

AUGUST TECHNOLOGY CORP  
 Form 4  
 February 17, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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)			
			Code	V	Amount	(D)	Price
Common Stock	02/15/2006		D		12,468	D	0

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).

(1) 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.

(2) 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.

(3) 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.

(4) 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.

(5) 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.

(6) 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.

(7) 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.

(8) 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.

(9) 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.

(10) 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.

(11) 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.

(12) 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.

(13) 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.

(14) 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.

(15) 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.

(16) 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.

(17) 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.

(18) 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.

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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