

NAUTILUS, INC.
Form SC 13D/A
March 03, 2008

As filed with the Securities and Exchange Commission on March 3, 2008

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 10)

Nautilus, Inc.
(Name of Issuer)

Common Stock, No Par Value
(Title of Class of Securities)

63910B102
(CUSIP Number)

Michael L. Zuppone, Esq.
Paul, Hastings, Janofsky & Walker LLP
75 East 55th Street
New York, New York 10022
(212) 318-6906
(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications)

February 27, 2008
(Date of Event which Requires
Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box []

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Sherborne Investors LP		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP		(a) <input type="radio"/> (b) <input type="radio"/>
3	SEC USE ONLY		
4	SOURCE OF FUNDS OO		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)		<input type="radio"/>
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware		
	NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7 8 9 10	SOLE VOTING POWER 0 SHARED VOTING POWER 8,438,426 SOLE DISPOSITIVE POWER 0 SHARED DISPOSITIVE POWER 8,438,426
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 8,438,426		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES		<input type="radio"/>
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 26.7%		
14	TYPE OF REPORTING PERSON PN		

1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Sherborne Investors GP, LLC		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP		(a) <input type="radio"/> (b) <input type="radio"/>
3	SEC USE ONLY		
4	SOURCE OF FUNDS OO		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)		o
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware		
	NUMBER OF SHARES	7	SOLE VOTING POWER 0
	BENEFICIALLY OWNED BY EACH REPORTING PERSON	8	SHARED VOTING POWER 8,438,426
	WITH	9	SOLE DISPOSITIVE POWER 0
		10	SHARED DISPOSITIVE POWER 8,438,426
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 8,438,426		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES		o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 26.7%		
14	TYPE OF REPORTING PERSON OO		

1 NAME OF REPORTING PERSON
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
 Sherborne Investors Management LP

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS
 OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO o
 ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
 Delaware

NUMBER OF SHARES	7		SOLE VOTING POWER	
				0
BENEFICIALLY OWNED BY	8		SHARED VOTING POWER	
EACH				8,438,426
REPORTING PERSON	9		SOLE DISPOSITIVE POWER	
WITH				0
	10		SHARED DISPOSITIVE POWER	
				8,438,426

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 8,438,426

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN o
 SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
 26.7%

14 TYPE OF REPORTING PERSON
 PN

- 1 NAME OF REPORTING PERSON
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
 Sherborne Investors Management GP, LLC
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
 (b)
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS
 OO
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION
 Delaware
- | | | | |
|---|----|--------------------------|-----------|
| NUMBER OF
SHARES | 7 | SOLE VOTING POWER | |
| BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH | 8 | SHARED VOTING POWER | 0 |
| | 9 | SOLE DISPOSITIVE POWER | 8,438,426 |
| | 10 | SHARED DISPOSITIVE POWER | 0 |
| | | | 8,438,426 |
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 8,438,426
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
 26.7%
- 14 TYPE OF REPORTING PERSON
 OO
-

1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Sherborne Strategic Fund A, LLC	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	(a) <input type="radio"/> (b) <input type="radio"/>
3	SEC USE ONLY	
4	SOURCE OF FUNDS OO	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)	<input type="radio"/>
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
	NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7 SOLE VOTING POWER 721,232.270 8 SHARED VOTING POWER 0 9 SOLE DISPOSITIVE POWER 721,232.270 10 SHARED DISPOSITIVE POWER 0
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 721,232.270	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES	<input type="radio"/>
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 2.3%	
14	TYPE OF REPORTING PERSON OO	

- 1 NAME OF REPORTING PERSON
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
 Sherborne Strategic Fund B, LLC
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
 (b)
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS
 OO
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION
 Delaware
- | | | |
|--|---|--|
| NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH | 7

8

9

10 | SOLE VOTING POWER
1,081,848.405

SHARED VOTING POWER
0

SOLE DISPOSITIVE POWER
1,081,848.405

SHARED DISPOSITIVE POWER
0 |
|--|---|--|
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 1,081,848.405
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
 3.4%
- 14 TYPE OF REPORTING PERSON
 OO
-

- 1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
Edward J. Bramson
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
(b)
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS
OO
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO o
ITEMS 2(d) or 2(e)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION
United Kingdom
- | | | | |
|--|----|--|-------------------------------------|
| NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH | 7 | | SOLE VOTING POWER
8,438,426 |
| | 8 | | SHARED VOTING POWER
0 |
| | 9 | | SOLE DISPOSITIVE POWER
8,438,426 |
| | 10 | | SHARED DISPOSITIVE POWER
0 |
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
8,438,426
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN o
SHARES
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
26.7%
- 14 TYPE OF REPORTING PERSON
IN
-

Explanatory Note: This Amendment No. 10 (this “Amendment”) to Schedule 13D is filed by the Reporting Persons (as defined below in this Explanatory Note) pursuant to Rule 13d-2(a) under the Securities Exchange Act of 1934, as amended. This Amendment amends and supplements the Schedule 13D filed with the U.S. Securities and Exchange Commission (the “Commission”) on July 26, 2007 (the “Initial 13D”) as amended and supplemented by:

- Amendment 1 to the Initial 13D filed with the Commission on July 31, 2007,
- Amendment 2 to the Initial 13D filed with the Commission on August 24, 2007,
- Amendment 3 to the Initial 13D filed with the Commission on September 4, 2007,
- Amendment 4 to the Initial 13D filed with the Commission on September 14, 2007,
- Amendment 5 to the Initial 13D filed with the Commission on September 21, 2007,
- Amendment 6 to the Initial 13D filed with the Commission on October 9, 2007,
- Amendment 7 to the Initial 13D filed with the Commission on October 17, 2007,
- Amendment 8 to the Initial 13D filed with the Commission on October 19, 2007 and
- Amendment 9 to the Initial 13D filed with the Commission on January 2, 2008,

and relates to the common stock, no par value (“Shares”) of Nautilus, Inc., a Washington corporation (the “Issuer”).

The Reporting Persons are:

- (i) Sherborne Investors LP, a Delaware limited partnership and managing member of each of the Funds (as defined below) (“Managing Member” or “Sherborne Investors”);
 - (ii) Sherborne Investors GP, LLC, a Delaware limited liability company and general partner of the Managing Member (“Sherborne Investors GP”);
 - (iii) Sherborne Investors Management LP, a Delaware limited partnership and investment manager to the Funds (“Sherborne Management”);
 - (iv) Sherborne Investors Management GP, LLC, a Delaware limited liability company and general partner of Sherborne Management (“Sherborne Management GP”);
 - (v) Sherborne Strategic Fund A, LLC, a Delaware limited liability company (“Strategic Fund A”);
 - (vi) Sherborne Strategic Fund B, LLC, a Delaware limited liability company (“Strategic Fund B”);
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(vii) Nottingham Investors LLC, a Delaware limited liability company (“Nottingham” and, together with Strategic Fund A and Strategic Fund B, the “Funds”); and

(viii) Edward J. Bramson (“Bramson”), a citizen of the United Kingdom and the managing member of Sherborne Investors GP and Sherborne Management GP as well as a director of the Issuer.

The Covered Persons, for whom information is required to be provided pursuant to Instruction C to Schedule 13D, are Bramson, Mr. Craig L. McKibben and Mr. Gerard L. Eastman (collectively, the “Covered Persons”). Messrs. McKibben and Eastman are managing directors of Sherborne Investors GP and Sherborne Management GP.

Item 3. Source and Amount of Funds or Other Consideration.

Item 3 is hereby amended and restated in its entirety as follows:

The aggregate purchase price of the 8,438,426 Shares owned by the Funds is \$80,121,631.20, including brokerage commissions. The Shares owned by the Funds were acquired with such Funds’ available funds.

Item 5. Interest in Securities of the Issuer.

Items 5 (a) and (b) have been amended and restated in their entirety as follows:

The following describes the direct and indirect interests of the Reporting Persons in the Shares:

- Strategic Fund A is the direct beneficial owner of and has the sole power to vote and dispose of 721,232.270 Shares; (1)
- Strategic Fund B is the direct beneficial owner of and has the sole power to vote and dispose of 1,081,848.405 Shares; (1)
- Nottingham is the direct beneficial owner of and has the sole power to vote and dispose of 6,635,345.320 Shares; (1)
- The Managing Member, as the managing member of the Funds, is the indirect beneficial owner of and has shared indirect power to vote or dispose of 8,438,426 Shares;
- Sherborne Investors GP, as the general partner of the Managing Member, is the indirect beneficial owner of and has the shared indirect power to vote or dispose of 8,438,426 Shares;
- Sherborne Management, as the investment manager to the Funds, is the indirect beneficial owner of and has the shared indirect power to vote or dispose of 8,438,426 Shares;
 - Sherborne Management GP, as the general partner of Sherborne Management, is the indirect beneficial owner of and has the shared indirect power to vote or dispose of 8,438,426 Shares; and

- Edward Bramson, as the managing member of each of Sherborne Investors GP and Sherborne Management GP, is the indirect beneficial owner of and has the sole indirect power to vote or dispose of 8,438,426 Shares.

(1) The Shares beneficially owned by the Funds add up to slightly less than 8,438,426 due to rounding.

The information set forth in Rows 7 through 13 of the cover page hereto for each of the Reporting Persons is incorporated herein by reference. The percentage amount set forth in Row 13 for all cover pages filed herewith is calculated based upon the 31,557,136 Shares issued and outstanding as reported by the Issuer in its Form 10-Q for the Quarterly Period ended September 30, 2007.

The Covered Persons do not beneficially own any Shares.

Item 5 (c) has been amended as follows:

(c) Since the filing of Amendment No. 9 to the Initial 13D on January 2, 2008, the Reporting Persons purchased Shares in the open market as follows:

Sherborne Strategic Fund A, LLC

Trade Date	# of Shares	Average Price/Share
02/22/2008	7,659	\$4.09
02/25/2008	8,619	\$4.24
02/26/2008	7,023	\$4.32
02/27/2008	9,521	\$4.53
02/28/2008	7,866	\$4.53
02/29/2008	6,559	\$4.31

Sherborne Strategic Fund B, LLC

Trade Date	# of Shares	Average Price/Share
02/22/2008	11,489	\$4.09
02/25/2008	12,928	\$4.24
02/26/2008	10,535	\$4.32
02/27/2008	14,282	\$4.53
02/28/2008	11,800	\$4.53
02/29/2008	9,839	\$4.31

Nottingham Investors LLC

Trade Date	# of Shares	Average Price/Share
02/22/2008	70,465	\$4.09
02/25/2008	79,291	\$4.24
02/26/2008	64,613	\$4.32
02/27/2008	87,597	\$4.53

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02/28/2008	72,372	\$4.53
02/29/2008	60,343	\$4.31

The Covered Persons have not purchased any Shares since the filing of the Initial 13D through the date of this report.

SIGNATURE

After reasonable inquiry and to the best of its knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: February 29, 2008

SHERBORNE INVESTORS LP

By: SHERBORNE INVESTORS GP, LLC, its
general partner

By: /s/ Craig L. McKibben
Name: Craig L. McKibben
Title: Managing Director

SHERBORNE INVESTORS GP, LLC

By: /s/ Craig L. McKibben
Craig L.
Name: McKibben
Managing
Title: Director

SHERBORNE INVESTORS MANAGEMENT LP

By: SHERBORNE INVESTORS MANAGEMENT
GP, LLC, its general partner

By: /s/ Craig L. McKibben
Name: Craig L. McKibben
Title: Managing Director

SHERBORNE INVESTORS MANAGEMENT
GP, LLC

By: /s/ Craig L. McKibben
Craig L.
Name: McKibben
Title:

Managing
Director

SHERBORNE STRATEGIC FUND A, LLC

By: SHERBORNE INVESTORS LP, its managing member

By: SHERBORNE INVESTORS GP, LLC, its general partner

By: /s/ Craig L. McKibben
Name: Craig L. McKibben
Title: Managing Director

SHERBORNE STRATEGIC FUND B, LLC

By: SHERBORNE INVESTORS LP, its managing member

By: SHERBORNE INVESTORS GP, LLC, its general partner

By: /s/ Craig L. McKibben
Name: Craig L. McKibben
Title: Managing Director

NOTTINGHAM INVESTORS LLC

By: SHERBORNE INVESTORS LP, its managing member

By: SHERBORNE INVESTORS GP, LLC, its general partner

By: /s/ Craig L. McKibben
Name: Craig L. McKibben
Title: Managing Director

EDWARD BRAMSON

/s/ Edward Bramson
Edward Bramson

