the Option Proceeds at such time of reference, and (ii) fifty percent (50%) of the aggregate Shares (excluding Reacquired Shares) authorized in the first paragraph of Section 5, as it may be in effect at such time of reference.

(w) "Separation" shall mean the date on which an Employee or Consultant ceases to have such employment or consulting relationship with the Employer for any reason.

(x) "Share" shall mean a share of Common Stock.

(y) "Shareholder Approval" shall mean the affirmative vote of the holders of a majority of the shares present in person or represented by proxy at the shareholder meeting of reference and entitled to vote on the matter in question.

(z) "Subsidiary" shall mean a "subsidiary corporation", of the Company as defined in Section 425(f) of the Code.

3. Stock Subject to the Plan. Subject to the provisions of Section 11 of the Plan, the aggregate number of Shares which may be optioned and sold under the Plan is seven hundred thousand (700,000), plus Reacquired Shares. The Shares may be authorized, but unissued, or reacquired.

If Shares are received by the Company in connection with the exercise of an Option hereunder by the delivery of Shares (if authorized), or if an Option should expire or become unexercisable for any reason without having been exercised in full, such Shares received, or remaining unpurchased, shall be available for future grant under the Plan.

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4. Administration of the Plan.

(a) Procedure. The Plan shall be administered by a committee (the "Committee") of two or more directors of the Company appointed by the Board.

(i) Each member of the Committee must be an Eligible Committee Member. Accordingly, without limitation, under the regulations in existence as of the effective date of the Plan, a member of the Committee (x) shall not be granted or awarded Options under the Plan, (y) shall not be granted or awarded options, grants, awards or other rights pursuant to any other stock, stock option or stock appreciation rights plan of the Employer or any of its affiliates (each, an "Other Plan") if a grant or award under such plan would cause such person not to be or to lose his status as an Eligible Committee Member (each, a "Disqualifying Grant") and (z) shall not have been granted or awarded any Options under the Plan and shall not have been granted or awarded any Disqualifying Grant under any Other Plan at any time after one year prior to the date of his appointment to the Committee; provided, however, in the event that the regulations in existence as of the effective date of the Plan were modified in a manner that would permit any of the foregoing items specified in clauses (x), (y) or (z) of this Section 4(a)(i), the restrictions contained in clauses (x), (y) and (z) of this Section 4(a)(i) shall be correspondingly amended to permit the otherwise proscribed matter.

(ii) If a member of the Committee ceases to be an Eligible Committee Member for any reason, such person shall immediately, without any action by the Board, cease to be a member of the Committee.

(iii) Any and all determinations and interpretations of the Committee shall be made either (w) by a majority vote of the Committee members at a meeting duly called, or (x) without a meeting, by the written approval of all members of the Committee. Nothing herein shall preclude the Committee from delegating its authority (except that authority which is required to be retained and exercised in order (y) to comply with the requirements of Rule 16b-3 under the Securities and Exchange Act of 1934, as amended, and (z) to exclude all amounts relating to each Option from constituting "applicable employee remuneration" under Section 162(m) of the Code) to an officer of the Company.

(b) Powers of the Committee. Subject to the provisions of the Plan, the Committee, from time to time, may adopt rules and regulations for carrying out the purposes of the Plan. The determinations under, and the interpretations of, any provision of the Plan or an Option by the Committee shall, in all cases, be in its sole discretion, and shall be final and conclusive. Without limiting the generality of the foregoing, the Committee, in its sole discretion, shall have the authority: (i) to grant Options; (ii) to determine, in accordance with Section 8(b) of the Plan, the Fair Market Value of a Share; (iii) to determine the Exercise Price; (iv) to determine the Employees and Consultants to whom, and the time or times at which, Options shall be granted, the number of Shares to be represented by each Option and whether such Options shall be Incentive Stock Options, Non-Statutory Stock Options, or any combination thereof; (v) to interpret the Plan; (vi) to prescribe, amend and rescind rules and regulations relating to the Plan; (vii) to determine the terms and provisions of each Option granted (which need not be identical) and, with the consent of the holder thereof, to modify or amend any outstanding Option; (viii) to accelerate or defer, with the consent of the holder thereof, the exercise date of any outstanding Option; (ix) to authorize any person to execute on behalf of the Company any instrument required to effectuate the grant of an Option previously granted by the Committee; and (x) to make all other determinations deemed necessary or advisable for the administration of the Plan.

(c) Effect of Committee's Decision. All decisions, determinations and interpretations of the Committee shall be final and binding on all Optionees and any other holders of any Options granted under the Plan.

5. Eligibility.

(a) Incentive Stock Options may be granted only to Employees. Non-Statutory Stock Options may be granted to either Employees or Consultants. An Employee or Consultant who has been granted an Option may, if he is otherwise eligible, be granted an additional Option or Options; provided, however, that in no case may an Employee be granted an Option covering more than three hundred thousand (300,000) Shares during any calendar year.

(b) The Plan shall not confer upon any Optionee any right with respect to continuation of employment by, or consulting relationship with, the Employer, nor shall it interfere in any way with his right or the Employer's right to

terminate his employment or consulting relationship at any time, nor shall the reference to "Employer" confer an employment relationship on a Consultant.

(c) \$100,000 Limitation on Annual Vesting of Incentive Stock Options. The aggregate Fair Market Value (determined as of the Date of Grant) of the Shares with respect to which any one or more Incentive Stock Option(s) granted hereunder or under all such plans of the Employer is exercisable for the first time by an Optionee during any calendar year shall not exceed \$100,000.

6. Term of Plan. The Plan shall become effective April 8, 1996, subject to Shareholder Approval, and shall expire on the tenth anniversary of the effective date.

7. Term of Option. The term of each Option shall be of such length, not to exceed ten (10) years (five years in the case of an Incentive Stock Option granted to an Employee who on the Date of Grant owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Employer) from the Date of Grant, as may be determined by the Committee.

8. Exercise Price and Method of Payment.

(a) The Exercise Price shall be determined by the Committee, but in the case of an Incentive Stock Option, such Exercise Price shall not be less than 100% (or, in the case of an Incentive Stock Option granted to an Employee who, at the time of grant, owns stock representing more than ten (10%) percent of the voting power of all classes of stock of the Employer, 110%) of the Fair Market Value per Share on the Date of Grant.

(b) The Fair Market Value per Share shall be such amount as the Committee, in its sole discretion shall determine; provided, however, that where there is a public market for the Common Stock, the Fair Market Value per Share shall be determined as follows: (i) if Common Stock is listed or admitted for trading on any United States national securities exchange or included in the National Market System of the National Association of Securities Dealers Automated Quotation System ("NASDAQ/NMS") or the NASDAQ Small Cap Market, the mean of the highest and lowest sales prices of the Common Stock on such exchange or system, on the Date of Grant, as reported by The Wall Street Journal, or (ii) if the securities are quoted on the National Association of Securities Dealers Automated Quotation System (but not NASDAQ/NMS or NASDAQ Small Cap Market) or similar system of automated dissemination of quotations of securities prices in common use, the mean between the closing high bid and low asked quotations, of the securities on such system on the Date of Grant, as reported in such system.

(c) Payment for the Shares upon exercise of an Option shall be made in cash, or by check, or if authorized by the Committee, by promissory note or delivery of other Shares, having a Fair Market Value on the date of delivery equal to the aggregate Exercise Price of the Shares as to which said Option is being exercised, or by any combination of such methods of payment or by any other method of payment as may be permitted under applicable law and authorized by the Committee.

9. Exercise of Option.

(a) Procedure for Exercise; Rights as a Shareholder. Any Option shall be exercisable at such times, and under such conditions, as shall be determined by the Committee, including performance criteria with respect to the Employer and/or the Optionee, and as shall be permissible under the terms of the Plan.

An Option may not be exercised for a fraction of a Share.

An Option shall be deemed to be exercised when written notice of such exercise has been given to the Company in accordance with the terms of the Option by the person entitled to exercise the Option and full payment of the Exercise Price for the Shares with respect to which the Option is exercised has been received by the Company. Full payment may, as authorized by the Committee, consist of any form of consideration and method of payment allowable under Section 8(c) of the Plan. Until the issuance (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company) of the stock certificate evidencing such Shares, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Optioned Stock, notwithstanding the exercise

of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date as of which the stock certificate is issued, except as provided in Section 11 of the Plan.

Each exercise of an Option shall reduce, pro tanto, the total number of Shares that may thereafter be purchased under such Option. Subject to the provisions of the Section 5(c), in no event shall the exercise of an Incentive Stock Option by an Employee have any effect on the exercise of any Non-Statutory Stock Options granted to such Employee, nor shall the exercise of a Non-Statutory Stock Option have any effect on the exercise of any Incentive Stock Options granted to such Employee.

(b) Termination of Status as an Employee or Consultant. Following his date of Separation, an Optionee may, but only within thirty (30) days after such date of Separation, exercise his Option to the extent that he was entitled to exercise it on his date of Separation, and thereafter the unexercised portion of the Option shall terminate.

(c) Disability of Optionee. Notwithstanding the provisions of Section 9(b) above, in the event an Optionee's Separation is the result of permanent and total disability (as defined in Section 22(e)(3) of the Code), he may, but only within twelve (12) months from the date of Separation, exercise his Option to the extent he was entitled to exercise it at the date of Separation. To the extent that he was not entitled to exercise the Option at such date of Separation, or if he does not exercise it within the time specified herein, the unexercised portion of the Option shall terminate.

(d) Death of Optionee. In the event an Optionee's Separation is by reason of death, the Option may be exercised, at any time within twelve (12) months following the date of the Optionee's death, by the Optionee's estate or by a person who acquired the right to exercise the Option by bequest or inheritance, but only as to the number of Shares subject to the Option as to which the right to exercise had accrued to the Optionee at the date of death. Notwithstanding the foregoing, if an Optionee's death occurs within thirty (30) days after Separation, the Option may be exercised at any time within three (3) months following the date of the Optionee's death, by the Optionee's estate or by a person who acquired the right to exercise the Option by bequest or inheritance, but only to the extent of the right to exercise that had accrued at the date of Optionee's Separation.

10. Non-Transferability of Options. Any Option granted hereunder may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Optionee, only by the Optionee.

11. Adjustments Upon Changes in Capitalization or Merger. Subject to any required action by the shareholders of the Company, the number of Shares covered by each outstanding Option, and the aggregate number of Shares which have been authorized for issuance under the Plan, as well as the Exercise Price, shall be proportionately adjusted for any increase or decrease in the number of issued shares of Common Stock resulting from a stock split or the payment of a stock dividend with respect to the Common Stock or any other increase or decrease in the number of issued shares of Common Stock effected without receipt of consideration by the Company; provided, however, that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration". Such adjustment shall be made by the Committee, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or Exercise Price of Shares subject to an Option.

In the event of the proposed dissolution or liquidation of the Employer, or in the event of a proposed sale of all or substantially all of the assets of the Employer, or the merger of the Employer with or into another corporation, any Options of such Employer's Employees or Consultants will terminate immediately prior to the consummation of such proposed action, unless otherwise provided by the Committee. The Committee may, in the exercise of its sole discretion, in such instances declare that any Option shall terminate as of a date fixed by the Committee and give each Optionee the right to exercise his Option as to all or any part of the Optioned Stock, including Shares as to which the Option would

not otherwise be exercisable.

12. Time of Granting Options. Any Option granted hereunder shall be deemed to have been granted on the date on which the Committee makes its determination to grant such Option to the Optionee. Written notice of the

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Committee's determination to grant an Option to an Employee or Consultant shall be given to such Employee or Consultant within a reasonable time after the date of such grant.

13. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Board may terminate the Plan at any time. The Board may amend the Plan at any time in such respects as the Board may deem advisable; provided, that the following amendments shall require Shareholder Approval:

(i) any change in the aggregate number of Shares (subject to the adjustments described herein) subject to the Plan;

(ii) any change in the designation of the class of employees eligible to be granted Incentive Stock Options;

(iii) permitting the granting of an Option which extends beyond Ten (10) years from the Date of Grant;

(iv) extending the termination date of the Plan past the 10th anniversary of its effective date; or

(v) if the Company has a class of equity security registered under Section 12 of the Exchange Act at the time of such amendment, any change in the Plan which would materially increase the benefits accruing to participants under the Plan.

(b) Effect of Amendment or Termination. The amendment or termination of the Plan shall not substantially impair the rights and obligations of the Optionee under any Option with a Date of Grant prior to such amendment or termination, unless the Optionee shall have consented to such change in writing.

14. Conditions Upon Issuance of Shares. Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Shares pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which the Shares may then be listed, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

As a condition to the exercise of an Option, the Company may require the person exercising such Option to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by any of the aforementioned relevant provisions of law.

15. Reservation of Shares. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

Inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

16. Option Agreement. Options shall be evidenced by written option agreements in such form as the Committee shall approve.

17. Shareholder Approval. If the Plan is adopted by action of the Board of Directors prior to Shareholder Approval, continuance of the Plan shall be

subject to Shareholder Approval within 12 months following the date of adoption.

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EXHIBIT 4.2

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VTEL CORPORATION
INCENTIVE STOCK OPTION AGREEMENT

VTEL CORPORATION, a Delaware corporation (the "Company"), hereby grants to Optionee this Incentive Stock Option to acquire () Shares pursuant to the Plan, WHICH OPTION SHALL BE SUBJECT TO, AND HEREBY INCORPORATES BY REFERENCE, ALL OF THE PROVISIONS OF THE PLAN; provided, however, that where the provisions of the Plan permit the provisions of the Option to control, such provisions of this Option shall control; and provided, further, that express references herein to provisions of the Plan are for convenience, and inclusion or omission of such reference(s) shall not affect the construction of the terms and provisions of this Option.

1. EXERCISE PRICE. The Exercise Price is _____ (\$ _____).

2. EXERCISE OF OPTION. This Option shall be exercisable during its term as follows:

(i) Right to Exercise.

(a) This Option shall be exercisable under this paragraph 2(i)(a) that number of full Shares (less Shares previously acquired) equal to the product of (i) the number of Shares initially subject to this Option, and (ii) a fraction whose numerator the number of full calendar months (not in excess of) of Continuous Status as an Employee or Consultant which have elapsed between the Date of Grant and such date of exercise, and whose denominator is , being exercisable in full after .

(b) This Option may be exercised in whole or in part at any time; provided, however, that where the Optionee Separates prior to , all or any portion of such Shares acquired which could not have been acquired on or prior to the date of Separation through an exercise limited as provided in paragraph 2(i)(a) ("Repurchasable Shares") shall be subject to repurchase by the Company, upon a payment equal to the Exercise Price, at any time within sixty (60) days immediately following the date of such Separation. The Company shall exercise its right to purchase Repurchasable Shares by written notice(s) (the "Repurchase Notice") to the Optionee (or successor). Each Repurchase Notice shall state that the Company is exercising such right, specify the number of Repurchasable Shares to be repurchased, and specify a closing date (at the principal office of the Company) not less than five (5), nor more than thirty (30), days from the date of delivering the Repurchase Notice.

(ii) Method of Exercise. This Option shall be exercisable from time to time by written notice from the Optionee which shall state the number of Shares in respect of which this Option is being exercised, and which shall contain or be accompanied by such other representations and agreements as may be required by the Committee in accordance with the provisions of the Plan. The written notice shall be accompanied by payment of the Exercise Price for the Shares to be acquired.

(iii) Compliance With Law. No Shares will be issued pursuant

to the exercise of this Option unless the Company reasonably determines that such issuance and such exercise shall comply with all relevant provisions of law and the requirements of any stock exchange upon which the Shares may then be listed.

(iv) Non-Statutory Option. Notwithstanding the provisions of the first paragraph hereof, any Shares subject to this Option which are in excess of the limitations of Section 5(c) of the Plan (after taking into account any previously granted Incentive Stock Option(s)) will be deemed granted under a Non-Statutory Stock Option but will in all other respects remain subject to the terms hereof.

3. METHOD OF PAYMENT. The Exercise Price of any Shares purchased shall be paid in cash, by check, by delivery of other Shares having a Fair Market Value on the date of delivery equal to the aggregate Exercise Price of the Shares as to which this Option is being exercised by delivery of Shares or, if permitted by the Committee in its sole discretion, with a promissory note (and security) acceptable to the Committee, or by a combination of the above.

4. TERMINATION OF OPTION PERIOD. The unexercised portion of this Option shall automatically and without notice terminate and become null and void at the time of the earliest to occur of the following:

- (I) thirty (30) days after the Optionee's Separation, other than a Separation by reason of death or Disability;
- (II) one (1) year after Separation by reason of Disability;
- (III) one (1) year after Separation by reason of death;
- (IV) three (3) months after Optionee's death within the period following Separation described in (i); and

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- (V) the tenth (10th) anniversary of the Date of Grant.

5. EARLY DISPOSITION OF STOCK. Optionee hereby agrees that if Optionee disposes of any Shares received under this Option either (i) within one (1) year after the exercise date with respect to such Shares, or (ii) within 2 years after the Date of Grant of this Option, Optionee will notify the Company in writing within thirty (30) days after the date of such disposition.

6. NON-SOLICITATION. Without limiting the generality of any other agreements of the parties, this Option is being issued in consideration for Optionee's agreement that for twelve (12) months after Separation Optionee shall not, directly or indirectly, without the prior written consent of the Company (a) solicit or induce any employee of or consultant to the Company to leave the employ of, or terminate the consulting relationship with, the Company or (b) solicit or accept from any customer of the Company business which competes with the business objectives of the Company. In the event of the breach of the provisions of this Section 6(a) and/or (b), in addition to the Company's right to enforce the provisions of this Section 6(a) and/or (b) to the maximum extent permitted by law, this Option automatically shall become null and void (except as to this Section 6) and, at the Company's sole discretion, evidenced by a written notice delivered to the Optionee within 180 days following the first date on which the President of the Company has actual knowledge of such a breach, the Company may notify the Optionee that he or she shall be required to return to the Company either (1) all Shares previously acquired through the exercise of this Option, in exchange for the Company's payment to the Optionee of the Exercise Price of each returned Share, (2) the portion of the proceeds of the sale of such Shares which exceeds the Exercise Price of such Shares, or (3) both.

DATE OF GRANT:
GRANT NUMBER:

VTEL CORPORATION
A DELAWARE CORPORATION

By: _____
President

OPTIONEE ACKNOWLEDGMENT

Optionee acknowledges receipt of a copy of the Plan, which is annexed hereto as Exhibit A. Optionee represents that Optionee has read the terms and provisions of the Plan and this Option, and accepts this Option subject to all of such terms and provisions.

By: _____
Optionee

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EXHIBIT 5.1

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June 3, 1997

VTEL Corporation
108 Wild Basin Road
Austin, Texas 78746

Re: Registration Statement on Form S-8

Gentlemen:

We have acted as counsel to VTEL Corporation, a Delaware corporation (the "Corporation"), in connection with the preparation of the Registration Statement on Form S-8 (the "Registration Statement") to be filed with the Securities and Exchange Commission on June 3, 1997, under the Securities Act of 1933, as amended (the "Securities Act"), relating to 2,700,000 shares of the \$.01 par value common stock (the "Common Stock") of the Corporation that may be offered through the exercise of stock options (the "Options") granted or that may be granted under the VTEL Corporation 1996 Stock Option Plan (the "Plan").

You have requested the opinion of this firm with respect to certain legal aspects of the proposed offering. In connection therewith, we have examined and relied upon the original, or copies identified to our satisfaction, of (1) the Certificate of Incorporation and the Bylaws of the Corporation, as amended; (2) minutes and records of the corporate proceedings of the Corporation with respect to the establishment of the Plan, the reservation of 2,700,000 shares of Common Stock to be issued under the Plan and to which the Registration Statement relates, the issuance of shares of Common Stock pursuant to the Plan and related matters; (3) the Registration Statement and exhibits thereto, including the Plan; and (4) such other documents and instruments as we have deemed necessary for the expression of the opinions herein contained. In making the foregoing examinations, we have assumed the genuineness of all signatures and the authenticity of all documents submitted to us as originals, and the conformity to original documents of all documents submitted to us as certified or photostatic copies. As to various questions of fact material to this opinion, and as to the content and form of the Certificate of Incorporation, the Bylaws, minutes, records, resolutions and other documents or writings of the Corporation, we have relied, to the extent we deem reasonably appropriate, upon representations or certificates of officers or directors of the Corporation and upon documents, records and instruments furnished to us by the Corporation, without independent check or verification of their accuracy.

Based upon our examination and consideration of, and reliance on, the documents and other matters described above, we are of the opinion that the Corporation presently has available

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VTEL Corporation
June 3, 1997
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at least 2,700,000 shares of authorized but unissued shares of Common Stock

and/or treasury shares of Common Stock. From these shares of Common Stock, the 2,700,000 shares of Common Stock proposed to be offered pursuant to the exercise of Options granted or to be sold through the Plan may be issued. Assuming that: (i) any outstanding Options, if any, were duly granted, that the Options to be granted in the future are duly granted, and that the shares to be sold in the future through the Plan are all in accordance with the terms of the Plan, (ii) the shares of Common Stock to be issued in the future are duly issued in accordance with the terms of the Plan, (iii) the Corporation maintains an adequate number of authorized but unissued shares and/or treasury shares of Common Stock available for issuance to those persons who exercise Options granted under or purchased through the Plan, and (iv) the consideration for shares of Common Stock issued pursuant to the Plan and pursuant to such Options is actually received by the Corporation as provided in the Plan and exceeds the par value of such shares, then the shares of Common Stock issued in accordance with the terms of the Plan and issued pursuant to the exercise of the Options granted under or sold through and in accordance with the terms of the Plan will be duly and validly issued, fully paid and nonassessable.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to references to our firm included in or made a part of the Registration Statement. In giving this consent, we do not admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act or the Rules and Regulations of the Securities and Exchange Commission thereunder.

Very truly yours,

JENKENS & GILCHRIST,
a Professional Corporation

By: /s/ L. Steven Leshin

L. Steven Leshin

EXHIBIT 23.2

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CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of our report dated October 10, 1996 appearing on page 31 of VTEL Corporation's Annual Report on Form 10-K for the transition period from January 1, 1996 to July 31, 1996.

/s/ Price Waterhouse LLP

PRICE WATERHOUSE LLP

Austin, Texas
May 28, 1997

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