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NATUS MEDICAL INC
Form SC 13D/A
April 08, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. 11)

NATUS MEDICAL INCORPORATION (BABY)
(Name of Issuer)

Common Stock
(Title of Class of Securities)

639050103
(CUSIP Number)

David Nierenberg
The D3 Family Funds
19605 NE 8th Street
Camas, WA 98607
(360) 604-8600

With a copy to:

Henry Lesser, Esq.
DLA Piper US LLP
2000 University Avenue
East Palo Alto, CA 94303
(650) 833-2000

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

April 4, 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 Sections 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box .

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON

The D3 Family Fund, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

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WC

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Washington

7 SOLE VOTING POWER
702,291 Common shares (3.1%)

8 SHARED VOTING POWER
0

9 SOLE DISPOSITIVE POWER
702,291

10 SHARED DISPOSITIVE POWER
0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

For the reporting person listed on this page, 702,291; for all reporting persons as a group, 4,359,845 shares (19.1%)

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

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

19.1%

14 TYPE OF REPORTING PERSON*

PN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

2

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON

The D3 Family Bulldog Fund, L.P.

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

3 SEC USE ONLY

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4 SOURCE OF FUNDS*

WC

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Washington

7 SOLE VOTING POWER

2,569,995 common shares (11.3%)

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH

8 SHARED VOTING POWER

0

9 SOLE DISPOSITIVE POWER

2,569,995

10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

For the reporting person listed on this page, 2,569,995; for all reporting persons as a group, 4,359,845 shares (19.1%)

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

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

19.1%

14 TYPE OF REPORTING PERSON*

PN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

3

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON

The D3 Family Canadian Fund, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

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(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

WC

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Washington

7 SOLE VOTING POWER

129,931 common shares (0.6%)

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH

8 SHARED VOTING POWER

0

9 SOLE DISPOSITIVE POWER

129,931

10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

For the reporting person listed on this page, 129,931; for all
reporting persons as a group, 4,359,845 shares (19.1%)

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

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

19.1%

14 TYPE OF REPORTING PERSON*

PN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

1 NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON

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The DIII Offshore Fund, L.P.

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

3 SEC USE ONLY

4 SOURCE OF FUNDS*
WC

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Washington

7 SOLE VOTING POWER
957,628 common shares (4.2%)

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH
8 SHARED VOTING POWER
0

9 SOLE DISPOSITIVE POWER
957,628

10 SHARED DISPOSITIVE POWER
0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
For the reporting person listed on this page, 957,628; for all reporting persons as a group, 4,359,845 shares (19.1%)

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
19.1%

14 TYPE OF REPORTING PERSON*
PN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

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1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON

Nierenberg Investment Management Company, Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

AF

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Washington

7 SOLE VOTING POWER

0

NUMBER OF
SHARES

8 SHARED VOTING POWER

BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

4,359,845 shares (19.1%)

9 SOLE DISPOSITIVE POWER

0

10 SHARED DISPOSITIVE POWER

4,359,845 shares

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

For the reporting person listed on this page, 4,359,845; for all reporting persons as a group, 4,359,845 shares (19.1%)

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

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

19.1%

14 TYPE OF REPORTING PERSON*

CO

*SEE INSTRUCTIONS BEFORE FILLING OUT!

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6

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON

Nierenberg Investment Management Offshore, Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

AF

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Bahamas

7 SOLE VOTING POWER

0

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

8 SHARED VOTING POWER

957,628 common shares (4.2%)

9 SOLE DISPOSITIVE POWER

0

10 SHARED DISPOSITIVE POWER

957,628 common shares

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

For the reporting person listed on this page, 957,628; for all reporting persons as a group, 4,359,845 shares (19.1%)

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

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

19.1%

14 TYPE OF REPORTING PERSON*

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CO

*SEE INSTRUCTIONS BEFORE FILLING OUT!

7

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON

David Nierenberg

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

AF

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Washington

7 SOLE VOTING POWER

0

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

8 SHARED VOTING POWER

4,359,845 common shares (19.1%)

9 SOLE DISPOSITIVE POWER

0

10 SHARED DISPOSITIVE POWER

4,359,845

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

For the reporting person listed on this page, 4,359,845; for all reporting persons as a group, 4,359,845 shares (19.1%)

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

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

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19.1%

14 TYPE OF REPORTING PERSON*

IN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

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This Amendment No. 11 to Schedule 13D (this "Amendment") amends the below-indicated items from the Schedule 13D (the "Schedule 13D") previously filed by or on behalf of the undersigned parties (the "Reporting Persons") by supplementing such Items with the information below:

Item 2. Identity and Background.

The Reporting Persons now include The D3 Family Canadian Fund, L.P., a Washington State limited partnership ("The D3 Family Canadian Fund"), of which Nierenberg Investment Management Company, Inc, a Reporting Person, is the general partner.

The Reporting Persons now also include David Nierenberg. His business address is 19605 NE 8th Street, Camas WA 98607; his principal occupation is President of Nierenberg Investment Management Company, Inc. and Nierenberg Investment Management Offshore, Inc, two of the other Reporting Persons; and he is a citizen of the United States of America.

During the past five years neither The D3 Family Canadian Fund, L.P. nor David Nierenberg have been convicted in a criminal proceeding required to be reported in response to Item 2(d), or a party to a civil proceeding required to be reported in response to Item 2(e), of Schedule 13D.

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

The total amount of funds used by the Reporting Persons to make all purchases of Shares beneficially owned by the Reporting Persons, as reported in Item 5(a, b), was \$36,714,462. The total amount of funds used by the Reporting Persons to make all of the purchases of Shares reported in Item 5(c) was \$3,197,250. The source of funds for all purchases of Shares by each of the Reporting Persons (including The D3 Family Canadian Fund) is the working capital of the applicable D3 Family Fund (each, a "Fund").

Item 4. Purpose of Transaction

On April 4, 2008, two of the Funds (identified in Item 5(c)) agreed to purchase from the Company's underwriter, and the underwriter agreed to sell to each Fund, the number of Shares set forth in Item 5 at a purchase price of \$18.27 per Share. These Shares will be issued pursuant to the Company's Registration Statement on Form S-3 (File No. 333-233480), as amended, in connection with an underwritten offering of its common stock by the Company (the "Offering"). Concurrently with the settlement of these purchases and the issuance of the Shares to the purchasing Funds (anticipated to occur on April 9, 2008), the Company and each of the purchasing Funds will enter into a Registration Rights Agreement anticipated to be dated as of April 9, 2008 (the "Registration Rights Agreement") pursuant to which, subject to the terms and conditions thereof, the Company will grant to the Funds certain rights to require the Company to register for resale all Shares held by the Reporting Persons as of the date of the Registration Rights Agreement. The form of

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Registration Rights Agreement is filed as Exhibit 1 to this Amendment and the terms thereof are incorporated into this Item by reference.

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The Reporting Persons hold their shares of the Company's common stock for investment. The Reporting Persons reserve the right to increase or decrease their investment in the Company depending on market conditions, circumstances affecting the Company and/or extrinsic factors such as developments in the Company's industry and the economic environment, and to discuss the Company and their investment in the shares of the Company with the directors and executive officers of the Company and third parties, without amending the Schedule 13D except as required by applicable rules.

Item 5. Interest in Securities of the Issuer.

(a, b) The Reporting Persons, in the aggregate, beneficially own 4,359,845 Shares, constituting approximately 19.1% of the outstanding Shares. All percentages in this Amendment have been calculated based on the information to be provided by the Company in the Registration Rights Agreement as to the number of Shares that will be outstanding following the completion of the Offering.

(c) On April 4, 2008, the Reporting Persons named below agreed to purchase the following number of Shares through the transactions reported in respect to Item 4.

| Fund | Transaction Date | Shares Acquired | Price |
|-----------------------------|------------------|-----------------|-------|
| ---- | ----- | ----- | ----- |
| D3 Family Bulldog Fund, LP | 4/4/2008 | 146,000 | 18.27 |
| D3 Family Canadian Fund, LP | 4/4/2008 | 29,000 | 18.27 |

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Reference is made to the Registration Rights Agreement (see Item 4), which is filed as an exhibit to this Amendment (see Item 7) and the terms of which are incorporated by reference in response to this Item.

Item 7. Material to be filed as Exhibits

| | |
|-----------|---|
| Exhibit 1 | Form of Registration Rights Agreement anticipated to be dated as of April 9, 2008, by and among the Company and each of the four Funds. |
| Exhibit 2 | Joint Filing Agreement among the Reporting Persons dated March 5, 2008 pursuant to which all of the Reporting Persons have authorized the filing of Schedule 13D's and amendments thereto as a group. |

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SIGNATURE

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

D3 Family Fund, L.P., D3 Bulldog Fund, L.P., and

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D3 Family Canadian Fund, L.P.

By: Nierenberg Investment Management
Company, Inc.

Its: General Partner

April 8, 2008

By: /s/ David Nierenberg

David Nierenberg, President

DIII Offshore Fund, L.P.

By: Nierenberg Investment Management
Offshore, Inc.

Its: General Partner

April 8, 2008

By: /s/ David Nierenberg

David Nierenberg, President

Nierenberg Investment Management
Company, Inc.

April 8, 2008

By: /s/ David Nierenberg

David Nierenberg, President

Nierenberg Investment Management
Offshore, Inc.

April 8, 2008

By: /s/ David Nierenberg

David Nierenberg, President

April 8, 2008

/s/ David Nierenberg

David Nierenberg