

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* <u>Sherborne Investors GP, LLC</u>  (Last) (First) (Middle) <u>135 EAST 57TH STREET</u>  (Street) <u>NEW YORK NY 10022</u>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>NAUTILUS, INC. [ NLS ]</u>  3. Date of Earliest Transaction (Month/Day/Year) <u>11/13/2008</u>  4. If Amendment, Date of Original Filed (Month/Day/Year)	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  Director <input checked="" type="checkbox"/> 10% Owner  Officer (give title below) Other (specify below)  6. Individual or Joint/Group Filing (Check Applicable Line)  <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person
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Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned										
1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	11/13/2008		P		131,381	A	\$1.789 <sup>(1)</sup>	9,418,974 <sup>(2)(3)</sup>	I	See footnote <sup>(2)</sup>
Common Stock	11/14/2008		P		2,100	A	\$1.699 <sup>(4)</sup>	9,421,074 <sup>(2)(3)</sup>	I	See footnote <sup>(2)</sup>

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)															
1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				

1. Name and Address of Reporting Person* <u>Sherborne Investors GP, LLC</u>  (Last) (First) (Middle) <u>135 EAST 57TH STREET</u>  (Street) <u>NEW YORK NY 10022</u>  (City) (State) (Zip)
1. Name and Address of Reporting Person* <u>Sherborne Investors LP</u>  (Last) (First) (Middle) <u>135 EAST 57TH STREET</u>  (Street) <u>NEW YORK NY 10022</u>  (City) (State) (Zip)
1. Name and Address of Reporting Person* <u>Sherborne Investors Management LP</u>  (Last) (First) (Middle) <u>135 EAST 57TH STREET</u>

(Street)		
NEW YORK	NY	10022
(City)	(State)	(Zip)

1. Name and Address of Reporting Person\*

[Sherborne Investors Management GP, LLC](#)

(Last)(First)(Middle)

135 EAST 57TH STREET

(Street)

NEW YORKNY10022

(City)(State)(Zip)

1. Name and Address of Reporting Person\*

[Sherborne Strategic Fund A, LLC](#)

(Last)(First)(Middle)

135 EAST 57TH STREET

(Street)

NEW YORKNY10022

(City)(State)(Zip)

1. Name and Address of Reporting Person\*

[Sherborne Strategic Fund B, LLC](#)

(Last)(First)(Middle)

135 EAST 57TH STREET

(Street)

NEW YORKNY10022

(City)(State)(Zip)

1. Name and Address of Reporting Person\*

[Nottingham Investors LLC](#)

(Last)(First)(Middle)

135 EAST 57TH STREET

(Street)

NEW YORKNY10022

(City)(State)(Zip)

1. Name and Address of Reporting Person\*

[BRAMSON EDWARD J](#)

(Last)(First)(Middle)

135 EAST 57TH STREET

(Street)

NEW YORKNY10022

(City)(State)(Zip)

Explanation of Responses:

1. This transaction was executed in multiple trades at prices ranging from \$1.750 to \$1.800. The reported price reflects the weighted average purchase price. The persons jointly filing this report hereby undertake to provide upon request by the Securities and Exchange Commission staff, Nautilus, Inc. or a shareholder of Nautilus, Inc. full information regarding the number of shares purchased at each separate price.
2. See Joint Filer Information on Exhibit 99.1 for information with respect to the nature of Sherborne Investors GP, LLC's indirect ownership, details of its purchases and the persons jointly filing this report.
3. The Reporting Person disclaims beneficial ownership of these securities except to the extent of the Reporting Person's pecuniary interest therein, and the inclusion of these shares in this report shall not be deemed an admission of beneficial ownership for purposes of Section 16 or for any other purpose.
4. This transaction was executed in multiple trades at prices ranging from \$1.680 to \$1.700. The reported price reflects the weighted average purchase price. The persons jointly filing this report hereby undertake to provide upon request by the Securities and Exchange Commission staff, Nautilus, Inc. or a shareholder of Nautilus, Inc. full information regarding the number of shares purchased at each separate price.

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.**

**Form 4 Joint Filer Information**

Names of the Reporting Persons:

- Sherborne Investors LP, a Delaware limited partnership and managing member of each of the Funds (as defined below) (“Managing Member”);
- Sherborne Investors GP, LLC, a Delaware limited liability company and general partner of the Managing Member (“Sherborne Investors GP”);
- Sherborne Investors Management LP, a Delaware limited partnership and investment manager to the Funds (“Sherborne Management”);
- Sherborne Investors Management GP, LLC, a Delaware limited liability company and general partner of Sherborne Management (“Sherborne Management GP”);
- Sherborne Strategic Fund A, LLC, a Delaware limited liability company (“Strategic Fund A”);
- Sherborne Strategic Fund B, LLC, a Delaware limited liability company (“Strategic Fund B”);
- Nottingham Investors LLC, a Delaware limited liability company (“Nottingham” and, together with Strategic Fund A and Strategic Fund B, the “Funds”); and
- Edward J. Bramson, the managing member of Sherborne Investors GP and Sherborne Management GP and a director and Chief Executive Officer of Nautilus, Inc. (“Bramson”).

Address for each of the Reporting Persons: 135 East 57th Street, New York, NY 10022

Date of Earliest Transaction Required to be Reported: November 13, 2008

Designated Filer for each of the Reporting Persons: Sherborne Investors GP, LLC

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Issuer & Ticker Symbol for each of the Reporting Persons: Nautilus, Inc.; NLS

Title of Security for each of the Reporting Persons: Common Stock, no par value (the “Shares”)

Transaction Code for each of the Reporting Persons: P

Securities Acquired(1):

- Strategic Fund A directly acquired Shares as follows:

Transaction Date	Amount of Securities Acquired	Price	Amount of Securities Beneficially Owned Following Reported Transactions
11/13/2008	11,229.134	\$1.789(2)	805,039.707
11/14/2008	179.487	\$1.699(3)	805,219.194

- Strategic Fund B directly acquired Shares as follows:

Transaction Date	Amount of Securities Acquired	Price	Amount of Securities Beneficially Owned Following Reported Transactions
11/13/2008	16,843.701	\$1.789(2)	1,207,559.562
11/14/2008	269.231	\$1.699(3)	1,207,828.792

- Nottingham directly acquired Shares as follows:

Transaction Date	Amount of Securities Acquired	Price	Amount of Securities Beneficially Owned Following Reported Transactions
11/13/2008	103,308.165	\$1.789(2)	7,406,374.727
11/14/2008	1,651.283	\$1.699(3)	7,408,026.009

- Each of (i) the Managing Member, as the managing member of the Funds, (ii) Sherborne Investors GP, as the general partner of the Managing Member and (iii) Bramson, as the managing member of Sherborne Investors GP, indirectly acquired the Shares that were directly acquired by the Funds as follows:

Transaction Date	Amount of Securities Acquired	Price	Amount of Securities Beneficially Owned Following Reported Transactions
11/13/2008	131,381	\$1.789(2)	9,418,974.000
11/14/2008	2,100	\$1.699(3)	9,421,074.000

- Sherborne Management, as the investment manager to the Funds that only receives an asset-based fee, beneficially owns 0 Shares.
- Sherborne Management GP, as the general partner of Sherborne Management, beneficially owns 0 Shares.

- (1) Each of the Reporting Persons disclaims beneficial ownership of these securities except to the extent of the Reporting Person's pecuniary interest therein, and the inclusion of these shares in this report shall not be deemed an admission of beneficial ownership for purposes of Section 16 or for any other purpose.
- (2) This transaction was executed in multiple trades at prices ranging from \$1.750 to \$1.800. The reported price reflects the weighted average purchase price. The persons jointly filing this report hereby undertake to provide upon request by the Securities and Exchange Commission staff, Nautilus, Inc. or a shareholder of Nautilus, Inc. full information regarding the number of shares purchased at each separate price.
- (3) This transaction was executed in multiple trades at prices ranging from \$1.680 to \$1.700. The reported price reflects the weighted average purchase price. The persons jointly filing this report hereby undertake to provide upon request by the Securities and Exchange Commission staff, Nautilus, Inc. or a shareholder of Nautilus, Inc. full information regarding the number of shares purchased at each separate price.

Sherborne Investors LP	<u>/s/ Craig L. McKibben, attorney-in-fact</u> **Signature of Reporting Person	<u>November 14, 2008</u> Date
Sherborne Investors Management LP	<u>/s/ Craig L. McKibben, attorney-in-fact</u> **Signature of Reporting Person	<u>November 14, 2008</u> Date
Sherborne Investors Management GP, LLC	<u>/s/ Craig L. McKibben, attorney-in-fact</u> **Signature of Reporting Person	<u>November 14, 2008</u> Date
Sherborne Strategic Fund A, LLC	<u>/s/ Craig L. McKibben, attorney-in-fact</u> **Signature of Reporting Person	<u>November 14, 2008</u> Date
Sherborne Strategic Fund B, LLC	<u>/s/ Craig L. McKibben, attorney-in-fact</u> **Signature of Reporting Person	<u>November 14, 2008</u> Date
Nottingham Investors LLC	<u>/s/ Craig L. McKibben, attorney-in-fact</u> **Signature of Reporting Person	<u>November 14, 2008</u> Date
Edward J. Bramson	<u>/s/ Craig L. McKibben, attorney-in-fact</u> **Signature of Reporting Person	<u>November 14, 2008</u> Date

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations.  
See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

