

**NOTICE OF APPROVAL OF MERGER
AND
CERTAIN SHAREHOLDER RIGHTS**

August 21, 2009

To: Former shareholders of CardioDynamics International Corporation:

Reference is hereby made to the Agreement and Plan of Merger by and among SonoSite, Inc., a Washington corporation (“*Parent*”), Canada Acquisition Corp., a California corporation and a wholly-owned subsidiary of Parent (“*Merger Sub*”) and CardioDynamics International Corporation, a California corporation (the “*Company*”) dated as of June 9, 2009 (the “*Merger Agreement*”), which contemplates the acquisition of the Company by Parent via the merger of Merger Sub with and into the Company, with the Company surviving the merger (the “*Merger*”).

We are writing to notify you that the Company received the required vote of its shareholders to approve the Merger on August 11, 2009 and that the Merger closed on August 14, 2009 (the “*Effective Date*”).

As a result of the Merger, each share of Company common stock automatically converted into the right to receive \$1.35 per share in cash (the “*Merger Consideration*”).

THE COMPANY’S DETERMINATION OF THE VALUE OF COMPANY SHARES

This Notice of Approval of Merger serves as notice concerning dissenters’ rights that may be applicable to you. In connection with such rights, the Company is required to inform you of the fair market value that the Company would attribute to such shares. For purposes of these rights, we have determined that the value of each share of Company common stock is as follows:

<u>Type of Stock</u>	<u>Value</u>
Common Stock	\$0.80

The Company has determined that the value described above for Company common stock is the “fair market value” of Company common stock (excluding any appreciation or depreciation in consequence of the Merger) for purposes of Chapter 13 of the California General Corporation Law (the “*CGCL*”), which provides that the value of Company common stock for purposes of the exercise of dissenters’ rights is the “fair market value” on the day prior to announcement of the Merger, which was June 8, 2009. The Company’s determination of the fair market value for Company common stock is based on the closing price of the Company’s common stock as quoted on The Nasdaq Capital Market on that date.

SHAREHOLDER RIGHTS

Company shareholders who did not vote in favor of or consent to the Merger may be entitled to dissenters’ rights under California law. The following is a summary of those rights, including a brief description of the procedures to be followed if such shareholders desire to exercise dissenters’ rights. The full text of Chapter 13 of the CGCL is attached to this Notice of Approval of Merger as [Annex A](#).

If a Company shareholder elects to exercise these dissenters’ rights, the payment in cash for shares of Company common stock held by such Company shareholder may be a taxable transaction to such Company shareholder. **COMPANY SHAREHOLDERS CONSIDERING EXERCISING DISSENTERS’ RIGHTS**

SHOULD CONSULT WITH THEIR OWN TAX ADVISORS WITH REGARD TO THE TAX CONSEQUENCES OF SUCH ACTION.

DISSENTERS' RIGHTS UNDER CALIFORNIA LAW

The following is a summary of Chapter 13 of the CGCL, which sets forth the procedures for Company shareholders to dissent from the Merger and to demand statutory dissenters' rights under the CGCL, including a brief description of the procedures to be followed if you desire to exercise dissenters' rights. The record holders of Company common stock that have perfected their dissenters' rights in accordance with Chapter 13 of the CGCL and have not withdrawn their demands or otherwise lost their rights to exercise their dissenters' rights with respect to the Merger are referred to herein as "***Dissenting Shareholders***," and the shares of Company common stock with respect to which they exercise dissenters' rights are referred to herein as "***Dissenting Shares***." This summary does not purport to be a complete statement of the provisions of California law relating to the rights of Company shareholders to an appraisal of the value of their shares and is qualified in its entirety by reference to Chapter 13 of the CGCL, the full text of which is attached as Annex A hereto. **Please note that failure to follow the procedures required by the CGCL could result in the loss of dissenters' rights.**

Under Sections 181 and 1201 of the CGCL, the Merger constitutes a "reorganization." Chapter 13 of the CGCL provides dissenters' rights for Company shareholders dissenting from reorganizations in certain circumstances. While there are generally no dissenters' rights in connection with securities listed on The Nasdaq Global Market or other national securities exchanges, the Company's common stock was listed on The Nasdaq Capital Market, and therefore, Company shareholders are entitled to dissent from the Merger and seek appraisal for their shares of Company common stock if they follow the procedures required by the CGCL.

Holders of Company common stock must satisfy each of the following requirements to qualify as Dissenting Shareholders under the CGCL:

- (a) the Company common stock must have been outstanding at the close of business on June 30, 2009;
- (b) the Company shareholder must not have voted in favor of the Merger (any proxy card submitted must have been marked to be either voted "**AGAINST**" or "**ABSTAIN**." If the Company shareholder returned the proxy card without voting instructions or with instructions to vote "**FOR**" the Merger, his or her shares were automatically voted in favor of the Merger and they have lost their dissenters' rights);
- (c) the Company shareholder must make a written demand to the Company that it purchase the shares of Company common stock at their fair market value (as described below); and
- (d) the Company shareholder must submit stock certificate(s) for endorsement (as described below).

The Dissenting Shareholder's written demand must:

- (a) be made by the record holder of the shares of Company common stock, thus, a beneficial owner of Company common stock that is registered in the record ownership of another person (such as a broker or nominee) should instruct the record holder to follow the procedures for perfecting dissenters' rights if the beneficial owner wants to dissent with respect to any or all of those shares;

- (b) be mailed or otherwise directed to SonoSite, Inc., 21919 30th Drive SE, Bothell, Washington, 98021-3904, Attention: Chief Financial Officer;
- (c) be received not later than 30 days after this Notice of Approval of Merger is mailed to Company shareholders who did not vote in favor of the Merger (as described below);
- (d) specify the Dissenting Shareholder's name and mailing address and the number and class of shares held of record that the Dissenting Shareholder demands that the Company purchase;
- (e) state that the Dissenting Shareholder is demanding purchase of the shares and payment of their fair market value, excluding any appreciation or depreciation as a consequence of the Merger, but adjusted for any stock split, reverse stock split or stock dividend that becomes effective thereafter (Chapter 13 of the CGCL states that the fair market value, for this purpose, is determined "as of the day before the announcement" of the Merger, which in this case was June 8, 2009); and
- (f) state the price that the Dissenting Shareholder claims to be the fair market value of the shares as of the day before the announcement of the Merger (this statement will constitute an offer by the Company shareholder to sell the shares to the Company at that price).

In addition, within 30 days after this Notice of Approval of Merger is mailed to Company shareholders who did not vote in favor of the Merger, the Dissenting Shareholder must also submit to the Company or its transfer agent, for endorsement as Dissenting Shares, the stock certificates representing the shares of Company common stock as to which the Dissenting Shareholder is exercising dissenters' rights. A holder of Dissenting Shares may not withdraw a demand for payment unless we consent to the withdrawal.

Simply failing to vote for or against, or voting against, the proposed Merger will not be sufficient to constitute the demand described above.

If the Company and a Dissenting Shareholder agree that the shares are Dissenting Shares and agree on the price of the shares, the Dissenting Shareholder is entitled to receive the agreed-upon price with interest from the date of such agreement. The applicable interest rate will be the rate then set by law for the accrual of interest on judgments for money. Payment for the Dissenting Shares will be made within 30 days after the later of the date of that agreement or the date on which all statutory and contractual conditions to the Merger are satisfied or waived. Payments are also conditioned on the surrender to the Company of the stock certificate(s) representing the Dissenting Shares.

If the Company denies that shares are Dissenting Shares or the Dissenting Shareholder fails to agree with us as to the fair market value of the Dissenting Shares, then, within six months after this Notice of Approval of Merger is mailed, any Dissenting Shareholder demanding purchase of such shares as Dissenting Shares or any interested corporation may file a complaint in the superior court in the proper California county requesting a determination as to whether the shares are Dissenting Shares or as to the fair market value of the holder's shares, or both, or may intervene in any action pending on such a complaint. If the complaint is not filed or intervention in a pending action is not made within the specified six-month period, the dissenters' rights are lost. The court will first determine any issues as to the status of the Dissenting Shares. If the fair market value of the Dissenting Shares is at issue, the court will determine, or will appoint one or more impartial appraisers to determine, such fair market value.

If the court appoints an appraiser or appraisers, they will proceed to determine the fair market value per share. Within the time fixed by the court, the appraisers, or a majority of the appraisers, will make and file a report in the office of the clerk of the court. Thereafter, on the motion of any party, the report is submitted to the court and considered on such evidence as the court considers relevant. If the court finds the report reasonable, the court may confirm it.

If the single appraiser or a majority of the appraisers fails to make and file a report within 10 days after the date of their appointment or within such further time as the court allows, or if the court does not confirm the report, the court will determine the fair market value of the Dissenting Shares. Subject to Section 1306 of Chapter 13 of the CGCL, judgment is rendered against the corporation for payment of an amount equal to the fair market value of each Dissenting Share multiplied by the number of Dissenting Shares that any Dissenting Shareholder who is a party, or who has intervened, is entitled to require the corporation to purchase, with interest at the legal rate from the date on which the judgment is entered.

The costs of the action, including reasonable compensation to the appraisers to be fixed by the court, is assessed or apportioned as the court considers equitable. However, if the price determined by the court is more than the price offered by the corporation, the corporation pays the costs (including, in the discretion of the court, attorneys' fees, fees of expert witnesses and interest at the legal rate on judgments from the date the Dissenting Shareholder made the demand and submitted shares for endorsement if the price determined by the court is more than 125% of the price offered by the corporation).

Except as expressly limited by Chapter 13, holders of Dissenting Shares continue to have all of the rights and privileges incident to their shares until the fair market value of their shares is agreed upon or determined.

Dissenting Shares lose their status as Dissenting Shares, and Dissenting Shareholders cease to be entitled to require the Company to purchase their shares, if:

- (a) the Dissenting Shares are transferred before they are submitted to the Company for the required endorsement;
- (b) the Dissenting Shareholder and the Company do not agree on the status of the shares as Dissenting Shares or do not agree on the purchase price, but neither the Company nor the Dissenting Shareholder files a complaint or intervenes in a pending action within six months after the Company mails this Notice of Approval of Merger; or
- (c) with the Company's consent, the Dissenting Shareholder delivers to the Company a written withdrawal of such Dissenting Shareholder's demand for purchase of the Dissenting Shares.

To the extent that the provisions of Chapter 5 of the CGCL (which places conditions on the power of a California corporation to make distributions to its shareholders) prevent the payment to any holders of Dissenting Shares of the fair market value of the Dissenting Shares, the holders thereof will become creditors of the corporation for the amount that they otherwise would have received in the repurchase of their Dissenting Shares, plus interest at the legal rate on judgments until the date of payment, but subordinate to all other creditors of the corporation in any liquidation proceeding, with the debt to be payable when permissible under the provisions of Chapter 5 of the CGCL.

If a Company shareholder fails to perfect his, her or its dissenting rights or effectively withdraws or loses such rights, such holder's shares of Company common stock will thereupon be deemed to have been canceled and converted as set forth in the Merger Agreement.

THE PROCESS OF DISSENTING REQUIRES STRICT COMPLIANCE WITH TECHNICAL PREREQUISITES. THOSE WHO WISH TO EXERCISE DISSENTERS' RIGHTS OR WHO WISH TO PRESERVE THEIR RIGHT TO DO SO SHOULD REVIEW THIS SECTION AND ANNEX A (CHAPTER 13 OF THE CGCL) CAREFULLY AND SHOULD CONSULT THEIR LEGAL COUNSEL IN CONNECTION WITH COMPLIANCE UNDER CHAPTER 13 OF THE CGCL. FAILURE TO TIMELY COMPLY WITH THE PROCEDURES SET FORTH THEREIN WILL RESULT IN THE LOSS OF SUCH RIGHTS.

To the extent that there are any inconsistencies between the foregoing summary and Chapter 13 of the CGCL, the CGCL controls.

IF YOU DO NOT WISH TO EXERCISE CALIFORNIA DISSENTERS' RIGHTS

You do not need to take any action pursuant to this Notice of Approval of Merger. You will receive the Merger Consideration described above in exchange for the cancellation of each share of your Company common stock. A Letter of Transmittal will be sent to you separately, containing instructions regarding submission of your stock certificate(s), if necessary, and procedures regarding stock certificate(s) that have been lost, stolen or destroyed. Please follow the instructions included with the Letter of Transmittal.

If you have any questions or require any further information, please contact Alan C. Smith, Esq., of Fenwick & West LLP, counsel to SonoSite, Inc., at (206) 389-4510.

Dated: August 21, 2009

CARDIODYNAMICS INTERNATIONAL CORPORATION

By: /s/ Michael J. Schuh
Name: Michael J. Schuh
Title: President, Chief Executive Officer and Secretary

Annex A

Chapter 13 of the California General Corporation Law

1300. Right to Require Purchase – “Dissenting Shares” and “Dissenting Shareholder” Defined.

(a) If the approval of the outstanding shares (Section 152) of a corporation is required for a reorganization under subdivisions (a) and (b) or subdivision (e) or (f) of Section 1201, each shareholder of the corporation entitled to vote on the transaction and each shareholder of a subsidiary corporation in a short-form merger may, by complying with this chapter, require the corporation in which the shareholder holds shares to purchase for cash at their fair market value the shares owned by the shareholder which are dissenting shares as defined in subdivision (b). The fair market value shall be determined as of the day before the first announcement of the terms of the proposed reorganization or short-form merger, excluding any appreciation or depreciation in consequence of the proposed action, but adjusted for any stock split, reverse stock split, or share dividend which becomes effective thereafter.

(b) As used in this chapter, "dissenting shares" means shares which come within all of the following descriptions:

(1) Which were not immediately prior to the reorganization or short-form merger either (A) listed on any national securities exchange certified by the Commissioner of Corporations under subdivision (o) of Section 25100 or (B) listed on the National Market System of the NASDAQ Stock Market, and the notice of meeting of shareholders to act upon the reorganization summarizes this section and Sections 1301, 1302, 1303 and 1304; provided, however, that this provision does not apply to any shares with respect to which there exists any restriction on transfer imposed by the corporation or by any law or regulation; and provided, further, that this provision does not apply to any class of shares described in subparagraph (A) or (B) if demands for payment are filed with respect to 5 percent or more of the outstanding shares of that class.

(2) Which were outstanding on the date for the determination of shareholders entitled to vote on the reorganization and (A) were not voted in favor of the reorganization or, (B) if described in subparagraph (A) or (B) of paragraph (1) (without regard to the provisos in that paragraph), were voted against the reorganization, or which were held of record on the effective date of a short-form merger; provided, however, that subparagraph (A) rather than subparagraph (B) of this paragraph applies in any case where the approval required by Section 1201 is sought by written consent rather than at a meeting.

(3) Which the dissenting shareholder has demanded that the corporation purchase at their fair market value, in accordance with Section 1301.

(4) Which the dissenting shareholder has submitted for endorsement, in accordance with Section 1302.

(c) As used in this chapter, "dissenting shareholder" means the recordholder of dissenting shares and includes a transferee of record.

1301. Demand for Purchase.

(a) If, in the case of a reorganization, any shareholders of a corporation have a right under Section 1300, subject to compliance with paragraphs (3) and (4) of subdivision (b) thereof, to require the corporation to purchase their shares for cash, that corporation shall mail to each such shareholder a notice of the approval of the reorganization by its outstanding shares (Section 152) within 10 days after the date of that approval,

accompanied by a copy of Sections 1300, 1302, 1303, and 1304 and this section, a statement of the price determined by the corporation to represent the fair market value of the dissenting shares, and a brief description of the procedure to be followed if the shareholder desires to exercise the shareholder's right under those sections. The statement of price constitutes an offer by the corporation to purchase at the price stated any dissenting shares as defined in subdivision (b) of Section 1300, unless they lose their status as dissenting shares under Section 1309.

(b) Any shareholder who has a right to require the corporation to purchase the shareholder's shares for cash under Section 1300, subject to compliance with paragraphs (3) and (4) of subdivision (b) thereof, and who desires the corporation to purchase shares shall make written demand upon the corporation for the purchase of those shares and payment to the shareholder in cash of their fair market value. The demand is not effective for any purpose unless it is received by the corporation or any transfer agent thereof (1) in the case of shares described in clause (A) or (B) of paragraph (1) of subdivision (b) of Section 1300 (without regard to the provisos in that paragraph), not later than the date of the shareholders' meeting to vote upon the reorganization, or (2) in any other case within 30 days after the date on which the notice of the approval by the outstanding shares pursuant to subdivision (a) or the notice pursuant to subdivision (i) of Section 1110 was mailed to the shareholder.

(c) The demand shall state the number and class of the shares held of record by the shareholder which the shareholder demands that the corporation purchase and shall contain a statement of what that shareholder claims to be the fair market value of those shares as of the day before the announcement of the proposed reorganization or short-form merger. The statement of fair market value constitutes an offer by the shareholder to sell the shares at that price.

1302. Endorsement of Shares.

Within 30 days after the date on which notice of the approval by the outstanding shares or the notice pursuant to subdivision (i) of Section 1110 was mailed to the shareholder, the shareholder shall submit to the corporation at its principal office or at the office of any transfer agent thereof, (a) if the shares are certificated securities, the shareholder's certificates representing any shares which the shareholder demands that the corporation purchase, to be stamped or endorsed with a statement that the shares are dissenting shares or to be exchanged for certificates of appropriate denomination so stamped or endorsed or (b) if the shares are uncertificated securities, written notice of the number of shares which the shareholder demands that the corporation purchase. Upon subsequent transfers of the dissenting shares on the books of the corporation, the new certificates, initial transaction statement, and other written statements issued therefor shall bear a like statement, together with the name of the original dissenting holder of the shares.

1303. Agreed Price – Time for Payment.

(a) If the corporation and the shareholder agree that the shares are dissenting shares and agree upon the price of the shares, the dissenting shareholder is entitled to the agreed price with interest thereon at the legal rate on judgments from the date of the agreement. Any agreements fixing the fair market value of any dissenting shares as between the corporation and the holders thereof shall be filed with the secretary of the corporation.

(b) Subject to the provisions of Section 1306, payment of the fair market value of dissenting shares shall be made within 30 days after the amount thereof has been agreed or within 30 days after any statutory or contractual conditions to the reorganization are satisfied, whichever is later, and in the case of certificated securities, subject to surrender of the certificates therefor, unless provided otherwise by agreement.

1304. Dissenter's Action to Enforce Payment.

(a) If the corporation denies that the shares are dissenting shares, or the corporation and the shareholder fail to agree upon the fair market value of the shares, then the shareholder demanding purchase

of such shares as dissenting shares or any interested corporation, within six months after the date on which notice of the approval by the outstanding shares (Section 152) or notice pursuant to subdivision (i) of Section 1110 was mailed to the shareholder, but not thereafter, may file a complaint in the superior court of the proper county praying the court to determine whether the shares are dissenting shares or the fair market value of the dissenting shares or both or may intervene in any action pending on such a complaint.

(b) Two or more dissenting shareholders may join as plaintiffs or be joined as defendants in any such action and two or more such actions may be consolidated.

(c) On the trial of the action, the court shall determine the issues. If the status of the shares as dissenting shares is in issue, the court shall first determine that issue. If the fair market value of the dissenting shares is in issue, the court shall determine, or shall appoint one or more impartial appraisers to determine, the fair market value of the shares.

1305. Appraisers' Report – Payment – Costs.

(a) If the court appoints an appraiser or appraisers, they shall proceed forthwith to determine the fair market value per share. Within the time fixed by the court, the appraisers, or a majority of them, shall make and file a report in the office of the clerk of the court. Thereupon, on the motion of any party, the report shall be submitted to the court and considered on such evidence as the court considers relevant. If the court finds the report reasonable, the court may confirm it.

(b) If a majority of the appraisers appointed fail to make and file a report within 10 days from the date of their appointment or within such further time as may be allowed by the court or the report is not confirmed by the court, the court shall determine the fair market value of the dissenting shares.

(c) Subject to the provisions of Section 1306, judgment shall be rendered against the corporation for payment of an amount equal to the fair market value of each dissenting share multiplied by the number of dissenting shares which any dissenting shareholder who is a party, or who has intervened, is entitled to require the corporation to purchase, with interest thereon at the legal rate from the date on which judgment was entered.

(d) Any such judgment shall be payable forthwith with respect to uncertificated securities and, with respect to certificated securities, only upon the endorsement and delivery to the corporation of the certificates for the shares described in the judgment. Any party may appeal from the judgment.

(e) The costs of the action, including reasonable compensation to the appraisers to be fixed by the court, shall be assessed or apportioned as the court considers equitable, but, if the appraisal exceeds the price offered by the corporation, the corporation shall pay the costs (including in the discretion of the court attorneys' fees, fees of expert witnesses and interest at the legal rate on judgments from the date of compliance with Sections 1300, 1301 and 1302 if the value awarded by the court for the shares is more than 125 percent of the price offered by the corporation under subdivision (a) of Section 1301).

1306. Dissenting Shareholder's Status as Creditor.

To the extent that the provisions of Chapter 5 prevent the payment to any holders of dissenting shares of their fair market value, they shall become creditors of the corporation for the amount thereof together with interest at the legal rate on judgments until the date of payment, but subordinate to all other creditors in any liquidation proceeding, such debt to be payable when permissible under the provisions of Chapter 5.

1307. Dividends Paid as Credit Against Payment.

Cash dividends declared and paid by the corporation upon the dissenting shares after the date of approval of the reorganization by the outstanding shares (Section 152) and prior to payment for the shares by the corporation shall be credited against the total amount to be paid by the corporation therefor.

1308. Continuing Rights and Privileges of Dissenting Shareholders.

Except as expressly limited in this chapter, holders of dissenting shares continue to have all the rights and privileges incident to their shares, until the fair market value of their shares is agreed upon or determined. A dissenting shareholder may not withdraw a demand for payment unless the corporation consents thereto.

1309. Termination of Dissenting Shareholder Status.

Dissenting shares lose their status as dissenting shares and the holders thereof cease to be dissenting shareholders and cease to be entitled to require the corporation to purchase their shares upon the happening of any of the following:

(a) The corporation abandons the reorganization. Upon abandonment of the reorganization, the corporation shall pay on demand to any dissenting shareholder who has initiated proceedings in good faith under this chapter all necessary expenses incurred in such proceedings and reasonable attorneys' fees.

(b) The shares are transferred prior to their submission for endorsement in accordance with Section 1302 or are surrendered for conversion into shares of another class in accordance with the articles.

(c) The dissenting shareholder and the corporation do not agree upon the status of the shares as dissenting shares or upon the purchase price of the shares, and neither files a complaint or intervenes in a pending action as provided in Section 1304, within six months after the date on which notice of the approval by the outstanding shares or notice pursuant to subdivision (i) of Section 1110 was mailed to the shareholder.

(d) The dissenting shareholder, with the consent of the corporation, withdraws the shareholder's demand for purchase of the dissenting shares.

1310. Suspension of Proceedings for Payment Pending Litigation.

If litigation is instituted to test the sufficiency or regularity of the votes of the shareholders in authorizing a reorganization, any proceedings under Sections 1304 and 1305 shall be suspended until final determination of such litigation.

1311. Exempt Shares.

This chapter, except Section 1312, does not apply to classes of shares whose terms and provisions specifically set forth the amount to be paid in respect to such shares in the event of a reorganization or merger.

1312. Attacking Validity of Reorganization or Merger.

(a) No shareholder of a corporation who has a right under this chapter to demand payment of cash for the shares held by the shareholder shall have any right at law or in equity to attack the validity of the reorganization or short-form merger, or to have the reorganization or short-form merger set aside or rescinded, except in an action to test whether the number of shares required to authorize or approve the reorganization have been legally voted in favor thereof; but any holder of shares of a class whose terms and provisions specifically set forth the amount to be paid in respect to them in the event of a reorganization or short-form merger is entitled to payment in accordance with those terms and provisions or, if the principal

terms of the reorganization are approved pursuant to subdivision (b) of Section 1202, is entitled to payment in accordance with the terms and provisions of the approved reorganization.

(b) If one of the parties to a reorganization or short-form merger is directly or indirectly controlled by, or under common control with, another party to the reorganization or short-form merger, subdivision (a) shall not apply to any shareholder of such party who has not demanded payment of cash for such shareholder's shares pursuant to this chapter; but if the shareholder institutes any action to attack the validity of the reorganization or short-form merger or to have the reorganization or short-form merger set aside or rescinded, the shareholder shall not thereafter have any right to demand payment of cash for the shareholder's shares pursuant to this chapter. The court in any action attacking the validity of the reorganization or short-form merger or to have the reorganization or short-form merger set aside or rescinded shall not restrain or enjoin the consummation of the transaction except upon 10 days' prior notice to the corporation and upon a determination by the court that clearly no other remedy will adequately protect the complaining shareholder or the class of shareholders of which such shareholder is a member.

(c) If one of the parties to a reorganization or short-form merger is directly or indirectly controlled by, or under common control with, another party to the reorganization or short-form merger, in any action to attack the validity of the reorganization or short-form merger or to have the reorganization or short-form merger set aside or rescinded, (1) a party to a reorganization or short-form merger which controls another party to the reorganization or short-form merger shall have the burden of proving that the transaction is just and reasonable as to the shareholders of the controlled party, and (2) a person who controls two or more parties to a reorganization shall have the burden of proving that the transaction is just and reasonable as to the shareholders of any party so controlled.

1313. Conversion Deemed to Constitute Reorganization for Purposes of Chapter.

A conversion pursuant to Chapter 11.5 (commencing with Section 1150) shall be deemed to constitute a reorganization for purposes of applying the provisions of this chapter, in accordance with and to the extent provided in Section 1159.