
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended April 30, 2007

OR

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 0-20008

FORGENT NETWORKS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State of 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)

(512) 437-2700

(Registrant's Telephone Number, including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

On June 8, 2007, the registrant had outstanding 25,597,554 shares of its Common Stock, \$0.01 par value.

INDEX TO FINANCIAL STATEMENTS

	<u>Page Number</u>
PART I - FINANCIAL INFORMATION	
Item 1 – Condensed Consolidated Financial Statements	
Condensed Consolidated Balance Sheets as of April 30, 2007 (unaudited) and July 31, 2006	3
Unaudited Condensed Consolidated Statements of Operations for the Three and Nine Months Ended April 30, 2007 and 2006	4
Unaudited Condensed Consolidated Statements of Cash Flows for the Nine Months Ended April 30, 2007 and 2006	5
Notes to the Unaudited Condensed Consolidated Financial Statements	6
Item 2 - Management’s Discussion and Analysis of Financial Condition and Results of Operations	11
Item 3 - Quantitative and Qualitative Disclosures About Market Risk	19
Item 4 - Controls and Procedures	19
<u>PART II - OTHER INFORMATION</u>	
Item 1 - Legal Proceedings	19
Item 1A - Risk Factors	20
Item 2 - Unregistered Sales of Equity Securities and Use of Proceeds	25
Item 3 - Defaults upon Senior Securities	25
Item 4 - Submission of Matters to a Vote of Security Holders	25
Item 5 - Other Information	25
Item 6 - Exhibits	25
Signatures	27
Index to Exhibits	28

FORGENT NETWORKS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except per share data)

	<u>APRIL 30,</u> <u>2007</u>	<u>JULY 31,</u> <u>2006</u>
	<u>(UNAUDITED)</u>	
ASSETS		
Current Assets:		
Cash and cash equivalents, including restricted cash of \$0 and \$543 at April 30, 2007 and July 31, 2006	\$ 24,614	\$ 16,206
Short-term investments	1,533	—
Accounts receivable, net of allowance for doubtful accounts of \$23 and \$13 at April 30, 2007 and July 31, 2006, respectively	10,806	714
Prepaid expenses and other current assets	316	274
Total Current Assets	37,269	17,194
Property and equipment, net	814	788
Intangible assets, net	—	4
Other assets	3	3
	\$ 38,086	\$ 17,989
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 12,854	\$ 3,631
Accrued compensation and benefits	922	547
Other accrued liabilities	1,642	907
Notes payable, current position	—	313
Deferred revenue	900	683
Total Current Liabilities	16,318	6,081
Long-Term Liabilities:		
Deferred revenue	23	11
Other long-term obligations	1,299	1,777
Total Long-Term Liabilities	1,322	1,788
Stockholders' Equity:		
Preferred stock, \$.01 par value; 10,000 authorized; none issued or outstanding	—	—
Common stock, \$.01 par value; 40,000 authorized; 27,387 and 27,163 shares issued; 25,597 and 25,373 shares outstanding at April 30, 2007 and July 31, 2006, respectively	274	271
Treasury stock at cost, 1,790 issued at April 30, 2007 and July 31, 2006	(4,815)	(4,815)
Additional paid-in capital	265,633	265,406
Accumulated deficit	(240,660)	(250,754)
Accumulated other comprehensive income	14	12
Total Stockholders' Equity	20,446	10,120
	\$ 38,086	\$ 17,989

The accompanying notes are an integral part of these condensed consolidated financial statements.

FORGENT NETWORKS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except per share data)

	FOR THE THREE MONTHS ENDED APRIL 30,		FOR THE NINE MONTHS ENDED APRIL 30,	
	2007	2006	2007	2006
	(UNAUDITED)		(UNAUDITED)	
REVENUES:				
Intellectual property licensing	\$ 20,000	\$ 1,891	\$ 28,162	\$ 8,613
Software and services	978	647	2,957	1,924
Total revenues	<u>20,978</u>	<u>2,538</u>	<u>31,119</u>	<u>10,537</u>
COST OF SALES:				
Intellectual property licensing	10,592	1,147	14,135	5,314
Software and services	196	213	698	604
Total cost of sales	<u>10,788</u>	<u>1,360</u>	<u>14,833</u>	<u>5,918</u>
GROSS MARGIN	10,190	1,178	16,286	4,619
OPERATING EXPENSES:				
Selling, general and administrative	3,971	2,561	9,009	7,721
Research and development	180	153	429	454
Amortization of intangible assets	—	6	4	23
Total operating expenses	<u>4,151</u>	<u>2,720</u>	<u>9,442</u>	<u>8,198</u>
INCOME (LOSS) FROM OPERATIONS	6,039	(1,542)	6,844	(3,579)
OTHER INCOME AND (EXPENSES):				
Interest income	202	128	592	360
Gain on sale of assets	—	—	2,896	—
Interest expense and other	(25)	(12)	(68)	(58)
Total other income and (expenses)	<u>177</u>	<u>116</u>	<u>3,420</u>	<u>302</u>
INCOME (LOSS) FROM OPERATIONS, BEFORE INCOME TAXES	6,216	(1,426)	10,264	(3,277)
Provision for income taxes	(170)	(5)	(170)	(15)
NET INCOME (LOSS)	\$ <u>6,046</u>	\$ <u>(1,431)</u>	\$ <u>10,094</u>	\$ <u>(3,292)</u>
BASIC AND DILUTED INCOME (LOSS) PER SHARE:				
Basic	\$ 0.24	\$ (0.06)	\$ 0.40	\$ (0.13)
Diluted	\$ 0.23	\$ (0.06)	\$ 0.39	\$ (0.13)
WEIGHTED AVERAGE SHARES OUTSTANDING:				
Basic	25,596	25,372	25,488	25,262
Diluted	26,202	25,372	26,022	25,262

The accompanying notes are an integral part of these condensed consolidated financial statements.

FORGENT NETWORKS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)

**FOR THE NINE
MONTHS ENDED
APRIL 30,**

2007 2006

(UNAUDITED)

CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 10,094	\$ (3,292)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operations:		
Depreciation and amortization	423	952
Amortization of leasehold advance and lease impairment	(319)	(420)
Provision for doubtful accounts	19	28
Share-based compensation	144	119
Foreign currency translation loss (gain)	13	(8)
Gain on disposal of fixed assets	—	(6)
Changes in operating assets and liabilities:		
Accounts receivable	(10,104)	(335)
Prepaid expenses and other current assets	90	(255)
Accounts payable	9,091	420
Accrued expenses and other long-term obligations	1,183	(318)
Deferred revenues	220	175
Net cash provided by (used in) operating activities	10,854	(2,940)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net (purchases) sales of short-term investments	(1,533)	1,491
Net purchases of property and equipment	(445)	(42)
Net cash (used in) provided by investing activities	(1,978)	1,449
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from issuance of stock	86	240
Proceeds from notes payable	—	297
Payments on notes payable	(543)	(297)
Net cash (used in) provided by financing activities	(457)	240
Effect of exchange rate changes on cash and cash equivalents	(11)	—
Net change in cash and cash equivalents	8,408	(1,251)
Cash and cash equivalents at beginning of period	16,206	15,861
Cash and cash equivalents at end of period	\$ 24,614	\$ 14,610

The accompanying notes are an integral part of these condensed consolidated financial statements.

FORGENT NETWORKS, INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except per share data unless otherwise noted)

NOTE 1 - GENERAL AND BASIS OF FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission and accordingly, do not include all information and footnotes required under U.S. generally accepted accounting principles for complete financial statements. In the opinion of management, these interim financial statements contain all adjustments, consisting of normal, recurring adjustments, necessary for a fair presentation of the financial position of Forgent Networks, Inc. ("Forgent" or the "Company") as of April 30, 2007 and July 31, 2006, the results of operations for the three and nine months ended April 30, 2007 and April 30, 2006, and the cash flows for the nine months ended April 30, 2007 and April 30, 2006. These condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto filed with the Securities and Exchange Commission in the Company's annual report on Form 10-K/A for the fiscal year ended July 31, 2006. The results for the interim periods are not necessarily indicative of results for a full fiscal year.

NOTE 2 - LITIGATION SETTLEMENTS

Forgent was in legal proceedings with multiple companies in the United States District Court for the Eastern District of Texas, Tyler Division (the "746 Litigation"), regarding the infringement of its U.S. Patent No. 6,285,746 (the "746 patent). Effective April 26, 2007, Forgent entered into settlement and license agreements with nine of the defendants: Cable One, Inc.; Charter Communications, Inc.; Comcast Corporation; Comcast STB Software DVR, LLC; Coxcom, Inc.; Digeo, Inc.; Motorola, Inc.; Scientific-Atlanta, Inc.; and Time Warner Cable, Inc. These defendants were dismissed from the '746 Litigation with prejudice. Under these agreements, Forgent granted the defendants a patent license and other benefits and the defendants agreed to pay the Company a total of \$20,000. Additionally, all parties agreed to release all claims against each other. The \$20,000 was recorded as intellectual property licensing revenue on the Consolidated Statement of Operations for the three months ended April 30, 2007.

Forgent was in legal proceedings with multiple companies in the United States District Court for the Northern District of California (the "672 Litigation") regarding the infringement of its U.S. Patent No. 4,698,672 (the "672 patent). On October 25, 2006, Forgent signed a Patent License and Settlement Agreement with the remaining defendants in the '672 Litigation. Under this agreement, Forgent granted the defendants a patent license and the defendants paid Forgent \$8,000. Additionally, all parties agreed to release all claims against each other. The \$8,000 was recorded as intellectual property licensing revenue on the Consolidated Statement of Operations for the three months ended October 31, 2006.

NOTE 3 - INTELLECTUAL PROPERTY LEGAL CONTRACTS

In April 2006, Forgent engaged Hagans Burdine Montgomery Rustay & Winchester ("Hagans") and Bracewell & Giuliani, L.L.P. ("Bracewell") to provide legal services related to the litigation of the '746 Litigation. Hagans is the lead counsel on the '746 Litigation.

On December 1, 2006, Forgent signed an amendment to the Legal Services Fee Agreement with Hagans and Bracewell. This amendment increased the contingency fee payable to Hagans and Bracewell from 30% (15% to each law firm) of all license and litigation proceeds related to the '746 patent and other patents, net of expenses, to 37.5% (20% to Hagans and 17.5% to Bracewell). Additionally, effective September 1, 2006, all related expenses, including consultant fees, travel expenses, document production expenses, etc. are allocated as follows: 25% to Forgent, 50% to Hagans, and 25% to Bracewell, until total expenses reach \$2,500. Prior to the amendment, Forgent was liable for all related expenses. During the third fiscal quarter, the \$2,500 threshold was exceeded and Forgent is liable for all subsequent expenses which exceed the \$2,500 threshold. In addition to Hagans and Bracewell, Forgent is also liable for contingency fees to The Roth Law Firm, P.C. for 10% of the '746 and other patents litigation proceeds, net of expenses, and to Jenkens & Gilchrist for 10% of all gross license and litigation proceeds related to the '746 patent.

Legal expenses for contingency fees and legal counsel's time incurred are recorded as part of cost of sales from Forgent's intellectual property licensing business on the Consolidated Statements of Operations. Cost of sales for the intellectual property licensing business for the three and nine months ended April 30, 2007 were \$10,592 and

\$14,135, respectively. Cost of sales for the intellectual property licensing business for the three and nine months ended April 30, 2006 were \$1,147 and \$5,314, respectively. Other legal expenses incurred related to the Patent Licensing Program are recorded as part of operating expenses on the Consolidated Statements of Operations. Other related legal expenses for the three and nine months ended April 30, 2007 were \$1,522 and \$2,396, respectively. Other related legal expenses for the three and nine months ended April 30, 2006 were \$562 and \$1,379, respectively.

NOTE 4 – SALE OF ASSETS

In November 2006, Forgent sold certain patents and applications associated with videoconferencing and related fields and technology, together with related goodwill, rights and documentation, to Tandberg Telecom AS (“Tandberg”) for \$3,150. Upon closing, Forgent received \$2,900 of the purchase price, all of which was recorded as a gain on sale of assets. The remaining balance of \$250 will be held in escrow for two years for indemnity claims. Following this sale, Forgent maintained several active patents and patent applications, including the ‘746 patent.

NOTE 5 - COMPREHENSIVE INCOME (LOSS)

In accordance with the disclosure requirements of Statement of Financial Accounting Standard No. 130, “*Reporting Comprehensive Income*,” the Company’s comprehensive income (loss) is comprised of net income (loss), foreign currency translation adjustments and unrealized gains and losses on short-term investments held as available-for-sale securities. Comprehensive income for the three and nine months ended April 30, 2007 was \$6,060 and \$10,096, respectively. Comprehensive loss for the three and nine months ended April 30, 2006 was \$1,443 and \$3,296, respectively.

NOTE 6 - RECENT ACCOUNTING PRONOUNCEMENTS

In February 2007, the Financial Accounting Standard Board (“FASB”) issued Statement No. 159, “*The Fair Value Option for Financial Assets and Financial Liabilities*.” Statement No. 159 provides companies with an option to report selected financial assets and liabilities at fair value. The standard’s objective is to reduce both complexity in accounting for financial instruments and the volatility in earnings caused by measuring related assets and liabilities differently. The standard requires companies to provide additional information that will help investors and other users of financial statements to more easily understand the effect of the company’s choice to use fair value on its earnings. It also requires companies to display the fair value of those assets and liabilities for which the company has chosen to use fair value on the face of the balance sheet. This new statement does not eliminate disclosure requirements included in other accounting standards, including requirements for disclosures about fair value measurements included in Statement No. 157, “*Fair Value Measurements*,” and Statement No. 107, “*Disclosures about Fair Value of Financial Instruments*.” Statement No. 159 is effective as of the beginning of fiscal years beginning after November 15, 2007. Forgent is currently evaluating the effect that the adoption of Statement No. 159 will have on its financial position and results of operations.

In September 2006, the FASB issued Statement No. 157, “*Fair Value Measurements*.” Statement No. 157 defines fair value, establishes a framework for measuring fair value in U.S. generally accepted accounting principles and expands disclosures about fair value measurements. Statement No. 157 is effective for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. Forgent is currently evaluating the effect that the adoption of Statement No. 157 will have on its financial position and results of operations.

In June 2006, the FASB issued Interpretation No. 48, “*Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109*” (“FIN 48”). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements in accordance with Statement No. 109, “*Accounting for Income Taxes*.” This interpretation defines the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. Additionally, FIN 48 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. Forgent believes the adoption of FIN 48 will not have a material effect on its consolidated financial statements.

NOTE 7 – SHARE BASED COMPENSATION

Share based compensation for the Company's stock option, restricted stock and stock purchase plans for the three months ended April 30, 2007 and 2006 was \$14 and \$18, respectively. Share based compensation for the Company's stock option, restricted stock and stock purchase plans for the nine months ended April 30, 2007 and 2006 was \$144 and \$119, respectively.

On August 1, 2006 the Company's Board of Directors approved the repricing of all employee stock options with an exercise price greater than \$0.385 (the average of the high and low for August 1, 2006). The new exercise price is \$0.385. The Board of Directors determined that the repricing was the most cost effective way to motivate employees with options that had exercise prices greater than the current fair market value. The repricing resulted in a charge of \$88 based on the incremental fair value of the new options versus the fair value of the old options for the nine months ended April 30, 2007. Previously, on September 14, 2005 the Company's Board of Directors approved the repricing of all employee stock options with an exercise price greater than \$1.42 (the average of the high and low for September 14, 2005). The new exercise price was \$1.42. The repricing resulted in a charge of \$65 based on the incremental fair value of the new options versus the fair value of the old options for the nine months ended April 30, 2006.

The Company issued 2 and 3 shares of common stock related to exercises of stock options granted from its stock option and stock purchase plans for the three months ended April 30, 2007 and 2006, respectively. The Company issued 224 and 173 shares of common stock related to exercises of stock options granted from its stock option and stock purchase plans for the nine months ended April 30, 2007 and 2006, respectively.

NOTE 8 - SEGMENT INFORMATION

Currently, the Company operates in two distinct segments: intellectual property licensing and software and services. During the nine months ended April 30, 2007, Forgent's intellectual property licensing business focused on generating licensing revenues relating to the Company's technologies embodied in the '672 patent and its foreign counterparts, as well as in the '746 patent. In October 2006, the Company settled with the remaining defendants in the '672 Litigation and does not anticipate generating additional licensing revenues from non-defendants going forward. In April 2007, Forgent settled with some of the defendants in the '746 Litigation and received the jury's verdict related to this litigation in May 2007. See Note 9 "Contingencies" for more detail. Forgent's software and services business provides customers with scheduling and asset management software as well as software maintenance and support, installation and training services. In order to evaluate the intellectual property and software segments as stand-alone businesses, the Company records all unallocated corporate operating expenses in the Corporate segment.

The Company evaluates the performance as well as the financial results of its segments. Included in the segment operating income (loss) is an allocation of certain corporate operating expenses. The Company does not identify assets or capital expenditures by reportable segments, and the Company's Chief Executive Officer and Chief Financial Officer do not evaluate the segments based on these criteria.

The table below presents segment information about revenue from unaffiliated customers, gross margins, and operating income (loss) for the three and nine months ended April 30, 2007 and 2006:

	<u>Intellectual Property Licensing</u>	<u>Software & Services</u>	<u>Corporate</u>	<u>Total</u>
For the Three Months Ended April 30, 2007				
Revenues from unaffiliated customers	\$ 20,000	\$ 978	\$ —	\$ 20,978
Gross margin	9,408	782	—	10,190
Operating income (loss)	7,229	(500)	(690)	6,039
For the Three Months Ended April 30, 2006				
Revenues from unaffiliated customers	\$ 1,891	\$ 647	\$ —	\$ 2,538
Gross margin	744	434	—	1,178
Operating income (loss)	(237)	(535)	(770)	(1,542)
For the Nine Months Ended April 30, 2007				
Revenues from unaffiliated customers	\$ 28,162	\$ 2,957	\$ —	\$ 31,119
Gross margin	14,027	2,259	—	16,286
Operating income (loss)	10,118	(941)	(2,333)	6,844
For the Nine Months Ended April 30, 2006				
Revenues from unaffiliated customers	\$ 8,613	\$ 1,924	\$ —	\$ 10,537
Gross margin	3,299	1,320	—	4,619
Operating income (loss)	788	(1,503)	(2,864)	(3,579)

NOTE 9 - CONTINGENCIES

Forgent is the defendant or plaintiff in various actions that arose in the normal course of business. With the exception of the proceedings described below, none of the pending legal proceedings to which the Company is a party are material to the Company.

Re-examination of United States Patent No. 4,698,672

In January 2006, the United States Patent and Trademark Office (the "USPTO") granted a petition to re-examine the '672 patent and subsequently issued its first office action on May 25, 2006. Forgent responded to this first office action, which confirmed 27 of the 46 claims in the '672 patent. On March 26, 2007, the USPTO issued its final office action, which affirmed its first office action. Forgent responded to the USPTO on May 11, 2007 and is currently waiting for the USPTO's reply.

Litigation and Re-examination of United States Patent No. 6,285,746

Forgent was in legal proceedings with multiple companies in the United States District Court for the Eastern District of Texas, Tyler Division, for infringement of its '746 patent.

Effective April 26, 2007, Forgent entered into settlement and license agreements with nine of the defendants, who were dismissed from the '746 Litigation with prejudice.

Effective May 13, 2007, Forgent reached an agreement in principle to settle the '746 Litigation with respect to DIRECTV, Inc. ("DIRECTV"). Pursuant to such agreement in principle, Forgent and DIRECTV have agreed to work in good faith to reach a final definitive settlement agreement. The terms of a final definitive settlement agreement, which have been agreed to in principle, include Forgent's agreement to grant DIRECTV a patent license, DIRECTV's agreement to pay the Company \$8,000 and the parties' agreement to release all claims against each other. The Company anticipates it will finalize a definitive settlement and license agreement with DIRECTV during the fourth fiscal quarter.

On May 16, 2007, TiVo Inc. ("TiVo") filed a complaint for declaratory judgment in the United States District Court for the Northern District of California against Forgent relating to the '746 patent. TiVo is seeking declarations of equitable estoppel and patent noninfringement and invalidity, among other relief sought. Forgent is currently reviewing its options to resolve this matter.

On May 21, 2007, a jury for the United States District Court for the Eastern District of Texas, Tyler Division, found the four asserted claims of the '746 patent to be invalid. This finding was in favor of EchoStar Technologies Corporation and Echosphere L.L.C., the two remaining defendants in the '746 Litigation. The Company continues to believe in the validity of the '746 patent and is currently assessing its options.

On October 2, 2006, the USPTO ordered an *inter partes* re-examination of the '746 patent and issued its first office action related to this re-examination on October 30, 2006. This first action, which is not the final conclusion of the re-examination, rejected the five claims in the '746 patent. Forgent responded to the USPTO and anticipates working to vigorously defend all of the claims of the '746 patent. If the Company is unsuccessful in defending its patent's claims with the USPTO examiner, Forgent could pursue the appeal process within the USPTO and within the federal court system, if necessary. The USPTO has not issued any additional office actions related to this re-examination.

Forgent continues to monitor the progress of the '746 Litigation and the USPTO's re-examinations of its '746 and '672 patents. Resolution of some or all of these matters could materially affect the Company's business, future results of operations, financial position or cash flows in a particular period.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following review of Forgent's financial position as of April 30, 2007 and July 31, 2006, and for the three and nine months ended April 30, 2007 and 2006, should be read in conjunction with the Company's 2006 Annual Report on Form 10-K/A filed with the Securities and Exchange Commission. Forgent's internet website address is <http://www.forgent.com>. The Company's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available through the investor relations page of the Company's internet website free of charge as soon as reasonably practicable after they are electronically filed, or furnished to, the Securities and Exchange Commission. Forgent's internet website and the information contained therein or connected thereto are not intended to be incorporated into this Quarterly Report on Form 10-Q.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this report represent forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results of operations, levels of activity, economic performance, financial condition or achievements to be materially different from future results of operations, levels of activity, economic performance, financial condition or achievements as expressed or implied by such forward-looking statements.

Forgent has attempted to identify these forward-looking statements with the words "believes," "estimates," "plans," "expects," "anticipates," "may," "could" and other similar expressions. Although these forward-looking statements reflect management's current plans and expectations, which are believed to be reasonable as of the filing date of this report, they inherently are subject to certain risks and uncertainties. Such risks and uncertainties include, but are not limited to, those described under "Risk Factors" in this report and other risks indicated in Forgent's filings with the Securities and Exchange Commission from time to time. Additionally, Forgent is under no obligation to update any of the forward-looking statements after the date of this Form 10-Q to conform such statements to actual results.

RESULTS OF OPERATIONS

The following table sets forth for the periods indicated the percentage of total revenues represented by certain items in Forgent's Consolidated Statements of Operations:

	FOR THE THREE MONTHS ENDED APRIL 30,		FOR THE NINE MONTHS ENDED APRIL 30,	
	2007	2006	2007	2006
Intellectual property licensing revenues	95%	75%	90%	82%
Software and services revenues	5	25	10	18
Gross margin	49	46	52	44
Selling, general and administrative	19	101	29	73
Research and development	1	6	1	4
Total operating expenses	20	107	30	78
Other income, net	1	5	11	3
Net income (loss)	29%	(56%)	32%	(31%)

THREE AND NINE MONTHS ENDED APRIL 30, 2007 AND 2006

Revenues

Revenues for the three months ended April 30, 2007 were \$20.9 million, an increase of \$18.4 million, or 727%, from the \$2.5 million reported for the three months ended April 30, 2006. Revenues for the nine months ended April 30, 2007 were \$31.1 million, an increase of \$20.6 million, or 195%, from the \$10.5 million reported for the nine months ended April 30, 2006. Consolidated revenues represent the combined revenues of the Company and

its subsidiaries, including royalties and settlements received from licensing the Company's intellectual property as well as sales of Forgent's NetSimplicity software, installation and training and software maintenance services.

Intellectual Property Licensing Business

Intellectual property licensing revenues for the three months ended April 30, 2007 were \$20.0 million, an increase of \$18.1 million, or 958%, from the \$1.9 million reported for the three months ended April 30, 2006. Intellectual property licensing revenues for the nine months ended April 30, 2007 were \$28.1 million, an increase of \$19.5 million, or 227%, from the \$8.6 million reported for the nine months ended April 30, 2006. Intellectual property licensing revenues as a percentage of total revenues were 95% and 75% for the three months ended April 30, 2007 and 2006, respectively. Intellectual property licensing revenues as a percentage of total revenues were 90% and 82% for the nine months ended April 30, 2007 and 2006, respectively. Forgent's licensing revenues relate primarily to one-time intellectual property license agreements with companies for Forgent's technologies embodied in U.S. Patent No. 4,698,672 (the " '672 patent") and its foreign counterparts as well as in U.S. Patent No 6,285,746 (the " '746 patent"). Additionally, the '672 patent is included in a group of Moving Picture Experts Group ("MPEG") patents that garner royalties. Forgent's licensing revenues include royalties received from this MPEG-2 consortium.

Forgent's intellectual property licensing business was in legal proceedings with multiple companies in the United States District Court for the Eastern District of Texas, Tyler Division (the " '746 Litigation"), regarding the infringement of its U.S. Patent No. 6,285,746 (the " '746 patent") and in legal proceedings with multiple other companies in the United States District Court for the Northern District of California (the " '672 Litigation"), regarding the infringement of its U.S. Patent No. 4,698,672 (the " '672 patent").

Effective April 26, 2007, Forgent entered into settlement and license agreements with nine of the defendants in the '746 Litigation, who were dismissed from the '746 Litigation with prejudice. Under these agreements, Forgent granted the defendants a patent license and other benefits and the defendants agreed to pay the Company a total of \$20.0 million. Additionally, all parties agreed to release all claims against each other. The \$20.0 million was recorded as intellectual property licensing revenue on the Consolidated Statement of Operations for the three months ended April 30, 2007. Effective May 13, 2007, Forgent reached an agreement in principle to settle the '746 Litigation with respect to DIRECTV, Inc. ("DIRECTV"). Pursuant to such agreement in principle, Forgent and DIRECTV have agreed to work in good faith to reach a final definitive settlement agreement. The terms of a final definitive settlement agreement, which have been agreed to in principle, include Forgent's agreement to grant DIRECTV a patent license, DIRECTV's agreement to pay the Company \$8.0 million and the parties' agreement to release all claims against each other. The Company anticipates it will finalize a definitive settlement and license agreement with DIRECTV during the fourth fiscal quarter. On May 21, 2007, a jury for the United States District Court for the Eastern District of Texas, Tyler Division, found the four asserted claims of the '746 patent to be invalid. This finding was in favor of EchoStar Technologies Corporation and Echosphere L.L.C., the two remaining defendants in the '746 Litigation. The Company continues to believe in the validity of the '746 patent and is currently assessing its options.

On October 25, 2006, Forgent signed a Patent License and Settlement Agreement with the remaining defendants in the '672 Litigation. Under this agreement, Forgent granted the defendants a patent license and the defendants paid Forgent \$8.0 million. Program to date, the Company has achieved approximately \$121.6 million in aggregate revenues generated from one-time license agreements related to its '672 patent. Since a settlement was reached with the remaining defendants and since the Company is not actively pursuing additional '672 license agreements, no additional licensing revenues from one-time license agreements were generated during the three months ended April 30, 2007.

The one-time license agreements related to the '746 patent and the '672 patent generated approximately 100% and 99% of the intellectual property segment's licensing revenues for the three and nine months ended April 30, 2007, respectively, and approximately 96% and 96% of the intellectual property segment's licensing revenues for the three and nine months ended April 30, 2006, respectively. The other licensing revenues generated during the first two fiscal quarters of 2007 and during fiscal 2006 relate to royalties received from the MPEG-2 consortium. The '672 patent expired in October 2006 in the United States; therefore, Forgent will not receive any additional royalties from the consortium.

Software and Services Business

Software and services revenues for the three months ended April 30, 2007 were \$0.9 million, an increase of \$0.3 million, or 51%, from the \$0.6 million reported for the three months ended April 30, 2006. Software and services revenues for the nine months ended April 30, 2007 were \$2.9 million, an increase of \$1.0 million, or 54%, from the \$1.9 million reported for the nine months ended April 30, 2006. Software and services revenues as a percentage of total revenues were 5% and 25% for the three months ended April 30, 2007 and 2006, respectively. Software and services revenues as a percentage of total revenues were 10% and 18% for the nine months ended April 30, 2007 and 2006, respectively. Revenues from this line of business include sales of Forgent's NetSimplicity scheduling and asset management software, which includes Meeting Room Manager ("MRM"), Visual Asset Manager ("VAM") and Resource Scheduler. Also included in this segment's revenues are software maintenance and professional services, such as add-on software customization, installation and training.

During the three and nine months ended April 30, 2007, increases in software, hardware and maintenance revenues accounted for approximately 78% and 86%, of the total increases in the software segment's revenues, respectively. Software sales increased by \$0.1 million and \$0.4 million, for the three and nine months ended April 30, 2007, respectively, due to (1) growing average sales price resulting primarily from increased sales to larger enterprise customers, (2) improved overall sales performance resulting from an increase in Forgent's sales and marketing teams as well as stronger individual sales achievements and (3) additional sales to existing customers who further invested in their original software purchases. The increase in software sales, as well as the continued pursuit of maintenance renewals, led to additional sales of maintenance and support contracts, which increased maintenance revenues by \$0.1 million and \$0.3 million during the three and nine months ended April 30, 2007, respectively. Towards the end of fiscal year 2006, Forgent partnered with several vendors, which enabled the Company to resell touch screen and display panel hardware to complement its MRM software and barcode scanning hardware devices to complement its VAM software. Revenues from hardware sales during the three and nine months ended April 30, 2007 increased by \$0.1 million and \$0.2 million, respectively, since the Company had minimal hardware sales during the 2006 fiscal periods. Forgent will continue to target North American and international companies in the education, governmental, healthcare and legal sectors, which generated approximately 61% and 55% of its software revenues during the three and nine months ended April 30, 2007, respectively. Forgent is currently exploring opportunities to acquire profitable businesses, products or technologies to complement its current software products and services in order to grow the software segment and become profitable for this segment. As the Company continues to make progress on its sales performance, release new software updates and enhancements, and explore these opportunities, management believes its software and services revenues will continue to increase.

Gross Margin

Gross margin for the three months ended April 30, 2007 was \$10.2 million, an increase of \$9.0 million, or 765%, from the \$1.2 million reported for the three months ended April 30, 2006. Gross margin for the nine months ended April 30, 2007 was \$16.3 million, an increase of \$11.7 million, or 253%, from the \$4.6 million reported for the nine months ended April 30, 2006. Gross margin as a percentage of total revenues were 49% and 46% for the three months ended April 30, 2007 and 2006, respectively. Gross margin as a percentage of total revenues were 52% and 44% for the nine months ended April 30, 2007 and 2006, respectively.

The \$9.0 million increase in gross margin for the three months ended April 30, 2007, as compared to the three months ended April 30, 2006, is due primarily to the \$8.7 million increase in gross margin resulting from intellectual property segment. Similarly, the \$11.7 million increase in gross margin for the nine months ended April 30, 2007, as compared to the nine months ended April 30, 2006, is due primarily to the \$10.7 million increase in gross margin resulting from intellectual property segment. Because the '746 Litigation may be wrapping up, the '672 Litigation is concluded and the U.S. '672 patent expired in October 2006, intellectual property licensing revenues will decline unless alternative sources of revenue are found. If intellectual property licensing revenues decline, total gross margins will be adversely affected.

Intellectual Property Licensing Business

Intellectual property gross margin for the three months ended April 30, 2007 was \$9.4 million, an increase of \$8.7 million, or 1,165%, from the \$0.7 million reported for the three months ended April 30, 2006. Intellectual property gross margin for the nine months ended April 30, 2007 was \$14.0 million, an increase of \$10.7 million, or 325%, from the \$3.3 million reported for the nine months ended April 30, 2006. Intellectual property gross margin

as a percentage of total revenues were 47% and 39% for the three months ended April 30, 2007 and 2006, respectively. Intellectual property gross margin as a percentage of total revenues were 50% and 38% for the nine months ended April 30, 2007 and 2006, respectively.

The cost of sales from the intellectual property segment relates to the legal contingency fees incurred on successfully achieving signed license agreements as well as legal expenses incurred from legal counsel's time in connection with licensing and litigating the Company's patents. Since the '672 Litigation was concluded during the first fiscal quarter, cost of sales related to legal expenses incurred from legal counsel's time decreased \$0.3 million and \$1.4 million for the three and nine months ended April 30, 2007, respectively, as Forgent is not liable for any legal expenses for legal counsel's time related to the '746 Litigation. Additionally, the contingency fees related to the '672 Litigation decreased \$0.8 million and \$0.4 million for the three and nine months ended April 30, 2007, respectively, as a result of the final '672 settlement in the first fiscal quarter. These decreases were offset by an increase of \$10.6 million in contingency fees during the three and nine months ended April 30, 2007, as Forgent recognized its first licensing revenues related to the '746 Litigation during the third fiscal quarter. The contingency fees related to the '746 Litigation are management's current best estimate, based on known and estimated expenses related to the licensing revenues from the '746 patent. As these expenses are finalized, the related contingency fees may be adjusted in a future period.

Despite the increase in total cost of sales from the intellectual property segment, the decrease in contingency fees to Jenkens & Gilchrist during fiscal 2006 and the decrease in legal expenses for legal counsel's time during fiscal 2007 led to an increase in intellectual property licensing gross margins for the three and nine months ended April 30, 2007. The increase in total intellectual property gross margin resulted in Forgent's gross margins as a percentage of revenues from the intellectual property licensing business to increase to 47% and 50% for the three and nine months ended April 30, 2007, respectively, as compared to 39% and 38% for the three and nine months ended April 30, 2006, respectively.

Software and Services Business

Software and services gross margin for the three months ended April 30, 2007 was \$0.7 million, an increase of \$0.3 million, or 80%, from the \$0.4 million reported for the three months ended April 30, 2006. Software and services gross margin for the nine months ended April 30, 2007 was \$2.2 million, an increase of \$0.9 million, or 71%, from the \$1.3 million reported for the nine months ended April 30, 2006. Software and services gross margins as a percentage of total revenues were 80% and 67% for the three months ended April 30, 2007 and 2006, respectively. Software and services gross margins as a percentage of total revenues were 76% and 69% for the nine months ended April 30, 2007 and 2006, respectively.

The cost of sales associated with the software segment relates primarily to the amortization of the Company's purchased software development costs, compensation expenses and hardware expenses. For the three and nine months ended April 30, 2007, these expenses represented 68% and 73% of cost of sales for the software segment, respectively. For the three and nine months ended April 30, 2006, these expenses represented 91% and 92% of cost of sales for the software segment, respectively. During the first fiscal quarter of 2007, the purchased software development costs were fully amortized, which reduced cost of sales by \$0.2 million and \$0.4 million for the three and nine months ended April 30, 2007, respectively. This reduction was offset by increases in compensation expenses and hardware expenses. As of July 31, 2006, the Company formalized a group dedicated to providing maintenance and support. The compensation expenses and related expenses for this group were classified as cost of sales during the three and nine months ended April 30, 2007. Since the group did not exist during the three and nine months ended April 30, 2006, no related expenses were recorded during the fiscal periods in 2006. Additionally, Forgent incurred increased hardware expenses during the three and nine months ended April 30, 2007, as compared to the three and nine months ended April 30, 2006, since the Company had minimal hardware sales during fiscal 2006.

The decrease in amortization expenses was offset by increases in compensation expenses and hardware expenses, which resulted in the cost of sales for the software segment to remain relatively flat during the three and nine months ended April 30, 2007. Therefore, the \$0.3 million and \$1.0 million increases in software and services revenues for the three and nine months ended April 30, 2007, respectively, directly led to the \$0.3 million and \$0.9 million increases in software and services gross margins, respectively. As a result, gross margin as a percentage of revenues increased to 80% and 76% for the three and nine months ended April 30, 2007, respectively, as compared to 67% and 69% for the three and nine months ended April 30, 2006. Since the purchased software development

costs were fully amortized and since Forgent expects to generate more business from its software segment, management expects continued similar gross margin from its software and services business in terms of dollars and percentage of revenue.

Selling, General and Administrative

Selling, general and administrative (“SG&A”) expenses for the three months ended April 30, 2007 were \$4.0 million, an increase of \$1.4 million, or 55%, from the \$2.6 million reported for the three months ended April 30, 2006. SG&A expenses for the nine months ended April 30, 2007 were \$9.0 million, an increase of \$1.3 million, or 17%, from the \$7.7 million reported for the nine months ended April 30, 2006. SG&A expenses as a percentage of total revenues were 19% and 101% for the three months ended April 30, 2007 and 2006, respectively. SG&A expenses as a percentage of total revenues were 29% and 73% for the nine months ended April 30, 2007 and 2006, respectively.

During the third fiscal quarter, the Company expended significant efforts related to the ‘746 Litigation. As a result of these efforts, Forgent achieved \$20.0 million in intellectual property licensing revenues during the three months ended April 30, 2007 and anticipates recording an additional \$8.0 million in intellectual property licensing revenues during the fourth fiscal quarter. The legal fees and other expenses incurred related to the ‘746 Litigation led to an increase of \$1.2 million and \$1.4 million in SG&A expenses for the intellectual property segment for the three and nine months ended April 30, 2007, respectively. These increases represent 85% and 109% of the Company’s total SG&A increases for the three and nine months ended April 30, 2007, respectively.

With the conclusion of the ‘746 trial in May 2007, management expects its SG&A expenses to decrease from its current levels during the fourth fiscal quarter. Forgent will continue to make modest investments in its sales and marketing teams, as necessary, in order to further grow its software and services business. Forgent will also continue to evaluate and reduce any unnecessary SG&A expenses that do not directly support the generation of revenues for the Company.

Research and Development

Research and development (“R&D”) expenses for the three months ended April 30, 2007 were \$0.2 million, a decrease of \$27 thousand, or 186%, from the \$0.2 million reported for the three months ended April 30, 2006. R&D expenses for the nine months ended April 30, 2007 were \$0.4 million, a decrease of \$25 thousand, or 6%, from the \$0.4 million reported for the nine months ended April 30, 2006. R&D expenses as a percentage of total revenues were 1% and 6% for the three months ended April 30, 2007 and 2006, respectively. R&D expenses as a percentage of total revenues were 1% and 4% for the nine months ended April 30, 2007 and 2006, respectively.

During the third fiscal quarter, Forgent finalized its development of MRM 7.5, which includes an Advanced Services Management feature for its Enterprise edition. The Advanced Services Management feature replaces the prior Advanced Catering Module and is able to manage equipment and other meeting service requests beyond only catering. MRM 7.5, which also includes an improved Outlook Scheduling interface with new capabilities, was released on May 21, 2007. With the goal of accelerating the delivery of new features and enhancements by releasing more frequent and focused software updates, Forgent also implemented a new “agile” software development methodology during the third fiscal quarter. As such, the Company is dividing the formerly announced VAM 6.0 release into multiple smaller releases. The first of these releases will be VAM 5.7 and MRM 5.7.1, both of which include minor enhancement updates. Forgent expects both to be released by the end of the fourth fiscal quarter. Management will attempt to maintain R&D expenses at reasonable levels in terms of percentage of revenue and anticipates R&D expenses to remain relatively flat during the next fiscal quarter.

Other Income and Expenses

Other income and expenses for the three months ended April 30, 2007 were \$0.2 million, an increase of \$0.1 million, or 53%, from the \$0.1 million reported for the three months ended April 30, 2006. Other income and expenses for the nine months ended April 30, 2007 were \$3.4 million, an increase of \$3.1 million, or 1,032%, from the \$0.3 million reported for the nine months ended April 30, 2006. Other income and expenses as a percentage of total revenues were 1% and 5% for the three months ended April 30, 2007 and 2006, respectively. Other income and expenses as a percentage of total revenues were 11% and 3% for the nine months ended April 30, 2007 and 2006, respectively.

The \$3.1 million increase for the nine months ended April 30, 2007 resulted from the sale of assets during the second fiscal quarter of 2007. In November 2006, Forgent sold certain patents and applications associated with videoconferencing and related fields and technology, together with related goodwill, rights and documentation, to Tandberg Telecom AS for \$3.2 million. Upon closing, Forgent received \$2.9 million of the purchase price, all of which was recorded as a gain on sale of assets. The remaining balance of \$0.3 million will be held in escrow for two years for indemnity claims. Following this sale, Forgent continued to maintain several active patents and patent applications, including the '746 patent.

Net Income (Loss)

Forgent generated net income of \$6.0 million, or \$0.23 per share, during the three months ended April 30, 2007 compared to a net loss of \$1.4 million, or \$0.06 per share, during the three months ended April 30, 2006. Forgent generated net income of \$10.1 million, or \$0.39 per share, during the nine months ended April 30, 2007 compared to a net loss of \$3.3 million, or \$0.13 per share, during the nine months ended April 30, 2006. Net income (loss) as a percentage of total revenues were 29% and (56%) for the three months ended April 30, 2007 and 2006, respectively. Net income (loss) as a percentage of total revenues were 32% and (31%) for the nine months ended April 30, 2007 and 2006, respectively. The \$7.5 million increase in the Company's net income during the three months ended April 30, 2007, as compared to the three months ended April 30, 2006, is primarily attributable to the \$8.7 million increase in gross margin from the intellectual property segment, which is offset by the \$1.4 million increase in SG&A expenses. The \$13.4 million increase in the Company's net income during the nine months ended April 30, 2007, as compared to the nine months ended April 30, 2006, is primarily attributable to the \$10.7 million increase in gross margin from the intellectual property segment and the \$2.9 million gain from the sale of assets, which are offset by the \$1.3 million increase in SG&A expenses.

LIQUIDITY AND CAPITAL RESOURCES

	FOR THE NINE MONTHS ENDED	
	APRIL 30,	
	2007	2006
	(in thousands)	
Working capital	\$ 20,951	\$ 11,225
Cash, cash equivalents and short-term investments	26,147	14,610
Cash provided by (used in) operating activities	10,854	(2,940)
Cash (used in) provided by investing activities	(1,978)	1,449
Cash (used in) provided by financing activities	(457)	240

Cash provided by operating activities was \$10.9 million for the nine months ended April 30, 2007 due primarily to the \$10.1 million in net income and a \$9.1 million increase in accounts payables, which were offset by a \$10.1 million increase in accounts receivables. Cash used in operating activities was \$2.9 million for the nine months ended April 30, 2006 due primarily to a \$3.3 million net loss, which was offset by \$0.5 million in non-cash depreciation and amortization expenses. During the nine months ended April 30, 2007, Forgent collected \$28.0 million in cash receipts from its intellectual property licensing business. Management plans to utilize these cash receipts to pay its legal counsel for services rendered and to support the growth of its software operations, organically as well as inorganically. Forgent's average days sales outstanding was 46 for the third fiscal quarter, a decrease of 15 days from the 61 days reported for the second fiscal quarter.

Cash used in investing activities was \$2.0 million for the nine months ended April 30, 2007 due primarily to \$1.5 million in net purchases of short-term investments. Cash provided by investing activities was \$1.4 million for the nine months ended April 30, 2006 due primarily to \$1.5 million in net sales/maturities of short-term investments. Forgent manages its investments portfolio in order to fulfill corporate liquidity requirements and maximize investment returns while preserving the quality of the portfolio. As the Company's cash balances have grown during fiscal 2007, Forgent has shifted its investment portfolio to investments with slightly longer maturities in order to capitalize on the increases in interest rates. These investments achieved a 64% increase in interest income during the nine months ended April 30, 2007, as compared to the nine months ended April 30, 2006. During

the third fiscal quarter, Forgent made a one-time purchase for software related to the barcode scanners utilized with its VAM software. This purchase and payments for leasehold improvements, primarily for new subtenants and subtenant expansions, account for approximately 88% of Forgent's purchased fixed assets during the nine months ended April 30, 2007. Management does not anticipate any significant purchases of fixed assets during the fourth fiscal quarter.

The Company leases office space and equipment under non-cancelable operating leases that expire at various dates through 2013. Certain leases obligate Forgent to pay property taxes, maintenance and insurance and include escalation clauses. The total amount of base rentals over the term of the Company's leases is charged to expense on a straight-line basis, with the amount of the rental expense in excess of the lease payments recorded as a deferred rent liability. During the second fiscal quarter of 2007, Forgent fully repaid its loans from Silicon Valley Bank. As of April 30, 2007, Forgent had \$1.0 million available in notes payable from Silicon Valley Bank. Additional notes payable obtained from Silicon Valley Bank would bear interest at prime plus 0.75% and require monthly installments over a three year term. Forgent may periodically make other commitments and thus become subject to other contractual obligations. Forgent's future minimum lease payments under all operating and capital leases as of April 30, 2007 are as follows:

	Payments Due By Period				
	(in thousands)				
<u>Total</u>	<u>Less than 1 year</u>	<u>1 - 3 years</u>	<u>3- 5 years</u>	<u>More than 5 years</u>	
Operating lease obligations	\$ 20,229	\$ 3,517	\$ 6,943	\$ 6,836	\$ 2,933
Capital lease obligations	2	2	—	—	—
Total	\$ 20,231	\$ 3,519	\$ 6,943	\$ 6,836	\$ 2,933

Approximately 99% of the Company's operating lease obligations relates to its corporate office location at 108 Wild Basin Road in Austin, Texas. As of April 30, 2007, Forgent had \$4.7 million in future minimum lease payments receivable under non-cancelable sublease arrangements. Additionally, Forgent had a \$0.9 million liability related to impairment charges for the economic value of the lost sublease rental income related to its Austin property.

Cash used in financing activities was \$0.5 million for the nine months ended April 30, 2007 due primarily to the repayment of Forgent's outstanding notes payable. Cash provided by financing activities was \$0.2 million for the nine months ended April 30, 2006 due primarily to \$0.2 million in proceeds received from the issuance of stock. Forgent's stock repurchase program allows the Company to purchase up to three million shares of the Company's common stock. No shares were repurchased during the nine months ended April 30, 2007 or 2006. As of April 30, 2007, Forgent had repurchased 1,790,401 shares for approximately \$4.8 million and had the approval to repurchase approximately 1.2 million additional shares. During the fourth fiscal quarter, management will repurchase additional shares, depending on the Company's cash position, market conditions and other factors.

As of April 30, 2007, Forgent's principal source of liquidity consisted of \$26.1 million in cash, cash equivalents, short-term investments and its ability to generate cash from its intellectual property licensing business. Management currently plans to utilize its cash balances to grow its software operations internally by making additional prudent investments, explore potential opportunities in acquiring a growing and profitable public or privately held technology business or product line and buy back shares. Forgent's ability to generate cash from its intellectual property licensing business is subject to certain risks as discussed under "Risk Factors." There is no assurance that the Company will be able to limit its cash consumption and preserve its cash balances, and it is possible that the Company's future business demands may lead to cash utilization at levels greater than recently experienced due to potential acquisitions. Management believes that the Company has sufficient capital and liquidity to fund and cultivate growth of its current operations.

CRITICAL ACCOUNTING POLICIES

The Company's condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles and include the accounts of Forgent's wholly owned subsidiaries. All significant intercompany transactions and balances have been eliminated in the consolidation. Preparation of the condensed consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The more significant estimates made by management include the valuation allowance for the gross deferred tax asset, contingency reserves, useful lives of fixed assets and the determination of the fair value of its long-lived assets. These estimates could be materially different under different conditions and assumptions. Additionally, the actual amounts could differ from the estimates made. Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation.

Management believes the following represent Forgent's critical accounting policies:

Revenue Recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable and collectibility is probable. The Company recognizes software revenue in accordance with Statement of Position ("SOP") 97-2, *"Software Revenue Recognition,"* as amended by SOP 98-4, *"Deferral of the Effective Date of a Provision of SOP 97-2,"* and SOP 98-9, *"Modification of SOP 97-2 With Respect to Certain Transactions,"* Securities and Exchange Commission Staff Accounting Bulletin 104, *"Revenue Recognition"* and Emerging Issues Task Force Issue No. 00-21, *"Revenue Arrangements with Multiple Deliverables."*

Intellectual property licensing revenue is derived from the Company's Patent Licensing Program, which has generated licensing revenues relating to the Company's technologies embodied in the '672 patent and the '746 patent. Gross intellectual property licensing revenue is recognized at the time a license agreement has been executed and collection has been deemed probable. Related costs are recorded as cost of sales. The cost of sales on the intellectual property licensing business relates to contingent legal fees incurred on successfully achieving signed agreements, as well as legal fees incurred based upon legal counsel's time.

Software and service revenue consists of software license and service fees. Revenue from the software element is earned through the licensing or right to use the Company's software and from the sale of specific software products. Service fee income is earned through the sale of maintenance and technical support, training and installation. Forgent sells multiple elements within a single sale. The Company allocates the total fee to the various elements based on the relative fair values of the elements specific to the Company. The Company determines the fair value of each element in the arrangement based on vendor-specific objective evidence ("VSOE") of fair value. VSOE of fair value for the software, maintenance, and training and installation services are based on the prices charged for the software, maintenance and services when sold separately. Revenue allocated to maintenance and technical support is recognized ratably over the maintenance term (typically one year). Revenue allocated to installation and training is recognized upon completion of these services. The Company's training and installation services are not essential to the functionality of its products as such services can be provided by a third party or the customers themselves. For instances in which VSOE cannot be determined for undelivered elements, and these undelivered elements do not provide significant customization or modification of its software product, Forgent recognizes the entire contract amount ratably over the period during which the services are expected to be performed.

The Company does not recognize revenue for agreements with rights of return, refundable fees, cancellation rights or acceptance clauses until such rights of return, refund or cancellation have expired or acceptance has occurred. The Company's arrangements with resellers do not allow for any rights of return.

Deferred revenue includes amounts received from customers in excess of revenue recognized, and is comprised of deferred maintenance, service and other revenue. Deferred revenues are recognized in the Condensed Consolidated Statements of Operations when the service is completed and over the terms of the arrangements, primarily ranging from one to three years.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's primary market risk exposure relates to interest rate risk. Forgent's interest income is sensitive to changes in U.S. interest rates. However, due to the short-term nature of the Company's investments, Forgent does not consider these risks to be significant. For additional Quantitative and Qualitative Disclosures about Market Risk, reference is made to Part II, Item 7A, Quantitative and Qualitative Disclosures about Market Risk, in the Company's Annual Report on Form 10-K/A for the year ended July 31, 2006.

ITEM 4. CONTROLS AND PROCEDURES

Management established and is responsible for maintaining internal control over the Company's financial reporting. Under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, management of the Company has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15 under the Securities Exchange Act of 1934) as of a date within 90 days prior to the filing date of this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the date of the evaluation, the Company's disclosure controls and procedures are effective in timely alerting them to the material information relating to the Company required to be included in its periodic filings with the Securities and Exchange Commission. No changes were made in the Company's internal controls over financial reporting during the quarter ended April 30, 2007, that have materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Forgent is the defendant or plaintiff in various actions that arose in the normal course of business. With the exception of the proceedings described below, none of the pending legal proceedings to which the Company is a party are material to the Company.

Litigation of United States Patent No. 6,285,746

In July 2005, Forgent initiated litigation against 15 companies for infringement of the United States Patent No. 6,285,746 (the " '746 patent") in the United States District Court for the Eastern District of Texas, Marshall Division (the " '746 Litigation"), seeking injunctive relief against sales of infringing products and monetary damages, among other relief sought. Since the initial '746 Litigation, Forgent has dismissed six defendants and three other defendants have been added. The '746 Litigation was moved to the United States District Court for the Eastern District of Texas, Tyler Division.

Effective April 26, 2007, Forgent entered into settlement and license agreements with nine of the defendants: Cable One, Inc.; Charter Communications, Inc.; Comcast Corporation; Comcast STB Software DVR, LLC; Coxcom, Inc.; Digeo, Inc.; Motorola, Inc.; Scientific-Atlanta, Inc.; and Time Warner Cable, Inc. These defendants were dismissed from the '746 Litigation with prejudice. Under the agreements, Forgent granted the defendants a patent license and other benefits and the defendants agreed to pay the Company a total of \$20.0 million. Additionally, all parties agreed to release all claims against each other.

Effective May 13, 2007, Forgent reached an agreement in principle to settle the '746 Litigation with respect to one of the remaining defendants: DIRECTV, Inc. ("DIRECTV"). Pursuant to such agreement in principle, Forgent and DIRECTV have agreed to work in good faith to reach a final definitive settlement agreement. The terms of a final definitive settlement agreement, which have been agreed to in principle, include Forgent's agreement to grant DIRECTV a patent license, DIRECTV's agreement to pay the Company \$8.0 million, and the parties' agreement to release all claims against each other. The Company anticipates it will finalize a definitive settlement and license agreement with DIRECTV during the fourth fiscal quarter.

On May 16, 2007, TiVo Inc. ("TiVo") filed a complaint for declaratory judgment in the United States District Court for the Northern District of California against Forgent relating to the '746 patent. TiVo is seeking

declarations of equitable estoppel and patent noninfringement and invalidity, among other relief sought. Forgent is currently reviewing its options to resolve this matter.

On May 21, 2007, a jury for the United States District Court for the Eastern District of Texas, Tyler Division, found the four asserted claims of the '746 patent to be invalid. This finding was in favor of EchoStar Technologies Corporation and Echosphere L.L.C., the two remaining defendants in the '746 Litigation. The Company continues to believe in the validity of the '746 patent and is currently assessing its options.

Re-examination of United States Patent No. 6,285,746

On October 2, 2006, the United States Patent and Trademark Office (the "USPTO") ordered an *inter partes* re-examination of the '746 patent and issued its first office action related to this re-examination on October 30, 2006. This first action, which is not the final conclusion of the re-examination, rejected the five claims in the '746 patent. Forgent responded to the USPTO and anticipates working to vigorously defend all of the claims of the '746 patent. If the Company is unsuccessful in defending its patent's claims with the USPTO examiner, Forgent could pursue the appeal process within the USPTO and within the federal court system, if necessary. The USPTO has not issued any additional office actions related to this re-examination.

Litigation of United States Patent Nos. 5,720,023 and 6,295,527

On February 14, 2007, Cisco Systems, Inc. and Cisco Technology, Inc. (collectively "Cisco") initiated litigation in the United States District Court for the Western District of Wisconsin against Forgent for alleged infringement of United States Patent Nos. 5,720,023 and 6,295,527. Cisco sought injunctive relief against sales of Forgent's Virtual Asset Manager software product and monetary damages, among other relief sought. On April 30, 2007, Cisco dismissed its claims with prejudice and Forgent likewise dismissed its counterclaims.

Litigation of United States Patent No. 4,698,672

Between April 2004 and November 2004, Forgent's wholly-owned subsidiary, Compression Labs, Incorporated ("CLP"), initiated litigation against multiple companies for infringement of the '672 patent in the United States District Court for the Eastern District of Texas, Marshall Division, seeking royalties from sales of infringing products and monetary damages, among other relief sought. Prior to fiscal year 2007, Forgent settled with defendants Adobe Systems, Inc.; Apple Computer, Incorporated; AudioVox Corporation; Axis Communications, Incorporated; BenQ America Corporation; Color Dreams, Inc.; JASC Software; Google Inc.; Macromedia, Inc.; ScanSoft, Inc.; Océ North America, Incorporated; Onkyo Corporation; Riverdeep, Incorporated; Xerox Corporation and Yahoo! Inc. On October 25, 2006, Forgent signed a Patent License and Settlement Agreement with the remaining defendants. Under this agreement, Forgent granted the defendants a patent license and the defendants paid Forgent \$8.0 million. Additionally, all parties agreed to release all claims against each other.

Re-examination of United States Patent No. 4,698,672

In January 2006, the USPTO granted a petition to re-examine the '672 patent and subsequently issued its first office action on May 25, 2006. Forgent responded to this first office action, which confirmed 27 of the 46 claims in the '672 patent. On March 26, 2007, the USPTO issued its final office action, which affirmed its first office action. Forgent responded to the USPTO on May 11, 2007 and is currently waiting for the USPTO's reply.

ITEM 1A. RISK FACTORS

There are many factors that affect Forgent's business, prospects, liquidity and the results of operations, some of which are beyond the control of the Company. The following is a discussion of important risk factors that may cause the actual results of the Company's operations in future periods to differ materially from those currently expected or desired. Additional risks not presently known to management or risks that are currently believed to be immaterial, but which may become material, may also affect the Company's business, prospects, liquidity and results of operations.

INTELLECTUAL PROPERTY LICENSING BUSINESS

If the Company is unable to obtain new license agreements, operating results will decline.

The Company's Patent Licensing Program involves risks inherent in licensing intellectual property, including risks of protracted delays, legal or regulatory challenges that would lead to disruption or curtailment of the program, increasing expenditures associated with the pursuit of the program and other risks. Failure to sign new license agreements would cause operating results to suffer. There can be no assurance that the Company will be able to continue to license its technology to others. Additionally, quarterly operating results may fail to meet expectations for a number of reasons, including a decline in the demand for the Company's patented technology, higher than expected operating expenses and license delays due to legal and other factors.

Forgent's litigation is dependent on highly competent, experienced and qualified legal counsel. If the Company changes its legal counsel, the Company's operating results and financial condition could suffer.

Forgent's litigation involves intensive legal due diligence and negotiations. In the past, the Company changed its legal counsel, which cost the Company in terms of time and money. The Company may still encounter a number of risks associated with its current legal counsel, including but not limited to (1) turnover of individual attorneys working on the Company's Patent Licensing Program; (2) availability of key attorneys working on the program; (3) financial and other resources available to legal counsel; and (4) the financial strength of legal counsel. These risks may cause delays in Forgent's ability to pursue licensing agreements and settlements, which could require significant additional legal expenditures and could result in declining revenues and earnings for the Company.

The Federal Trade Commission is conducting a non-public inquiry into the Company's Patent Licensing Program, as it relates to the '672 patent. Any negative results from the inquiry could adversely affect the Company.

In December 2003, the Company received notification from the Federal Trade Commission (the "FTC") that it is conducting a non-public investigation to determine whether the Company may have engaged in violation of the Federal Trade Commission Act by reason of the alleged involvement of CLI in the JPEG standard-setting process during the 1980's and very early 1990's and its subsequent licensing of the '672 patent. The Company responded to the FTC's subpoena and the civil investigative demand in 2005. Forgent has not received any final conclusion from the FTC on its inquiries. If the FTC proceeds with its inquiry and thereafter determines that the Company acted improperly, further proceedings before the FTC could ensue.

SOFTWARE & SERVICES BUSINESS

Claims of intellectual property infringement by third parties may adversely affect Forgent's business.

On February 14, 2007, Cisco Systems, Inc. and Cisco Technology, Inc. (collectively "Cisco") initiated litigation in the United States District Court for the Western District of Wisconsin against Forgent for alleged infringement of United States Patent Nos. 5,720,023 and 6,295,527. Cisco sought injunctive relief against sales of Forgent's Virtual Asset Manager software product and monetary damages, among other relief sought. On April 30, 2007, Cisco dismissed its claims with prejudice and Forgent likewise dismissed its counterclaims.

However, Forgent may become subjected to other claims of intellectual property infringement by third parties as the number of competitors and available software products continues to grow and the functionality of such products increasingly overlap. Any infringement claims, with or without merit, could be time-consuming, result in costly litigation, divert management's attention and financial resources, cause the loss or deferral of sales or require Forgent to enter into royalty or license agreements. In the event of a successful claim of intellectual property infringement against Forgent, the Company's business, operating results and financial condition could be materially adversely affected, if Forgent is unable to either license the technology or similar technology or develop alternative technology on a timely basis. If Forgent is able to license the technology, such royalty or license agreements may not be available on terms acceptable to the Company.

If Forgent is unable to successfully market and sell its software products and services, future software revenues will decline.

The future success of the Company's software segment is dependent in significant part on its ability to generate demand for its NetSimplicity software products and services. To this end, Forgent's marketing and sales operations must increase market awareness of its products and services to generate increased revenue. All sales new hires will require training and may take time to achieve full productivity. Forgent cannot be certain that its new hires

will become as productive as necessary or that it will be able to hire enough qualified individuals or retain existing employees in the future. The Company cannot be certain that it will be successful in its efforts to market and sell its products and services. If it is not successful in building greater market awareness and generating increased sales, future software revenues may decline.

Lack of new customers or additional sales from current customers could negatively affect the Company's ability to grow revenues.

Forgent's business model depends on the expanded use of its software and Forgent must execute on its growth objectives. If the Company fails to grow its customer base or generate repeat and expanded business from its current customers, Forgent's software revenues could be adversely affected. Since the Company's maintenance and other service fees depend largely on the size and number of licenses that are sold, any downturn in Forgent's software license revenue would negatively impact the Company's deployment services revenue and future maintenance revenue. Additionally, if customers elect not to renew their maintenance agreements, Forgent's maintenance revenue could be adversely affected.

Increased competition may have an adverse effect on the Company's profitability.

The Company may encounter new entrants or competition from competitors in some or all aspects of its software business. The Company currently competes on the basis of price, technology, availability, performance, quality, reliability, service and support. There can be no assurance that the Company will be able to maintain a competitive advantage with respect to any of these factors. Many of Forgent's current and possibly future competitors have greater resources than the Company and, therefore, may be able to compete more effectively on price and other terms.

Open source software may increase competition, resulting in decreases in Forgent's prices of its software products.

Many different formal and informal groups of software developers and individuals have created a wide variety of software and have made that software available for use, distribution and modification, often free of charge. Such open source software has been gaining in popularity among business users, particularly small to medium sized businesses, which are some of Forgent's targeted customers. Although management is currently unaware of any competing open source software, if developers make scheduling or asset management software applications available to the open source community, and that software has competitive features, Forgent may need to change its pricing and distribution strategy in order to compete.

Forgent's software products' functionality may be impaired if third-party hardware products associated with the NetSimplicity software do not operate successfully.

In addition to its software products, Forgent currently sells hardware from partnered vendors to its customers. The effective implementation of Forgent's software products depends upon the successful operation of these third-party hardware products. Any undetected defects in these third-party products could prevent the implementation of or impair the functionality of Forgent's software or blemish the Company's reputation.

If Forgent fails to introduce new versions and releases of functional and scalable software products in a cost-effective and timely manner, customers may license competing products and Forgent's revenues will decline.

The technology industry is characterized by continuing improvements in technology, resulting in the frequent introduction of new products, short product life cycles, changes in customer needs and continual improvement in product performance characteristics. Forgent expects that its future financial performance will depend, in part, on revenue generated from its existing and future software products and the related products that the Company plans to develop and/or acquire. To be successful, Forgent must be cost-effective and timely in enhancing its existing software applications, developing new software technology and solutions that address the increasingly sophisticated and varied needs of its existing and prospective clients, and anticipating technological advances and evolving industry standards and practices.

Forgent spends a large portion of its research and development resources on product upgrades and may need to invest further in research and development in order to keep its software applications and solutions viable in the rapidly changing marketplace. This research and development effort, which may require significant resources, could ultimately be unsuccessful if Forgent does not achieve market acceptance for its new products or enhancements. Additionally, if the Company fails to anticipate and respond effectively to technological improvements or if Forgent's competitors release new products that are superior to Forgent's products in

performance and/or price, demand for the Company's software products may decline and Forgent may lose sales and fail to achieve anticipated revenues.

Errors or defects in Forgent's software could reduce demand for its software and result in decreased revenues, decreased market acceptance and injury to the Company's reputation.

Errors or defects in the Company's software, sometimes called "bugs," may be found from time-to-time, particularly when new versions or enhancements are released. Any significant software errors or defects may result in loss of sales, decreased revenues, delay in market acceptance and injury to the Company's reputation. Despite extensive product testing during development, new versions or enhancements of Forgent's software may still have errors after commencement of commercial shipments. Forgent corrects the "bugs" and delivers the corrections in subsequent maintenance releases and patches. However, errors or defects could put Forgent at a competitive disadvantage and can be costly and time-consuming to correct.

If Forgent is unable to develop or maintain strategic relationships with its resellers and vendor partners who market and sell the Company's products, software revenues may decline.

Forgent supplements its direct sales force by contracting with resellers to generate international sales and vendor partners to help increase sales. Currently, resellers generate a relatively small portion of Forgent's software sales. Therefore, Forgent's software revenue growth will depend, in part, on adding new resellers and partners to expand its sales channels, as well as leveraging the relationships with existing resellers and partners. If the Company is unable to enter into successful new strategic relationships in the future or if the Company's current relationships with its resellers and partners deteriorate or terminate, Forgent may lose sales and software revenues may decline.

OTHER

Historically, the Company has not been profitable and Forgent may continue to incur losses, which may result in decreases in revenues if customers raise viability concerns.

Although Forgent generated net income for the nine months ended April 30, 2007, the Company incurred losses during the prior fiscal quarters. As of April 30, 2007, Forgent had an accumulated deficit of \$240.7 million and Forgent may incur additional losses in the future. Continued losses may cause existing and new customers to question the Company's viability and be reluctant to purchase from the Company. If Forgent is unable to increase its sales due to such concerns, revenues will decline, which would further adversely affect the Company's operating results. Therefore, there are no assurances that the Company can achieve or generate sufficient revenues to continue its current profitability.

Forgent may not be able to protect or enforce its intellectual property rights which could cause the Company's ability to license its technologies to be impaired.

The Company's success and ability to compete are substantially dependent on its proprietary technology and trademarks. The Company seeks to protect these assets through a combination of patent and trademark laws as well as confidentiality procedures and contractual provisions. These legal protections afford only limited protection and enforcement of these rights may be time consuming and expensive. If Forgent cannot protect or enforce these rights, the Company's ability to obtain future licenses could be impaired. Furthermore, despite best efforts, the Company may be unable to prevent third parties from infringing upon or misappropriating its intellectual property. Competitors may also independently develop similar, but not infringing, technology, duplicate products or design around the Company's patents or other intellectual property. Additionally, the Company's patent applications or trademark registrations may not be approved. Moreover, even if approved, the resulting patents or trademarks may not provide Forgent with any competitive advantage or may be challenged by third parties. If challenged, patents might not be upheld or claims could be narrowed. Any litigation surrounding the Company's rights would force Forgent to divert important financial and other resources away from business operations.

Although Forgent is unable to determine the extent to which piracy of its software products occurs, management believes software piracy could be a problem. Since Forgent has international resellers and customers, piracy may occur in foreign countries where laws do not protect proprietary rights to the same extent as the laws in the United States.

Forgent may face problems in connection with future acquisitions, which could create business difficulties and adversely affect operations.

As part of Forgent's business strategy, Forgent may acquire additional businesses, products and technologies that could complement or expand its ongoing business. However, Forgent may be unable to identify

suitable acquisitions or investment candidates. Even if Forgent identifies suitable candidates, there are no assurances that the Company will be able to make the acquisitions or investments on favorable terms. Negotiations of potential acquisitions could divert management time and resources and the Company may incorrectly judge the value or worth of an acquired business, product or technology. Additionally, Forgent may incur significant debt or be required to issue equity securities to pay for such future acquisitions or investments.

If Forgent acquires a company, Forgent may have difficulties integrating the products, services, technologies, personnel and operations into the Company's ongoing business. These difficulties could disrupt Forgent's ongoing business, distract management and the workforce, increase expenses and adversely affect operating results. If Forgent is unable to fully integrate acquired businesses, products or technologies with its existing operations, Forgent may not achieve the intended benefits of such acquisitions and related expenditures.

If Forgent elects to raise additional capital, funds may not be available or if available, may not be on favorable terms to the Company.

In the future, Forgent may elect to raise additional capital to fund its operations and/or acquisitions. However, Forgent cannot be certain that it will be able to obtain additional financing on favorable terms, if at all. If Forgent takes out additional loans, the Company may incur significant interest expense, which could adversely affect results of operations. If Forgent issues equity securities, its stockholders' percentage of ownership would be reduced and the new equity securities may have rights, preferences or privileges senior to those existing stockholders of the Company's common stock. If Forgent is unable to raise funds on acceptable terms, Forgent may not be able to acquire additional businesses, products or technologies, develop or enhance its existing products, respond to competitive pressures or unanticipated requirements, or take advantage of future opportunities, all of which could adversely affect Forgent's business, operating results and financial condition.

Forgent may experience significant fluctuations in its quarterly results and if the Company's future results are below expectations, the price for the Company's common stock may decline.

In the past, Forgent's revenues and operating results have varied significantly from quarter to quarter. Additionally, management expects that revenues and operating results may continue to fluctuate significantly from quarter to quarter. These fluctuations may lead to reduced prices for the Company's common stock. Several factors may cause the quarterly results to fluctuate, including:

- timing of intellectual property license agreements and related recording of licensing revenues;
- resolution of the FTC's non-public investigation;
- timing and costs related to the Company's '746 Litigation;
- market demand for NetSimplicity's software products and services;
- timing of customers' budget cycles;
- timing of customer orders and deployment of NetSimplicity's software products and services;
- the mix of software license and services revenues;
- timing of introducing new products and services or enhancements to existing products and services;
- new product releases or pricing policies by Forgent's competitors;
- seasonal fluctuations in capital spending;
- changes in the rapidly evolving market for web-based applications;
- management's ability to manage operating costs, a large portion of which are relatively fixed in advance of any particular quarter;
- timing and costs related to possible acquisitions of businesses, products or technologies;
- costs of attracting, retaining and training skilled personnel;
- management's ability to manage future growth;
- changes in U.S. generally accepted accounting principles; and
- general economic climate.

Some of these factors are within management's control while others are not. Accordingly, management believes that quarter-to-quarter comparisons of the Company's revenues and operating results are not necessarily meaningful and that market analysts and investors should not rely on the results of any particular quarter as an indication of future performance.

The loss of key management and personnel could hinder the development of Forgent's technology and otherwise adversely affect the Company's business.

Forgent relies on the continued contributions of its senior management, sales and marketing, professional services and finance personnel. Forgent's success depends upon its ability to attract, hire and retain highly qualified and experienced personnel, especially software developers and engineers who design and develop software applications in order to keep pace with client demand for rapidly evolving technologies and varying client needs. The Company's operations are also dependent on the continued efforts of its executive officers and senior management and Forgent will likely depend on the senior management of any business it may acquire in the future. If any of the Company's key personnel or senior management are unable or unwilling to continue in his or her present role, or if Forgent is unable to attract, train, retain and manage its employees effectively, Forgent could encounter difficulties in developing new products and product enhancements, generating revenue through increased sales efforts and providing high quality customer service.

Forgent executed a new shareholders rights plan that could make it difficult for another company to acquire control of the Company.

In December 2005, Forgent's Board of Directors approved and executed a shareholder rights plan ("Rights Plan") whereby one preferred share purchase right was distributed for each outstanding share of Forgent's common stock for all stockholders of record on December 31, 2005. The Rights Plan, which was not adopted in response to any threat to the Company, was designed to guard against any proposed takeover, partial tender offers, open market accumulations and other tactics designed to gain control of the Company. Under the new plan, the rights become exercisable if a person or group thereafter acquires 15% or more of Forgent's common stock or announces a tender offer for 15% or more of Forgent's common stock. Such events, or if the Company is acquired in a merger or other business combination transaction after a person or group acquires 15% or more of its common stock, would entitle the right holder to purchase, at an exercise price of \$13.00, a number of shares of common stock having a market value at that time of twice the right's exercise price. The Rights Plan may have the effect of discouraging, delaying or preventing unsolicited acquisition proposals, but there are no assurances a change of control will not occur.

Due to the risk factors noted above and elsewhere in "Management's Discussion and Analysis of Financial Condition and Results of Operations of the Company," Forgent's past earnings and stock price have been, and future earnings and stock price potentially may be, subject to significant volatility, particularly on a quarterly basis. Past financial performance should not be considered a reliable indicator of future performance and investors are cautioned in using historical trends to anticipate results or trends in future periods. Any shortfall in revenue or earnings from the levels anticipated by market analysts and investors could have an immediate and significant effect on the trading price of the Company's common stock.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

Exhibits:

- 3.1 Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's quarterly report on Form 10-Q for the three months ended October 31, 2004).

- 3.2 Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Company's quarterly report on Form 10-Q for the three months ended October 31, 2004).
- 4.1 Specimen Certificate for the Common Stock (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-1, File No. 33-45876, as amended).
- 4.2 Rights Agreement, dated as of December 19, 2005, between Forgent Networks, Inc. and American Stock Transfer & Trust Company, which includes the form of Series A Preferred Stock, \$0.01 par value, the form of Rights Certificate, and the Summary of Rights (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated December 19, 2005).
- 10.38* Settlement and Patent License Agreement, effective April 25, 2007, by and among Forgent Networks, Inc., Motorola, Inc, and Digeo, Inc.
- 10.39* Settlement and License Agreement, effective April 25, 2007, between Forgent Networks, Inc. and Cisco Systems, Inc.
- 31.1** Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2** Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1** Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2** Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith; confidential treatment has been requested for certain portions of the Exhibit.
** Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FORGENT NETWORKS, INC.

Date: June 14, 2007

By: /s/ RICHARD N. SNYDER
Richard N. Snyder
Chief Executive Officer

Date: June 14, 2007

By: /s/ JAY C. PETERSON
Jay C. Peterson
Chief Financial Officer

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* Confidential treatment has been requested for certain portions of the Exhibit.

CONFIDENTIAL TREATMENT

PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED AND ARE BEING FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION IN A CONFIDENTIAL TREATMENT REQUEST UNDER RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. THE SYMBOL “[***]” IN THIS EXHIBIT INDICATES THAT INFORMATION HAS BEEN OMITTED.

SETTLEMENT AND PATENT LICENSE AGREEMENT

This Settlement and Patent License Agreement (“Agreement”) is entered into as of April 25, 2007 (“the Effective Date”), by and between Forgent Networks, Inc. (hereinafter referred to as “Forgent” and more fully defined below), Motorola, Inc., a Delaware corporation (hereinafter referred to as “Motorola” and more fully defined below), and Digeo, Inc., a Delaware corporation (hereinafter referred to as “Digeo” and more fully defined below) by and through their duly authorized representatives. This Agreement is intended to finally and completely dispose of the lawsuit and all related claims as to these parties as more fully described herein.

RECITALS

WHEREAS, Forgent, Motorola, Digeo, and [***] are parties to a lawsuit in the United States District Court for the Eastern District of Texas, currently styled *Forgent Networks, Inc. v. EchoStar Communications Corporation, et al*, Civil Action No. 606 CV 208 (“the Lawsuit”), wherein Forgent seeks damages and injunctive relief for infringement of United States Patent No. 6,285,746 (hereinafter referred to as “the ‘746 patent”);

WHEREAS Motorola and Digeo provide software and hardware that are used in products accused of infringement in the Lawsuit [***]; and

WHEREAS Forgent, Motorola, and Digeo now desire to settle the Lawsuit, including all causes of action between Forgent, Motorola, and Digeo;

NOW, THEREFORE, Forgent, Motorola, and Digeo (as well as their Affiliates as defined below), after carefully reviewing this Agreement and in exchange for the dismissal, releases and licenses provided herein, for the monetary consideration provided herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby expressly acknowledged, agree as follows:

1. DEFINITIONS

1.1 “Motorola” as used herein means Motorola, Inc., a Delaware corporation with its principal office located at 1303 Algonquin Road, Schaumburg, Illinois 60196 and all its Affiliates [***].

1.2 “Digeo” as used herein means Digeo, Inc., a Delaware corporation with its principal office located at 8815 122nd Avenue NE, Kirkland, Washington, 98033, and all its Affiliates.

1.3 “Affiliates” as used herein means a person or business entity, including without limitation entities organized as corporations, partnerships, limited liability partnerships and limited liability companies, that currently or in the future, controls, is controlled by, or is under common control of or with Motorola or Digeo. The phrase

“controls, is controlled by, or is under common control with” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through ownership of voting securities (as to which ownership of 50% or more establishes control) or other interests, by contract or otherwise.

1.4 “Change of Control” means the acquisition of at least fifty percent (50%) of the outstanding voting power of a party to this Agreement by another person or entity by means of any transaction or series of related transaction including, without limitation, any reorganization, merger, consolidation or tender offer, except where such party’s shareholders of record as constituted immediately prior to such transaction will, immediately after such transaction together hold at least fifty percent (50%) of the outstanding voting power of the surviving or acquired person or entity in such transaction.

1.5 “Forgent” as used herein means Forgent Networks, Inc., a Texas corporation with its principal office located at 108 Wild Basin Drive, Austin, Texas, and all its Affiliates.

1.6 The “Licensed Patents” as used herein means U.S. Patent No. 6,285,746, issued September 4, 2001, and all Related Patents.

1.7 The term “Parties” or “Party” means the signatories to this Agreement (Forgent, Motorola, and Digeo) both jointly and individually.

1.8 The term “Related Patents” as used herein means all counterpart patents and patent applications (whether U.S. or foreign), all parent applications, all divisions, continuations, continuations-in-part, additions, substitutions, registrations, reissues, reexaminations or extensions of any kind with respect to United States Patent No. 6,285,746, any patents or patent applications claiming priority from any of the foregoing, any other patents owned or acquired by Forgent relating to video recording devices, and patents owned or acquired by Forgent within five years of the Effective Date.

1.9 The term “Motorola or Digeo Product” as used herein means any product or products (including, without limitation, software, systems and services) [***]. [***]

1.10 As used herein, the term “Infringe” or “Infringement” or “Infringing” shall include both direct and indirect infringement, literal infringement, and infringement under the Doctrine of Equivalents.

2. RELEASES

2.1 **Forgent releases Motorola and Digeo.** Forgent releases and discharges Motorola and Digeo, their Affiliates, their agents, representatives, customers, suppliers, distributors, dealers, including but not limited to their service providers (including but not limited to the service providers that are named parties in the Lawsuit) and end users of Motorola or Digeo Products from all claims of patent infringement arising from the Licensed Patents with respect to any Motorola or Digeo Product that were or could have

been rightfully brought against Motorola, Digeo, their Affiliates, and/or their customers by Forgent occurring prior to the Effective Date of this Agreement, including but not limited to any and all patent claims, demands, actions, causes of action (whether known or unknown, whether direct or indirect), patent suits of any kind or nature, rights, damages, costs, losses, expenses and compensation.

2.2 **Motorola and Digeo release Forgent.** Motorola and Digeo release and discharge Forgent, its affiliates, agents, representatives, customers, suppliers, distributors, and dealers from (i) all claims regarding the Lawsuit, including but not limited to any and all claims, demands, actions, causes of action (whether known or unknown, whether direct or indirect), suits of any kind or nature, rights, damages, costs, losses, expenses and compensation that were or could have been brought against Forgent by Motorola or Digeo in the Lawsuit occurring prior to the Effective Date of this Agreement and (ii) all claims of patent infringement with respect to a Forgent Product (as defined in Section 3.3. below) occurring prior to the Effective Date of this Agreement

2.3 **Other [***] Lawsuit Parties.** Attached as Exhibits B-F are Release Agreements to be signed by the [***]. Forgent and [***] shall sign the Release Agreement for [***] upon execution of this Agreement. Upon the condition that a license agreement is entered into between Forgent Networks, Inc. and [***], Forgent shall sign the Release Agreements for the remaining [***]. Motorola and Digeo are responsible for obtaining authorization and signatures from these defendants. It is understood by the parties to this Agreement that a [***] will not be dismissed in the Lawsuit as described in Section 4.1 below until a Release Agreement is executed by such [***]. Notwithstanding Motorola's and Digeo's responsibilities under this Section, if any one, some or all of the [***] do not execute a Release Agreement, this Agreement will be effective with respect to Forgent, Motorola and Digeo.

3. LICENSE GRANT

3.1 **Grant.** Forgent grants Motorola and Digeo and their respective Affiliates a lump sum, fully paid-up, irrevocable, non-exclusive, worldwide, perpetual license under the Licensed Patents to make, have made (either directly or indirectly), use, sell, offer for sale, import, distribute, export, lease, or offer for lease, Motorola or Digeo Products which would otherwise Infringe the Licensed Patents. The license shall include the right of third parties to use, sell, lease, import and export, and offer to sell any Motorola or Digeo Products. The right to indirectly have made includes the right of a third party manufacturer of a Motorola or Digeo Product to have that product made by another.

3.2 **Full Force and Effect.** The license provided under this Agreement shall remain in full force and effect regardless of any subsequent transfer of rights in or to the Licensed Patents by Forgent including, without limitation, assignment, license, sale, gift, or bequest.

3.3 **Covenants Not To Sue.** Forgent covenants not to sue Motorola, Digeo and/or their Affiliates for any business or activity for Infringement of the Licensed

Patents with respect to any Motorola or Digeo Product. Forgent further covenants not to sue any third party for any action in which (1) Motorola or Digeo would otherwise be liable as a direct or indirect infringer of the Licensed Patent but for this Agreement or (2) in which the activity alleged by Forgent to be Infringing involves the third party's use of a Motorola or Digeo Product. In addition to the foregoing, for a period of five years from the Effective Date, (i) Forgent covenants not to sue or threaten to sue (or instruct, encourage, or aid a third party to sue or threaten to sue) Motorola or Digeo for patent infringement; and no liability shall accrue against Motorola or Digeo during the five year period and (ii) Motorola and Digeo each covenant not to sue or threaten to sue (or instruct, encourage, or aid a third party to sue or threaten to sue) Forgent for patent infringement and no liability shall accrue against Forgent during the five year period. [***] Subject to the above restrictions of the Motorola and Digeo patents that are subject to a covenant not to sue, Motorola and Digeo each further covenant not to sue any third party for any action in which (1) Forgent would otherwise be liable as a direct or indirect infringer of a patent for a Forgent Product but for this Agreement or (2) in which the activity alleged by Motorola or Digeo to be Infringing involves the third party's use of a Forgent Product. As used in this Section 3.3, a "Forgent Product" is defined as a product currently being offered by Forgent or in development by Forgent as of the Effective Date and subsequent versions of such products that are materially similar in features and functions to such Forgent Products; such features and functions may be reasonably updated to maintain compatibility with then-current technologies.

The covenants not to sue of this paragraph do not apply to any breach of this Agreement.

3.4 **Termination.** The term of the license provided under this Agreement shall run from the Effective Date of this Agreement to the last expiration date of patents falling under the definition of "Licensed Patents."

3.5 **No Right To Sublicense/Cross-License, Assign or Transfer.** The releases, licenses, and covenants not to sue provided under this Agreement do not include the right to cross-license and/or sublicense, assign or transfer, except that (i) Motorola and Digeo shall have the right to assign and/or transfer their respective rights and obligations under this Agreement to any entity which acquires all or substantially all of a Motorola or Digeo business or assets related to Motorola or Digeo Products to which a license would be granted under Section 3.1, (ii) Motorola and Digeo shall have the right to sublicense their respective rights to divested business units of their respective companies ("Divested Company"), (iii) Motorola and Digeo shall have the right to sublicense their respective rights to acquired entities with respect to the '746 patent or any patent claiming priority from or through any application that led to or in common with the '746 patent, (iv) Motorola and Digeo shall have the right to assign and/or transfer their respective rights and obligations under this Agreement to any entity resulting from the merger of Motorola or Digeo with any other entity, and (v) a Divested Company may assign and/or transfer its respective rights to an entity subsequently acquiring all or substantially all of the business or assets of the Divested Company or which merges with the Divested Company. Notwithstanding the foregoing, with respect to subsections (i), (iv) and (v) above, any assignment of this Agreement applies only to

those Motorola or Digeo Products that were licensed as of the merger or acquisition closing date and subsequent versions of such products that are materially similar in features and functions to such Motorola or Digeo Products; such features and functions may be reasonably updated to maintain compatibility with then-current technologies. Notwithstanding the foregoing, with respect to subsection (iii) above, if Motorola or Digeo acquires an entity that is subject to any patent infringement claims by Forgent other than the '746 patent or any patent claiming priority from or through any application that led to or in common with the '746 patent, and if Forgent asserts the claim against the acquired entity or Motorola or Digeo, then Motorola and Digeo may independently terminate the covenants not to sue rights granted to Forgent in Section 3.3 above and, notwithstanding Section 4.5, Motorola and Digeo may initiate any proceeding in the United States Patent and Trademark Office in response to Forgent's asserted patent claim against the acquired entity.

3.6 **Corporate Change.** The covenants not to sue granted by Motorola and Digeo to Forgent are personal and will not be assignable or transferable in the event of a Change of Control of Forgent (whether by operation of law or otherwise). If Forgent undergoes a Change of Control, all rights in the covenants not to sue granted by Motorola and Digeo will automatically terminate. In no event will the rights in the covenants not to sue granted by Motorola or Digeo extend to any other person or entity involved in such Change of Control, without the prior written consent of Motorola or Digeo with respect to the covenant granted by it, which consent may be withheld in its sole and absolute discretion. Notwithstanding anything to the contrary in this Section, in the event of a Change of Control of Forgent, Motorola and Digeo covenant not to sue the person or entity involved in such Change of Control as to Forgent Products (as defined in Section 3.3).

3.7 **Responsibilities of Assignees of the Licensed Patents.** In the event that Forgent transfers or assigns ownership and/or control of any patent that is subject to this Agreement, such transfer or assignment shall not become effective unless and until the transferee party agrees, in writing, to be bound by this Agreement and to accept Forgent's rights and obligations with respect to any transferred patents. Such written agreement shall include an acknowledgment by the transferee that it shall be bound by the covenant not to sue in Section 3.3. Forgent shall provide a copy of all such written agreements by transferees to Motorola and Digeo.

4. **DISMISSAL**

4.1. **Dismissal.** Within three (3) business days of the Effective Date, the Parties shall file an Agreed Motion to Dismiss with Prejudice in the form attached as Exhibit A, dismissing all Forgent's claims against Motorola and Digeo and all Motorola and Digeo's claims against Forgent, and all Forgent's claims against [***] any other party in the Lawsuit accused of infringement due to using, leasing, and/or selling Motorola or Digeo Products and, if a license agreement is entered into between Forgent Networks, Inc. and [***], a dismissal of all Forgent claims against [***].

4.2 **No Admission of Liability.** The Parties expressly agree and acknowledge

that by entering into this Agreement no Party admits any liability, wrongdoing or the truth of any allegation contained in any claim, defense or counterclaim alleged in the Lawsuit. Neither this Agreement nor any release contained within it may be construed or used as an admission of any issues, facts, wrongdoing, liability, or violation of law whatsoever.

4.3 **Each Party to Pay Its Own Legal Fees.** The Parties shall each pay their own legal fees and costs incurred in connection with the Lawsuit.

4.4 **Dismissal of Motions.** The Parties shall promptly file the necessary papers to advise the Court that all pending motions as between them, and joinder to all pending motions as between them, are withdrawn.

4.5 [***]

5. **PAYMENT**

5.1 [***]

6. **REPRESENTATIONS AND WARRANTIES**

6.1 **Forgent's Sole Right and Authority.** Forgent represents and warrants that it owns the Licensed Patents and any other patents and patent applications with respect to which licenses, releases or covenants are granted hereunder, and has the sole right and exclusive authority to grant the licenses, releases and/or covenants set forth in this Agreement. Forgent further warrants that (i) no ownership interest in the Licensed Patents is held by any third party, (ii) the Licensed Patents are not subject to any encumbrance, lien or claim of ownership by any third party (with the exception of agreements with Forgent's counsel), and (iii) no other royalties are required to obtain a license. Forgent further represents and warrants that it has the right to enter into this Agreement on behalf of itself and any affiliate. Forgent does not warrant the validity or enforceability of the Licensed Patents. This Agreement shall be fully enforceable even if any Licensed Patent (or any claim thereof) is subsequently cancelled or invalidated in reexamination or litigation.

6.2 **Complete Satisfaction.** Forgent warrants that the Payment in accordance with this Agreement is in complete satisfaction of this Agreement, jointly and individually.

6.3 **Sole Owner of Claims.** Each Party represents and warrants to each of the other Parties that: (i) it is the sole owner of the claims or causes of action released in this Agreement and has not previously assigned or transferred, or purported to assign or transfer, any interest in such claims or causes of action to any other person or entity (with the exception of agreements with Forgent's counsel); (ii) that it is not in a disparate bargaining position with respect to the negotiation of this Agreement; (iii) that it has full authority to enter into this Agreement and is competent to do so; and (iv) that this Agreement constitutes the legal, valid and binding obligation of such Party enforceable against such Party in accordance with its terms.

6.4 **Motorola's Sole Right and Authority.** Motorola represents and warrants that it has the right to enter into this Agreement on behalf of Motorola, Inc. and any Affiliates of Motorola.

6.5 **Digeo's Sole Right and Authority.** Digeo represents and warrants that it has the right to enter into this Agreement on behalf of Digeo, Inc. and any Affiliates of Digeo.

6.6 **Signature Authority.** The persons signing this Agreement each represent that they are duly authorized, with full authority to bind the Parties, and that no signature of any other person or entity is necessary to bind the Parties.

6.7 **Limitation on Damages.** In no event shall any Party be liable to any other Party or person or entity (under any contract, negligence, strict liability, or other theory) for special, exemplary, incidental, or consequential damages arising out of or related to the subject matter of this agreement, even if the Party has been advised of the possibility of such damages or losses.

7. CONFIDENTIALITY

7.1 **Confidentiality.** Except for disclosure:

(a) pursuant to an order or subpoena of a court or governmental agency;

(b) to persons with a "need to know" respecting corporate, financial, legal and contract matters, including insurers, lenders, investment bankers, auditors and contracting partners, who also agree to treat such information as confidential; or

(c) as may otherwise be required by law or regulation (as determined by each Party in good faith), including the public reporting requirements of the NASDAQ Stock Exchange, United States Securities and Exchange Commission, or other oversight or regulatory authorities (subject to the Parties attempting in good faith to maintain confidentiality as much as reasonably possible and such confidentiality shall not be substantively less than what is provided with respect to any settlement agreement between Forgent and [***], in all cases consistent with all legal and regulatory obligations),

the parties agree to keep the contents of this Agreement confidential. In the event that production of this Agreement is responsive to a discovery request received by a party in connection with other litigation, this Agreement may be produced only if there is a Protective Order that limits disclosure of the Agreement to outside counsel only and the Agreement is properly designated under the provisions of the applicable Protective Order. The body of an initial Form 8-K with respect to this Agreement made by Forgent shall be substantially similar to Exhibit G unless Forgent believes, in good faith, that law or regulation requires more.

The Parties may freely inform any third party of the fact that the Lawsuit has settled and that Motorola, Digeo, and their customers are licensed under the Licensed Patents, but otherwise the terms of this Agreement are confidential (subject to the above exceptions).

7.2 Notwithstanding anything to the contrary in this Agreement, the [***] may be provided with the terms of this agreement as long the [***] agree to be bound by the confidentiality provisions of Section 7.1.

8. OTHER REPRESENTATIONS, ACKNOWLEDGEMENTS AND AGREEMENTS

8.1 **Successors and Assigns.** Subject to the exceptions stated in Sections 3.5, 3.6 and 3.7, this Agreement shall inure to the benefit of and shall be binding upon the Parties hereto and their successors, assigns, and representatives.

8.2 Excluded Entities.

(a) Notwithstanding anything to the contrary in any other provision of this Agreement, no right, grant, license, sub-license, covenant, release, or any other benefit provided under this Agreement shall extend now, or in the future, to the following Entities, their current parents, current subsidiaries, and any of their respective successors (as well as any of their respective customers, suppliers, distributors and dealers as it relates to that Entity's products), regardless of any circumstance, including but not limited to whether any such Entity may be or become a successor or an Affiliate of Motorola or Digeo: [***]; provided, however, that the rights, grants, licenses, covenants, releases, or any other benefit provided under this Agreement to third parties shall extend to a Lawsuit Excluded Entity (i) with respect to Motorola or Digeo Products sold to a Lawsuit Excluded Entity after the Effective Date (but not as to any product of a Lawsuit Excluded Entity on or before the Effective Date) or (ii) as otherwise permitted in Sections 3.5(i), 3.5(iv) and 3.5(v) above.

(b) Notwithstanding anything to the contrary in any other provision of this Agreement, no right, grant, license, sub-license, covenant, release, or any other benefit provided under this Agreement shall extend now, or in the future, to the following Entities, their current parents, current subsidiaries, and any of their respective successors (as well as any of their respective customers, suppliers, distributors and dealers as it relates to that Entity's products), regardless of any circumstance, including but not limited to whether any such Entity may be or become a successor or an Affiliate of Motorola or Digeo: [***]; provided, however, that the rights, grants, licenses, covenants, releases, or any other benefit provided under this Agreement to third parties shall extend to an Additional Excluded Entity (i) with respect to Motorola or Digeo Products or (ii) as otherwise permitted in Sections 3.5(i), 3.5(iv) and 3.5(v) above.

8.3 **Jurisdiction and Choice of Law.** This Agreement shall be interpreted, and the rights and duties of the parties hereto shall be determined, in accordance with the laws of the State of Texas, without regard to its conflicts of laws provisions. Any action

brought to enforce the provisions of this Agreement shall be commenced in the United States District Court for the Western District of Texas. The Parties agree to mediate in good faith prior to filing any enforcement action.

8.4 **Entire Understanding.** This Agreement and any attachments hereto constitute a single, integrated written contract expressing the entire agreement of the Parties and shall not be modified, supplemented, or repealed except by a writing signed by each of the Parties. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Party, except as specifically set forth in this Agreement. All prior discussions, written communications, and negotiations have been merged and integrated into and are superseded by this Agreement.

8.5 **Execution of Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all executed counterparts together shall be deemed to be one and the same instrument.

8.6 **Construed as Jointly Prepared.** This Agreement shall be construed as if the Parties jointly prepared it and any uncertainty or ambiguity shall not be interpreted against any one Party because of the manner in which this Agreement was drafted or prepared.

8.7 **Invalidity.** If any provision of this Agreement is held invalid, illegal, or unenforceable, the remaining provisions shall not be affected. The Parties shall consult and use their reasonable and best efforts to agree upon a valid and enforceable provision which shall be a reasonable substitute for the invalid, illegal or unenforceable provision.

8.8 **Notices.** All notices under this Agreement shall be in writing and delivered by facsimile transmission, overnight express mail, same or next day courier service, or by personal delivery to such Party at the address given below, or such other address as provided by a Party by written notice:

Forgent:

FAX:

with copy to:

FAX:

Motorola:

FAX:

with copy to:

Digeo:

FAX:

FAX:

with copy to:

FAX:

8.9 **Headings.** The headings and captions used herein shall not be used to interpret or construe this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS HEREOF, the Parties being fully authorized and empowered to bind themselves to this Agreement, have authorized and executed this Agreement on the date set forth opposite their respective signatures.

Forgent Networks, Inc.

DATED: April 25, 2007

By: _____

Motorola, Inc.

DATED: April 25, 2007

By: _____

Digeo, Inc.

DATED: April 25, 2007

By: _____

EXHIBIT A

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION**

FORGENT NETWORKS, INC.
Plaintiff,

v.
ECHOSTAR TECHNOLOGIES
CORPORATION, et al.,
Defendants.

SCIENTIFIC-ATLANTA, INC. and
MOTOROLA, INC.
Plaintiffs,

CONSOLIDATED
C.A. NO.: 6:06-CV-208

And

DIGEO, INC.
Plaintiff in Intervention

vs.

FORGENT NETWORKS, INC.
Defendant and Counter Plaintiff

AGREED MOTION TO DISMISS WITH PREJUDICE

Pursuant to Rule 41(a) and 41(c) of the Federal Rules of Civil Procedure and the terms of a separate agreement, Plaintiff Forgent Networks, Inc. ("Forgent") and Defendants Motorola, Inc. and Digeo, Inc. ("Settling Defendants") (collectively, the "Parties") have agreed to settle, adjust and compromise all claims against each other in this case. The Parties, therefore, move this Court to dismiss all claims by Forgent against Settling Defendants and all claims by Settling Defendants against Forgent with prejudice to the re-filing of same.

A proposed Order accompanies this motion.

AGREED:

ATTORNEYS FOR PLAINTIFF

ATTORNEYS FOR DEFENDANT

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION**

FORGENT NETWORKS, INC.
Plaintiff,

v.
**ECHOSTAR TECHNOLOGIES
CORPORATION, et al.,**
Defendants.

**SCIENTIFIC-ATLANTA, INC. and
MOTOROLA, INC.**
Plaintiffs,

**CONSOLIDATED
C.A. NO.: 6:06-CV-208**

And

DIGEO, INC.
Plaintiff in Intervention

vs.

FORGENT NETWORKS, INC.
Defendant and Counter Plaintiff

ORDER OF DISMISSAL WITH PREJUDICE

On this day, Plaintiff Forgent Networks, Inc. ("Forgent") and Defendants Motorola, Inc. and Digeo, Inc. ("Settling Defendants") announced to the Court that they have settled their respective claims for relief asserted against each other in this case and requested that the Court dismiss these claims. The Court, having considered this request, is of the opinion that their request for dismissal should be GRANTED.

IT IS THEREFORE ORDERED that all claims for relief asserted against Settling Defendants by Forgent and against Forgent by Settling Defendants are dismissed with prejudice to the re-filing of same.

Signed this day of , 2007.

JUDGE _____



EXHIBIT B

[*] SETTLEMENT AND RELEASE**

This Release (“Release”) is entered into as of April 25, 2007 (“the Effective Date”), by and between Forgent Networks, Inc. (hereinafter referred to as “Forgent” and more fully defined below) and [***] (hereinafter referred to as “[***]” and more fully defined below) by and through their duly authorized representatives. This Release is intended to finally and completely dispose of the lawsuit and all related claims as to these parties, with prejudice, as more fully described herein.

RECITALS

WHEREAS, Forgent and [***] are parties to a lawsuit in the United States District Court for the Eastern District of Texas, currently styled *Forgent Networks, Inc. v. EchoStar Communications, Corporation, et al*, Civil Action No. 606 CV 208 (“the Lawsuit”), wherein Forgent seeks damages and injunctive relief for alleged infringement of United States Patent No. 6,285,746 (hereinafter referred to as “the ‘746 patent”);

NOW, THEREFORE, Forgent and [***] (as well as their Affiliates as defined below), after carefully reviewing this Release and in exchange for the dismissal and releases of all claims and counterclaims that have been or could have been raised by or against each other in the Lawsuit, and for other good and valuable considerations, the receipt and sufficiency of which is hereby expressly acknowledged, agree as follows:

DEFINITIONS

1.1 [***]

1.2 “Forgent” as used herein means Forgent Networks, Inc., a Texas corporation with its principal office located at 108 Wild Basin Drive, Austin, Texas, and all its Affiliates.

1.3 “Affiliates” as used herein means a person or business entity, including without limitation entities organized as corporations, partnerships, limited liability partnerships and limited liability companies, that currently or in the future, controls, is controlled by, or is under common control of or with such person or business entity. The phrase “controls, is controlled by, or is under common control with” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through ownership of voting securities (as to which ownership of 50% or more establishes control) or other interests, by contract or otherwise.

1.4 The term “Parties” or “Party” means the signatories to this Release (Forgent and [***]) both jointly and individually.

RELEASES

2.1 **Forgent releases [***].** Forgent releases and discharges [***], its agents, representatives, customers, distributors, and dealers, and end users of the foregoing persons from all claims that were or could have been brought in the Lawsuit against [***], and/or its customers by Forgent occurring prior to the Effective Date of this Release, including but not limited to any and all claims, demands, actions, causes of action (whether known or unknown, whether direct or indirect), suits of any kind or nature, rights, damages, costs, losses, expenses and compensation.

2.2 **[***] releases Forgent.** [***] releases and discharges Forgent, its agents, representatives, customers, distributors, and dealers, and end users of the foregoing persons from all claims that were or could have been brought in the Lawsuit against Forgent by [***] occurring prior to the Effective Date of this Release, including but not limited to any and all claims, demands, actions, causes of action (whether known or unknown, whether direct or indirect), suits of any kind or nature, rights, damages, costs, losses, expenses and compensation.

COVENANTS NOT TO SUE

3.1 Forgent covenants not to sue [***] and its agents, representatives, customers, distributors, dealers and end users for infringement, whether direct or indirect, of the '746 patent or any patent claiming priority from or through any application that led to or in common with the '746 patent for all time. Forgent further covenants not to sue [***] for any claim of patent infringement for a period of five (5) years from the Effective Date.

3.2 [***] covenants not to sue Forgent for any claim of patent infringement for a period of three (3) years from the Effective Date.

DISMISSAL

4.1 **Dismissal.** Within three (3) business days of the Effective Date, the Parties shall file an Agreed Motion to Dismiss, mutually dismissing with prejudice against the other, any and all claims of patent infringement arising from this lawsuit that were or could have been rightfully brought. Furthermore, [***] in such Agreed Motion, shall dismiss without prejudice any and all of its declaratory judgment counterclaims arising from this lawsuit.

4.2 **No Admission of Liability.** The Parties expressly agree and acknowledge that by entering into this Release no Party admits any liability, wrongdoing or the truth of any allegation contained in any claim, defense or counterclaim alleged in the Lawsuit. Neither this Release nor any release contained within it may be construed or used as an admission of any issues, facts, wrongdoing, liability, or violation of law whatsoever.

4.3 **Each Party to Pay Its Own Legal Fees.** The Parties shall each pay their own legal fees and costs incurred in connection with the Lawsuit.

4.4 **Dismissal of Motions.** The Parties shall promptly file the necessary papers to advise the Court that all pending motions as between them, and joinder to all pending motions as between them, are withdrawn.

4.5 **Signature Authority.** The persons signing this Release each represent that they are duly authorized, with full authority to bind the Parties, and that no signature of any other person or entity is necessary to bind the Parties.

4.6 **Limitation on Damages.** In no event shall any Party be liable to any other Party or person or entity (under any contract, negligence, strict liability, or other theory) for special, exemplary, incidental, or consequential damages arising out of or related to the subject matter of this Release, even if the Party has been advised of the possibility of such damages or losses.

4.7 [***]

OTHER REPRESENTATIONS, ACKNOWLEDGEMENTS AND AGREEMENTS

5.1 **Successors, Assigns and Beneficiaries.** This Release shall inure to the benefit of and shall be binding upon the Parties hereto and their successors, assigns, and representatives.

5.2 Notwithstanding anything to the contrary in any other provision of this Release, no right, covenant, release, or any other benefit provided under this Release shall extend now, or in the future, to [***], including their respective current parents, current subsidiaries, and any of their respective successors (as well as any of their respective customers, suppliers, distributors and dealers as it relates to their products) (“Lawsuit Excluded Entity”), regardless of any circumstance, including but not limited to whether any such Lawsuit Excluded Entity may be or becomes a successor or an Affiliate of [***].

5.3 Notwithstanding anything to the contrary in any other provision of this Release, no right, covenant, release, or any other benefit provided under this Release shall extend now, or in the future, to the following entities, including their current parents, current subsidiaries, and any of their respective successors (“Additional Excluded Entity”), regardless of any circumstance, including but not limited to whether any such Additional Excluded Entity may be or becomes a successor or an Affiliate of [***] (in which case the covenant, release and other benefits of this Agreement shall continue to apply to [***] except for the Additional Excluded Entity): [***]

5.4 **Jurisdiction and Choice of Law.** This Release shall be interpreted, and the rights and duties of the parties hereto shall be determined, in accordance with the laws of the State of Texas, without regard to its conflicts of laws provisions. The Parties agree to mediate in good faith prior to filing any enforcement action based on this Release.

5.5 **Entire Understanding.** This Release and any attachments hereto constitute a single, integrated written contract expressing the entire agreement of the Parties and shall not be modified, supplemented, or repealed except by a writing signed by each of the Parties. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Party, except as specifically set forth in this Release. All prior discussions, written communications, and negotiations have been merged and integrated into and are superseded by this Release.

5.6 **Construed as Jointly Prepared.** This Release shall be construed as if the Parties jointly prepared it and any uncertainty or ambiguity shall not be interpreted against any one Party because of the manner in which this Release was drafted or prepared.

IN WITNESS HEREOF, the Parties being fully authorized and empowered to bind themselves to this Release, have authorized and executed this Release on the date set forth opposite their respective signatures.

Forgent Networks, Inc.

DATED: April , 2007

By: _____

DATED: April , 2007

By: _____

EXHIBIT C

[*] SETTLEMENT AND RELEASE**

This Release (“Release”) is entered into as of April 25, 2007 (“the Effective Date”), by and between Forgent Networks, Inc. (hereinafter referred to as “Forgent” and more fully defined below) and [***] (hereinafter referred to as “[***]” and more fully defined below) by and through their duly authorized representatives. This Release is intended to finally and completely dispose of the lawsuit and all related claims as to these parties, with prejudice, as more fully described herein.

RECITALS

WHEREAS, Forgent and [***] are parties to a lawsuit in the United States District Court for the Eastern District of Texas, currently styled *Forgent Networks, Inc. v. EchoStar Communications, Corporation, et al*, Civil Action No. 606 CV 208 (“the Lawsuit”), wherein Forgent seeks damages and injunctive relief for alleged infringement of United States Patent No. 6,285,746 (hereinafter referred to as “the ‘746 patent”);

NOW, THEREFORE, Forgent and [***] (as well as their Affiliates as defined below), after carefully reviewing this Release and in exchange for the dismissal and releases of all claims and counterclaims that have been or could have been raised by or against each other in the Lawsuit, and for other good and valuable considerations, the receipt and sufficiency of which is hereby expressly acknowledged, agree as follows:

DEFINITIONS

1.1 [***]

1.2 “Forgent” as used herein means Forgent Networks, Inc., a Texas corporation with its principal office located at 108 Wild Basin Drive, Austin, Texas, and all its Affiliates.

1.3 “Affiliates” as used herein means a person or business entity, including without limitation entities organized as corporations, partnerships, limited liability partnerships and limited liability companies, that currently or in the future, controls, is controlled by, or is under common control of or with such person or business entity. The phrase “controls, is controlled by, or is under common control with” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through ownership of voting securities (as to which ownership of 50% or more establishes control) or other interests, by contract or otherwise.

1.4 The term “Parties” or “Party” means the signatories to this Release (Forgent and [***]) both jointly and individually.

RELEASES

2.1 **Forgent releases [***].** Forgent releases and discharges [***], its agents, representatives, customers, distributors, and dealers, and end users of the foregoing persons from all claims that were or could have been brought in the Lawsuit against [***], and/or its customers by Forgent occurring prior to the Effective Date of this Release, including but not limited to any and all claims, demands, actions, causes of action (whether known or unknown, whether direct or indirect), suits of any kind or nature, rights, damages, costs, losses, expenses and compensation.

2.2 **[***] releases Forgent.** [***] releases and discharges Forgent, its agents, representatives, customers, distributors, and dealers, and end users of the foregoing persons from all claims that were or could have been brought in the Lawsuit against Forgent by [***] occurring prior to the Effective Date of this Release, including but not limited to any and all claims, demands, actions, causes of action (whether known or unknown, whether direct or indirect), suits of any kind or nature, rights, damages, costs, losses, expenses and compensation.

COVENANTS NOT TO SUE

3.1 Forgent covenants not to sue [***] and its agents, representatives, customers, distributors, dealers and end users for infringement, whether direct or indirect, of the '746 patent or any patent claiming priority from or through any application that led to or in common with the '746 patent for all time. Forgent further covenants not to sue [***] for any claim of patent infringement for a period of five (5) years from the Effective Date.

3.2 [***] covenants not to sue Forgent for any claim of patent infringement for a period of three (3) years from the Effective Date.

DISMISSAL

4.1 **Dismissal.** Within three (3) business days of the Effective Date, the Parties shall file an Agreed Motion to Dismiss, mutually dismissing with prejudice against the other, any and all claims of patent infringement arising from this lawsuit that were or could have been rightfully brought. Furthermore, [***] in such Agreed Motion, shall dismiss without prejudice any and all of its declaratory judgment counterclaims arising from this lawsuit.

4.2 **No Admission of Liability.** The Parties expressly agree and acknowledge that by entering into this Release no Party admits any liability, wrongdoing or the truth of any allegation contained in any claim, defense or counterclaim alleged in the Lawsuit. Neither this Release nor any release contained within it may be construed or used as an admission of any issues, facts, wrongdoing, liability, or violation of law whatsoever.

4.3 **Each Party to Pay Its Own Legal Fees.** The Parties shall each pay their own legal fees and costs incurred in connection with the Lawsuit.

4.4 **Dismissal of Motions.** The Parties shall promptly file the necessary papers to advise the Court that all pending motions as between them, and joinder to all pending motions as between them, are withdrawn.

4.5 **Signature Authority.** The persons signing this Release each represent that they are duly authorized, with full authority to bind the Parties, and that no signature of any other person or entity is necessary to bind the Parties.

4.6 **Limitation on Damages.** In no event shall any Party be liable to any other Party or person or entity (under any contract, negligence, strict liability, or other theory) for special, exemplary, incidental, or consequential damages arising out of or related to the subject matter of this Release, even if the Party has been advised of the possibility of such damages or losses.

4.7 [***]

OTHER REPRESENTATIONS, ACKNOWLEDGEMENTS AND AGREEMENTS

5.1 **Successors, Assigns and Beneficiaries.** This Release shall inure to the benefit of and shall be binding upon the Parties hereto and their successors, assigns, and representatives.

5.2 Notwithstanding anything to the contrary in any other provision of this Release, no right, covenant, release, or any other benefit provided under this Release shall extend now, or in the future, to [***], including their respective current parents, current subsidiaries, and any of their respective successors (as well as any of their respective customers, suppliers, distributors and dealers as it relates to their products) (“Lawsuit Excluded Entity”), regardless of any circumstance, including but not limited to whether any such Lawsuit Excluded Entity may be or becomes a successor or an Affiliate of [***].

5.3 Notwithstanding anything to the contrary in any other provision of this Release, no right, covenant, release, or any other benefit provided under this Release shall extend now, or in the future, to the following entities, including their current parents, current subsidiaries, and any of their respective successors (“Additional Excluded Entity”), regardless of any circumstance, including but not limited to whether any such Additional Excluded Entity may be or becomes a successor or an Affiliate of [***] (in which case the covenant, release and other benefits of this Agreement shall continue to apply to [***] except for the Additional Excluded Entity): [***]

5.4 **Jurisdiction and Choice of Law.** This Release shall be interpreted, and the rights and duties of the parties hereto shall be determined, in accordance with the laws of the State of Texas, without regard to its conflicts of laws provisions. The Parties agree to mediate in good faith prior to filing any enforcement action based on this Release.

5.5 **Entire Understanding.** This Release and any attachments hereto constitute a single, integrated written contract expressing the entire agreement of the Parties and shall not be modified, supplemented, or repealed except by a writing signed by each of the Parties. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Party, except as specifically set forth in this Release. All prior discussions, written communications, and negotiations have been merged and integrated into and are superseded by this Release.

5.6 **Construed as Jointly Prepared.** This Release shall be construed as if the Parties jointly prepared it and any uncertainty or ambiguity shall not be interpreted against any one Party because of the manner in which this Release was drafted or prepared.

IN WITNESS HEREOF, the Parties being fully authorized and empowered to bind themselves to this Release, have authorized and executed this Release on the date set forth opposite their respective signatures.

Forgent Networks, Inc.

DATED: April , 2007

By: _____

***]

DATED: April , 2007

By: _____

EXHIBIT D

[*]SETTLEMENT AND RELEASE**

This Release (“Release”) is entered into as of April 25, 2007 (“the Effective Date”), by and between Forgent Networks, Inc. (hereinafter referred to as “Forgent” and more fully defined below) and [***] (hereinafter referred to as “[***]” and more fully defined below) by and through their duly authorized representatives. This Release is intended to finally and completely dispose of the lawsuit and all related claims as to these parties, with prejudice, as more fully described herein.

RECITALS

WHEREAS, Forgent and [***] are parties to a lawsuit in the United States District Court for the Eastern District of Texas, currently styled *Forgent Networks, Inc. v. EchoStar Communications, Corporation, et al*, Civil Action No. 606 CV 208 (“the Lawsuit”), wherein Forgent seeks damages and injunctive relief for alleged infringement of United States Patent No. 6,285,746 (hereinafter referred to as “the ‘746 patent”);

NOW, THEREFORE, Forgent and [***] (as well as their Affiliates as defined below), after carefully reviewing this Release and in exchange for the dismissal and releases of all claims and counterclaims that have been or could have been raised by or against each other in the Lawsuit, and for other good and valuable considerations, the receipt and sufficiency of which is hereby expressly acknowledged, agree as follows:

DEFINITIONS

1.1 [***]

1.2 “Forgent” as used herein means Forgent Networks, Inc., a Texas corporation with its principal office located at 108 Wild Basin Drive, Austin, Texas, and all its Affiliates.

1.3 “Affiliates” as used herein means a person or business entity, including without limitation entities organized as corporations, partnerships, limited liability partnerships and limited liability companies, that currently or in the future, controls, is controlled by, or is under common control of or with such person or business entity. The phrase “controls, is controlled by, or is under common control with” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through ownership of voting securities (as to which ownership of 50% or more establishes control) or other interests, by contract or otherwise.

1.4 The term “Parties” or “Party” means the signatories to this Release (Forgent and [***]) both jointly and individually.

RELEASES

2.1 **Forgent releases [***].** Forgent releases and discharges [***], its agents, representatives, customers, distributors, and dealers, and end users of the foregoing persons from all claims that were or could have been brought in the Lawsuit against [***], and/or its customers by Forgent occurring prior to the Effective Date of this Release, including but not limited to any and all claims, demands, actions, causes of action (whether known or unknown, whether direct or indirect), suits of any kind or nature, rights, damages, costs, losses, expenses and compensation.

2.2 **[***] releases Forgent.** [***] releases and discharges Forgent, its agents, representatives, customers, distributors, and dealers, and end users of the foregoing persons from all claims that were or could have been brought in the Lawsuit against Forgent by [***] occurring prior to the Effective Date of this Release, including but not limited to any and all claims, demands, actions, causes of action (whether known or unknown, whether direct or indirect), suits of any kind or nature, rights, damages, costs, losses, expenses and compensation.

COVENANTS NOT TO SUE

3.1 Forgent covenants not to sue [***] and its agents, representatives, customers, distributors, dealers and end users for infringement, whether direct or indirect, of the '746 patent or any patent claiming priority from or through any application that led to or in common with the '746 patent for all time. Forgent further covenants not to sue [***] for any claim of patent infringement for a period of five (5) years from the Effective Date.

3.2 [***] covenants not to sue Forgent for any claim of patent infringement for a period of three (3) years from the Effective Date.

DISMISSAL

4.1 **Dismissal.** Within three (3) business days of the Effective Date, the Parties shall file an Agreed Motion to Dismiss, mutually dismissing with prejudice against the other, any and all claims of patent infringement arising from this lawsuit that were or could have been rightfully brought. Furthermore, [***] in such Agreed Motion, shall dismiss without prejudice any and all of its declaratory judgment counterclaims arising from this lawsuit.

4.2 **No Admission of Liability.** The Parties expressly agree and acknowledge that by entering into this Release no Party admits any liability, wrongdoing or the truth of any allegation contained in any claim, defense or counterclaim alleged in the Lawsuit. Neither this Release nor any release contained within it may be construed or used as an admission of any issues, facts, wrongdoing, liability, or violation of law whatsoever.

4.3 **Each Party to Pay Its Own Legal Fees.** The Parties shall each pay their own legal fees and costs incurred in connection with the Lawsuit.

4.4 **Dismissal of Motions.** The Parties shall promptly file the necessary papers to advise the Court that all pending motions as between them, and joinder to all pending motions as between them, are withdrawn.

4.5 **Signature Authority.** The persons signing this Release each represent that they are duly authorized, with full authority to bind the Parties, and that no signature of any other person or entity is necessary to bind the Parties.

4.6 **Limitation on Damages.** In no event shall any Party be liable to any other Party or person or entity (under any contract, negligence, strict liability, or other theory) for special, exemplary, incidental, or consequential damages arising out of or related to the subject matter of this Release, even if the Party has been advised of the possibility of such damages or losses.

4.7 [***]

OTHER REPRESENTATIONS, ACKNOWLEDGEMENTS AND AGREEMENTS

5.1 **Successors, Assigns and Beneficiaries.** This Release shall inure to the benefit of and shall be binding upon the Parties hereto and their successors, assigns, and representatives.

5.2 Notwithstanding anything to the contrary in any other provision of this Release, no right, covenant, release, or any other benefit provided under this Release shall extend now, or in the future, to [***], including their respective current parents, current subsidiaries, and any of their respective successors (as well as any of their respective customers, suppliers, distributors and dealers as it relates to their products) (“Lawsuit Excluded Entity”), regardless of any circumstance, including but not limited to whether any such Lawsuit Excluded Entity may be or becomes a successor or an Affiliate of [***].

5.3 Notwithstanding anything to the contrary in any other provision of this Release, no right, covenant, release, or any other benefit provided under this Release shall extend now, or in the future, to the following entities, including their current parents, current subsidiaries, and any of their respective successors (“Additional Excluded Entity”), regardless of any circumstance, including but not limited to whether any such Additional Excluded Entity may be or becomes a successor or an Affiliate of [***] (in which case the covenant, release and other benefits of this Agreement shall continue to apply to [***] except for the Additional Excluded Entity): [***]

5.4 **Jurisdiction and Choice of Law.** This Release shall be interpreted, and the rights and duties of the parties hereto shall be determined, in accordance with the laws of the State of Texas, without regard to its conflicts of laws provisions. The Parties agree to mediate in good faith prior to filing any enforcement action based on this Release.

5.5 **Entire Understanding.** This Release and any attachments hereto constitute a single, integrated written contract expressing the entire agreement of the Parties and shall not be modified, supplemented, or repealed except by a writing signed by each of the Parties. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Party, except as specifically set forth in this Release. All prior discussions, written communications, and negotiations have been merged and integrated into and are superseded by this Release.

5.6 **Construed as Jointly Prepared.** This Release shall be construed as if the Parties jointly prepared it and any uncertainty or ambiguity shall not be interpreted against any one Party because of the manner in which this Release was drafted or prepared.

IN WITNESS HEREOF, the Parties being fully authorized and empowered to bind themselves to this Release, have authorized and executed this Release on the date set forth opposite their respective signatures.

Forgent Networks, Inc.

DATED: April , 2007

By: _____

***]

DATED: April , 2007

By: _____

EXHIBIT E

[*] SETTLEMENT AND RELEASE**

This Release (“Release”) is entered into as of April 25, 2007 (“the Effective Date”), by and between Forgent Networks, Inc. (hereinafter referred to as “Forgent” and more fully defined below) and [***] (hereinafter referred to as “[***]” and more fully defined below) by and through their duly authorized representatives. This Release is intended to finally and completely dispose of the lawsuit and all related claims as to these parties, with prejudice, as more fully described herein.

RECITALS

WHEREAS, Forgent and [***] are parties to a lawsuit in the United States District Court for the Eastern District of Texas, currently styled *Forgent Networks, Inc. v. EchoStar Communications, Corporation, et al*, Civil Action No. 606 CV 208 (“the Lawsuit”), wherein Forgent seeks damages and injunctive relief for alleged infringement of United States Patent No. 6,285,746 (hereinafter referred to as “the ‘746 patent”);

NOW, THEREFORE, Forgent and [***] (as well as their Affiliates as defined below), after carefully reviewing this Release and in exchange for the dismissal and releases of all claims and counterclaims that have been or could have been raised by or against each other in the Lawsuit, and for other good and valuable considerations, the receipt and sufficiency of which is hereby expressly acknowledged, agree as follows:

DEFINITIONS

1.1 [***]

1.2 “Forgent” as used herein means Forgent Networks, Inc., a Texas corporation with its principal office located at 108 Wild Basin Drive, Austin, Texas, and all its Affiliates.

1.3 “Affiliates” as used herein means a person or business entity, including without limitation entities organized as corporations, partnerships, limited liability partnerships and limited liability companies, that currently or in the future, controls, is controlled by, or is under common control of or with such person or business entity. The phrase “controls, is controlled by, or is under common control with” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through ownership of voting securities (as to which ownership of 50% or more establishes control) or other interests, by contract or otherwise.

1.4 The term “Parties” or “Party” means the signatories to this Release (Forgent and [***]) both jointly and individually.

RELEASES

2.1 **Forgent releases [***].** Forgent releases and discharges [***], its agents, representatives, customers, distributors, and dealers, and end users of the foregoing persons from all claims that were or could have been brought in the Lawsuit against [***], and/or its customers by Forgent occurring prior to the Effective Date of this Release, including but not limited to any and all claims, demands, actions, causes of action (whether known or unknown, whether direct or indirect), suits of any kind or nature, rights, damages, costs, losses, expenses and compensation.

2.2 **[***] releases Forgent.** [***] releases and discharges Forgent, its agents, representatives, customers, distributors, and dealers, and end users of the foregoing persons from all claims that were or could have been brought in the Lawsuit against Forgent by [***] occurring prior to the Effective Date of this Release, including but not limited to any and all claims, demands, actions, causes of action (whether known or unknown, whether direct or indirect), suits of any kind or nature, rights, damages, costs, losses, expenses and compensation.

COVENANTS NOT TO SUE

3.1 Forgent covenants not to sue [***] and its agents, representatives, customers, distributors, dealers and end users for infringement, whether direct or indirect, of the '746 patent or any patent claiming priority from or through any application that led to or in common with the '746 patent for all time. Forgent further covenants not to sue [***] for any claim of patent infringement for a period of five (5) years from the Effective Date.

3.2 [***] covenants not to sue Forgent for any claim of patent infringement for a period of three (3) years from the Effective Date.

DISMISSAL

4.1 **Dismissal.** Within three (3) business days of the Effective Date, the Parties shall file an Agreed Motion to Dismiss, mutually dismissing with prejudice against the other, any and all claims of patent infringement arising from this lawsuit that were or could have been rightfully brought. Furthermore, [***] in such Agreed Motion, shall dismiss without prejudice any and all of its declaratory judgment counterclaims arising from this lawsuit.

4.2 **No Admission of Liability.** The Parties expressly agree and acknowledge that by entering into this Release no Party admits any liability, wrongdoing or the truth of any allegation contained in any claim, defense or counterclaim alleged in the Lawsuit. Neither this Release nor any release contained within it may be construed or used as an admission of any issues, facts, wrongdoing, liability, or violation of law whatsoever.

4.3 **Each Party to Pay Its Own Legal Fees.** The Parties shall each pay their own legal fees and costs incurred in connection with the Lawsuit.

4.4 **Dismissal of Motions.** The Parties shall promptly file the necessary papers to advise the Court that all pending motions as between them, and joinder to all pending motions as between them, are withdrawn.

4.5 **Signature Authority.** The persons signing this Release each represent that they are duly authorized, with full authority to bind the Parties, and that no signature of any other person or entity is necessary to bind the Parties.

4.6 **Limitation on Damages.** In no event shall any Party be liable to any other Party or person or entity (under any contract, negligence, strict liability, or other theory) for special, exemplary, incidental, or consequential damages arising out of or related to the subject matter of this Release, even if the Party has been advised of the possibility of such damages or losses.

4.7 [***]

OTHER REPRESENTATIONS, ACKNOWLEDGEMENTS AND AGREEMENTS

5.1 **Successors, Assigns and Beneficiaries.** This Release shall inure to the benefit of and shall be binding upon the Parties hereto and their successors, assigns, and representatives.

5.2 Notwithstanding anything to the contrary in any other provision of this Release, no right, covenant, release, or any other benefit provided under this Release shall extend now, or in the future, to [***], including their respective current parents, current subsidiaries, and any of their respective successors (as well as any of their respective customers, suppliers, distributors and dealers as it relates to their products) (“Lawsuit Excluded Entity”), regardless of any circumstance, including but not limited to whether any such Lawsuit Excluded Entity may be or becomes a successor or an Affiliate of [***].

5.3 Notwithstanding anything to the contrary in any other provision of this Release, no right, covenant, release, or any other benefit provided under this Release shall extend now, or in the future, to the following entities, including their current parents, current subsidiaries, and any of their respective successors (“Additional Excluded Entity”), regardless of any circumstance, including but not limited to whether any such Additional Excluded Entity may be or becomes a successor or an Affiliate of [***] (in which case the covenant, release and other benefits of this Agreement shall continue to apply to [***] except for the Additional Excluded Entity): [***]

5.4 **Jurisdiction and Choice of Law.** This Release shall be interpreted, and the rights and duties of the parties hereto shall be determined, in accordance with the laws of the State of Texas, without regard to its conflicts of laws provisions. The Parties agree to mediate in good faith prior to filing any enforcement action based on this Release.

5.5 **Entire Understanding.** This Release and any attachments hereto constitute a single, integrated written contract expressing the entire agreement of the Parties and shall not be modified, supplemented, or repealed except by a writing signed by each of the Parties. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Party, except as specifically set forth in this Release. All prior discussions, written communications, and negotiations have been merged and integrated into and are superseded by this Release.

5.6 **Construed as Jointly Prepared.** This Release shall be construed as if the Parties jointly prepared it and any uncertainty or ambiguity shall not be interpreted against any one Party because of the manner in which this Release was drafted or prepared.

IN WITNESS HEREOF, the Parties being fully authorized and empowered to bind themselves to this Release, have authorized and executed this Release on the date set forth opposite their respective signatures.

Forgent Networks, Inc.

DATED: April , 2007

By: _____

***]

DATED: April , 2007

By: _____

EXHIBIT F

[***] SETTLEMENT AND RELEASE

This Release (“Release”) is entered into as of April 25, 2007 (“the Effective Date”), by and between Forgent Networks, Inc. (hereinafter referred to as “Forgent” and more fully defined below), [***] (hereinafter referred to collectively as “[***]” and more fully defined below) by and through their duly authorized representatives. This Release is intended to finally and completely dispose of the lawsuit and all related claims as to these parties, with prejudice, as more fully described herein.

RECITALS

WHEREAS, Forgent and [***] are parties to a lawsuit in the United States District Court for the Eastern District of Texas, currently styled *Forgent Networks, Inc. v. EchoStar Communications, Corporation, et al*, Civil Action No. 606 CV 208 (“the Lawsuit”), wherein Forgent seeks damages and injunctive relief for alleged infringement of United States Patent No. 6,285,746 (hereinafter referred to as “the ‘746 patent”);

NOW, THEREFORE, Forgent and [***] (as well as their Affiliates as defined below), after carefully reviewing this Release and in exchange for the dismissal and releases of all claims and counterclaims that have been or could have been raised by or against each other in the Lawsuit, and for other good and valuable considerations, the receipt and sufficiency of which is hereby expressly acknowledged, agree as follows:

DEFINITIONS

1.1 [***]

1.2 “Forgent” as used herein means Forgent Networks, Inc., a Texas corporation with its principal office located at 108 Wild Basin Drive, Austin, Texas, and all its Affiliates.

1.3 “Affiliates” as used herein means a person or business entity, including without limitation entities organized as corporations, partnerships, limited liability partnerships and limited liability companies, that currently or in the future, controls, is controlled by, or is under common control of or with such person or business entity. The phrase “controls, is controlled by, or is under common control with” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through ownership of voting securities (as to which ownership of 50% or more establishes control) or other interests, by contract or otherwise.

1.4 The term “Parties” or “Party” means the signatories to this Release (Forgent and [***]) both jointly and individually.

RELEASES

2.1 **Forgent releases [***].** Forgent releases and discharges [***], its agents, representatives, customers, distributors, and dealers, and end users of the foregoing persons from all claims that were or could have been brought in the Lawsuit against [***] and/or its customers by Forgent occurring prior to the Effective Date of this Release, including but not limited to any and all claims, demands, actions, causes of action (whether known or unknown, whether direct or indirect), suits of any kind or nature, rights, damages, costs, losses, expenses and compensation.

2.2 **[***] releases Forgent.** [***] releases and discharges Forgent, its agents, representatives, customers, distributors, and dealers, and end users of the foregoing persons from all claims that were or could have been brought in the Lawsuit against Forgent by [***] occurring prior to the Effective Date of this Release, including but not limited to any and all claims, demands, actions, causes of action (whether known or unknown, whether direct or indirect), suits of any kind or nature, rights, damages, costs, losses, expenses and compensation.

COVENANTS NOT TO SUE

3.1 Forgent covenants not to sue [***] and its agents, representatives, customers, distributors, dealers and end users for infringement, whether direct or indirect, of the '746 patent or any patent claiming priority from or through any application that led to or in common with the '746 patent for all time. Forgent further covenants not to sue [***] for any claim of patent infringement for a period of five (5) years from the Effective Date.

3.2 [***] covenants not to sue Forgent for any claim of patent infringement for a period of three (3) years from the Effective Date.

DISMISSAL

4.1 **Dismissal.** Within three (3) business days of the Effective Date, the Parties shall file an Agreed Motion to Dismiss, mutually dismissing with prejudice against the other, any and all claims of patent infringement arising from this lawsuit that were or could have been rightfully brought. Furthermore, [***] in such Agreed Motion, shall dismiss without prejudice any and all of its declaratory judgment counterclaims arising from this lawsuit.

4.2 **No Admission of Liability.** The Parties expressly agree and acknowledge that by entering into this Release no Party admits any liability, wrongdoing or the truth of any allegation contained in any claim, defense or counterclaim alleged in the Lawsuit. Neither this Release nor any release contained within it may be construed or used as an admission of any issues, facts, wrongdoing, liability, or violation of law whatsoever.

4.3 **Each Party to Pay Its Own Legal Fees.** The Parties shall each pay their own legal fees and costs incurred in connection with the Lawsuit.

4.4 **Dismissal of Motions.** The Parties shall promptly file the necessary papers to advise the Court that all pending motions as between them, and joinder to all pending motions as between them, are withdrawn.

4.5 **Signature Authority.** The persons signing this Release each represent that they are duly authorized, with full authority to bind the Parties, and that no signature of any other person or entity is necessary to bind the Parties.

4.6 **Limitation on Damages.** In no event shall any Party be liable to any other Party or person or entity (under any contract, negligence, strict liability, or other theory) for special, exemplary, incidental, or consequential damages arising out of or related to the subject matter of this Release, even if the Party has been advised of the possibility of such damages or losses.

4.7 [***]

OTHER REPRESENTATIONS, ACKNOWLEDGEMENTS AND AGREEMENTS

5.1 **Successors, Assigns and Beneficiaries.** This Release shall inure to the benefit of and shall be binding upon the Parties hereto and their successors, assigns, and representatives.

5.2 Notwithstanding anything to the contrary in any other provision of this Release, no right, covenant, release, or any other benefit provided under this Release shall extend now, or in the future, to [***], including their respective current parents, current subsidiaries, and any of their respective successors (as well as any of their respective customers, suppliers, distributors and dealers as it relates to their products) (“Lawsuit Excluded Entity”), regardless of any circumstance, including but not limited to whether any such Lawsuit Excluded Entity may be or becomes a successor or an Affiliate of [***].

5.3 Notwithstanding anything to the contrary in any other provision of this Release, no right, covenant, release, or any other benefit provided under this Release shall extend now, or in the future, to the following entities, including their current parents, current subsidiaries, and any of their respective successors (“Additional Excluded Entity”), regardless of any circumstance, including but not limited to whether any such Additional Excluded Entity may be or becomes a successor or an Affiliate of [***] (in which case the covenant, release and other benefits of this Agreement shall continue to apply to [***] except for the Additional Excluded Entity): [***]

5.4 **Jurisdiction and Choice of Law.** This Release shall be interpreted, and the rights and duties of the parties hereto shall be determined, in accordance with the laws of the State of Texas, without regard to its conflicts of laws provisions. The Parties agree to mediate in good faith prior to filing any enforcement action based on this Release.

5.5 **Entire Understanding.** This Release and any attachments hereto constitute a single, integrated written contract expressing the entire agreement of the Parties and shall not be modified, supplemented, or repealed except by a writing signed by each of the Parties. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Party, except as specifically set forth in this Release. All prior discussions, written communications, and negotiations have been merged and integrated into and are superseded by this Release.

5.6 **Construed as Jointly Prepared.** This Release shall be construed as if the Parties jointly prepared it and any uncertainty or ambiguity shall not be interpreted against any one Party because of the manner in which this Release was drafted or prepared.

IN WITNESS HEREOF, the Parties being fully authorized and empowered to bind themselves to this Release, have authorized and executed this Release on the date set forth opposite their respective signatures.

Forgent Networks, Inc.

DATED: April , 2007

By: _____

DATED: April , 2007

By: _____

DATED: April , 2007

By: _____

EXHIBIT G

INITIAL FORM 8-K ATTACHED

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report:
(Date of earliest event reported)

April , 2007

FORGENT NETWORKS, INC.

(Exact name of registrant as specified in charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

0-20008
(Commission File Number)

74-2415696
(IRS Employer Identification
No.)

**108 Wild Basin Road
Austin, Texas 78746**
(Address of principal executive offices and zip code)

(512) 437-2700
(Registrant's telephone
number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425).
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12).
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b)).
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c)).
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Section 1 – Registrant’s Business and Operations

Item 1.01 Entry into a Material Definitive Agreement.

In July 2005, the Registrant initiated litigation against 15 companies for infringement of U.S. Patent No. 6,285,746 (the “ ‘746 patent”) in the United States District Court for the Eastern District of Texas (the “ ‘746 Litigation”), seeking injunctive relief against sales of infringing products and monetary damages, among other relief sought. The ‘746 Litigation is described in Note 9 to the Consolidated Financial Statements and Part II, Item 1 of the Registrant’s Form 10-Q for the quarter ended January 31, 2007.

Effective April , 2007, the Registrant has entered into settlement and license arrangements with nine of the defendants in the ‘746 Litigation: Cable One, Inc., Charter Communications, Inc.; Comcast Corporation; Comcast STB Software DVR, LLC; Coxcom, Inc.; Digeo, Inc.; Motorola, Inc.; Scientific-Atlanta, Inc.; and Time Warner Cable, Inc. Under the arrangements, the Registrant granted the defendants a patent license and the defendants agreed to pay the Registrant a total of \$20.0 million. Additionally, all parties agreed to release all claims against each other and the Registrant has no future obligations related to this settlement.

The Registrant continues to monitor the progress of the ‘746 Litigation with respect to the remaining defendants and the United States Patent and Trademark Office’s re-examination of the ‘746 Patent. The Registrant will vigorously defend the validity of its ‘746 Patent, as well as pursue any entities that violated its ‘746 Patent. Resolution of some or all of these matters could materially affect the Registrant’s business, future results of operations, financial position or cash flows in a particular period.

Pursuant to Instruction B.4 to Form 8-K and applicable regulations and releases, copies of documents related to the foregoing matters reported under Item 1.01 will be filed as an exhibit or exhibits not later than the Registrant’s quarterly report on Form 10-Q applicable to the quarter ending April 30, 2007. All summaries and descriptions of documents set forth above are qualified in their entirety by the documents themselves, filed as an exhibit or exhibits to a later report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FORGENT NETWORKS, INC.

Date: April , 2007

By: /s/ Jay C. Peterson
Jay C. Peterson
Chief Financial Officer

CONFIDENTIAL TREATMENT

PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED AND ARE BEING FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION IN A CONFIDENTIAL TREATMENT REQUEST UNDER RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. THE SYMBOL “[***]” IN THIS EXHIBIT INDICATES THAT INFORMATION HAS BEEN OMITTED.

SETTLEMENT AND LICENSE AGREEMENT

This Settlement and License Agreement ("**Agreement**") is effective as of April 25, 2007 ("**Effective Date**"), between Cisco Systems, Inc. ("**Cisco**"), with its principal place of business at 170 West Tasman Drive, San Jose, CA 95134 and Forgent Networks, Inc. ("**Forgent**"), with its principal place of business at 108 Wild Basin Drive, Austin, TX 78746, collectively (the "**Parties**").

RECITALS

WHEREAS, Forgent brought suit against certain customers of Scientific-Atlanta, Inc., ("**Scientific-Atlanta**"), an Affiliate (as defined below) of Cisco, in *Forgent Networks, Inc. v. Echostar Communications Corporation et al.*, Civil Action No. 6:06-cv-00208-LED (E.D. Tex., filed July 14, 2005) (the "**Forgent Action**") alleging infringement of United States Patent No. 6,285,746 (the "**Asserted Patent**");

WHEREAS, Scientific-Atlanta filed a separate declaratory judgment action against Forgent alleging, inter alia, that the Asserted Patent is invalid and not infringed;

WHEREAS, Scientific-Atlanta's declaratory judgment action was subsequently consolidated into the Forgent Action;

WHEREAS, Forgent alleged infringement claims against Scientific-Atlanta;

WHEREAS, Cisco and Cisco Technology, Inc. brought suit against Forgent in *Cisco Systems, Inc. and Cisco Technology, Inc. v. Forgent Networks, Inc.*, Civil Action No. 07-C-0085-S (W.D. Wisc., filed Feb. 14, 2007) (the "**Cisco Action**") alleging infringement of United States Patent No. 5,720,023 and United States Patent No. 6,295,527;

WHEREAS, the Parties now desire to settle all claims presented in the Forgent Action and the Cisco Action and all actions or conduct that predated execution of this Agreement, fully, finally and without making any admissions or concessions concerning their respective factual or legal positions; and

WHEREAS, Forgent and its Affiliates own certain patents to which Cisco and its Affiliates desire a license and release from any claims of past infringement;

THEREFORE, in consideration of the promises and mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Cisco and Forgent, each on behalf of itself and its Affiliates, agree as follows:

AGREEMENT

Section 1. DEFINITIONS

1.1 “*Acquire*” or “*Acquisition*” shall mean:

- (a) If the Entity has voting shares or other voting securities, an acquisition of an Entity in which more than fifty percent (50%) of the outstanding shares or securities representing the right to vote for the election of directors or other managing authority for such Entity becomes owned or controlled directly or indirectly by another Entity; or
- (b) If the Entity does not have voting shares or other voting securities, an acquisition of an Entity in which more than fifty percent (50%) of the ownership interest representing the right to make decisions for such Entity becomes owned or controlled directly or indirectly by another Entity; or
- (c) An acquisition of all or substantially all of the assets of an Entity directly or indirectly by another Entity.

1.2 “*Affiliate(s)*” of a Party shall mean any and all entities, now or in the future and for so long as the following ownership and control exists, that: (i) own or control, directly or indirectly, the Party; (ii) are owned or controlled by, or under common control with, directly or indirectly, the Party; or (iii) are owned or controlled, directly or indirectly, by a Parent Company. For purposes of the preceding sentence, own or control shall mean:

- (a) If the Entity has voting shares or other voting securities, ownership or control (directly or indirectly) of more than fifty percent (50%) of the outstanding shares or securities entitled to vote for the election of directors or other similar managing authority for such Entity; or
- (b) If the Entity does not have voting shares or other voting securities, ownership or control (directly or indirectly) of more than fifty percent (50%) of the ownership interest representing the right to make decisions for such Entity.

1.3 “*Authorized Third Party*” shall mean any Entity that is implicitly or explicitly authorized by a Party or its Affiliates to exercise any legal rights or to perform any activities with respect to [***], including without limitation, suppliers, manufacturers, original equipment or device manufacturers, assemblers, replicators, integrators, distributors, resellers, value-added resellers, customers [***] and users, provided that such rights shall extend to such Entities only with respect to [***].

1.4 “*Entity*” shall mean a corporation, association, partnership, business trust, joint venture, limited liability company, proprietorship, unincorporated association, individual or other entity that can exercise independent legal standing.

1.5 “**Forgent Patents**” shall mean any and all classes and types of patents, patent applications, and patent rights recognized anywhere in the world having a filing date or priority date on or before the Effective Date or within two (2) years after the Effective Date, including, without limitation, U.S. Patent No. 6,285,746, and all other utility patents and utility models, that Forgent or any of its Affiliates owns, has, acquires, or has the right to enforce, now or within two (2) years after the Effective Date, and all patents claiming benefit, in whole or in part, of any of their filing dates including, but not limited to, extensions, divisionals, continuations, continuations-in-part, reissues, reexaminations, substitutions and foreign counterparts of any of the foregoing.

1.6 “**Licensed Products**” shall mean any and all products and services [***].

1.7 “**Combination Products**” shall mean:

- (a) A combination of Licensed Products; and/or
- (b) A combination of one or more Licensed Products with [***].

1.8 “**Parent Company**” shall mean any Entity that owns or controls (directly or indirectly) more than fifty percent (50%) of the outstanding shares or securities representing the right to vote for the election of directors or other managing authority of a Party.

1.9 “**Party**” or “**Parties**” shall mean either Cisco, Forgent, or both, as the context indicates.

1.10 “**Program**” shall mean a plurality of instructions capable of being interpreted or executed by a product, whether or not such instructions are in a machine-readable form and whether or not such instructions require some processing (such as assembly or compilation) prior to interpretation or execution and whether or not such instructions are implemented in hardware or software.

1.11 [***]

Section 2. GRANT OF RIGHTS

2.1 Forgent Grant. Subject to the terms and conditions contained herein, Forgent, on behalf of itself and its Affiliates, grants to Cisco and its Affiliates a nonexclusive, worldwide, royalty-free, irrevocable, perpetual, and fully paid-up license, under all Forgent Patents:

- (a) to make (including the right to use any apparatus and practice any method in making), use, sell, offer for sale, lease, export, import or otherwise dispose of Licensed Products; and

(b) to have Licensed Products made or otherwise provided by one or more third parties for the use, sale, offer for sale, lease, exportation, importation, or disposal by Cisco, its Affiliates, or Authorized Third Parties.

2.2 Authorized Third Parties. Authorized Third Parties shall be licensed under the Forgent Patents to:

(a) make, use, sell, offer for sale, lease, export, import or otherwise dispose of [***]; and/or

(b) use a method or process claimed in a Forgent Patent that [***], and to sell, offer for sale, lease, export, import or otherwise dispose of [***].

2.3 Covenant. Each party, on behalf of itself and its Affiliates, covenants not to sue or threaten to sue (or instruct, encourage, or aid a third party to sue or threaten to sue) the other party, its Affiliates, or Authorized Third Parties for a period of five (5) years from the Effective Date; provided, however, that such covenant as to Authorized Third Parties shall be limited to a covenant only with respect to claims of infringement of Forgent Patents with respect to [***]. Damages shall not accrue during this covenant period and neither party shall seek or recover any past damages accrued during this covenant period in any later proceeding.

2.4 Limitation on Assertions. In any communication or litigation filing by Forgent, its Affiliates, or representatives alleging infringement of any of the Forgent Patents, Forgent's assertion of infringement shall not, in any way, rely upon the functionality, structure, or other characteristics of a Licensed Product or a Combination Product; provided that this Section 2.4 shall not be interpreted to prohibit Forgent from addressing an issue raised by the defendants in the Forgent Action.

2.5 Scope of Activities and Rights. Each Party acknowledges and agrees that the terms make, use, sell, offer for sale, lease, export, import and otherwise dispose of as used throughout this Agreement with reference to Licensed Products or Combination Products includes, without limitation, licensing, leasing, and any other form or type of conveyance or commercial activity. Each Party acknowledges and agrees that the term license and the term right(s) as used throughout this Agreement with reference to Forgent Patents includes any license, release, covenant, immunity, or other right.

2.6 Limitations. To the extent Forgent or any of its Affiliates has or acquires less than full rights with respect to any Forgent Patents, the license or other rights granted by Forgent under such Forgent Patents shall be for as much of such terms as, and to the maximum extent that, Forgent or its Affiliates has the right to grant.

2.7 Interfaces. If Cisco or its Affiliates licenses or provides a proprietary specification to a third party, where such specification includes a [***], such third party shall be immune from any claim or suit under any Forgent Patent for making, using,

leasing, importing, exporting, offering for sale or otherwise disposing [***] to communicate with a product or portion thereof that is a Licensed Product.

2.8 Programs and Program Modifications. Forgent, on behalf of itself and its Affiliates, hereby represents, warrants and irrevocably covenants to Cisco and its Affiliates that third parties who receive Programs that are [***] shall be immune from any claim or suit under the Forgent Patents for the formation, modification, use, sale, license, offer for sale, lease (including license of software), importation, exportation, distribution, disposal, or other transfer of any changes, additions, or modifications of such Programs.

2.9 Third Party Lawsuits. To the extent that Forgent or its Affiliates own or control a patent on the Effective Date or within two (2) years after the Effective Date that, in the absence of a grant of licenses or other rights under such patent to a third party by Forgent or its Affiliates, would otherwise qualify as a Forgent Patent, Forgent and its Affiliates covenant not to sue or threaten to sue (or instruct, encourage, or aid a third party to sue or threaten to sue) Cisco, its Affiliates, or Authorized Third Parties for infringement of such patent; provided, however, that such covenant as to Authorized Third Parties shall be limited to a covenant only with respect to claims of infringement with respect to [***].

Section 3. RELEASES

3.1 Mutual Release. Each Party, on behalf of itself and its Affiliates, successors and assigns, hereby releases, acquits and forever discharges the other Party and its Affiliates, and all of their respective current and former predecessors, successors, agents, attorneys, employees, officers, and directors, (collectively "**Released Parties**") from any and all actions, causes of action, claims or demands, liabilities, losses, damages, attorneys' fees, court costs, or any other form of claim or compensation for known and unknown acts, including without limitation any claim of infringement of patents, that happened prior to the Effective Date, and such Party, on behalf of itself and its Affiliates, covenants not to sue or threaten to sue (or instruct, encourage, or aid a third party to sue or threaten to sue) any Released Party on account of any such claim.

3.2 Forgent Release of Authorized Third Parties. Forgent, on behalf of itself and its Affiliates, successors and assigns, hereby releases, acquits and forever discharges [***] from any and all actions, causes of action, claims or demands, liabilities, losses, damages, attorneys' fees, court costs, or any other form of claim or compensation for claims of infringement, whether known and unknown, related to the Forgent Patents with respect to [***]. Forgent, on behalf of itself and its Affiliates, covenants not to sue or threaten to sue (or instruct, encourage, or aid a third party to sue or threaten to sue) any ATP Released Party on account of any such claim.

3.3 Acquired Company. In the event of an Acquisition of an Entity ("**Acquired Company**") by Cisco or its Affiliates, then Forgent, on behalf of itself and its Affiliates, shall release the Acquired Company and all of its current and former officers, employees, agents, directors, shareholders, owners, users, customers, distributors, resellers (including

value-added resellers), manufacturers (including original equipment or device manufacturers), assemblers, replicators, and integrators [***] of such Acquired Company.

3.4 Departing Affiliates. If an Affiliate ceases to be an Affiliate of Cisco after the Effective Date (“*Departing Affiliate*”), any licenses, rights, covenants, releases and other immunities provided to the Departing Affiliate under this Agreement with respect to the Forgent Patents [***] of such Forgent Patents.

3.5 Release of Unknown Claims. Each release contained in this Agreement extends to claims to which the Parties and their respective Affiliates do not know or suspect to exist in their favor, which if known by them, would have materially affected their decision to enter into the releases contained in this Agreement. Without acknowledging the application of California law to this Agreement, each of the Parties, on behalf of itself and its Affiliates, acknowledges that it is familiar with Section 1542 of the Civil Code of the State of California, which is quoted as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW, OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

The Parties expressly waive their right under Section 1542 as to any unknown claims within the scope of the releases under this Agreement.

Section 4. DISMISSAL AND PAYMENT

4.1 Dismissal. Within three (3) business days of the Effective Date, Forgent will dismiss with prejudice all claims brought against Scientific-Atlanta in the Forgent Action and Cisco shall cause Scientific-Atlanta to dismiss with prejudice all claims brought against Forgent in the Forgent Action by filing an Agreed Motion to Dismiss with Prejudice and Agreed Order of Dismissal substantially in the form attached hereto as Exhibit A. Within three (3) business days of the Effective Date, Forgent will dismiss with prejudice all claims brought against Cisco in the Cisco Action and Cisco will dismiss with prejudice all claims brought against Forgent in the Cisco Action (and Cisco shall cause Cisco Technology, Inc. to also dismiss with prejudice all claims brought against Forgent in the Cisco Action) by filing an Agreed Motion to Dismiss with Prejudice and Agreed Order of Dismissal substantially in the form attached hereto as Exhibit D.

4.2 Conditional Dismissal. Provided that a settlement agreement is reached with [***], Cisco will use reasonable efforts to have each [***] enter into a Release Agreement in the form of that attached as [***] with Forgent. Within three (3)

business days of the effective date of the [***], Forgent will dismiss with prejudice all claims brought against the [***] that has signed the [***] by filing an Agreed Motion to Dismiss with Prejudice and Agreed Order of Dismissal substantially in the form attached hereto as [***].

4.3 [***]

4.4 [***]

4.5 Complete Payment. The payment in Section 4.3 shall be the total compensation for Forgent for the rights and releases granted in this Agreement, and no additional payment will be made or owed to Forgent, their Affiliates, or any other party by Cisco or its Affiliates or Authorized Third Parties for the rights and releases granted in this Agreement.

4.6 Taxes. Forgent will be responsible for any duties, taxes, and/or levies to which it is subject as a result of any payment hereunder.

4.7 Costs and Expenses. The Parties agree that each Party shall be responsible for its own costs and expenses relating to the Forgent Action and to the Cisco Action (including attorney and expert fees and expenses).

Section 5. TERM AND TERMINATION

5.1 Term. The term of the licenses granted under this Agreement shall be from the Effective Date until the last of the Forgent Patents expires. All other provisions in this Agreement including, but not limited to, the releases, immunities, and the covenants not to sue (other than to the extent specified in this Agreement) shall continue in perpetuity.

Section 6. REPRESENTATIONS AND WARRANTIES

6.1 Authority. Each Party, on behalf of itself and its Affiliates, represents and warrants that the individuals signing this Agreement have full authority or authorization to execute this Agreement for, and on behalf of, and to bind the Parties and their Affiliates, and that, when signed, this Agreement will be binding and enforceable according to its terms.

6.2 No Conflicts. Each Party, on behalf of itself and its Affiliates, represents and warrants that neither it, nor any of its Affiliates, will enter into any other agreement or understanding in conflict with the provisions contained in this Agreement.

6.3 Right and Title. Forgent, on behalf of itself and its Affiliates, represents and warrants to Cisco that: (a) Forgent owns all rights, title, and interest in and to the Forgent Patents, and that no other third party owns any right to recover for infringement of or to assert any rights in the Forgent Patents (with the exception of agreements with Forgent's legal counsel); (b) Forgent has the right to grant the licenses, rights, releases,

covenants, and immunities of the full scope set forth in this Agreement with respect to all Forgent Patents; (c) Forgent has not granted and will not grant any licenses or other rights, under the Forgent Patents or otherwise, that would conflict with or prevent the licenses and rights granted to Cisco hereunder; and (d) there are no liens, conveyances, mortgages, assignments, encumbrances, or other agreements that would prevent or impair the full and complete exercise of the terms of this Agreement. Forgent agrees to indemnify and hold Cisco and its Affiliates harmless from any claim brought in violation of the representations and warranties in this Section 6.3 and from any claim brought by any third party that owns any right to recover for infringement of or to assert any rights in the Forgent Patents.

6.4 No Patent Circumvention. Other than with respect to the prior transfer by Forgent of its patents to Tandberg Telecom AS in November 2006, Forgent, on behalf of itself and its Affiliates represents and warrants that neither it, nor any of its Affiliates, has entered into any transaction since the filing of the Forgent Action, wherein which the result of the transaction was to remove any patents, patent applications, or patent rights from the definition of Forgent Patents. Forgent, on behalf of itself and its Affiliates, represents and warrants that, other than with respect to the prior transfer by Forgent of its patents to Tandberg Telecom AS in November 2006, there has been no transfer of any patents or patent rights by Forgent or its Affiliates to any third party since the filing of the Forgent Action and that all patents or patent rights owned or controlled by Forgent or its Affiliates as of the filing of the Forgent Action are included in this definition of Forgent Patents.

6.5 Control of Patents. Forgent, on behalf of itself and its Affiliates, hereby represents and warrants to Cisco that, as of the Effective Date, Forgent and/or its Affiliates own or control all patents of any ultimate parent company of Forgent, if any, existing as of the Effective Date ("**Current Parent**") or any Affiliate of any Current Parent, if any.

6.6 Full Rights. To the extent that Forgent and its Affiliates do not have the rights to grant fully the releases, licenses, covenants and other rights set out in this Agreement, each of them grants the broadest such rights that it is entitled to grant consistent with the terms set out herein.

6.7 DISCLAIMER. OTHER THAN AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, NOR SHALL EITHER PARTY HAVE ANY LIABILITY IN RESPECT OF ANY INFRINGEMENT OF PATENTS OR OTHER RIGHTS OF THIRD PARTIES DUE TO THE OPERATION OF THE PARTY OR ITS AFFILIATES UNDER THE LICENSE, RIGHTS, RELEASES OR OTHER IMMUNITIES HEREIN GRANTED. EACH PARTY AND ITS AFFILIATES EXPRESSLY DISCLAIM ANY WARRANTIES OF VALIDITY, ENFORCEABILITY, SCOPE, PERFECTION OR DOMINANCE OF THE FORGENT PATENTS.

Section 7. CONFIDENTIALITY

7.1 **Nondisclosure.** Each Party, on behalf of itself and its Affiliates, agrees not to disclose this Agreement or the terms or conditions contained herein (collectively “**Confidential Information**”) to any third party (other than its Affiliates) without the prior written consent of the other Party.

7.2 **Exceptions.** A Party or its Affiliates may disclose Confidential Information, on or after the Effective Date, only:

- (a) On a confidential basis, to advise its actual or potential Authorized Third Parties that they are licensed under the Forgent Patents and the extent to which they are licensed;
- (b) If required by court order, governmental agency or as otherwise may be required by law, provided the Party required to disclose gives the other Party written notice at least ten (10) days prior to disclosure to enable the other Party to seek a protective order, and reasonable steps are taken by the disclosing Party to maintain the confidentiality of the Confidential Information;
- (c) If required to enforce rights under this Agreement, and reasonable steps are taken by the disclosing Party to maintain the confidentiality of the Confidential Information; or
- (d) To the extent reasonably necessary, on a confidential basis, to: (i) its accountants, attorneys, and financial advisors; (ii) its present or future providers of venture capital and/or potential investors in or Acquirers of such Party; (iii) any governmental body having jurisdiction and calling therefore; (iv) legal counsel representing a Party or representing an Entity proposing to merge with or acquire the Party or one of its Affiliates; (v) a Party’s insurer; or (vi) third parties in connection with financing or potential acquisition activities; provided that, in the situations described in (ii) through (vi), such Party exercises reasonable efforts, consistent with industry norms, to obligate such third parties to maintain the confidentiality of the Confidential Information.
- (e) Forgent may only publicly issue an announcement substantially similar to what is attached as Exhibit E as its press release and body of its initial Form 8-K with respect to this Agreement. Notwithstanding the confidentiality obligations in this Agreement, each Party acknowledges and agrees that the other Party may comply with its securities disclosure obligations under applicable laws and regulations, including securities laws and regulations and continuous disclosure obligations, including referencing or disclosing this Agreement and any of its statements as required (each such disclosure as to this Agreement or any of its Exhibits, a “**Securities Disclosure**”) subject to the provisions of this Section. In making a Securities Disclosure, each Party agrees to act in good faith to maintain the confidentiality of this Agreement, each provision hereof, and each Exhibit hereto, to the greatest extent reasonably possible, consistent with all legal and regulatory obligations. In all instances, the Party making a Securities Disclosure

shall consult with the other Party at least five (5) days prior to releasing or filing the Securities Disclosure and respond to any related request for confidential treatment (“*CTR*”). Following its response, the disclosing Party shall provide reasonable opportunity for discussion at the request of the other Party regarding the *CTR* and the scope of the Securities Disclosure. Any disclosing Party agrees to work in good faith with the other Party regarding any Securities Disclosure and any *CTR* to implement the foregoing, with the understanding that the disclosing Party maintains full authority to determine in good faith, consistent with the foregoing obligations, the extent of disclosure that is required to be made to comply with all applicable laws and regulations.

Section 8. ASSIGNMENT

8.1 No Assignment. Neither Party shall assign or delegate this Agreement in whole or in part, or any of the licenses, rights, covenants, immunities, releases, or duties under this Agreement, by agreement, merger, reorganization, sale of all or substantially all of its assets, operation of law or otherwise, including in connection with the insolvency or bankruptcy of the Party, without the prior written consent of the other Party. Notwithstanding the foregoing, Cisco and its Affiliates may (i) assign their rights under this Agreement to any of their Affiliates, and (ii) assign their rights and delegate their duties to (a) an acquirer of all or substantially all of the equity or assets of their business to which this Agreement relates or (b) the surviving entity in any merger, consolidation, equity exchange, or reorganization of their business to which this Agreement relates.

8.2 Tax Assignment. Notwithstanding Section 8.1, a Party may assign or delegate this Agreement in whole or in part, or any of the licenses, rights, covenants, immunities, releases, or duties under this Agreement, to an Affiliate for tax purposes, but if the Affiliate ceases to be an Affiliate, then any such assigned or delegated licenses, rights, covenants, immunities, releases, or duties under this Agreement shall be assigned or delegated back to the associated Party or its Affiliates prior to the date the Affiliate ceases to be an Affiliate.

8.3 Assignments Subject To This Agreement. All Forgent releases, covenants not to sue, licenses, and rights granted herein shall run with the Forgent Patents and shall be binding on any successors-in-interest, assigns, or acquirers of any rights thereof. Forgent and its Affiliates shall not assign, or grant any right that impairs Cisco, its Affiliates or Authorized Third Parties’ rights under this Agreement, to any other party unless such assignment or grant is subject to all of the terms and conditions of this Agreement, and such other party executes an agreement agreeing to be bound by all of the terms and conditions of this Agreement. Any attempted assignment or grant in contravention of this Section 8.3 shall be null and void. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the Parties and their successors and permitted assigns.

Forgent, on behalf of itself and its Affiliates, represents and warrants to Cisco that in connection with assigning or otherwise transferring any rights in and to any patents subject to the licenses and covenants in Section 2 to any third party (whether by

agreement or operation of law, including but not limited to any assignments or transfers resulting from dissolution, bankruptcy, reorganization, or other corporate event), Forgent shall: (i) require the assignee or transferee to provide covenants not to sue with respect to any such assigned or transferred patent substantially identical to the covenants in Section 2; (ii) require the assignee or transferee to agree to be bound by the provisions, disclaimers, and restrictions of Section 2 with respect to such assigned or transferred patent; and (iii) require the assignee or transferee to agree that any further assignees or transferees that receive any rights in and to any such assigned or transferred patent are subject to all of the provisions of this Section 8.3. Forgent will defend and indemnify Cisco and its Affiliates for any claim brought in violation of this Section 8.3 and from any claim brought by any third party that owns any right to recover for infringement of or to assert any rights in the Forgent Patents.

8.4 Noncompliance. Any assignment failing to comply with the terms and conditions of this Section 8 shall be null and void.

Section 9. MISCELLANEOUS

9.1 No Admission. Neither the negotiation, execution, nor performance of this Agreement, nor anything contained herein, constitutes an admission by Cisco or its Affiliates or Authorized Third Parties of liability, infringement or validity of the Forgent Patents.

9.2 Other Rights. Nothing contained in this Agreement shall be construed as limiting the rights that the Parties or their Affiliates have outside the scope of the licenses, covenants, immunities, and releases granted hereunder, or contractually restricting the right of either Party or any of its Affiliates to make, have made, use, lease, license, sell, offer for sale, import, distribute or otherwise dispose of any particular product, including products not herein subject to the licenses, releases, immunities or covenants.

9.3 Other Intellectual Property. Nothing contained in this Agreement shall be construed as conferring any right or license to or to otherwise use any copyright, patent, patent application, trademark, service name, service mark, trade dress, trade secret or other intellectual property belonging to Cisco, its Affiliates, or Authorized Third Parties. This provision shall not be construed as being inconsistent with Sections 2.3, 3.1, 4.1, 4.2, or the provisions contained in Exhibit C.

9.4 Notices. Notices and other communications shall be sent by facsimile (with confirmation of transmission), or by express courier (with tracking capabilities and costs prepaid) to the following addressees and addresses (or such other addressee and address as shall be designated by a Party in writing) and shall be effective upon delivery:

For Forgent:

For Cisco:

Tel:
Fax:

Tel:
Fax:

And copy to:

And a copy to:

Tel:
Fax:

Tel:
Fax:

9.5 Publicity and Use of Name. Subject to Section 7.2, neither Party, nor any of its Affiliates, shall, without the prior written consent of the other Party, refer to this Agreement or any of its provisions in any statements to the press or public. Nothing contained in this Agreement shall be construed as conferring any right to use in advertising, publicity or otherwise any trademark, trade name or names or any contraction, abbreviation or simulation thereof, of either Party or its Affiliates.

9.6 Condition of Binding Agreement; Amendments. This Agreement shall not be binding upon the Parties or their Affiliates until it has been signed below by or on behalf of each Party. No amendment or modification hereof shall be valid or binding upon the Parties or their Affiliates unless made in writing and signed as aforesaid, except that either Party may amend its address by written notice to the other Party.

9.7 Severability. If any section of this Agreement is found by competent authority to be invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of such section in every other respect and the remainder of this Agreement shall continue in effect so long as the Agreement still expresses the intent of the Parties. However, if the intent of the Parties cannot be preserved, this Agreement shall be either renegotiated or terminated.

9.8 Choice of Law; Venue. This Agreement shall be construed, and the legal relations between the Parties shall be determined, in accordance with the federal law of the United States and the laws of the state of Texas, USA, without regard to any conflict of law provisions thereof. The exclusive venue for disputes arising out of this Agreement shall be the United States District Court for the Western District of Texas, and the Parties and their Affiliates agree to submit to the exclusive jurisdiction of such court.

9.9 Remedies. The remedy for breach of this Agreement shall be limited to damages and/or injunctive relief, as appropriate, for breach of contract and shall not include remedies for patent infringement.

9.10 No Liability. IN NO EVENT SHALL ANY PARTY BE LIABLE TO ANY OTHER PARTY OR ANY OTHER PERSON OR ENTITY (UNDER CONTRACT, STRICT LIABILITY, NEGLIGENCE, OR OTHER THEORY) FOR SPECIAL, INDIRECT, EXEMPLARY, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS, OPPORTUNITIES OR SAVINGS, ARISING OUT OF OR RELATED TO THE SUBJECT MATTER OF THIS AGREEMENT.

9.11 Bankruptcy. The Parties acknowledge and agree that the Forgent Patents are “intellectual property” as defined in section 101(35A) of the United States Bankruptcy Code (the “*Code*”), as the same may be amended from time to time, that have been licensed hereunder in a contemporaneous exchange for value. Forgent acknowledges that if Forgent, as a debtor in possession or a trustee in bankruptcy in a case under the Code, rejects this Agreement, Cisco may elect to retain its rights under this Agreement as provided in Section 365(n) of the Code. Upon written request from Cisco to Forgent or the bankruptcy trustee of Forgent’s election to proceed under section 365(n), Forgent or the bankruptcy trustee shall comply in all respects with 365(n), including, without limitation, by not interfering with the rights of Cisco as provided by this Agreement.

9.12 Interpretation. The headings and designated sections of this Agreement are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. All uses of “include” or “including” shall not be limiting. The Parties have participated jointly in the negotiation of this Agreement. In the event an ambiguity or question of intent or interpretation arises, the Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

9.13 Integration. This Agreement contains the entire and only understanding between the Parties and their Affiliates with respect to the subject matter hereof and supersedes any prior or collateral agreements, negotiations and communications in connection with the subject matter covered herein, whether oral or written, and any warranty, representation, promise, or condition in connection therewith not incorporated herein shall not be binding upon either Party or its Affiliates.

9.14 No Joint Venture. Nothing herein shall be deemed to constitute the Parties or their Affiliates as joint venturers, partners or agents of each other. Neither Party nor its Affiliates shall be liable for any debts, accounts, obligations or other liabilities of the other Party or its Affiliates. Neither Party nor its Affiliates is authorized to incur any debts or other obligations of any kind on the part of or as agent for the other, except as may be specifically authorized in writing.

9.15 Waiver. No relaxation, forbearance, delay or negligence by any Party in enforcing any of the terms and conditions of this Agreement, or the granting of time by any Party to another, shall operate as a waiver or prejudice, affect or restrict the rights, powers or remedies of any Party.

9.16 Counterparts and Facsimile. This Agreement may be executed on facsimile copies in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same Agreement.

9.17 Dispute Resolution. All disputes arising directly under the express terms of this Agreement or the grounds for termination thereof shall be resolved as follows. First, the [***] of both Parties shall meet to attempt to resolve such disputes. If the [***] cannot resolve the disputes, either Party may make a written demand for formal dispute resolution. Within [***] days after such written demand, the Parties agree to meet for [***] with an impartial mediator and consider dispute resolution alternatives other than litigation. If an alternative method of dispute resolution [***], either Party may begin litigation proceedings.

9.18 No Circumvention. The Parties agree not to act through or in conjunction with third parties to circumvent or frustrate the purposes of this Agreement, and further agree not to structure future transactions where the effect of such transaction is to limit the licenses, rights, releases, covenants, or immunities provided for under this Agreement.

9.19 Invalidity of Patents. This Agreement shall not terminate even if any Forgent Patent (or any claim thereof) is subsequently cancelled or invalidated in reexamination, litigation or otherwise.

9.20 [***]

9.21 Excluded Entities. Notwithstanding anything to the contrary in any other provision of this Agreement, no right, grant, license, sub-license, covenant, release, or any other benefit provided under this Agreement (other than as set forth in the proviso below) shall extend now, or in the future, to the following Entities, their current parents, current subsidiaries, and any of their respective successors (as well as any of their respective customers, suppliers, distributors and dealers as it relates to that Entity's products), regardless of any circumstance, including but not limited to whether any such Entity may be or become a successor or an Affiliate of Cisco: [***]; provided, however, that all rights, grants, licenses, sub-licenses, covenants, releases, and any other benefit provided under this Agreement shall extend to an Excluded Entity listed in (b) above with respect to Licensed Products and Combination Products, if the Excluded Entity qualifies as [***].

IN WITNESS WHEREOF, the Parties have executed this Agreement through their duly authorized representatives as of the Effective Date set forth above:

CISCO SYSTEMS, INC.

FORGENT NETWORKS, INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT A

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION**

FORGENT NETWORKS, INC.
Plaintiff,

v.
ECHOSTAR TECHNOLOGIES
CORPORATION, et al.,
Defendants.

SCIENTIFIC-ATLANTA, INC. and
MOTOROLA, INC.
Plaintiffs,

CONSOLIDATED
C.A. NO.: 6:06-CV-208

And

DIGEO, INC.
Plaintiff in Intervention

vs.

FORGENT NETWORKS, INC.
Defendant and Counter Plaintiff

AGREED MOTION TO DISMISS WITH PREJUDICE

Pursuant to Rule 41(a) and 41(c) of the Federal Rules of Civil Procedure and the terms of a separate agreement, Plaintiff Forgent Networks, Inc. (“Forgent”) and Defendant Scientific-Atlanta, Inc. (“Scientific-Atlanta”) (collectively, the “Parties”) have agreed to settle, adjust and compromise all claims against each other in this case. The Parties, therefore, move this Court to dismiss all claims by Forgent against Scientific-Atlanta and all claims by Scientific-Atlanta against Forgent with prejudice to the re-filing of same.

A proposed Order accompanies this motion.

AGREED:

ATTORNEYS FOR PLAINTIFF

ATTORNEYS FOR DEFENDANT

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION

FORGENT NETWORKS, INC.
Plaintiff,
v.
**ECHOSTAR TECHNOLOGIES
CORPORATION, et al.,**
Defendants.

**CONSOLIDATED
C.A. NO.: 6:06-CV-208**

**SCIENTIFIC-ATLANTA, INC. and
MOTOROLA, INC.**
Plaintiffs,

And

DIGEO, INC.
Plaintiff in Intervention

vs.

FORGENT NETWORKS, INC.
Defendant and Counter Plaintiff

ORDER OF DISMISSAL WITH PREJUDICE

On this day, Plaintiff Forgent Networks, Inc. (“Forgent”) and Defendant Scientific-Atlanta, Inc. (“Scientific-Atlanta”) announced to the Court that they have settled their respective claims for relief asserted against each other in this case and requested that the Court dismiss these claims. The Court, having considered this request, is of the opinion that their request for dismissal should be GRANTED.

IT IS THEREFORE ORDERED that all claims for relief asserted against Scientific-Atlanta by Forgent and against Forgent by Scientific-Atlanta herein are dismissed with prejudice to the re-filing of same.

Signed this day of , 2007.

JUDGE _____

EXHIBIT B

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION**

FORGENT NETWORKS, INC.
Plaintiff,

v.
ECHOSTAR TECHNOLOGIES
CORPORATION, et al.,
Defendants.

SCIENTIFIC-ATLANTA, INC. and
MOTOROLA, INC.
Plaintiffs,

CONSOLIDATED
C.A. NO.: 6:06-CV-208

And

DIGEO, INC.
Plaintiff in Intervention

vs.

FORGENT NETWORKS, INC.
Defendant and Counter Plaintiff

AGREED MOTION TO DISMISS WITH PREJUDICE

Pursuant to Rule 41(a) and 41(c) of the Federal Rules of Civil Procedure and the terms of a separate agreement, Plaintiff Forgent Networks, Inc. (“Forgent”) and Defendant (“Defendant”) (collectively, the “Parties”) have agreed to settle, adjust and compromise all claims against each other in this case. The parties, therefore, move this Court to dismiss all claims by Plaintiff against Defendant and all claims by Defendant against Plaintiff with prejudice to the re-filing of same.

A proposed Order accompanies this motion.

AGREED:

ATTORNEYS FOR PLAINTIFF
FORGENT NETWORKS, INC.

ATTORNEYS FOR DEFENDANT

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION

FORGENT NETWORKS, INC.
Plaintiff,

v.
ECHOSTAR TECHNOLOGIES
CORPORATION, et al.,
Defendants.

SCIENTIFIC-ATLANTA, INC. and
MOTOROLA, INC.
Plaintiffs,

CONSOLIDATED
C.A. NO.: 6:06-CV-208

And

DIGEO, INC.
Plaintiff in Intervention

vs.

FORGENT NETWORKS, INC.
Defendant and Counter Plaintiff

ORDER OF DISMISSAL WITH PREJUDICE

On this day, Plaintiff Forgent Networks, Inc. ("Plaintiff") and Defendant _____ ("Defendant") announced to the Court that they have settled their respective claims for relief asserted in this case against each other and requested that the Court dismiss these claims. The Court, having considered this request, is of the opinion that their request for dismissal should be GRANTED.

Signed this _____ day of _____, 2007.

JUDGE _____

EXHIBIT C

SETTLEMENT AND RELEASE

This Release ("Release") is entered into as of April , 2007 ("the Effective Date"), by and between Forgent Networks, Inc. (hereinafter referred to as "Forgent" and more fully defined below) and [***], a corporation (hereinafter referred to as [***] and more fully defined below) by and through their duly authorized representatives. This Release is intended to finally and completely dispose of the lawsuit and all related claims as to these parties, with prejudice, as more fully described herein.

RECITALS

WHEREAS, Forgent and [***] are parties to a lawsuit in the United States District Court for the Eastern District of Texas, currently styled *Forgent Networks, Inc. v. EchoStar Communications, Corporation, et al*, Civil Action No. 606 CV 208 ("the Lawsuit"), wherein Forgent seeks damages and injunctive relief for alleged infringement of United States Patent No. 6,285,746 (hereinafter referred to as "the '746 patent");

NOW, THEREFORE, Forgent and [***] (as well as their Affiliates as defined below), after carefully reviewing this Release and in exchange for the dismissal and releases of all claims and counterclaims that have been or could have been raised by or against each other in the Lawsuit, and for other good and valuable considerations, the receipt and sufficiency of which is hereby expressly acknowledged, agree as follows:

DEFINITIONS

1.1 [***] as used herein means [***], a corporation with its principal office located at and all its Affiliates.

1.2 "Forgent" as used herein means Forgent Networks, Inc., a Texas corporation with its principal office located at 108 Wild Basin Drive, Austin, Texas, and all its Affiliates.

1.3 "Affiliates" as used herein means a person or business entity, including without limitation entities organized as corporations, partnerships, limited liability partnerships and limited liability companies, that currently or in the future, controls, is controlled by, or is under common control of or with such person or business entity. The phrase "controls, is controlled by, or is under common control with" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through ownership of voting securities (as to which ownership of 50% or more establishes control) or other interests, by contract or otherwise.

1.4 The term "Parties" or "Party" means the signatories to this Release (Forgent and [***]) both jointly and individually.

RELEASES

2.1 **Forgent releases [***].** Forgent releases and discharges [***], agents,

representatives, customers, distributors, and dealers, and end users of the foregoing persons from all claims that were or could have been brought in the Lawsuit against [***], and/or its customers by Forgent occurring prior to the Effective Date of this Release, including but not limited to any and all claims, demands, actions, causes of action (whether known or unknown, whether direct or indirect), suits of any kind or nature, rights, damages, costs, losses, expenses and compensation.

2.2 **[***] releases Forgent.** [***] releases and discharges Forgent, agents, representatives, customers, distributors, and dealers, and end users of the foregoing persons from all claims that were or could have been brought in the Lawsuit against Forgent by [***] occurring prior to the Effective Date of this Release, including but not limited to any and all claims, demands, actions, causes of action (whether known or unknown, whether direct or indirect), suits of any kind or nature, rights, damages, costs, losses, expenses and compensation.

COVENANTS NOT TO SUE

3.1 Forgent covenants not to sue [***] and its agents, representatives, customers, distributors, dealers and end users for infringement, whether direct or indirect, of the '746 patent or any patent claiming priority from or through any application that led to or in common with the '746 patent for all time. Forgent further covenants not to sue [***] for any claim of patent infringement for a period of five (5) years from the Effective Date.

3.2 [***] covenants not to sue Forgent for any claim of patent infringement for a period of three (3) years from the Effective Date.

DISMISSAL

4.1 **Dismissal.** Within three (3) business days of the Effective Date, the Parties shall file an Agreed Motion to Dismiss, mutually dismissing with prejudice against the other, any and all claims of patent infringement arising from this lawsuit that were or could have been rightfully brought. Furthermore, [***] in such Agreed Motion, shall dismiss without prejudice any and all of its declaratory judgment counterclaims arising from this lawsuit.

4.2 **No Admission of Liability.** The Parties expressly agree and acknowledge that by entering into this Release no Party admits any liability, wrongdoing or the truth of any allegation contained in any claim, defense or counterclaim alleged in the Lawsuit. Neither this Release nor any release contained within it may be construed or used as an admission of any issues, facts, wrongdoing, liability, or violation of law whatsoever.

4.3 **Each Party to Pay Its Own Legal Fees.** The Parties shall each pay their own legal fees and costs incurred in connection with the Lawsuit.

4.4 **Dismissal of Motions.** The Parties shall promptly file the necessary papers to advise the Court that all pending motions as between them, and joinder to all pending motions as between them, are withdrawn.

4.5 **Signature Authority.** The persons signing this Release each represent that they are duly authorized, with full authority to bind the Parties, and that no signature of any other person or entity is necessary to bind the Parties.

4.6 **Limitation on Damages.** In no event shall any Party be liable to any other Party or person or entity (under any contract, negligence, strict liability, or other theory) for special, exemplary, incidental, or consequential damages arising out of or related to the subject matter of this Release, even if the Party has been advised of the possibility of such damages or losses.

4.7 [***]

OTHER REPRESENTATIONS, ACKNOWLEDGEMENTS AND AGREEMENTS

5.1 **Successors, Assigns and Beneficiaries.** This Release shall inure to the benefit of and shall be binding upon the Parties hereto and their successors, assigns, and representatives.

5.2 Notwithstanding anything to the contrary in any other provision of this Release, no right, covenant, release, or any other benefit provided under this Release shall extend now, or in the future, to [***], including their respective current parents, current subsidiaries, and any of their respective successors (as well as any of their respective customers, suppliers, distributors and dealers as it relates to their products) (“Lawsuit Excluded Entity”), regardless of any circumstance, including but not limited to whether any such Lawsuit Excluded Entity may be or becomes a successor or an Affiliate of [***].

5.3 Notwithstanding anything to the contrary in any other provision of this Release, no right, covenant, release, or any other benefit provided under this Release shall extend now, or in the future, to the following entities, including their current parents, current subsidiaries, and any of their respective successors (“Additional Excluded Entity”), regardless of any circumstance, including but not limited to whether any such Additional Excluded Entity may be or becomes a successor or an Affiliate of [***] (in which case the covenant, release and other benefits of this Agreement shall continue to apply to the [***] except for the Additional Excluded Entity): [***].

5.4 **Jurisdiction and Choice of Law.** This Release shall be interpreted, and the rights and duties of the parties hereto shall be determined, in accordance with the laws of the State of Texas, without regard to its conflicts of laws provisions. The Parties agree to mediate in good faith prior to filing any enforcement action based on this Release.

5.5 **Entire Understanding.** This Release and any attachments hereto constitute a single, integrated written contract expressing the entire agreement of the Parties and shall not be modified, supplemented, or repealed except by a writing signed by each of the Parties. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Party, except as specifically set forth in this Release. All prior discussions, written communications, and negotiations have been merged and integrated into and are superseded by this Release.

5.6 **Construed as Jointly Prepared.** This Release shall be construed as if the Parties jointly prepared it and any uncertainty or ambiguity shall not be interpreted against any one Party because of the manner in which this Release was drafted or prepared.

IN WITNESS HEREOF, the Parties being fully authorized and empowered to bind themselves to this Release, have authorized and executed this Release on the date set forth opposite their respective signatures.

Forgent Networks, Inc.

DATED: April , 2007

By: _____

DATED: April , 2007

By: _____



EXHIBIT D

**UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN**

**CISCO SYSTEMS, INC.,
a California Corporation, and**

Case No. 07 C 0085 S

**CISCO TECHNOLOGY, INC.
a California Corporation,**

JURY TRIAL DEMANDED

Plaintiffs,

vs.

**FORGENT NETWORKS,
a Delaware Corporation**

Defendant.

AGREED MOTION TO DISMISS WITH PREJUDICE

Pursuant to Rule 41(a) and 41(c) of the Federal Rules of Civil Procedure and the terms of a separate agreement, Plaintiffs Cisco Systems, Inc. and Cisco Technology, Inc. and Defendant Forgent Networks, Inc. (collectively, the "Parties") have agreed to settle, adjust and compromise all claims in this case. The parties, therefore, move this Court to dismiss all claims by Plaintiff against Defendant and all claims by Defendant against Plaintiff with prejudice to the re-filing of same.

The parties further move the Court to order that all costs and expenses relating to this litigation (including attorney and expert fees and expenses) shall be borne solely by the party incurring same.

A proposed Order accompanies this motion.

AGREED:

ATTORNEYS FOR PLAINTIFFS

ATTORNEYS FOR DEFENDANT

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN

CISCO SYSTEMS, INC.,
a California Corporation, and

CISCO TECHNOLOGY, INC.
a California Corporation,

Plaintiffs,

vs.

FORGENT NETWORKS,
a Delaware Corporation

Defendant.

Case No. 07 C 0085 S

JURY TRIAL DEMANDED

ORDER OF DISMISSAL WITH PREJUDICE

On this day, Plaintiffs Cisco Systems, Inc. and Cisco Technology, Inc. and Defendant Forgent Networks, Inc. announced to the Court that they have settled their respective claims for relief asserted in this case and requested that the Court dismiss these claims. The Court, having considered this request, is of the opinion that their request for dismissal should be GRANTED.

IT IS THEREFORE ORDERED that the above-entitled cause and all claims for relief asserted against Defendant by Plaintiff and against Plaintiff by Defendant herein are dismissed with prejudice to the re-filing of same.

IT IS FURTHER ORDERED that all attorneys' fees, costs of court and expenses shall be borne by the party incurring the same.

This is a final judgment.

Signed this day of , 2007.

JUDGE _____

EXHIBIT E

PUBLIC ANNOUNCEMENT AND INITIAL FORM 8-K ATTACHED

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report:
(Date of earliest event reported)

April , 2007

FORGENT NETWORKS, INC.

(Exact name of registrant as specified in charter)

Delaware
(State or other jurisdiction of incorporation or
organization)

0-20008
(Commission File Number)

74-2415696
(IRS Employer Identification
No.)

108 Wild Basin Road
Austin, Texas 78746
(Address of principal executive offices and zip code)

(512) 437-2700
(Registrant's telephone
number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425).
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12).
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b)).
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c)).
-
-
-

Section 1 – Registrant’s Business and Operations

Item 1.01 Entry into a Material Definitive Agreement.

In July 2005, the Registrant initiated litigation against 15 companies for infringement of U.S. Patent No. 6,285,746 (the “ ‘746 patent”) in the United States District Court for the Eastern District of Texas (the “ ‘746 Litigation”), seeking injunctive relief against sales of infringing products and monetary damages, among other relief sought. The ‘746 Litigation is described in Note 9 to the Consolidated Financial Statements and Part II, Item 1 of the Registrant’s Form 10-Q for the quarter ended January 31, 2007.

Effective April , 2007, the Registrant has entered into settlement and license arrangements with nine of the defendants in the ‘746 Litigation: Cable One, Inc., Charter Communications, Inc.; Comcast Corporation; Comcast STB Software DVR, LLC; Coxcom, Inc.; Digeo, Inc.; Motorola, Inc.; Scientific-Atlanta, Inc.; and Time Warner Cable, Inc. Under the arrangements, the Registrant granted the defendants a patent license and the defendants agreed to pay the Registrant a total of \$20.0 million. Additionally, all parties agreed to release all claims against each other and the Registrant has no future obligations related to this settlement.

The Registrant continues to monitor the progress of the ‘746 Litigation with respect to the remaining defendants and the United States Patent and Trademark Office’s re-examination of the ‘746 Patent. The Registrant will vigorously defend the validity of its ‘746 Patent, as well as pursue any entities that violated its ‘746 Patent. Resolution of some or all of these matters could materially affect the Registrant’s business, future results of operations, financial position or cash flows in a particular period.

Pursuant to Instruction B.4 to Form 8-K and applicable regulations and releases, copies of documents related to the foregoing matters reported under Item 1.01 will be filed as an exhibit or exhibits not later than the Registrant’s quarterly report on Form 10-Q applicable to the quarter ending April 30, 2007. All summaries and descriptions of documents set forth above are qualified in their entirety by the documents themselves, filed as an exhibit or exhibits to a later report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FORGENT NETWORKS, INC.

Date: April , 2007

By: /s/ Jay C. Peterson
Jay C. Peterson
Chief Financial Officer

**CERTIFICATION OF PERIODIC REPORT
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, the undersigned Richard N. Snyder, Chief Executive Officer, of Forgent Networks, Inc. (the "Company"), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the Company (the "Report");
2. Based on my knowledge, the Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the Report;
3. Based on my knowledge, the financial statements, and other financial information included in the Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in the Report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and we have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within these entities, particularly during the period in which the Report is being prepared;
 - (b) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in the Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by the Report based on such evaluation; and
 - (c) Disclosed in the Report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the quarter ended April 30, 2007) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and to the Audit Committee of the Board of Directors:
 - (a) All significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

/s/ RICHARD N. SNYDER

Richard N. Snyder
Chief Executive Officer
June 14, 2007

**CERTIFICATION OF PERIODIC REPORT
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, the undersigned, Jay C. Peterson, Chief Financial Officer, of Forgent Networks, Inc. (the "Company"), certify, that:

1. I have reviewed this quarterly report on Form 10-Q of the Company (the "Report");
2. Based on my knowledge, the Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the Report;
3. Based on my knowledge, the financial statements, and other financial information included in the Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in the Report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and we have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within these entities, particularly during the period in which the Report is being prepared;
 - (b) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in the Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by the Report based on such evaluation; and
 - (c) Disclosed in the Report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the quarter ended April 30, 2007) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and to the Audit Committee of the Board of Directors:
 - (a) All significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

/s/ JAY C. PETERSON

Jay C. Peterson
Chief Financial Officer
June 14, 2007

**CERTIFICATION OF PERIODIC REPORT
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, the undersigned, Richard N. Snyder, Chief Executive Officer of Forgent Networks, Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The quarterly report on Form 10-Q of the Company for the period ended April 30, 2007 (the "Report") fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended, and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ RICHARD N. SNYDER

Richard N. Snyder
Chief Executive Officer
June 14, 2007

A signed original of this written statement required by Section 906 has been provided to Forgent Networks, Inc. and will be retained by Forgent Networks, Inc. and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

**CERTIFICATION OF PERIODIC REPORT
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, the undersigned, Jay C. Peterson, Chief Financial Officer of Forgent Networks, Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The quarterly report on Form 10-Q of the Company for the period ended April 30, 2007 (the "Report") fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended, and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ JAY C. PETERSON

Jay C. Peterson
Chief Financial Officer
June 14, 2007

A signed original of this written statement required by Section 906 has been provided to Forgent Networks, Inc. and will be retained by Forgent Networks, Inc. and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.
