

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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FILER

ADVANCED TECHNOLOGY LABORATORIES INC/

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SIC: **3845** Electromedical & electrotherapeutic apparatus

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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

May 11, 1995

(Date of earliest event reported)

ADVANCED TECHNOLOGY LABORATORIES, INC.
(Exact name of registrant as specified in its charter)

Washington ----- (State or other jurisdiction or organization)	0-15160 ----- (Commission File Number)	91-1353386 ----- (I.R.S. Employer Identification No.)
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22100 Bothell Everett Highway P.O. Box 3003, Bothell, Washington ----- (Address of principal executive offices)	98041-3003 ----- (Zip Code)
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Registrant's telephone number, including area code: (206) 487-7000

Reincorporation:

On May 11, 1995 Advanced Technology Laboratories, Inc., a Delaware corporation, changed its legal domicile by merging with and into ATLI Washington Corporation, a Washington wholly owned subsidiary, and retained the name Advanced Technology Laboratories, Inc. (the "Company" or "ATL"). Pursuant to the terms of the merger, the Articles of Incorporation, Certificate of Designation of Preferred Series A Stock and Bylaws of ATLI Washington Corporation were deemed to be the charter documents of the surviving corporation. Reference is made to the Company's Proxy Statement dated April 3, 1995 for details regarding the reincorporation merger.

Description of Capital Stock:

Common Stock

ATL's authorized capital includes 50,000,000 shares of common stock, \$.01 par value per share ("ATL Common Stock"). All shares are entitled to participate equally in dividends. Each shareholder has one vote for each share registered in the shareholder's name as of the applicable record date for any matter presented to shareholders. All shares of ATL Common Stock rank equally on liquidation. Holders of shares of ATL Common Stock have no preemptive rights and are not entitled to cumulate votes in the election of directors.

Preferred Stock

ATL's authorized capital also includes 6,000,000 preferred shares (\$1.00 par value per share), 500,000 of which have been designated Series A Preferred Shares ("ATL Series A Preferred Shares"). There are no preferred shares issued and outstanding. The ATL Board is authorized to establish the number of shares, designations, relative rights, preferences and limitations, including voting and conversion rights, of any future series of preferred shares.

Shareholder Rights Plan

Pursuant to the Amended and Restated Rights Agreement dated as of June 26, 1992, between ATL and First Chicago Trust Company of New York, as Rights Agent, as amended (The "Rights Agreement"), holders of shares of ATL Common Stock currently hold rights to purchase shares of ATL Series A Preferred Shares exercisable only in certain circumstances (the "Rights"). The Rights, which are represented by certificates for ATL Common Stock, currently trade together with the ATL Common Stock. Each Right, when it becomes exercisable as

described below, will entitle the registered holder to purchase one one-hundredth (1/100) of an ATL Series A Preferred Share at a price (the "Purchase Price") equal to four times the average of the high and low sale prices of the ATL Common Stock as reported on the Nasdaq National Market for each of the 10 trading days commencing on the sixth trading day following the Distribution Date (as defined in the Rights Agreement).

The ATL Series A Preferred Shares issuable upon exercise of the Rights will not be redeemable. Each ATL Series A Preferred Share will be entitled to a minimum preferential quarterly dividend payment of \$.01 per share, but will be entitled to an aggregate dividend of 100 times the dividend

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declared per share of ATL Common Stock, if any. In the event of dissolution, liquidation or winding up of ATL, whether voluntary or involuntary, the holders of ATL Series A Preferred Shares will be entitled to a minimum preferential payment of \$.01 per share, but will be entitled to an aggregate preferential payment of 100 times the payment made per share of ATL Common Stock. Each ATL Series A Preferred Share will have 100 votes, voting together with the ATL Common Stock. Finally, in the event of any merger, business combination, consolidation or other transaction in which the ATL Common Stock is exchanged, each ATL Series A Preferred Share will be entitled to receive 100 times the amount received per share of ATL Common Stock. Because of the nature of the ATL Series A Preferred Shares' dividend, liquidation and voting rights, the value of the one one-hundredth (1/100) interest in an ATL Series A Preferred Share issuable upon exercise of each Right should approximate the value of one share of ATL Common Stock. Customary antidilution provisions are designed to protect that relationship in the event of certain changes in the ATL Common Stock and the ATL Series A Preferred Shares. The ATL Series A Preferred Shares are authorized to be issued in fractions that are an integral multiple of one one-hundredth (1/100) of an ATL Series A Preferred Share. ATL may, but is not required to, issue fractions of shares upon the exercise of Rights, and, in lieu of fractional shares, ATL may utilize a depository arrangement as provided by the terms of the ATL Series A Preferred Shares and, in the case of fractions other than one one-hundredth (1/100) of an ATL Series A Preferred Share or integral multiples thereof, may make a cash payment based on the market price of such shares.

Until the earlier of (i) such time as ATL learns that a person or group (including any affiliate or associate of such person or group) has acquired, or has obtained the right to acquire, beneficial ownership of 15% or more of the outstanding ATL Common Stock, (such person or group being an "Acquiring Person") and (ii) such date, if any, as may be designated by the ATL Board following the commencement of, or first public disclosure of an intent to commence, a tender or

exchange offer for outstanding ATL Common Stock that could result in the offeror becoming the beneficial owner of 15% or more of the outstanding ATL Common Stock (the earlier of such dates, subject to certain exceptions, being the "Separation Date"), the Rights will be evidenced by certificates for ATL Common Stock registered in the names of the holders thereof (which certificates for ATL Common Stock will also be deemed to be Right Certificates, as defined herein), not by separate Right Certificates. Therefore, until the Separation Date, the Rights will be transferred with and only with the ATL Common Stock.

As soon as practicable following the Separation Date, separate certificates evidencing the Rights ("Right Certificates") will be mailed to holders of record of ATL Common Stock as of the close of business on the Separation Date (and to each initial record holder of certain ATL Common Stock originally issued after the Separation Date), and such separate Right Certificates alone will thereafter evidence the Rights.

The Rights are not exercisable until the Separation Date and will expire on June 30, 2002, (the "Expiration Date"), unless earlier redeemed or canceled by ATL, as described below.

The number of ATL Series A Preferred Shares or other securities issuable upon exercise of a Right, the Purchase Price, the Redemption Price (as defined herein) and the number of Rights associated with each outstanding share of ATL Common Stock are all subject to adjustment by the ATL Board in the event of any change in the ATL Common Stock or the ATL Series A Preferred Shares, whether by reason of stock dividends, stock splits, recapitalizations, mergers, consolidations, combinations or exchanges of securities, split-ups, split-offs, liquidations, other similar changes in capitalization, any distribution or issuance of cash, assets, evidences of indebtedness or subscription rights, options or warrants to holders of ATL Common Stock or ATL Series A Preferred Shares, as the case may be (other than the Rights or regular quarterly cash dividends), or otherwise.

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In the event a person becomes an Acquiring Person, the Rights will entitle each holder of a Right (other than those held by an Acquiring Person (or any affiliate or associate of such Acquiring Person)) to purchase, for the Purchase Price, that number of one one-hundredth (1/100) of an ATL Series A Preferred Share equivalent to the number of shares of ATL Common Stock that at the time of the transaction would have a market value of twice the Purchase Price. Any Rights that are at any time beneficially owned by an Acquiring Person (or any affiliate or associate of an Acquiring Person) will be null and void and nontransferable and any holder of any such Right (including any purported transferee or subsequent holder) will be

unable to exercise or transfer any such Right.

After there is an Acquiring Person the ATL Board may elect to exchange each Right (other than Rights that have become null and void and nontransferable as described above) for consideration per Right consisting of one-half of the securities that would be issuable at such time upon the exercise of one Right pursuant to the terms of the Rights Agreement, and without payment of the Purchase Price.

In the event ATL is acquired in a merger by, or other business combination with, or 50% or more of its assets or assets representing 50% or more of its earning power are sold, leased, exchanged or otherwise transferred (in one or more transactions) to a publicly traded corporation, each Right will entitle its holder (subject to the next paragraph) to purchase, for the Purchase Price, that number of common shares of such corporation that at the time of the transaction would have a market value of twice the Purchase Price. In the event ATL is acquired in a merger by, or other business combination with, or 50% or more of its assets or assets representing 50% or more of the earning power of ATL are sold, leased, exchanged or otherwise transferred (in one or more transactions) to an entity that is not a publicly traded corporation, each Right will entitle its holder (subject to the next paragraph) to purchase, for the Purchase Price, at such holder's option, (i) that number of shares of the surviving corporation in the transaction with such entity (which surviving corporation could be ATL) that at the time of the transaction would have a book value of twice the Purchase Price, (ii) that number of shares of such entity that at the time of the transaction would have a book value of twice the Purchase Price, or (iii) if such entity has an affiliate that has publicly traded common shares, that number of common shares of such affiliate that at the time of the transaction would have a market value of twice the Purchase Price.

At any time prior to the earlier of (i) such time as a person becomes an Acquiring Person and (ii) the Expiration Date, the ATL Board may redeem the Rights in whole, but not in part, at a price (in cash or ATL Common Stock or other securities of ATL deemed by the ATL Board to be at least equivalent in value) of \$.01 per Right, subject to adjustment as provided in the Rights Agreement (the "Redemption Price"); provided, however, that for the 120-day period after any date of a change (resulting from a proxy or consent solicitation) in a majority of the ATL Board in office at the commencement of such solicitation, the Rights may only be redeemed if (A) there are directors then in office who were in office at the commencement of such solicitation and (B) the ATL Board, with the concurrence of a majority of such directors then in office, determines that such redemption is, in its judgment, in the best interests of ATL and its shareholders. Immediately upon the action of the ATL Board electing to redeem the Rights, ATL will make an announcement thereof, and, upon such election, the right to exercise the Rights will terminate and the only right of the holders of Rights will be to receive the Redemption

Price.

Until a Right is exercised, the holder thereof, as such, will have no rights as a shareholder of ATL, including, without limitation, the right to vote or to receive dividends.

At any time prior to the Separation Date, ATL may, without the approval of any holder of the Rights, supplement or amend any provision of the Rights Agreement (including the date on which the

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Separation Date would occur, the time during which the Rights may be redeemed or the terms of the ATL Series A Preferred Shares), except that no supplement or amendment shall be made that reduces the Redemption Price (Other than pursuant to certain adjustments therein), provides for an earlier Expiration Date or makes certain changes to the definition of Acquiring Person. However, for the 120-day period after any date of a change (resulting from a proxy or consent solicitation) in a majority of the ATL Board in office at the commencement of such solicitation, the Rights Agreement may be supplemented or amended only if (A) there are directors then in office who were in office at the commencement of such solicitation and (B) the ATL Board, with the concurrence of a majority of such directors then in office, determines that such supplement or amendment is, in its judgment, in the best interests of ATL and its shareholders.

The Rights have certain antitakeover effects. The Rights will cause substantial dilution to a person or group that attempts to acquire ATL without conditioning the offer on substantially all the Rights being acquired. The Rights will not interfere with any merger or other business combination approved by the ATL Board since the ATL Board may, at its option, at any time prior to any person becoming an Acquiring Person, redeem all but not less than all the then outstanding Rights at the Redemption Price.

FDA Advisory Committee Panel Recommends Approval of PMA Application

On December 11, 1995 a U.S. Food and Drug Administration (FDA) Advisory Committee Panel voted unanimously to recommend FDA approval, under certain conditions, of the pre-market approval (PMA) application of ATL which would allow a new clinical application of ultrasound, in conjunction with mammography, to provide a high level of confidence in differentiating benign from malignant or suspicious breast lesions, and thereby reduce the need for breast biopsy. The FDA usually follows the recommendation of its Advisory Committee Panel but is not obliged to do so. A final determination on approval of the PMA is expected in early 1996.

Item 7. Exhibits

c. Exhibits

- 3.1(a) Articles of Incorporation.
- 3.1(b) Certificate of Designation of Series A Participating Cumulative Preferred Stock.
- 3.2 Bylaws.
- 20 ATL Press Release dated December 11, 1995.

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SIGNATURES

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

ADVANCED TECHNOLOGY
LABORATORIES, INC.

DATE: January 10, 1996

BY: /s/ W. Brinton Yorks, Jr.

W. Brinton Yorks, Jr.
Vice President, General
Counsel and Secretary

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EXHIBIT INDEX

Exhibit Number -----	Exhibit -----
3.1(a)	Articles of Incorporation
3.1(b)	Certificate of Designation of Series A

Participating Cumulative Preferred Stock

3.2 Bylaws.

20 ATL Press Release dated December 11, 1995

ARTICLES OF INCORPORATION
OF
ADVANCED TECHNOLOGY LABORATORIES, INC.

ARTICLE I. NAME

The name of the corporation (the "Corporation") is
ADVANCED TECHNOLOGY LABORATORIES, INC.

ARTICLE II. REGISTERED OFFICE AND AGENT

The address of the Corporation's registered office in the State of
Washington is 520 Pike Street, 26th Floor, Seattle, Washington 98101. The
name of the Corporation's registered agent at such address is C T Corporation
System.

ARTICLE III. SHARES

3.1 Authorized Capital

The total number of shares of stock which the Corporation shall have
authority to issue is 56,000,000 shares, of which 50,000,000 shares shall
be shares of Common Stock, par value \$0.01 per share ("Common Stock"), and
6,000,000 shares shall be shares of Preferred Stock, with the par value of
\$1.00 per share ("Preferred Stock"). Unless otherwise provided for pursuant
to the authority granted in Section 3.2, no shareholder of the Corporation
shall have any preemptive right to acquire additional shares of stock or
securities convertible into shares of stock of the Corporation.

3.2. Provisions Relating to Preferred Stock

The Board of Directors is authorized, subject to limitations
prescribed by law and the provisions of this Article III, to provide for the
issuance of the shares of Preferred Stock in series and by filing a
certificate pursuant to the applicable law of the State of Washington, to
establish from time to time the number of shares to be included in each such
series, and to fix the designation, powers, preferences and rights of the
shares of each such class or series and the qualifications, limitations or
restrictions thereof.

The authority of the Board of Directors with respect to each series
shall include, but not be limited to, determination of the following:

(i) the number of shares constituting that series and the
distinctive designation of that series;

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(ii) the dividend rate on the shares of that series, whether
dividends shall be cumulative, and, if so, from which date or dates, and
the relative rights of priority, if any, of payment of dividends on shares
of that series;

(iii) whether that series shall have voting rights, in addition to

the voting rights provided by law, and, if so, the terms of such voting rights;

(iv) whether that series shall have conversion privileges, and, if so, the terms and conditions of such conversion privileges, including provision for adjustment of the conversion rate in such events as the Board of Directors shall determine;

(v) whether or not the shares of that series shall be redeemable, and, if so, the terms and conditions of such redemption, including the date or dates upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

(vi) whether that series shall have a sinking fund for the redemption or purchase of shares of that series, and, if so, the terms and amount of such sinking fund;

(vii) the rights of the shares of that series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of shares of that series; and

(viii) any other relative rights, preferences and limitations of that series.

3.3. Provisions Relating to Common Stock

(i) Subject to the provisions of Section 3.2 of this Article III, holders of Common Stock shall be entitled to receive such dividends as may be declared thereon from time to time by the Board of Directors in its discretion from any assets legally available for the payment of dividends.

(ii) In the event of the dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, after distribution to the holders of all shares of Preferred Stock which shall be entitled to a preference over the holders of Common Stock of the full preferential amounts to which the holders of Preferred Stock are entitled, the holders of Common Stock shall be entitled to share ratably in the distribution of the assets of the Corporation or the proceeds thereof.

(iii) Except as herein otherwise expressly provided and as otherwise required by law, all shares of Common Stock shall have equal voting rights

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and the holders of such shares shall have one vote, in person or by proxy, for each share thereof held.

ARTICLE IV. SHAREHOLDER MEETINGS

4.1 Quorum

At each meeting of the shareholders, except as otherwise expressly required by law or by these Articles of Incorporation, shareholders holding one-third of the shares of stock of the Corporation issued and outstanding, and entitled to be voted thereat, shall be present in person or by proxy to

constitute a quorum for the transaction of business. In the absence of a quorum at any such meeting or any adjournment or adjournments thereof, a majority in voting interest of those present in person or by proxy and entitled to vote thereat, or in the absence therefrom of all the shareholders, any officer entitled to preside at, or to act as Secretary of, such meeting may adjourn such meeting from time to time until shareholders holding the amount of stock requisite for a quorum shall be present in person or by proxy. At any such adjourned meeting at which a quorum may be present any business may be transacted which might have been transacted at the meeting as originally called.

4.2 Special Meeting Of Shareholders

Except as otherwise required by law and subject to the rights of the holders of the Preferred Stock or any other class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, special meetings of shareholders of the Corporation may be called only by holders of two-thirds or more of the voting power of the then outstanding shares of stock of all classes and series of the Corporation entitled to vote generally in the election of Directors ("Voting Stock"), by the Corporation's Chairman of the Board, by its President or by the Board of Directors pursuant to a resolution approved by a majority of the entire Board of Directors or as otherwise provided in the Bylaws of the Corporation.

ARTICLE V. LIMITATION OF DIRECTOR LIABILITY

5.1 Limitation of Liability

To the fullest extent permitted by the Washington Business Corporation Act, (the "Act") as the same exists or may hereafter be amended, a director of the Corporation shall not be liable to the Corporation or its shareholders for conduct as a director. Any amendments to or repeal of this Article V shall not adversely affect any right or protection of a director for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

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5.2 Restriction on Amendment

In addition to any requirements of law and any other provisions herein or in the terms of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation (and notwithstanding that a lesser percentage may be specified by law), the affirmative vote of the holders of two-thirds or more of the voting power of the then outstanding Voting Stock, voting together as a single class, shall be required to amend, alter or repeal any provision of this Article V.

ARTICLE VI INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

1. The Corporation shall have the following powers:

(a) The Corporation may indemnify and hold harmless to the fullest extent not prohibited by applicable law each person who was or is made a party to or is threatened to be made a party to or is involved (including, without limitation, as a witness) in any actual or threatened action, suit or other proceeding, whether civil, criminal, derivative,

administrative or investigative, by reason of that fact that he or she is or was a director, officer, employee or agent of the Corporation or, being or having been such a director, officer, employee or agent of the Corporation, he or she is or was serving at the request of the Corporation as a director, officer, employee, agent, trustee, or in any other capacity of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action or omission in an official capacity or in any other capacity while serving as a director, officer, employee, agent trustee or in any other capacity, against all expense, liability and loss (including, without limitation, attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts to be paid in settlement) actually or reasonably incurred or suffered by such person in connection therewith. Such indemnification may continue as to a person who has ceased to be a director, officer, employee or agent of the Corporation and shall inure to the benefit of his or her heirs and personal representatives.

(b) The Corporation may pay expenses incurred in defending any such proceeding in advance of the final disposition of any such proceeding; provided, however, that the payment of such expenses in advance of the final disposition of a proceeding shall be made to or on behalf of a director, officer, employee or agent only upon delivery to the Corporation of an undertaking, by or on behalf of such director, officer, employee or agent, to repay all amounts so advanced if it shall ultimately be determined that such director, officer, employee or agent is not entitled to be indemnified

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under this Article VI or otherwise, which undertaking may be unsecured and may be accepted without reference to financial ability to make repayment.

(c) The Corporation may enter into contracts with any person who is or was a director, officer, employee and agent of the Corporation in furtherance of the provisions of this Article VI and may create a trust fund, grant a security interest in property of the Corporation, or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article VI.

(d) If the Act is amended in the future to expand or increase the power of the Corporation to indemnify, to pay expenses in advance of final disposition, to enter into contracts, or to expend or increase any similar or related power, then, without any further requirement of action by the shareholders or directors of the Corporation, the powers described in this Article VI shall be expanded and increased to the fullest extent permitted by the Act, as so amended.

(e) No indemnification shall be provided under this Article VI to any such person if the Corporation is prohibited by the nonexclusive provisions of the Act or other applicable law as then in effect from paying such indemnification. For example, no indemnification shall be provided to any director in respect of any proceeding, whether or not involving action in his or her official capacity, in which he or she shall have been finally adjudged to be liable on the basis of intentional misconduct or knowing violation of law by the director, or from conduct of the director in violation of Section 23B.08.310 of the Act, or that the director personally received a benefit in money, property or services to which the director was

not legally entitled.

2. The Corporation shall indemnify and hold harmless any person who is or was a director or officer of the Corporation, and pay expenses in advance of final disposition of a proceeding, to the full extent to which the Corporation is empowered.

3. The Corporation may, by action of its Board of Directors from time to time, indemnify and hold harmless any person who is or was an employee or agent of the Corporation, and pay expenses in advance of final disposition of a proceeding, to the full extent to which the Corporation is empowered, or to a lesser extent which the Board of Directors may determine.

4. The rights to indemnification and payment of expenses in advance of final disposition of a proceeding conferred by or pursuant to this Article VI shall be contract rights.

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5. A director, officer, employee or agent ("claimant") shall be presumed to be entitled to indemnification and/or payment of expenses under this Article VI upon submission of a written claim (and, in an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition, where the undertaking in subsection 1(b) above has been delivered to the Corporation) and thereafter the Corporation shall have the burden of proof to overcome the presumption that the claimant is so entitled.

If a claim under this Article is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the Corporation, except in the case of a claim for expenses incurred in defending a proceeding in advance of its final disposition, in which case the applicable period shall be twenty (20) days, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. Neither the failure of the Corporation (including its board of directors, its shareholders or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to the claimant is proper in the circumstances nor an actual determination by the Corporation (including its board of directors, its shareholders or independent legal counsel) that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses shall be a defense to the action or create a presumption that the claimant is not so entitled.

6. The right to indemnification and payment of expenses in advance of final disposition of a proceeding conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaws, agreement, vote of shareholders or disinterested directors or otherwise.

7. The Corporation may purchase and maintain insurance, at its expense, to protect itself and any director, officer, employee, agent or trustee of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against

such expense, liability or loss under the Act.

8. Any repeal or modification of this Article VI shall not adversely affect any right of any person existing at the time of such repeal or modification.

9. If any provision of this Article VI or any application thereof shall be invalid, unenforceable or contrary to applicable law, the remainder of

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this Article VI, or the application of such provision to persons or circumstances other than those as to which it is held invalid, unenforceable or contrary to applicable law, shall not be affected thereby and shall continue in full force and effect.

10. For the purposes of this Article VI, "applicable law" shall at all times be construed as the applicable law in effect at the date indemnification may be sought, or the law in effect at the date of the action, omission or other event giving rise to the situation for which indemnification may be sought, whichever is selected by the person seeking indemnification. As of the date hereof, applicable law shall include Section 23B.08.500 through .600 of the Act.

ARTICLE VII DIRECTORS AND OFFICERS

7.1 Number of Directors

The number of directors of the Corporation shall be specified in the Bylaws, and such number may from time to time be increased or decreased in such manner as may be prescribed in the Bylaws. The officers of the Corporation shall be appointed in such manner as described in the Bylaws.

7.2 Election of Directors

Unless otherwise provided for pursuant to the authority granted in Section 3.2 of Article III hereof, shareholders of the Corporation shall not have the right to cumulative votes in the election of directors.

ARTICLE VIII. MERGERS, SHARE EXCHANGES AND OTHER TRANSACTIONS

Except as otherwise expressly provided in these Articles of Incorporation, a merger, share exchange, sale of substantially all of the Corporation's assets other than in the regular course of business, or dissolution must be approved by the affirmative vote of a majority of the Corporation's outstanding shares entitled to vote, or if separate voting by voting groups is required, then by not less than a majority of all the votes entitled to be cast by that voting group.

ARTICLE IX. CORPORATION'S ACQUISITION OF OWN SHARES

The Corporation may purchase, redeem receive, take or otherwise acquire, own and hold, sell, lend, exchange, transfer or otherwise dispose

pledge, use and otherwise deal with and in its own shares. As a specific modification of Section 23B.06.310 of the Act, pursuant to the authority in

Section 23B.02.020(5)(c) of the Act to include provisions related to the management of the business and the regulation of the affairs of the Corporation, shares of the Corporation's stock acquired by it shall be considered "Treasury Stock" and so held by the Corporation. The shares so acquired by the Corporation shall not be considered as authorized but unissued but rather authorized, issued and held by the Corporation but not outstanding. The shares so acquired shall not be regarded as canceled or as a reduction to the authorized capital of the Corporation unless specifically so designated by the Board of Directors in an amendment to these Articles of Incorporation. The provisions of this Article IX do not alter or affect the status of the Corporation's acquisition of its shares as a "distribution" by the Corporation as defined in Section 23B.01.400(6) of the Act nor alter or affect the limitations of distributions by the Corporation set forth in Section 23B.06.400 of the Act. Any shares so acquired the Corporation, unless specifically designated by the Board of Directors, at the time of acquisition, shall be considered on subsequent disposition as transferred rather than reissued. Nothing in this Article IX limits or restricts the right of the Corporation to resell or otherwise dispose of any of its shares previously acquired for such consideration and according to such procedures as established by the Board of Directors.

ARTICLE X. INCORPORATOR

The name and address of the incorporator are: W. Brinton Yorks, Jr., 22100 Bothell Everett Highway, Bothell Washington 98041-3003.

/s/ W. Brinton Yorks, Jr.

W. Brinton Yorks, Jr.

Incorporator

May 11, 1995

ART. OF INCORP.

CERTIFICATE OF DESIGNATION
OF SERIES A PARTICIPATING
CUMULATIVE PREFERRED STOCK SETTING
FORTH THE POWERS, PREFERENCES,
RIGHTS, QUALIFICATIONS,
LIMITATIONS AND RESTRICTIONS
OF SUCH SERIES OF
PREFERRED STOCK
OF
ATLI WASHINGTON CORPORATION

The undersigned, being the Chief Executive Officer of ATLI Washington Corporation, a Washington corporation (the "Corporation"), in accordance with the provisions of RCW 23B.06.020, does hereby certify that, pursuant to the authority conferred upon the Board of Directors by the Articles of Incorporation of the Corporation, the following resolution creating a Series A Participation Cumulative Preferred Stock was duly adopted by the Board of Directors of the Corporation and effective as of May 5, 1995:

Whereas the Corporation was created for the purpose of reincorporating Advanced Technology Laboratories, Inc., a Delaware corporation (the "Company") by way of a merger with and into the Corporation, and

Whereas, the Corporation seeks to retain the prior rights and interests of its shareholders provided under the General Corporation Law of the State of Delaware, now, therefore, under the authority conferred upon the Board of Directors of the Corporation by Article III of the Articles of Incorporation, the Directors adopt an identical series of Preferred Stock designated as Series A Participating Cumulative Preferred Stock which remains in full force and effect, without further amendment as follows:

RESOLVED, that, pursuant to the authority vested in the Board of Directors of the Corporation in accordance with the provisions of the Articles of Incorporation of the Corporation, a series of Preferred Stock of the corporation is hereby created and that the designation and number of shares thereof and the voting powers, preferences and relative, participating, optional and other special rights of the shares of such series, and the qualifications, limitations and restrictions thereof are as follows:

Section 1. Designation and Number of Shares. The shares of such series shall be designated as "Series A Participating Cumulative Preferred Stock" (the "Series A Preferred Stock") par value \$1.00 per share. The number of shares initially constituting the Series A Preferred Stock shall be 500,000; provided, however, that, if more than a total of 500,000 shares of Series A Preferred Stock shall be issuable upon the exercise of Rights (the "Rights") issued pursuant to the Amended and Restated Rights Agreement dated as of June 26, 1992, between the Corporation and First Chicago Trust Company of New York, as Rights Agent (the "Rights Agreement"), the Board of Directors of the corporation, pursuant to RCW 23B.06.020, shall direct by resolution or resolutions that a certificate be properly executed and filed as required by RCW 23B.06.020, providing for the total number of shares of Series A Preferred Stock authorized to be issued to be increased (to the extent that the Articles of Incorporation then permits) to the largest number of whole shares (rounded up to the nearest whole number) issuable upon exercise of such Rights.

Section 2. Dividends or Distributions. (a) Subject to the prior and superior rights of the holders of shares of any other series of Preferred Stock or other class of capital stock of the Corporation ranking prior and superior to the shares of Series A Preferred Stock with respect to dividends, the holders of shares of the Series A Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors, out of the assets of the Corporation legally available therefor, (1) quarterly dividends payable in cash on the last day of each fiscal quarter in each year, or such other dates as the Board of Directors of the Corporation shall approve (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or a fraction of a share of Series A Preferred Stock, in the amount of \$.01 per whole share (rounded to the nearest cent) less the amount of all cash dividends declared on the Series A Preferred Stock pursuant to the following clause (2) since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred Stock (the total of which shall not, in any event, be less than zero) and (2) dividends payable in cash on the payment date for each cash dividend declared on the Common Stock in an amount per whole share (rounded to the nearest cent) equal to the Formula Number (as hereinafter defined) then in effect times the cash dividends then to be paid on each share of Common Stock. In addition, if

the Corporation shall pay any dividend or make any distribution on the Common Stock payable in assets, securities or other forms of noncash consideration (other than dividends or distributions solely in shares of Common Stock), then, in each such case, the Corporation shall simultaneously pay or make on each outstanding whole share of Series A Preferred Stock a dividend or distribution in like kind equal to the Formula Number then in effect times such dividend or distribution on each share of the Common Stock. As used herein, the "Formula Number" shall be 100; provided, however, that, if at any time after June 26, 1992, the Corporation shall (i) declare or pay any dividend on the Common Stock

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payable in shares of Common Stock or make any distribution on the Common Stock in shares of Common Stock, (ii) subdivide (by a stock split or otherwise) the outstanding shares of Common Stock into a larger number of shares of Common Stock or (iii) combine (by a reverse stock split or otherwise) the outstanding shares of Common Stock into a smaller number of shares of Common Stock, then in each such event the Formula Number shall be adjusted to a number determined by multiplying the Formula Number in effect immediately prior to such event by a fraction, the numerator of which is the number of shares of Common Stock that are outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that are outstanding immediately prior to such event (and rounding the result to the nearest whole number); and provided further, that, if at any time after June 26, 1992, the Corporation shall issue any shares of its capital stock in a merger, reclassification or change of the outstanding shares of Common Stock, then in each such event the Formula Number shall be appropriately adjusted to reflect such merger, reclassification or change so that each share of Preferred Stock continues to be the economic equivalent of a Formula Number of shares of Common Stock prior to such merger, reclassification or change.

(b) The Corporation shall declare a dividend or distribution on the Series A Preferred Stock as provided in Section 2(a) immediately prior to or at the same time it declares a dividend or distribution on the Common Stock (other than a dividend or distribution solely in shares of Common Stock); provided, however, that, in the event no dividend or distribution (other than a dividend or distribution in shares of Common Stock) shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$.01 per share on the Series A Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date. The Board of Directors may fix a record date for the determination of

holders of shares of Series A Preferred Stock entitled to receive a dividend or distribution declared thereon, which record date shall be the same as the record date for any corresponding dividend or distribution on the Common Stock.

(c) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Preferred Stock from and after the Quarterly Dividend Payment Date next preceding the date of original issue of such shares of Series A Preferred Stock; provided, however, that dividends on such shares which are originally issued after the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a quarterly dividend and on or prior to the next succeeding Quarterly Dividend Payment Date shall begin to accrue and be cumulative from and after such Quarterly Dividend Payment Date. Notwithstanding the foregoing, dividends on shares of Series A Preferred Stock which are originally issued prior to the record date for the first Quarterly Dividend Payment shall be calculated as if cumulative from and after the last day of the fiscal quarter (or such other Quarterly Dividend Payment Date as the Board of Directors of the Corporation shall approve),

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next preceding the date of original issuance of such shares. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding.

(d) So long as any shares of the Series A Preferred Stock are outstanding, no dividends or other distributions shall be declared, paid or distributed, or set aside for payment or distribution, on the Common Stock unless, in each case, the dividend required by this Section 2 to be declared on the Series A Preferred Stock shall have been declared.

(e) The holders of the shares of Series A Preferred Stock shall not be entitled to receive any dividends or other distributions except as provided herein.

Section 3. Voting Rights. The holders of shares of Series A Preferred Stock shall have the following voting rights:

(a) Each holder of Series A Preferred Stock shall be entitled to a number of votes equal to the Formula Number then in effect, for each share of Series A Preferred Stock held of record on each matter on which holders of the Common Stock or shareholders generally are entitled to vote, multiplied by the

maximum number of votes per share which any holders of the Common Stock or shareholders generally then have with respect to such matter (assuming any holding period or other requirement to vote a greater number of shares is satisfied).

(b) Except as otherwise provided herein or by applicable law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock shall vote together as one class for the election of directors of the Corporation and on all other matters submitted to a vote of shareholders of the Corporation.

(c) If, at the time of any annual meeting of shareholders for the election of directors, the equivalent of six quarterly dividends (whether or not consecutive) payable on any share or shares of Series A Preferred Stock are in default, the number of directors constituting the Board of Directors of the Corporation shall be increased by two. In addition to voting together with the holders of Common Stock for the election of other directors of the Corporation, the holders of record of the Series A Preferred Stock, voting separately as a class to the exclusion of the holders of Common Stock, shall be entitled at said meeting of shareholders (and at each subsequent annual meeting of shareholders), unless all dividends in arrears have been paid or declared and set apart for payment prior thereto, I to vote for the election of two directors of the Corporation, the holders of any Series A Preferred Stock being entitled to cast a number of votes per share of Series A Preferred Stock equal to the Formula Number. Until the default in payments of all dividends which permitted the election of said directors shall

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cease to exist, any director who shall have been so elected pursuant to the next preceding sentence may be removed at any time, either with or without cause, only by the affirmative vote of the holders of the shares of Series A Preferred Stock at the time entitled to cast a majority of the votes entitled to be cast for the election of any such director at a special meeting of such holders called for that purpose, and any vacancy thereby created may be filled by the vote of such holders. If and when such default shall cease to exist, the holders of the Series A Preferred Stock shall be divested of the foregoing special voting rights, subject to reversion in the event of each and every subsequent like default in payments of dividends. Upon the termination of the foregoing special voting rights, the terms of office of all persons who may have been elected directors pursuant to said special voting rights shall forthwith terminate, and the number of directors constituting the Board of Directors shall be reduced by two. The voting rights granted by this

Section 3(c) shall be in addition to any other voting rights granted to the holders of the Series A Preferred Stock in this Section 3.

(d) Except as provided herein, in Section 11 or by applicable law, holders of Series A Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for authorizing or taking any corporate action.

Section 4. Certain Restrictions. (a) Whenever quarterly dividends or other dividends or distributions payable on the Series A Preferred Stock as provided in section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Preferred Stock outstanding shall have been paid in full, the Corporation shall not

(i) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred, Stock;

(ii) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the Series A Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock; provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the Corporation

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ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Preferred Stock;
or

(iv) purchase or otherwise acquire for consideration any shares of Series A Preferred Stock, or any shares of

stock ranking on a parity with the Series A Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(b) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (a) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Liquidation Rights. Upon the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, no distribution shall be made (1) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock unless, prior thereto, the holders of shares of Series A Preferred Stock shall have received an amount equal to the accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, plus an amount equal to the greater of (x) \$.01 per whole share or (y) an aggregate amount per share equal to the Formula Number then in effect times the aggregate amount to be distributed per share to holders of Common Stock or (2) to the holders of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except distributions made ratably on the Series A Preferred Stock and all other such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up.

Section 6. Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash or any other property, then in any such case the then outstanding shares of Series A Preferred Stock shall at the same time be similarly exchanged or changed into an amount per share equal to the Formula Number then in effect times the aggregate amount of stock, securities, cash or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is exchanged or changed. In the event both this Section 6 and Section 2 appear to apply to a transaction, this Section 6 will control.

Section 7. No Redemption; No Sinking Fund. (a) The shares of Series A Preferred Stock shall not be subject to redemption by the Corporation or at the option of

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any holder of Series A Preferred Stock; provided, however, that the Corporation may purchase or otherwise acquire outstanding shares of Series A Preferred Stock in the open market or by offer to any holder or holders of shares of Series A Preferred Stock.

(b) The shares of Series A Preferred Stock shall not be subject to or entitled to the operation of a retirement or sinking fund.

Section 8. Ranking. The Series A Preferred Stock shall rank junior to all other series of Preferred Stock of the Corporation, unless the Board of Directors shall specifically determine otherwise in fixing the powers, preferences and relative, participating, optional and other special rights of the shares of such series and the qualifications, limitations and restrictions thereof.

Section 9. Fractional Shares. The Series A Preferred Stock shall be issuable upon exercise of the Rights issued pursuant to the Rights Agreement in whole shares or in any fraction of a share that is one one-hundredth (1/100th) of a share or any integral multiple of such fraction which shall entitle the holder, in proportion to such holder's fractional shares, to receive dividends, exercise voting rights, participate in distributions and to have the benefit of all other rights of holders of Series A Preferred Stock. In lieu of fractional shares, the Corporation, prior to the first issuance of a share or a fraction of a share of Series A Preferred Stock, may elect (1) to make a cash payment as provided in the Rights Agreement for fractions of a share other than one one-hundredth (1/100th) of a share or any integral multiple thereof or (2) to issue depository receipts evidencing such authorized fraction of a share of Series A Preferred Stock pursuant to an appropriate agreement between the Corporation and a depository selected by the Corporation; provided that such agreement shall provide that the holders of such depository receipts shall have all the rights, privileges and preferences to which they are entitled as holders of the Series A Preferred Stock.

Section 10. Reacquired Shares. Any shares of Series A Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued

shares of Preferred Stock, without designation as to series until such shares are once more designated as part of a particular series by the Board of Directors pursuant to the provisions of Article III of the Articles of Incorporation.

Section 11. Amendment. None of the powers, preferences and relative, participating, optional and other special rights of the Series A Preferred Stock as provided herein or in the certificate of Incorporation shall be amended in any manner which would alter or change the powers, preferences, rights or privileges of the holders of Series A Preferred Stock so as to affect them adversely without the affirmative vote of the holders of at least 66-2/3% of the outstanding shares of Series A Preferred Stock, voting as a separate class; provided, however, that no such amendment approved by

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the holders of at least 66-2/3% of the outstanding shares of Series A Preferred Stock shall be deemed to apply to the powers, preferences, rights or privileges of any holder of shares of Series A Preferred Stock originally issued upon exercise of the Rights after the time of such approval without the approval of such holder.

IN WITNESS WHEREOF, ATLI Washington Corporation has caused this Certificate to be duly executed in its corporate name on this 3rd day of May, 1995.

ATLI WASHINGTON CORPORATION

by /s/ Dennis C. Fill

Name: Dennis C. Fill
Chief Executive Officer

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BYLAWS
OF
ADVANCED TECHNOLOGY LABORATORIES, INC.

ARTICLE 1. NAME

Offices

SECTION 1. Registered office

The street address of the registered office of the Corporation is 520 Pike Street, 26th Floor, Seattle, Washington, 98101. The name of the registered agent at such address is The Corporation Trust Company. If the registered agent changes the street address of the registered office, the registered agent may change its street address by notifying in writing the Corporation and delivering to the Secretary of State for filing a statement of such change, as required by law.

SECTION 2. Other Offices

The Corporation may also have offices at other places either within or without the State of Washington.

ARTICLE II

Meetings of Shareholders

SECTION 1. Annual Meetings

The annual meeting of the shareholders for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held at such place, date and hour as shall be designated in the notice thereof given by or at the direction of the Board of Directors.

SECTION 2. Special Meetings

Except as otherwise required by law and subject to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, special meetings of the shareholders for any purpose or purposes may be called only by, and shall be held at such place, date and hour as shall be designated by (i) holders of two-thirds or more of the voting power of the then-outstanding shares of stock of all classes and series of the Corporation entitled to vote generally in the

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election of Directors ("Voting Stock"), (ii) the Chairman of the Board, (iii)

the President or (iv) a majority of the total number of Directors.

SECTION 3. Notice of Meetings

Except as otherwise expressly required by law or these Bylaws, notice of each meeting of the shareholders shall be given not less than 10 or more than 60 days before the date of the meeting to each shareholder entitled to vote at such meeting by mailing such notice, postage prepaid, directed to the shareholder at his address as it appears on the records of the Corporation. Every such notice shall state the place, date and hour of the meeting and, in the case of a Special meeting, the purpose or purposes for which the meeting is called. Except as otherwise expressly required by law, notice of any adjourned meeting of the shareholders need not be given. Notice of any meeting of shareholder shall not be required to be given to any shareholder who shall attend such meeting in person or by proxy, except when the shareholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. A written waiver of notice, signed by the person entitled thereto, whether before or after the time stated therein, shall be deemed equivalent to the notice required by this Section 3.

SECTION 4. List of Shareholders

It shall be the duty of the Secretary or other officer of the Corporation who shall have charge of its stock ledger to prepare and make, at least 10 days before every meeting of the shareholders, a complete list of the shareholders entitled to vote thereat, arranged in alphabetical order and by voting group, and showing the address of each shareholder and the number of shares registered in the name of each shareholder. Such list shall be open to the examination of any shareholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting at the principal office of the Corporation. Such list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any shareholder who is present.

SECTION 5. Quorum

At each meeting of the shareholder, except as otherwise expressly required by law or by the Articles of Incorporation, shareholders holding one-third of the shares of stock of the Corporation issued and outstanding, and entitled to be voted thereat, shall be present in person or by proxy to constitute a quorum for the transaction of business. In the absence of a quorum at any such meeting or any adjournment or adjournments thereof, a majority in voting interest of those present in person or by proxy and entitled

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to vote thereat, or in the absence therefrom of all the shareholders, any officer entitled to preside at, or to act as Secretary of, such meeting may adjourn such meeting from time to time until shareholders holding the amount of stock requisite for a quorum shall be present in person or by proxy. At

any such adjourned meeting at which a quorum may be present any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 6. Organization

At each meeting of the shareholders, one of the following shall act as chairman of the meeting and preside thereat, in the following order of precedence:

(a) the Chairman of the Board;

(b) the President;

(c) any other officer of the Corporation designated by the Board or the Executive Committee to act as chairman of such meeting and to preside thereat if the Chairman of the Board and the President shall be absent from such meeting; or

(d) a shareholder of record of the Corporation who shall be chosen chairman of such meeting by a majority in voting interest of the shareholder present in person or by proxy and entitled to vote thereat. The Secretary, or, if he shall be presiding over the meeting in accordance with the provisions of this Section, or, if he shall be absent from such meeting, the person (who shall be an Assistant Secretary, if an Assistant Secretary shall be present thereat) whom the chairman of such meeting shall appoint, shall act as secretary of such meeting and keep the minutes thereof.

SECTION 7. Order of Business

(a) Annual Meetings. At an annual meeting of the shareholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (i) specified in the notice of the meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (ii) otherwise brought before the meeting by or at the direction of the Board of Directors or (iii) brought before the meeting by a shareholder in accordance with the procedure set forth below. Subject to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, for business to be properly brought before an annual meeting by a shareholder, the shareholder must have given written notice thereof, either by personal delivery or by certified or registered United States mail, postage

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prepaid, to the Secretary of the Corporation, not later than 90 days in advance of the Originally Scheduled Date (as such term is defined below) of such meeting; provided, however, that if such annual meeting of shareholders is held on a date earlier than the first Tuesday in May, such written notice must be given within 10 days after the first public disclosure (which may be by a public filing by the Corporation with the Securities and Exchange Commission) of the Originally Scheduled Date of the annual meeting. Any such notice shall set forth as to each matter the shareholder proposes to bring before the annual meeting (A) a brief description of the business desired to

be brought before the meeting and the reasons for conducting such business at the meeting and, in the event that such business includes a proposal to amend either the Articles of Incorporation or Bylaws of the Corporation, the language of the proposed amendment, (B) the name and address of the shareholder proposing such business, (C) a representation that the shareholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business and (D) any direct or indirect material interest of the shareholder in such business. No business shall be conducted at an annual meeting except in accordance with this paragraph, and the chairman of any annual meeting of shareholders may refuse to permit any business to be brought before such annual meeting without compliance with the foregoing procedure. For purposes of these Bylaws, the "Originally Scheduled Date" of any meeting of shareholders shall be the date such meeting is scheduled to occur in the notice of such meeting first given to shareholders regardless of whether such meeting is continued or adjourned and regardless of whether any subsequent notice is given for such meeting or the record date of such meeting is changed.

(b) Special Meetings. At a special meeting of the shareholder, only such business as is specified in the notice of such special meeting given by or at the direction of the person or persons calling such meeting in accordance with Section 2 of this Article II shall come before such meeting.

SECTION 8. Voting

Except as otherwise provided in the Articles of Incorporation, each shareholder shall, at each meeting of the shareholders, be entitled to one vote in person or by proxy for each share of stock of the Corporation held by him and registered in his name on the books of the Corporation:

(a) on the date fixed pursuant to the provisions of Section 5 of Article VIII of these Bylaws as the record date for the determination of shareholders who shall be entitled to receive notice of and to vote at such meeting, or

(b) if no record date shall have been so fixed, then in the manner set by RCW 23B.07.070.

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Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held by the Corporation, shall neither be entitled to vote nor considered as issued and outstanding for the purposes of determining whether a quorum exists. Any vote of stock of the Corporation may be given at any meeting of the shareholders by the shareholders entitled thereto in person or by proxy appointed by an instrument in writing delivered to the Secretary or an Assistant Secretary of the Corporation or the secretary of the meeting. The attendance at any meeting of a shareholder who may theretofore have given a proxy shall not have the effect of revoking the same unless he shall in writing so notify the secretary of the meeting prior to the voting of the proxy. At all meetings of the shareholders all matters, except as otherwise provided in the Articles of Incorporation, these Bylaws or by law, shall be decided by the vote of a majority of the votes cast by shareholders present in person or by proxy and entitled to vote thereat, a

quorum being present. Except as otherwise expressly required by law, the vote at any meeting of the shareholders on any question need not be by ballot, unless so directed by the chairman of the meeting. On a vote by ballot each ballot shall be signed by the shareholder voting, or by his proxy, if there be such proxy, and shall state the number of shares voted.

ARTICLE III

Board of Directors

SECTION 1. General Powers

The business and affairs of the Corporation shall be managed by the Board.

SECTION 2. Number, Term of Office and Election

Subject to the rights of the holders of any class or series of stock having a preference over the Common Stock of the Corporation as to dividends or upon liquidation, the number of directors which shall constitute the whole Board shall be seven but by vote of a majority of the entire Board the number thereof may be increased without limit, or decreased to not less than three, by amendment of this Section 2.

Each of the directors of the Corporation shall hold office until the annual meeting next after his election and until his successor shall be elected and shall qualify or until his earlier death or resignation or removal in the manner hereinafter provided.

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Directors need not be shareholders of the Corporation.

Except as otherwise expressly provided in the Articles of Incorporation at each meeting of the shareholders for the election of directors at which a quorum is present, the persons receiving the largest number of votes cast, up to the number of directors to be elected, shall be the directors.

SECTION 3. Notification of Nominations

Subject to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, nominations for the election of directors may be made by the Board of Directors or by any shareholder entitled to vote for the election of directors. Any shareholder entitled to vote for the election of directors at a meeting may nominate persons for election as directors only if written notice of such shareholder's intent to make such nomination is given, either by personal delivery or by registered or certified United States mail, postage prepaid, to the Secretary of the Corporation not later than (i) with respect to an election to be held at an annual meeting of shareholders, 90 days in advance of the Originally Scheduled Date (as such term is defined in Section 7 of Article II of these Bylaws) of such meeting (provided that if

such annual meeting of shareholder is held on a date earlier than the first Tuesday in May, such written notice must be given within 10 days after the first public disclosure (which may be by a public filing by the Corporation with the Securities and Exchange Commission) of the Originally Scheduled Date of the annual meeting), and (ii) with respect to an election to be held at a special meeting of shareholder for the election of directors, the close of business on the seventh day following the date on which notice of such meeting is first given to shareholders. Each such notice shall set forth: (a) the name and address of the shareholder who intends to make the nomination and of the person or persons to be nominated, (b) a representation that the shareholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice, (c) a description of all arrangements or understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder, (d) such other information regarding each nominee proposed by such shareholder as would have been required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission had each nominee been nominated, or intended to be nominated, by the Board of Directors, and (e) the consent of each nominee to serve as a director of the Corporation if so elected. The chairman of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

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SECTION 4. Resignation, Removal and Vacancies

(a) Resignation. Any director may resign at any time by giving written notice of his resignation to the Chairman of the Board, the President or the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein, or, if the time when it shall become effective shall not be specified therein, then it shall take effect when accepted by action of the Board. Except as aforesaid, the acceptance of such resignation shall not be necessary to make it effective.

(b) Vacancies. Subject to the rights of the holders of any class or series of stock having a preference over the Common Stock of the Corporation as to dividends or upon liquidation, in case of any vacancy on the Board or in case of any newly created directorship, a director to fill the vacancy or the newly created directorship for the unexpired portion of the term being filled may be elected by a majority of the directors of the Corporation then in office though less than a quorum or by a sole remaining director.

SECTION 5. Meetings

(a) Annual Meetings. As soon as practicable after each annual election of directors, the Board shall meet for the purpose of organization and the transaction of other business.

(b) Regular Meetings. Regular meetings of the Board shall be held at such times and places as the Board shall from time to time determine. Notices of regular meetings need not be given.

(c) Special Meetings. Special meetings of the Board shall be held whenever called by the Chairman of the Board, the President or three directors. The Secretary shall give notice to each director of each such special meeting, including the time and place of such meeting. Notice of each such meeting shall be mailed to each director, addressed to him at his residence or usual place of business, at least five days or, in the case of overnight mail, two days before the day on which such meeting is to be held, or shall be sent to him by telegraph, cable, wireless or other form of recorded communication or be delivered personally or by telephone not later than the day before the day on which such meeting is to be held. Notice of any special meeting shall not be required to be given to any director who shall attend such meeting. A written waiver of notice, signed by the person entitled thereto, whether before or after the time stated therein, shall be deemed equivalent to notice. Any and all business may be transacted at a special meeting which may be transacted at a regular meeting of the Board.

(d) Place of Meeting. The Board may hold its meetings at such place or places within or without the State of Washington as the Board may from

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time to time by resolution determine or, in the absence of such determination, as shall be designated in the respective notices or waivers of notice thereof as directed by the person or persons calling such meeting.

(e) Quorum and Manner of Acting. A majority of the directors then in office shall be present in person or by means of conference telephone or similar communications equipment as permitted by the Washington Business Corporation Act (the "Act") at any meeting of the Board of Directors in order to constitute a quorum for the transaction of business at such meeting provided that such majority shall be no less than one-third of the total number of directors. The affirmative vote of a majority of those directors present at any such meeting at which a quorum is present shall be necessary for the passage of any resolution or act of the Board, except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws and except that the Board may pass any resolution or take any action by unanimous written consent as permitted by the Act. In the absence of a quorum for any such meeting, a majority of the directors present thereat may adjourn such meeting from time to time until a quorum shall be present thereat. Notice of any adjourned meeting need not be given.

(f) Organization. At each meeting of the Board, one of the following shall act as chairman of the meeting and preside thereat, in the following order of precedence:

- (i) the Chairman of the Board;
- (ii) the President; or
- (iii) any director chosen by a majority of the directors present thereat.

The Secretary or, in the case of his absence, any person (who shall be an Assistant Secretary, if an Assistant Secretary shall be present

thereat) whom the chairman of the meeting shall appoint, shall act as Secretary of such meeting and keep the minutes thereof.

SECTION 6. Compensation

Each director, in consideration of his serving as such, shall be entitled to receive from the Corporation such amount per annum or such fees for attendance at meetings of the Board or of any committee, or both, as the Board shall from time to time determine. The Board may likewise provide that the Corporation shall reimburse each director or member of a committee for any expenses incurred by him on account of his attendance at any such meeting. Nothing contained in this Section shall be construed to preclude

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any director from serving the Corporation in any other capacity and receiving compensation therefor.

ARTICLE IV

Committees

SECTION 1. Executive Committee

(a) Designation and Membership. The Board may, by resolution passed by a majority of the whole Board, designate an Executive Committee consisting of the Chairman of the Board, the President, a Chairman of the Executive Committee (who may be the Chairman of the Board or President) and such additional number of directors as the Board shall appoint. Vacancies may be filled by the Board at any time and any member of the Executive Committee shall be subject to removal, with or without cause, at any time by the Board.

(b) Factions and Powers. The Executive Committee, subject to any limitations prescribed by the Board or by RCW 23B.08.250, shall possess and may exercise, during the intervals between meetings of the Board, the powers of the Board in the management of the business and affairs of the Corporation, provided that neither the Executive Committee nor any other committee may exercise the power of the Board to act upon matters requiring a vote thereof greater than a majority of directors present at a meeting at which a quorum is in attendance. At each meeting of the Board, the Executive Committee shall make a report of all action taken by it since its last report to the Board.

(c) Meetings. The Executive Committee shall meet as often as may be deemed necessary and expedient at such times and places as shall be determined by the Executive Committee or the Board of Directors. The Secretary shall give notice to each member of the Executive Committee of each meeting, including the time and place of such meeting. Notice of each such meeting shall be mailed to each member of the Executive Committee, addressed to him at his residence or usual place of business, at least five days or, in the case of overnight mail, two days before the day on which such meeting is to be held, or shall be sent to him by telegraph, cable, wireless or other

form of recorded communication or be delivered personally or by telephone not later than the day before the day on which such meeting is to be held.

Notice of any meeting of the Executive Committee shall not be required to be given to any member of the Executive Committee who shall attend such meeting. A written waiver of notice, signed by the person

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entitled thereto, whether before or after the time stated therein, shall be deemed equivalent to the notice required by this paragraph (c).

SECTION 2. Quorum and Manner of Acting

A majority of the Executive Committee present in person or by means of conference telephone or similar communications equipment as permitted by the Act shall constitute a quorum, and the vote of a majority of members of the Executive Committee present at any such meeting at which a quorum is present shall be necessary for the passage of any resolution or act of the Executive Committee except that the Executive Committee may pass any resolution or take any action by unanimous written consent as permitted by the Act. The Chairman of the Executive Committee shall preside at meetings of the Executive Committee and, in his absence, the Executive Committee may appoint any other member of the Executive Committee to preside.

SECTION 3. Other Committees

The Board may, by resolution passed by a majority of the whole Board, designate other committees, each committee to consist of two or more directors and to have such duties and functions as shall be provided in such resolution.

ARTICLE V

Officers

SECTION 1. Election and Appointment and Term of Office

(a) Officers. The officers of the Corporation shall be a Chairman of the Board, a President, a Chairman of the Executive Committee, such number of Vice Presidents (including any Executive and/or Senior Vice Presidents) as the Board may determine from time to time, a Treasurer and a Secretary. Each such officer shall be elected by the Board at its annual meeting and shall hold office until the next annual meeting of the Board and until his successor is elected and qualified or until his earlier death or resignation or removal in the manner hereinafter provided.

(b) Additional Officers. The Board may elect or appoint such other officers (including one or more Assistant Treasurers and one or more Assistant Secretaries) as it deems necessary, who shall have such authority and shall perform such duties as the Board may prescribe. If additional officers are elected or appointed during the year, each of them shall hold office until the next annual meeting of the Board at which officers are regularly elected or appointed and until his successor is elected or appointed

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and qualified or until his earlier death or resignation or removal in the manner hereinafter provided.

SECTION 2. Resignation, Removal and Vacancies

Any officer may resign at anytime by giving written notice to the Chairman of the Board, the President or the Secretary of the Corporation, and such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, then it shall take effect when accepted by action of the Board. Except as aforesaid, the acceptance of such resignation shall not be necessary to make it effective. All officers and agents elected or appointed by the Board shall be subject to removal at any time by the Board with or without cause. A vacancy in any office may be filled for the unexpired portion of the term in the same manner as provided for election or appointment to such office.

SECTION 3. Duties and Functions

(a) Chairman of the Board. The Chairman of the Board shall be the chief executive officer of the Corporation and shall have general charge of the business and affairs of the Corporation and shall have the direction of all other officers, agents and employees. He shall preside at all meetings of the Board of Directors and of the shareholders at which he is present. The Chairman may delegate such duties to the other officers of the Corporation as he deems appropriate.

(b) President. The President shall be the chief operating officer of the Corporation and shall report to the Chairman of the Board. He shall preside at meetings of the Board of Directors and of the shareholders at which he is present in the absence of the Chairman of the Board.

(c) Chairman of the Executive Committee. The Chairman of the Executive Committee shall preside at all meetings of the Executive Committee at which he is present.

(d) Vice Presidents. Each Vice President shall have such powers and duties as shall be prescribed by the Chairman of the Board or the Board.

(e) Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation.

(f) Secretary. The Secretary shall keep the records of all meetings of the shareholders and of the Board and the Executive Committee. He shall affix the seal of the Corporation to all deeds, contracts, bonds or other instruments requiring the corporate seal when the same shall have been signed on behalf of the Corporation by a duly authorized officer. The Secretary shall be

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the custodian of all contracts, deeds, documents and all other indicia of title to properties owned by the Corporation and of its other corporate records (except accounting records).

ARTICLE VI

Contracts, Deposits, Proxies, Etc.

SECTION 1. Execution of Documents

The Board shall designate the officers, employees and agents of the Corporation who shall have power to execute and deliver deeds, contracts, mortgages, bonds, debentures, checks, drafts and other orders for the payment of money and other documents for and in the name of the Corporation and may authorize such officers, employees and agents to delegate such power (including authority to redelegate) by written instrument to other officers, employees or agents of the Corporation.

SECTION 2. Deposits

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation or otherwise as the Board or the President or any other officer of the Corporation to whom power in that respect shall have been delegated by the Board shall select.

SECTION 3. Proxies in Respect of Stock or Other Securities of Other Corporations

The Board shall designate the officer of the Corporation who shall have authority to from time to time appoint an agent or agents of the Corporation to exercise in the name and on behalf of the Corporation the powers and rights which the Corporation may have as the holder of stock or other securities in any other corporation and to vote or consent in respect of such stock or securities. Such designated officer may instruct the person or persons so appointed as to the manner of exercising such powers and rights and such designated officers may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal, or otherwise, such written proxies, powers of attorney or other instruments as they may deem necessary or proper in order that the Corporation may exercise such powers and rights.

ARTICLE VII

Books and Records

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The books and records of the Corporation may be kept at such places within or without the State of Washington as the Board may from time to time determine.

ARTICLE VIII

Shares and Their Transfer; Fixing Record Date

SECTION 1. Certificates for Stock

Every owner of stock of the Corporation shall be entitled to have a certificate certifying the number of shares owned by him in the Corporation and designating the class of stock to which such shares belong, which shall otherwise be in such form as the Board shall prescribe. Each such certificate shall be signed by, or in the name of the Corporation by, the Chairman of the Board, the President or a Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the Corporation. In case any officer who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer before such certificate is issued, it may nevertheless be issued by the corporation with the same effect as if he were such officer at the date of issue.

SECTION 2. Record

A record shall be kept of the name of the person, firm or corporation owning the stock represented by each certificate for stock of the Corporation issued, the number of shares represented by each Such certificate, and the date thereof, and, in the case of cancellation, the date of cancellation. Except as otherwise expressly required by applicable law, the person in whose name shares of stock stand on the books of the Corporation shall be deemed the owner thereof for all purposes as regards the Corporation.

SECTION 3. Transfer of Stock

Transfers of shares of the stock of the Corporation shall be made only on the books of the Corporation by the registered holder thereof, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Corporation, and on the surrender of the certificate or certificates for such shares properly endorsed.

SECTION 4. Lost, Stolen, Destroyed or Mutilated Certificates

The holder of any stock of the Corporation shall immediately notify the Corporation of any loss, theft or mutilation of the certificate therefor. The Corporation may issue a new certificate for stock in the place of any certificate theretofore issued by it and alleged to have been lost, stolen, destroyed or

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mutilated, and the Board may, in its discretion, require the owner of the lost, stolen, mutilated or destroyed certificate or his legal representatives to give the Corporation a bond in such sum, limited or unlimited, in such form and with such surety or sureties as the Board shall in its discretion determine, to indemnify the Corporation against any claim that may be made against it on account of the alleged loss, theft, mutilation or destruction of any such certificate or the issuance of any such new certificate.

SECTION 5. Fixing Date for Determination of Shareholders of Record

In order that the Corporation may determine the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment

thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix, in advance, a record date, which shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 60 days prior to any other action, except that notice of a meeting to act on an amendment to the Articles of Incorporation, a plan of merger or share exchange, the sale, lease, exchange or disposition of all or substantially all of the Corporation's assets other than through the regular course of business or the dissolution of the Corporation shall be given not less than 20 nor more than 60 days before such meeting.

ARTICLE IX

Seal

The Board shall provide a corporate seal, which shall be in the form of a circle and shall bear the full name of the Corporation and the words and figures "Corporate Seal 1995 Washington."

ARTICLE X

Fiscal Year

The fiscal year of the Corporation shall end on the 31st of December in each year.

ARTICLE XI

Amendments

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SECTION 1. By Shareholders

These Bylaws may be amended or repealed by shareholders in the manner set forth in Article II Sections 7 and 8 of these Bylaws at any regular or special meeting of shareholders.

SECTION 2. By Directors

The Board of Directors shall have power to amend or repeal the Bylaws of, or adopt new bylaws for, the Corporation. However, any such Bylaws, or any alteration, amendment or repeal of the Bylaws, may be subsequently changed or repealed by the holders of a majority of the stock entitled to vote at an annual or special meeting of shareholders.

SECTION 3. Emergency Bylaws

The Board of Directors may adopt emergency Bylaws, subject to repeal or change by action of the shareholders, which shall be operative during an

emergency in the conduct of the business of the Corporation resulting from an attack on the United States, any state of emergency declared by the federal government or any subdivision thereof, or any other catastrophic event.

July 28, 1995

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Advanced Technology Laboratories

[ATL] Logo

PRESS RELEASE

For Immediate Release

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FDA ADVISORY PANEL UNANIMOUSLY RECOMMENDS APPROVAL
FOR ATL ULTRASOUND

Breast Imaging Method Could Significantly Reduce Breast Biopsies

Washington, D.C., December 11, 1995--A U.S. Food and Drug Administration (FDA) Advisory Committee Panel voted unanimously today to recommend FDA approval of the pre-market approval (PMA) application submitted by ATL (Advanced Technology Laboratories), a Seattle-based medical ultrasound company. ATL's PMA will allow a new clinical application of ultrasound that, in conjunction with mammography, will provide physicians with a high level of confidence in differentiating benign from malignant or suspicious breast lesions, and thereby significantly reduce the need for breast biopsy.

The Advisory Panel recommended approval with the following conditions: labeling be specific to detection of lesions 1 centimeter or larger, unless analysis of study data demonstrates statistical significance in smaller lesions, and that the company also provide training for all clinical users in this new clinical application. The company indicated it would comply with these conditions.

ATL's PMA application was based on the findings of an international multi-center study involving over 1000 women with breast lesions. Clinical investigators found that the number of breast biopsies could be reduced by using ATL's High Definition (TM) digital ultrasound to identify as benign, and therefore not malignant, lesions that were characterized as indeterminate by mammography. In the United States, over 700,000 women undergo breast biopsy each year. Up to 80% of these breast lumps are found to be benign.

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"Ultrasound has been used for many years to differentiate cysts from solid breast masses. Now, the results of this clinical trial show that this

technology can differentiate among solid breast masses helping physicians identify those that are benign without surgery or needle biopsy," said Ellen Mendelson, M.D., Director of the Breast Diagnostic Imaging Center at the Western Pennsylvania Hospital, Pittsburgh, and an investigator in the ATL PMA study. "This study represents an important step in women's health care and demonstrates the potential to spare hundreds of thousands of women the physical, emotional and financial costs of surgical breast biopsies," added Dr. Mendelson.

A breast ultrasound examination using the ATL Ultramark(R) 9 HDI(R) (High Definition Imaging) system will help physicians better determine which patients do not require surgical or needle biopsy of a breast lump. The 15-minute, painless ultrasound examination is performed following a diagnostic mammogram of a suspicious breast lesion.

There are two types of biopsy: surgical and needle. The majority of breast biopsies are done surgically and involve removal of a tissue sample averaging 2.4 cubic inches, resulting in both external and internal scarring. Internal scarring can be medically significant because scar tissue can make future mammograms more difficult to interpret.

The FDA accepted the filing of ATL's PMA application in May 1994. The FDA usually follows the recommendation of its advisory panel but is not obliged to do so. If the PMA receives final FDA approval, ATL would be the first medical imaging company to receive PMA clearance for a specific diagnostic claim.

ATL has pioneered all-digital broadband ultrasound technology over the past ten years and launched its High Definition Imaging system in 1991. Last year, the company introduced its fourth-generation all-digital system, the HDI 3000. If the FDA approves the PMA, the company will file a PMA supplement to add this new use to the HDI 3000 system.

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ATL is a worldwide leader in the development, manufacture, distribution and service of diagnostic medical ultrasound systems. Headquartered near Seattle, Washington, the company has achieved revenues of approximately \$385 million over the past 12 months. ATL stock is traded on the Nasdaq National Market System under the symbol ATLI.

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