

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): July 21, 2006

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, CA 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 communication 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 3.03. MATERIAL MODIFICATION TO RIGHTS OF SECURITY HOLDERS

Please see the disclosure in Item 8.01 below.

ITEM 5.03. AMENDMENTS TO ARTICLES OF INCORPORATION OR BYLAWS; CHANGES IN FISCAL YEAR

Please see the disclosure in Item 8.01 below.

ITEM 8.01. OTHER EVENTS

On July 24, 2006, Tegal Corporation (the "Company") issued a press release announcing that it has filed with the Secretary of State of the State of Delaware a Certificate of Amendment to the Company's Certificate of Incorporation to effect a 1-for-12 reverse stock split of the Company's common stock (the "Reverse Stock Split"). The Reverse Stock Split received the required approval of the Company's stockholders at the Company's annual meeting held on July 21, 2006. The reverse stock split will take effect before trading begins on Tuesday, July 25, 2006, at which time the symbol will change to TGALD. The symbol will return to the normal TGAL at the open of the market on August 22, 2006.

In lieu of any fractional shares to which a holder of common stock would otherwise be entitled as a result of the Reverse Stock Split, the Company will pay cash equal to such fraction multiplied by \$4.68, which is the average of the high and low trading prices (\$0.39) of our common stock on the Nasdaq Capital Market during regular trading hours for the five trading day period ending on July 21, 2006 multiplied by 12.

A copy of the press release issued by the Company is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits.

<u>Number</u>	<u>Exhibit</u>
99.1	Press Release dated July 24, 2006

SIGNATURES

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

Date: July 25, 2006

TEGAL CORPORATION

By: /s/ Thomas R. Mika

Name: Thomas R. Mika

Title: Chief Executive Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated July 24, 2006



Tegal Corporation 2201 S. McDowell Blvd., Petaluma, CA 94954 [T] (707) 763-5600 [F] (707) 765-9311 www.tegal.com

TEGAL BOARD SETS REVERSE STOCK SPLIT RATIO OF ONE-FOR-TWELVE

Stockholders Approve All Proposals at Annual Meeting

Petaluma, Calif., July 24, 2006 — Tegal Corporation (Nasdaq: TGAL), a leading designer and manufacturer of plasma etch and deposition systems used in the production of integrated circuits and nanotechnology devices, today announced that its Board of Directors had set a one-for-twelve exchange ratio for a reverse split of the Company's common stock. In addition, the Tegal Board determined that documents effecting the change would be filed immediately. Today's announcement follows an affirmative vote of over 88% for a reverse split by Tegal stockholders at the Company's annual meeting held on Friday, July 21, 2006. The reverse stock split will take effect before trading begins on Tuesday, July 25, 2006, at which time the symbol will change to TGALD. The symbol will return to the normal TGAL at the open of the market on August 22, 2006.

The purpose of the reverse split is to increase the per-share market price of the common stock in order to regain compliance with The Nasdaq Capital Market's minimum bid price requirement, as well as to encourage investor interest in the Company and to promote greater liquidity for the stockholders.

In addition to the reverse split, Tegal's stockholders approved all the other proposals placed before the meeting by wide margins. Re-elected to the Company's Board of Directors were Ed Dohring, Jeff Krauss, Ralph Martin, Brad Mattson and Duane Wadsworth. Other matters approved by the stockholders included the amendment of Tegal's Equity Participation for employees and consultants and the ratification of the appointment of Moss Adams, LLP as its independent registered public accounting firm for its fiscal year ending March 31, 2007.

Safe Harbor Statement

Except for historical information, matters discussed in this news release contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Forward-looking statements, which are based on assumptions and describe our future plans, strategies and expectations, are generally identifiable by the use of the words "anticipate," "believe," "estimate," "expect," "intend," "project" or similar expressions. These forward-looking statements are subject to risks, uncertainties and assumptions about the Company including, but not limited to industry conditions, economic conditions, acceptance of new technologies and market acceptance of the Company's products and services. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements in this paragraph. For a further discussion of these risks and uncertainties, please refer to the Company's periodic filings with the Securities and Exchange Commission.

About Tegal

Tegal provides process and equipment solutions to leading edge suppliers of advanced semiconductor and nanotechnology devices. Incorporating unique, patented etch and deposition technologies, Tegal's system solutions are backed by over 35 years of advanced development and over 100 patents. Some examples of devices enabled by Tegal technology are energy efficient memories found in portable computers, cellphones, PDAs and RFID applications; megapixel imaging chips used in digital and cellphone cameras; power amplifiers for portable handsets and wireless networking gear; and MEMS devices like accelerometers for automotive airbags, microfluidic control devices for ink jet printers; and laboratory-on-a-chip medical test kits.

More information is available on the Internet at: www.tegal.com.

Contact:

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