

AUGUST TECHNOLOGY CORP
 Form 4
 February 17, 2006

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
WATKINS CORY M

2. Issuer Name and Ticker or Trading Symbol
AUGUST TECHNOLOGY CORP [AUGT]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
4900 WEST 78TH STREET
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
02/15/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Chief Technology Officer

BLOOMINGTON, MN 55435
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 ___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) Price | | | |
| Common Stock | 02/15/2006 | | D | 12,468 D | 11 0 | D | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Amount or Number of Shares | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|---|-------------------------------|--------------|----------------------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Stock Option (right to buy) | \$ 2.37 | 02/15/2006 | | D | | 84 | | <u>(2)</u> | 12/31/2006 | Common Stock | 84 |
| Stock Option (right to buy) | \$ 2.37 | 02/15/2006 | | D | | 1,500 | | <u>(3)</u> | 12/31/2006 | Common Stock | 1,500 |
| Stock Option (right to buy) | \$ 6.15 | 02/15/2006 | | D | | 3,000 | | <u>(4)</u> | 01/31/2007 | Common Stock | 3,000 |
| Stock Option (right to buy) | \$ 10.44 | 02/15/2006 | | D | | 1,000 | | <u>(5)</u> | 05/15/2007 | Common Stock | 1,000 |
| Stock Option (right to buy) | \$ 13.24 | 02/15/2006 | | D | | 1,500 | | <u>(6)</u> | 07/12/2008 | Common Stock | 1,500 |
| Stock Option (right to buy) | \$ 9.19 | 02/15/2006 | | D | | 3,900 | | <u>(7)</u> | 10/05/2008 | Common Stock | 3,900 |
| Stock Option (right to buy) | \$ 4.75 | 02/15/2006 | | D | | 6,000 | | <u>(8)</u> | 10/25/2009 | Common Stock | 6,000 |
| Stock Option (right to buy) | \$ 4.3 | 02/15/2006 | | D | | 4,385 | | <u>(9)</u> | 12/19/2009 | Common Stock | 4,385 |
| Stock Option (right to buy) | \$ 18.45 | 02/15/2006 | | D | | 2,134 | | <u>(10)</u> | 02/06/2014 | Common Stock | 2,134 |

| | | | | | | | | |
|-----------------------------|----------|------------|---|--------|-------------|------------|--------------|--------|
| Stock Option (right to buy) | \$ 18.49 | 02/15/2006 | D | 5,480 | <u>(11)</u> | 02/13/2014 | Common Stock | 5,480 |
| Stock Option (right to buy) | \$ 18.49 | 02/15/2006 | D | 4,520 | <u>(12)</u> | 02/13/2014 | Common Stock | 4,520 |
| Stock Option (right to buy) | \$ 10.36 | 02/15/2006 | D | 10,000 | <u>(13)</u> | 07/30/2014 | Common Stock | 10,000 |
| Stock Option (right to buy) | \$ 7.62 | 02/15/2006 | D | 1,499 | <u>(14)</u> | 10/22/2014 | Common Stock | 1,499 |
| Stock Option (right to buy) | \$ 10.38 | 02/15/2006 | D | 15,000 | <u>(15)</u> | 12/30/2014 | Common Stock | 15,000 |
| Stock Option (right to buy) | \$ 12.1 | 02/15/2006 | D | 3,654 | <u>(16)</u> | 03/07/2015 | Common Stock | 3,654 |
| Stock Option (right to buy) | \$ 12.74 | 02/15/2006 | D | 942 | <u>(17)</u> | 07/21/2015 | Common Stock | 942 |
| Stock Option (right to buy) | \$ 11.29 | 02/15/2006 | D | 16,352 | <u>(18)</u> | 01/25/2016 | Common Stock | 16,352 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| WATKINS CORY M 4900 WEST 78TH STREET BLOOMINGTON, MN 55435 | | | Chief Technology Officer | |

Signatures

/s/ Robert K. Ranum as Agent for Cory M. Watkins pursuant to Power of Attorney previously filed

02/15/2006

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- The shares were disposed of pursuant to a merger agreement by and among the Issuer, Rudolph Technologies, Inc. ("Rudolph") and NS Merger Sub, Inc., a wholly-owned subsidiary of Rudolph (the "Merger"), in exchange for (i) up to 9,506 shares of Rudolph common stock have a market value of \$17.92 per share on the effective date of the Merger, representing 0.7625 shares of Rudolph common stock per share of the Issuer's stock, or (ii) a cash payment of up to \$130,914, representing \$10.50 per share of the Issuer's stock, or (iii) a combination of shares and cash in amounts determined according to the election of the reporting person, if any, and the proration and allocation procedures set forth in the merger agreement; the determination of the allocation of shares and cash will be made on or about February 22, 2006.
- (1) The option, which was fully vested, was assumed by Rudolph in the Merger and replaced with an option to purchase 64 shares of Rudolph common stock for \$3.11 per share.
 - (2) The option, which was fully vested, was assumed by Rudolph in the Merger and replaced with an option to purchase 1,143 shares of Rudolph common stock for \$3.11 per share.
 - (3) The option, which was fully vested, was assumed by Rudolph in the Merger and replaced with an option to purchase 2,287 shares of Rudolph common stock for \$8.07 per share.
 - (4) The option, which was fully vested, was assumed by Rudolph in the Merger and replaced with an option to purchase 762 shares of Rudolph common stock for \$13.70 per share.
 - (5) The option, which was fully vested, was assumed by Rudolph in the Merger and replaced with an option to purchase 1,143 shares of Rudolph common stock for \$17.37 per share.
 - (6) The option, which provided for annual vesting of 1/3 of the shares beginning October 5, 2004, was assumed by Rudolph in the Merger and replaced with a fully vested option to purchase 2,973 shares of Rudolph common stock for \$12.06 per share.
 - (7) The option, which provided for annual vesting of 1/3 of the shares beginning October 25, 2004, was assumed by Rudolph in the Merger and replaced with a fully vested option to purchase 4,575 shares of Rudolph common stock for \$6.23 per share.
 - (8) The option, which was fully vested, was assumed by Rudolph in the Merger and replaced with an option to purchase 3,343 shares of Rudolph common stock for \$5.64 per share.
 - (9) The option, which was fully vested, was assumed by Rudolph in the Merger and replaced with an option to purchase 1,627 shares of Rudolph common stock for \$24.20 per share.
 - (10) The option, which was fully vested, was assumed by Rudolph in the Merger and replaced with an option to purchase 4,178 shares of Rudolph common stock for \$24.25 per share.
 - (11) The option, which was fully vested, was assumed by Rudolph in the Merger and replaced with an option to purchase 3,446 shares of Rudolph common stock for \$24.25 per share.
 - (12) The option, which provided for vesting in annual increments of 20% of the shares beginning July 30, 2004, was assumed by Rudolph in the Merger and replaced with an option to purchase 7,625 shares of Rudolph common stock for \$13.59 per share with the same vesting terms.
 - (13) The option, which was fully vested, was assumed by Rudolph in the Merger and replaced with an option to purchase 1,142 shares of Rudolph common stock for \$10.00 per share.
 - (14) The option, which provided for vesting of 34% of the shares on December 30, 2004 and 33% on December 30, 2005 and 2006, was assumed by Rudolph in the Merger and replaced with an option to purchase 11,437 shares of Rudolph common stock for \$13.62 per share with the same vesting terms.
 - (15) The option, which was fully vested, was assumed by Rudolph in the Merger and replaced with an option to purchase 2,786 shares of Rudolph common stock for \$15.87 per share.
 - (16) The option, which was fully vested, was assumed by Rudolph in the Merger and replaced with an option to purchase 718 shares of Rudolph common stock for \$16.71 per share.
 - (17) The option, which provided for vesting in annual increments of 20% of the shares beginning January 25, 2006, was assumed by Rudolph in the Merger and replaced with an option to purchase 12,468 shares of Rudolph common stock for \$14.81 per share with the same vesting terms.
 - (18)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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