SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1997

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 000-21771

WEST TELESERVICES CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation of organization)	47-0777362 (IRS Employer Identification No.)
9910 Maple Street, Omaha, Nebraska (Address of principal executive offices)	68134 (Zip Code)

Registrant's telephone number, including area code: (402) 571-7700

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 x No __

At August 12, 1997, 63,330,000 shares of Common Stock, par value $.01 per share, of the registrant were outstanding.

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INDEX

No.		Page
PART I.	FINANCIAL INFORMATION	3
	Item 1. Financial Statements	
	Consolidated Balance Sheets - June 30, 1997 and December 31, 1996	3
	Consolidated Statements of Operations - Three and Six Months Ended June 30, 1997 and 1996	4
	Consolidated Statements of Stockholders' Equity	5
	Consolidated Statement of Cash Flows - Six Months Ended June 30, 1997 and 1996	6
	Notes to Consolidated Condensed Financial Statements.	7
	Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	8
	Item 3. Quantitative and Qualitative Disclosure About Market Risk	11
PART II.	OTHER INFORMATION	12
	Item 1. Legal Proceedings	12
	Item 4. Submission of Matters to a Vote of Securities Holders	12
	Item 6. Exhibits and Reports on Form 8-K	13
	Signatures	14

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

WEST TELESERVICES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 1997 AND DECEMBER 31, 1996
(AMOUNTS IN THOUSANDS)

	JUNE 30, 1997 (Unaudited)	DECEMBER 31, 1996
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$17,882	$55,065
Accounts receivable, net of allowance for doubtful accounts of $302 and $244	78,873	45,982
Notes receivable	1,160	360
Accounts receivable - financing	11,535	11,805
Federal income tax receivable	799	-
Deferred income tax receivable - current	90	88
Other	5,256	3,961
Total current assets	115,595	117,261
PROPERTY AND EQUIPMENT		
Land and improvements	1,132	1,132
Buildings	8,126	8,043
Telephone and computer equipment	77,986	68,483
Office furniture and equipment	15,184	14,383
Leasehold improvements	17,245	18,130
Construction in process	10,647	749
	130,320	110,920
Accumulated depreciation and amortization	(46,989)	(41,895)
	83,331	69,025
GOODWILL, NET OF AMORTIZATION OF $1,011 AND $168	49,522	50,365
LAND HELD FOR DEVELOPMENT	1,583	1,583
OTHER ASSETS	145	51
	$250,176	$238,285
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	31,867	23,271
Customer deposits and holdbacks	6,405	12,662
Accrued wages and benefits	7,413	5,748
Accrued phone expense	9,100	8,404
Other current liabilities	3,815	2,501
Current obligations under capital leases	3,707	10,915
Current maturities of long-term debt	808	5,894
Income tax payable - current	308	1,697
Total current liabilities	63,423	71,092
OBLIGATIONS UNDER CAPITAL LEASES, less current obligations	3,645	5,714
LONG TERM DEBT, less current obligations	1,517	-
DEFERRED INCOME TAXES	2,759	2,600
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Preferred stock $0.01 par value, 10,000 shares authorized, no shares issued and outstanding	-	-
Common stock $0.01 par value, 200,000 shares authorized, 63,330 shares issued and outstanding	633	633
Additional paid-in capital	157,681	157,719
Retained earnings	20,518	527
Total stockholders' equity	178,832	158,879
	$250,176	$238,285

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

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WEST TELESERVICES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(AMOUNTS IN THOUSANDS EXCEPT PER SHARE)
(UNAUDITED)

	Three Months Ended June 30, 1997	Three Months Ended June 30, 1996	Six Months Ended June 30, 1997	Six Months Ended June 30, 1996
REVENUE	$98,380	$74,980	$194,026	$154,468
COST OF SERVICES	55,153	43,199	106,501	87,340
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	29,384	20,210	55,529	40,299
NET OPERATING INCOME	13,843	11,571	31,996	26,829
OTHER INCOME (EXPENSE):				
Interest income	312	85	701	171
Interest income - financing, net of interest expense of $85, $300, $178 and $621	390	168	770	279
Interest expense	(178)	(612)	(409)	(1,240)
Minority interest in net income of consolidated subsidiaries	-	(348)	-	(814)
Other income (expense)	(145)	(140)	(314)	(170)
Net other income (expense)	379	(847)	748	(1,774)
NET INCOME BEFORE INCOME TAX EXPENSE:	14,222	10,724	32,744	25,055
ACTUAL INCOME TAX EXPENSE:				
Current income tax expense	5,458	166	12,596	379
Deferred income tax expense	85	-	157	-
Actual income tax expense	5,543	166	12,753	379
NET INCOME AND NET INCOME BEFORE PROFORMA INCOME TAX EXPENSE	8,679	10,558	19,991	24,676
PROFORMA INFORMATION:				
Income tax expense	-	3,862	-	9,026
Net income	$8,679	$6,696	$19,991	$15,650
Primary and fully diluted earnings per common and common equivalent share	$0.14	$0.12	$0.32	$0.29
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	63,330	53,968	63,363	53,968

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

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WEST TELESERVICES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(AMOUNTS IN THOUSANDS)

	Common Stock	Paid-in Capital	Retained Earnings	Total Stockholders' Equity
BALANCE, December 31, 1995	$568	$4,743	$32,918	$38,229
Distributions to stockholders	-	-	(18,546)	(18,546)
Net income	-	-	24,676	24,676
BALANCE, June 30, 1996	$568	$4,743	$39,048	$44,359
BALANCE, December 31, 1996	$633	$157,719	$527	$158,879
Payments for stock registration costs	-	(38)	-	(38)
Net income	-	-	19,991	19,991
BALANCE, June 30, 1997	$633	$157,681	$20,518	$178,832

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WEST TELESERVICES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 1997 AND 1996
(AMOUNTS IN THOUSANDS)

	SIX MONTHS ENDED ENDED JUNE 30, 1997	1996
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$19,991	$24,676
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	9,372	5,979
(Gain) Loss on sale of equipment	113	(140)
Deferred income tax expense	157	-
Minority Interest	-	814
Changes in operating assets and liabilities:		
Accounts receivable	(34,005)	(1,807)
Other assets and vendor receivables	(1,389)	(3,949)
Accounts payable	8,596	(4,032)
Other current liabilities and accrued expenses	3,675	200
Income tax payable	(2,188)	(325)
Net cash flows from operating activities	4,322	21,416
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(23,294)	(6,765)
Proceeds from disposal of property and equipment	346	621
Issuance of notes receivable	(287)	(900)
Proceeds from payments of notes receivable	601	363
Net cash flows from investing activities	(22,634)	(6,681)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of debt	2,499	1,817
Payments of debt	(6,068)	(962)
Payments of capital lease obligations	(9,277)	(2,929)
Net change in line of credit agreement	-	2,550
Distribution to stockholders	-	(23,878)
Net change in accounts receivable financing and notes payable financing	270	44
Payments for stock registration costs	(38)	-
Increase (decrease) in customer deposits and holdbacks	(6,257)	1,941
Net cash flows from financing activities	(18,871)	(21,417)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(37,183)	(6,682)
CASH AND CASH EQUIVALENTS, Beginning of period	55,065	21,861
CASH AND CASH EQUIVALENTS, End of period	17,882	15,179
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for interest	659	1,795
Cash paid during the period for income taxes	14,446	666
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES:		
Acquisition of equipment through assumption of capital lease obligations	-	2,809
Reduction of accounts receivable through issuance of notes receivable receivable	1,114	61

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

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WEST TELESERVICES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(Unaudited)
(AMOUNTS IN THOUSANDS)

1. GENERAL

The accompanying unaudited consolidated condensed financial statements reflect all normal and recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the financial position, operating results, and cash flows for the interim periods. The consolidated condensed financial statements should be read in conjunction with the consolidated financial statements and notes thereto, together with management's discussion and analysis of financial condition and results of operations, contained in the Company's Form 10-K for the year ended December 31, 1996, which has previously been filed with the Securities and Exchange Commission.

Where appropriate, items within the consolidated condensed financial statements have been reclassified from the previous periods to conform to the current year's presentation.

2. COMMITMENTS AND CONTINGENCIES

The Company is subject to lawsuits and claims which arise out of the normal course of its business. In the opinion of management, the disposition of such claims will not have a material adverse effect on the Company's financial position or results of operations.

3. RECENTLY ISSUED ACCOUNTING STANDARDS

In February 1997, the Financial Accounting Standards Board issued SFAS No. 128, Earnings Per Share which specifies the computation, presentation and disclosure requirements for earnings per share. The objective of the statement is to simplify the computation of earnings per share. The impact on the Company's earnings per share is not materially different than earnings per share determined in accordance with current guidance. SFAS No. 128 is applicable for fiscal years ending after December 15, 1997.

In June 1997, the Financial Accounting Standards Board issued SFAS No. 131, Disclosures About Segments of an Enterprise and Related Information which established presentation of financial data based on the "management approach". SFAS No. 131 is applicable for fiscal years beginning after December 15, 1997. The Company is currently in the process of reviewing this presentation requirement.

4. STOCK INCENTIVE PLAN

During September 1996, the Company and its stockholders adopted the 1996 Stock Incentive Plan. The Plan authorized granting to officers and directors the right to purchase common shares at the fair market value determined on the date of grant. Options to a maximum of 9,499.5 common shares may be granted under the 1996 Plan. There were options for 3,601 shares issued during November 1996 and were outstanding at December 31, 1996 and March 31, 1997. During May of 1997, the Company and its stockholders amended the options granted during November 1996. The 3,601 shares were surrendered by option holders in June of 1997 and new options were issued. At June 30, 1997, 4,601 shares were issued and outstanding relating to the new options granted. Ten percent of the options vest on the first anniversary of the grant date, an additional ten percent of the options vest on the second anniversary of the grant date, an additional fifteen percent of the options vest on each of the third, fourth, fifth and sixth anniversaries of the grant date and the final twenty percent of the options vest on the seventh anniversary of the grant date. No options were exercisable at June 30, 1997.

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

The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the Consolidated Financial Statements and the Notes thereto. Certain statements under this caption constitute forward-looking statements which involve risks and uncertainties. The Company's actual results in the future could differ significantly from the results discussed or implied in such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, the effect on financial performance of increased competition in the teleservices industry, potential future competition, competitive pricing for services, potential future competing technologies and trends, dependence on technology and phone service, dependence on the Company's labor force, reliance on major clients, the success of new product innovations, legal proceedings and government regulation.

RESULTS OF OPERATIONS

COMPARISON OF THREE AND SIX MONTHS ENDED JUNE 30, 1997 AND 1996

REVENUE: For the three months ended June 30, 1997, revenues increased $23.4 million, or 31.2%, to $98.4 million up from $75.0 million for the three months ended June 30, 1996. For the six months ended June 30, 1997, revenues increased $39.5 million, or 25.6%, to $194.0 million up from $154.5 million for the six months ended June 30, 1996. For the six months ending June 30, 1997, inbound operator teleservices accounts for $55.4 million of revenue, interactive teleservices accounts for $74.3 million, and outbound direct teleservices accounts for $64.3 million. Revenue from inbound operator teleservices increased approximately $6.7 million to $55.4 million primarily due to entry into customer operator services (or dedicated live operator). Customer operator services began in the second quarter of 1996 and during the entire year of 1996 accounted for $7.0 million. In the first two quarters of 1997, customer operator services accounted for approximately $7.5 million of revenue compared to $2.6 million in the first two quarters of 1996. Revenue from interactive teleservices increased approximately $11.2 million to $74.3 million. Revenue from outbound direct teleservices increased approximately $21.6 million to $64.3. The increases are primarily the result of servicing the growing needs of the Company's clients.

COST OF SERVICES: Cost of services represents direct labor, telephone expense and other costs directly related to teleservices activities. Costs of services increased $12.0 million, or 27.8%, in the second quarter of 1997 to $55.2 million up from $43.2 million for the comparable period of 1996. Cost of services increased $19.2 million, or 22.0%, to $106.5 million for the six months ended June 30, 1997, up from $87.3 million for the comparable period of 1996. As a percentage of revenue, cost of services decreased to 56.1% for the second quarter of 1997 and 54.9% for the six months ended June 30, 1997 compared to approximately 57.6% and 56.5%, respectively, for the comparable periods in 1996. The decrease is partially due to the addition of new call centers in new markets which had available, cost-effective quality labor.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES ("SG&A"): SG&A expenses increased by $9.2 million, or 45.5%, to $29.4 million for the second quarter of 1997 up from $20.2 million

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for the comparable period of 1996. For the six months ended June 30, 1997, SG&A expenses increased by $15.2 million, or 37.7%, to $55.5 million, up from $40.3 million for the comparable period of 1996. As a percentage of revenue, SG&A expenses increased to approximately 29.9% for the second quarter of 1997 and 28.6% for the six months ended June 30, 1997 compared to approximately 26.9% and 26.1%, respectively, for the comparable periods of 1996. The increase is primarily due to the increase in depreciation expense and other costs associated with call center expansion. The increase is also the result of the amortization of goodwill recorded to account for the exchange of stock of minority shareholders in connection with the initial public offering.

NET OPERATING INCOME: Net operating income increased by $2.2 million, or 19.0%, to $13.8 million in the second quarter of 1997 up from $11.6 million in the second quarter of 1996. For the six months ended June 30, 1997, net operating income increased by $5.1 million, or 19.0%, to $32.0 million up from $26.9 million for the comparable period of 1996. As a percentage of revenue, net operating income decreased to approximately 14.0% for the second quarter of 1997 and 16.5% of the six months ended June 30, 1997, compared to 15.5% and 17.4%, respectively, for the corresponding periods of 1996 due to the factors discussed above.

NET OTHER INCOME (EXPENSE): Net other income (expense) includes interest income from short-term investments, interest income from an accounts receivable financing program (net of the related interest expense to fund the program), interest expense from short-term and long-term borrowings under credit facilities and capital leases, and minority interest in net income. Other income (expense) for the second quarter of 1997 totaled $0.4 million compared to ($0.8) million for the second quarter of 1996. Other income (expense) for the six months ended June 30, 1997, totaled $0.8 million compared to ($1.8) million for the comparable period of 1996. The reduction in interest expense is primarily due to the repayment of outstanding long term debt in December 1996 and January 1997.

NET INCOME AND PROFORMA NET INCOME: Net income increased by $2.0 million, or 29.9%, for the second quarter of 1997, to $8.7 million from proforma net income of $6.7 million for the second quarter of 1996. Net income increased by $4.3 million, or 27.4%, for the six months ended June 30, 1997, to $20.0 million up from $15.7 million for the comparable period of 1996. Net income and proforma net income include a provision for actual income tax expense and proforma income tax expense, respectively, at a combined effective rate of approximately 39.0% for 1997 and approximately 36.3% for 1996. The 1996 rate reflects the combined federal and state income tax rate of the Company as if it had been treated as a C Corporation.

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary source of liquidity has been cash flow from operations, supplemented by borrowings under its revolving bank lines of credit.

The Company's credit facilities consisted of $8.0 million and $4.5 million revolving credit facilities, with no amounts outstanding at June 30, 1997. Advances under the revolving credit facilities bore interest at the prime rate less 0.25% and 0.50%, respectively. Aggregate borrowings under the revolving credit facility were limited to 80% of eligible accounts receivable. The revolving credit facilities terminated on June 30, 1997 and July 1, 1997, respectively. The Company is in the process of replacing these facilities with a $10 million unsecured revolving credit facility with similar terms and conditions as the expired facilities. At

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June 30, 1997, the Company had no term loans with banks. Repayment of all bank debt is secured by the Company's accounts receivable, equipment, real estate, and other assets. In addition, the Company's loan agreements contain certain financial covenants and restrictions.

The Company also had a $30.0 million revolving bank line used to fund an accounts receivable financing program offered to certain customers in the pay per call industry. Borrowings under the facility were limited to a borrowing base of pledged accounts receivable from certain of the Company's qualified customers which were assigned by the Company to the bank. There were no outstanding borrowings under this facility at June 30, 1997. This credit facility expired on June 30, 1997. This credit facility was renewed on July 22, 1997 for $20 million under substantially the same terms and conditions. The renewed credit facility expires on June 30, 1998.

Net cash flow from operating activities decreased $17.1 million, or 80%, to $4.3 million for the six months ended June 30, 1997, compared to an increase of $21.4 million for the six months ended June 30, 1996. The decrease was due principally to cash used for accounts receivable resulting from growth in revenue and income taxes paid, partially offset by higher net income and depreciation and amortization.

Net cash flow used in investing activities was $22.6 million for the six months ended June 30, 1997, compared to $6.7 million, for the comparable period of 1996. The increase was primarily due to investments in call centers to support the growth of the business.

Net cash flow used in financing activities was $18.9 million for the six months ended June 30, 1997 compared to $21.4 million, for the comparable period of 1996. The net cash flow used in financing activities for the six months ended June 30, 1997, was used primarily to refund $3.2 million in customer deposits and holdbacks and the payment of $1.0 million on the line of credit. The cash used was offset by $2.5 million of proceeds from a vendor loan. In the six months ended June 30, 1996, net cash flow from financing activities was used primarily for distributions made to the existing stockholders to cover their tax liabilities as S Corporation stockholders and to provide a return of capital, offsetting borrowings under the Company's credit facilities, net of repayments.

CAPITAL EXPENDITURES

The Company's operations will continue to require significant capital expenditures for capacity expansion and upgrades. Capital expenditures, which include the acquisition of equipment, were $11.2 million in the second quarter of 1997 and $23.3 million for the six months ended June 30, 1997. The Company projects its capital expenditures for the balance of 1997 to be approximately $17 million, primarily for capacity expansion and upgrades at existing facilities and the addition of four new call centers.

The Company believes that the cash flow from operations, together with existing cash and cash equivalents and available borrowings under its credit facilities will be adequate to meet its capital requirements for the foreseeable future. The Company may pledge additional property or assets of the Company or any of its subsidiaries, which are not already pledged as collateral securing the new and existing credit facilities. The Company or its affiliates may be required to

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guarantee any existing or additional credit facilities.

INFLATION

The Company does not believe that inflation has had a material effect on its results of operations. However, there can be no assurance that the Company's business will not be affected by inflation in the future.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Not Applicable.

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PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

West Interactive Corporation ("Interactive") is a defendant in a case brought in the United States District Court for the Southern District of Georgia, Augusta Division, on September 12, 1991, captioned Lamar Andrews, Individually and as Representative of a Class of All Other Persons Similarly Situated, Plaintiff v. American Telephone & Telegraph Company, et al., Defendants, No. CV 191-175. The District Court certified a master class of all persons who paid for one or more 900 number calls pertaining to programs offering sweepstakes, games of chance, awards, cash or other prizes, gifts or information on unclaimed funds. These calls were billed and collected by AT&T Corp. ("AT&T") and U.S. Sprint Communications Company Limited Partnership ("Sprint"). The District Court also certified a sub-class of those persons who paid, in the State of Georgia, for one or more such calls billed and collected by AT&T or Sprint. The complaint alleged that the programs at issue involved, among other things, acts of unlawful gambling, mail fraud and wire fraud in violation of the Racketeering Influenced and Corrupt Organizations Act ("RICO"), the Communications Act of 1934, the federal common law of communications and other state and federal laws. Interactive provided interactive voice processing and billing services to a customer which conducted some of the programs at issue in the litigation. The billing services were provided through AT&T. The action sought recovery of treble damages, punitive damages, costs and attorneys' fees. The Company's potential liability and expenses in this matter are not covered by insurance. On September 19, 1996, the United States Court of Appeals for the Eleventh Circuit reversed the District Court's order certifying the classes on the ground that the class action would be unmanageable and, on December 4, 1996, it denied the plaintiffs' subsequent petition for rehearing. On February 19, 1997, a Motion to Amend Class Definition and a Renewed Motion for Class Certification was filed by the plaintiffs in the District Court. On July 14, 1997, plaintiffs' motions were denied and the plaintiffs were ordered to amend the pleadings to eliminate all allegations as to class representation. On August 4, 1997, the plaintiffs filed a second amended complaint which deleted all class allegations. In addition to claims previously asserted, the second amended complaint includes an express claim based upon the alleged collection of illegal gambling debts, and a claim under the Georgia RICO statute with a request for actual and punitive damages under that statute.

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

The annual meeting of the stockholders of the Company was held on May 14, 1997 (the "Annual Meeting"). The matters submitted to the stockholders for a vote included (a) the election of two directors with terms expiring at the 2000 annual meeting of stockholders, (b) the ratification and approval of Deloitte & Touche LLP as the Company's independent auditors and (c) the ratification and approval of the Company's 1997 Employees Stock Purchase Plan. The following table sets forth the results of the voting on these matters:

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MATTER	NUMBER OF VOTES FOR	NUMBER OF VOTES AGAINST OR WITHHELD	NUMBER OF ABSTENTIONS AND BROKER NON-VOTES
Election of Directors			
Thomas B. Barker	60,703,676	166,843	0
William E. Fisher	60,703,132	167,387	0
Approval of Deloitte & Touche LLP as Independent Auditors	60,858,995	6,456	5,068
Approval of 1997 Employees Stock Purchase Plan	60,622,430	238,122	9,967

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

10.01 1997 Employees Stock Purchase Plan 27.01 Financial Data schedule

(b) Reports on Form 8-K None.

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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.

Date: August 14, 1997

WEST TELESERVICES CORPORATION

By: /s/ Troy L. Eaden

Troy L. Eaden
Chief Executive Officer

By: /s/ Michael A. Micek

Michael A. Micek
Chief Financial Officer
Vice President Finance and Treasurer

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INDEX TO EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

SEQUENTIAL EXHIBIT NUMBER	DESCRIPTION	PAGE NUMBER
10.01	1997 Employees Stock Purchase Plan	
27.01	Financial Data Schedule	

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EXHIBIT 10.01

1997 EMPLOYEES STOCK PURCHASE PLAN

ARTICLE I. PURPOSE OF PLAN

The purpose of this Plan is to provide employees a continued opportunity to purchase shares of the Common Stock, par value $.01 per share of West TeleServices Corporation (the "Common Shares"), through annual offerings to be made during the five-year period commencing July 1, 1997.

ARTICLE II. ADMINISTRATION

The Plan shall be administered by the Compensation Committee or such other Committee that may be appointed by the Board of Directors from members of senior management. The Committee shall have authority to make rules and regulations for the administration of the Plan; its interpretations and decisions with regard thereto shall be final and conclusive. Unless prohibited by law, the Committee may, at its discretion, decrease (but not increase) the limitations set forth at Sections 6.01(a), 6.02 and 8.02 hereof.

ARTICLE III. ELIGIBILITY

Except as provided below, all employees of the Corporation or its subsidiaries who are eligible to participate in the West Telemarketing Corporation Employee 401-K Retirement Plan and Trust Agreement, as from time to time amended, shall be eligible to participate in the Plan but without giving effect to the restriction on persons under the age of 21 contained therein; provided, however, that each of such employees must have completed at least twenty (20) hours of service per week for a one-year period. No employee may be granted an option if such employee, immediately after the option is granted, owns 5% or more of the total combined voting power or value of the stock of the Corporation or any subsidiary. For purposes of the preceding sentence, the rules of Section 424(d) of the Internal Revenue Code of 1986, as amended (the "Code") shall apply in determining the stock ownership of an employee, and stock that the employee may purchase under outstanding options shall be treated as stock owned by the employee.

ARTICLE IV. OFFERINGS

The Plan shall be implemented by consecutive offering periods until terminated in accordance with Article XXIV of the Plan. Each offering period shall be 12 months in duration, during which (or during such portion thereof as an employee may elect to participate) the amounts received as compensation by an employee shall constitute the measure of such of the employee's participation in the offering as is based on compensation; provided, however, the first offering period shall commence on the first trading day after July 1, 1997 and ending on or prior to June 30, 1998.

ARTICLE V. PARTICIPATION.

An employee eligible on the effective date of any offering may participate in such offering at any time by completing and forwarding a payroll deduction authorization to the employee's appropriate payroll location. The form will authorize a regular payroll deduction from the employee's compensation, and must specify the date on which such deduction is to commence, which may not be retroactive.

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ARTICLE VI. DEDUCTIONS.

SECTION 6.01. PAYROLL DEDUCTION ACCOUNTS

(a) The Corporation shall maintain payroll deduction accounts for all participating employees. With respect to any offering made under this Plan, an employee may authorize a payroll deduction of a whole percentage (up to a maximum of 10%) of the compensation the employee receives on each payday during the offering period (or during such portion thereof in which the employee may elect to participate).

(b) All payroll deductions made for a participant shall be credited to his account under the Plan and will be withheld in whole percentages only. A participant may not make any additional payments into such account.

(c) At the time the option is exercised, in whole or in part, or at the time some or all of the Common Shares issued under the Plan is disposed of, the participant must make adequate provisions for the Corporation's federal, state, or other tax withholding obligations, if any, which arise upon the exercise of the option or the disposition of the Common Shares. At any time, the Corporation may, but will not be obligated to, withhold from the participant's compensation the amount necessary for the Corporation to meet applicable withholding obligations, including any withholding required to make available to the Corporation any tax deductions or benefits attributable to sale or early disposition of Common Shares by the employee

SECTION 6.02 LIMITATION

No employee may be granted an option that permits his or her rights to purchase stock under this Plan, and any other stock purchase plan of the Corporation and its subsidiaries, to accrue at a rate that exceeds $25,000 of the fair market value of such stock (determined at the date such option is granted) for each calendar year in which the option is outstanding at any time.

ARTICLE VII. DEDUCTION CHANGES.

An employee may increase or decrease the employee's payroll deduction by filing a new payroll deduction authorization at any time during an offering period. The change may not become effective sooner than the next pay period after receipt of the authorization.

ARTICLE VIII. PURCHASE OF SHARES.

SECTION 8.01 GRANT OF OPTION

Each employee participating in any offering under this Plan shall be granted an option, upon the effective date of such offering, for as many full and fractional Common Shares as the participating employee may elect to purchase with up to 10% of the compensation received during the specified offering period (or during such portion thereof as the employee may elect to participate), to be paid by payroll deductions during such period.

SECTION 8.02 LIMITATION ON NUMBER OF SHARES

Notwithstanding the foregoing, in no event shall the number of shares purchased by an employee during an offering period exceed 1,000 shares.

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SECTION 8.03 PURCHASE PRICE

The purchase price for each share purchased shall mean an amount equal to 100% of the Fair Market Value of a share of Common Shares on the date of grant. As of the last day of the last pay period during any offering, the account of each participating employee shall be totaled, and, unless the participating employee has withdrawn as provided in Article XIII hereof, the employee shall be deemed to have exercised an option to purchase one or more full or fractional shares at the then-applicable price; the employee's account shall be charged for the amount of the purchase; and ownership of such share or shares shall be appropriately evidenced on the books of the Corporation. If at the end of the offering the fair market value of the Common Shares subject to the option is less than 100% of the fair market value at the date of grant, then such option shall not be deemed exercised and the payroll deductions made with respect to such option shall be applied to the next offering unless the employee elects to have the payroll deductions withdrawn from the Plan and returned to the employee pursuant to Article XIII. Additional shares covered by the employee's option shall be purchased in the same manner, as of the last day of each subsequent pay period during the offering period. A participating employee may not purchase a share under any offering period beyond 12 months from the effective date thereof. Any balance remaining in an employee's payroll deduction account at the end of an offering period will be carried forward to the next offering period.

ARTICLE IX. EMPLOYEE ACCOUNTS AND CERTIFICATES.

Upon purchase of one or more full or fractional shares by a Plan participant pursuant to Article VIII hereof, the Corporation shall establish a book entry account in the name of the employee to reflect the share(s) purchased at that time. Certificates shall be issued only on request for full shares and also when necessary to comply with transaction requirements outside the United States. To request certificates, employees may call the Company's Investment Relations officer. In the event a participant terminates his or her account, any fractional share held in the account will be paid to the participant in cash.

ARTICLE X. REGISTRATION OF SHARES.

Shares may be registered only in the name of the employee, or, if the employee so indicates on the employee's payroll deduction authorization form, the employee may designate a beneficiary pursuant to Article XVI.

ARTICLE XI. DEFINITIONS

SECTION 11.01. BOARD

The term "Board" means the Board of Directors of the Corporation.

SECTION 11.02 CODE

The term "Code" means the Internal Revenue Code of 1986, as amended.

SECTION 11.03 COMMITTEE

The term "Committee" shall have the meaning set forth at Article II hereof.

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SECTION 11.04 COMMON SHARES

The term "Common Shares" means the common stock of the Corporation.

SECTION 11.05 CORPORATION

The term "Corporation" means West TeleServices Corporation, a Delaware corporation.

SECTION 11.06 EXCHANGE ACT

The term "Exchange Act" means the Securities Exchange Act of 1934, as amended.

SECTION 11.07 FAIR MARKET VALUE

The term "Fair Market Value" means, as of any date, the value of Common Shares determined as follows:

(a) If the Common Shares is listed on any established stock exchange or a national market system, including without limitation the National Market System of the National Association of Securities Dealers, Inc. Automated Quotation System ("NASDAQ"), its Fair Market Value shall be the average of the high and low sale price for the Common Shares (or the average of the closing bid and asked prices, if no sales were reported), as quoted on such exchange (or the exchange with the greatest volume of trading in Common Shares) or system on the date of such determination, as reported in The Wall Street Journal or such other source as the Committee deems reliable; or

(b) If the Common Shares is quoted on NASDAQ (but not on the National Market System thereof) or is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value shall be the average of the closing bid and asked prices for the Common Shares on the date of such determination, as reported in The Wall Street Journal or such other source as the Committee deems reliable; or

(c) In the absence of an established market for the Common Shares, the Fair Market Value thereof shall be determined in good faith by the Committee.

SECTION 11.08 PLAN

The term "Plan" means this Employees Stock Purchase Plan.

SECTION 11.09 RESERVES

The term "Reserves" means the number of Common Shares covered by each option under the Plan which have not yet been exercised and the number of Common Shares which have been authorized for issuance under the Plan but not yet placed under option.

SECTION 11.10 RULE 16B-3

The term "Rule 16b-3" means Rule 16b-3 promulgated under the Exchange Act or any successor provision.

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SECTION 11.11 SUBSIDIARY

The term "subsidiary" means a subsidiary of the Corporation within the meaning of Section 424(f) of the Code and the regulations promulgated thereunder.

SECTION 11.12 TRADING DAY

The term "Trading Day" means a day on which the Common Shares (i) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (ii) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of such security.

ARTICLE XII. RIGHTS AS A STOCKHOLDER.

None of the rights or privileges of a stockholder of the Corporation shall exist with respect to shares purchased under this Plan unless and until such shares shall have been appropriately evidenced on the books of the Corporation.

ARTICLE XIII. WITHDRAWAL; TERMINATION OF EMPLOYMENT.

A participant may withdraw all but not less than all the payroll deductions credited to his or her account and not yet used to exercise his or her option under the Plan at any time prior to the last business day of an offering period by giving written notice to the Corporation. All of the participant's payroll deductions credited to his account will be paid to such participant promptly after receipt of notice of withdrawal and such participant's option for the offering period will be automatically terminated, and no further payroll deductions for the purchase of shares will be made during the offering period. If a participant withdraws from the Plan during an offering period, he may not resume participation until the next offering period. He may resume participation for any other offering period by delivering to the Corporation a new subscription agreement at least ten (10) days prior to such offering period.

Upon a participant's ceasing to be an employee, for any reason, he or she will be deemed to have elected to withdraw from the Plan and the payroll deductions credited to such participant's account during the offering period but not yet used to exercise the option will be returned to such participant or, in the case of his or her death, to the person or persons entitled thereto under Article XVI hereof, and such participant's option will be automatically terminated.

A participant's withdrawal from an offering period will not have any effect upon his eligibility to participate in any similar plan which may hereafter be adopted by the Corporation.

ARTICLE XIV. INTEREST.

No interest or other increment shall accrue or be payable with respect to any of the payroll deductions of a participant in the Plan.

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ARTICLE XV. STOCK.

The Common Shares to be sold to participants under the Plan may, at the election of the Corporation, be either treasury shares or authorized but previously unissued Common Shares. The maximum number of Common Shares which shall be made available for sale under the Plan shall be 2,000,000 shares, subject to adjustment upon changes in capitalization of the Corporation as provided in Article XXI hereof. If on a given exercise date the number of shares with respect to which options are to be exercised exceeds the number of shares then available under the Plan, the Corporation shall make a pro rata allocation of the shares remaining available for purchase in as uniform a manner as shall be practicable and as it shall determine to be equitable.

ARTICLE XVI. DESIGNATION OF BENEFICIARY.

A participant may file a written designation of a beneficiary who is to receive any shares and cash, if any, from the participant's account under the Plan in the event of such participant's death subsequent to the date on which the option is exercised but prior to delivery to such participant of such shares or cash. In addition, a participant may file a written designation of a beneficiary who is to receive any cash from the participant's account under the Plan in the event of such participant's death prior to exercise of the option.

Such designation of beneficiary may be changed by the participant at any time by written notice. In the event of the death of a participant and in the absence of a beneficiary validly designated under the Plan who is living at the time of such participant's death, the Corporation shall deliver such shares or cash to the executor or administrator of the estate of the participant, or if no such executor or administrator has been appointed (to the knowledge of the Corporation), the Corporation, in its discretion, may deliver such shares or cash to the spouse or to any one or more dependents or relatives of the participant, or if no spouse, dependent or relative is known to the Corporation, then to such other person as the Corporation may designate.

ARTICLE XVII. USE OF FUNDS.

All payroll deductions received or held by the Corporation under the Plan may be used by the Corporation for any corporate purpose, and the Corporation shall not be obligated to segregate such payroll deductions.

ARTICLE XVIII. REPORTS.

Individual accounts will be maintained for each participant in the Plan. Statements of account will be given to participating employees within such time as the Committee may reasonably determine, which statements will set forth the amounts of payroll deductions, the purchase price, the number of shares purchased and the remaining cash balance, if any.

ARTICLE XIX. RIGHTS NOT TRANSFERABLE.

Rights under this Plan are not transferable by a participating employee other than by will or the laws of descent and distribution, and are exercisable during the employee's lifetime only by the employee.

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ARTICLE XX. APPLICATION OF FUNDS AND ADMINISTRATIVE FEES.

All funds received or held by the Corporation under this Plan may be used for any corporate purpose. The Committee may impose reasonable administrative fees on participating employees to defray the administrative costs of the Plan, which shall in no event exceed the actual administrative costs of the Plan. Initially, the fee shall be $10 per participating employee per offering period.

ARTICLE XXI. ADJUSTMENTS IN CASE OF CHANGES AFFECTING COMMON SHARES.

SECTION 21.01 CHANGES IN CAPITALIZATION

Subject to any required action by the stockholders of the Corporation, the Reserves as well as the price per share of Common Shares covered by each option under the Plan which has not yet been exercised shall be proportionately adjusted for any increase or decrease in the number of issued Common Shares resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Common Shares, or any other increase or decrease in the number of Common Shares effected without receipt of consideration by the Corporation; provided, however, that conversion of any convertible securities of the Corporation shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Corporation of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Common Shares subject to an option.

SECTION 21.02 DISSOLUTION OR LIQUIDATION.

In the event of the proposed dissolution or liquidation of the Corporation, the offering period will terminate immediately prior to the consummation of such proposed action, unless otherwise provided by the Board.

SECTION 21.03. MERGER OR ASSET SALE.

In the event of a proposed sale of all or substantially all of the assets of the Corporation, or the merger of the Corporation with or into another corporation ("Transaction"), each option under the Plan shall be assumed or an equivalent option shall be substituted by such successor corporation or a parent or subsidiary of such successor corporation, unless the Board determines, in the exercise of its sole discretion, that in lieu of such assumption or substitution to terminate all outstanding options in exchange for a cash payment equal to the excess of the Fair Market Value of the shares subject to options (determined at the date to the Transaction) over the purchase price thereof. For purposes of this paragraph, an option granted under the Plan shall be deemed to be assumed if, following the sale of assets or merger, the option confers the right to purchase, for each share of option stock subject to the option immediately prior to the sale of assets or merger, the consideration (whether stock, cash or other securities or property) received in the sale of assets or merger by holders of Common Shares for each share of Common Shares held on the effective date of the Transaction (and if such holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Common Shares); provided, however, that if such consideration received in the sale of assets or merger was not solely common stock of the successor corporation or its parent (as defined in Section 424(e) of the Code), the Board may, with the consent of the successor corporation and the participant, provide for the consideration to be received upon exercise of the option to be solely common stock of the successor corporation or its parent equal in fair market value to the per share consideration received by holders of Common Shares in the sale of assets or merger.

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The Board may, if it so determines in the exercise of its sole discretion, also make provision for adjusting the Reserves, as well as the price per share of Common Shares covered by each outstanding option, in the event the Corporation effects one or more reorganizations, recapitalizations, rights offerings or other increases or reductions of shares of its outstanding Common Shares, and in the event of the Corporation being consolidated with or merged into any other corporation.

ARTICLE XXII. DISPOSITION RESTRICTION.

Subject to approval of the Internal Revenue Service, the Committee will amend the Plan, effective after giving at least one month's written notice to participating employees, to provide for a holding period of up to one year following the purchase of each share under the Plan, with the disposition of such share during the offering period in which it was acquired resulting in suspension of the participant from further Plan participation for a period not extending beyond the end of the first offering period that begins after the date of the disposition; provided that the issuance of a stock certificate may be treated as a disposition for this purpose; and provided further that a participant shall not be so suspended if the disposition is required by legal process.

ARTICLE XXIII. AMENDMENT OF THE PLAN.

The Board of Directors may at any time, or from time to time, amend this Plan in any respect, except that, to the extent necessary to comply with Section 423 of the Code, the Corporation shall obtain the approval of a majority of the shares of stock of the Corporation then issued and outstanding and entitled to vote.

ARTICLE XXIV. TERMINATION OF THE PLAN.

This Plan and all rights of employees under any offering hereunder shall terminate:

(a) on the day that participating employees become entitled to purchase a number of shares equal to or greater than the number of shares remaining available for purchase. If the number of shares so purchasable is greater than the shares remaining available, the available shares shall be allocated by the Committee among such participating employees in such manner as it deems fair, or

(b) at any time, at the discretion of the Board of Directors.

No offering hereunder shall be made which shall extend beyond June 30, 2002.

ARTICLE XXV. GOVERNMENTAL REGULATIONS.

The Corporation's obligation to sell and deliver Common Shares under this Plan is subject to the approval of any governmental authority required in connection with the authorization, issuance, or sale of such stock.

ARTICLE XXVI. RULE 16B-3 LIMITATIONS.

The terms and conditions of options granted hereunder to, and the purchase of shares by, persons subject to Section 16 of the Exchange Act shall comply with the applicable provisions of Rule 16b-3 thereunder. This Plan shall be deemed to contain, and such options shall contain, and the shares issued upon exercise thereof shall be subject to, such additional conditions and restrictions as may be required by Rule 16b-3 to qualify for the maximum exemption from Section 16 of the Exchange Act with respect to Plan transactions.

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ARTICLE XXVII. NOTICES.

All notices or other communications by a participant to the Corporation under or in connection with the Plan shall be deemed to have been duly given when received in the form specified by the Corporation at the location, or by the person, designated by the Corporation for the receipt thereof.

ARTICLE XXVIII. CONDITIONS UPON ISSUANCE OF SHARES.

Shares shall not be issued with respect to an option unless the exercise of such option and the issuance and delivery of such shares pursuant thereto shall comply with all applicable provisions of law, domestic or foreign, including, without limitation, the Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated thereunder and the requirements of any stock exchange upon which the shares may then be listed, and shall be further subject to the approval of counsel for the Corporation with respect to such compliance.

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

ARTICLE XXIX. PLAN SHARES PURCHASES.

Purchases of outstanding shares may be made pursuant to and on behalf of this Plan, upon such terms as the Corporation may approve, for delivery under this Plan.

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ARTICLE 5
THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE SECOND QUARTER 1997 FORM 10-Q OF WEST TELESERVICES CORPORATIONS, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FINANCIAL STATEMENTS CONTAINED THEREIN.

MULTIPLIER: 1,000

PERIOD TYPE	3 MOS
FISCAL YEAR END	DEC 31 1997
PERIOD START	APR 01 1997
PERIOD END	JUN 30 1997
CASH	17882
SECURITIES	0
RECEIVABLES	78873
ALLOWANCES	302
INVENTORY	0
CURRENT ASSETS	115595
PP&E	130320
DEPRECIATION	46989
TOTAL ASSETS	250176
CURRENT LIABILITIES	63423
BONDS	0
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	633
OTHER SE	178199
TOTAL LIABILITY AND EQUITY	250176
SALES	98380
TOTAL REVENUES	99082
CGS	55153
TOTAL COSTS	84537
OTHER EXPENSES	145
LOSS PROVISION	0
INTEREST EXPENSE	178
INCOME PRETAX	14222
INCOME TAX	5543
INCOME CONTINUING	8679
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	8679
EPS PRIMARY	0.14
EPS DILUTED	0.14

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End of Filing

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