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): May 20, 2005

Tegal Corporation (Exact name of Registrant as Specified in its Charter)

Delaware (State or other jurisdiction of incorporation) 000-26824 (Commission File Number) 68-0370244 (I.R.S. Employer Identification No.)

2201 South McDowell Boulevard Petaluma, California 94954 (Address of Principal Executive Offices)

(707) 763-5600

(Registrant's telephone number, including area code)

(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))

Item 1.01. Entry into a Material Definitive Agreement

On May 20,2005, Brad Mattson, Chairman of the Board of Directors of Tegal Corporation (the "Company"), received a non-qualified stock option ("NQO") grant to purchase 1,000,000 shares of the Company's common stock at \$1.10, the closing price of the Company's stock at May 20, 2005, under the Sixth Amended and Restated 1998 Equity Participation Plan. The NQO shall vest in 12 installments of 83,333 shares on each monthly anniversary date of the grant.

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.

Date: May 25, 2005

TEGAL CORPORATION By: <u>/s/ Thomas R. Mika</u> Name: Thomas R. Mika Title: Chief Executive Officer