

NIERENBERG INVESTMENT MANAGEMENT CO
Form SC 13D/A
March 26, 2008

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

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. 3)

NATCO GROUP INC. (NTG)
(Name of Issuer)

Common Stock
(Title of Class of Securities)

0001057693
(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 Rudnick Gray Cary 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)

March 25, 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 ss.ss. 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

Edgar Filing: NIERENBERG INVESTMENT MANAGEMENT CO - Form SC 13D/A

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

251,249 Common shares (1.3%)

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH

8 SHARED VOTING POWER

0

9 SOLE DISPOSITIVE POWER

251,249

10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

For the reporting person listed on this page, 251,249; for all
reporting persons as a group, 1,270,388 shares (6.4%)

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

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

6.4%

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*

Edgar Filing: NIERENBERG INVESTMENT MANAGEMENT CO - Form SC 13D/A

(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

740,294 common shares (3.7%)

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

8 SHARED VOTING POWER

0

9 SOLE DISPOSITIVE POWER

740,294

10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

For the reporting person listed on this page, 740,294; for all reporting persons as a group, 1,270,388 shares (6.4%)

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

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

6.4%

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

Edgar Filing: NIERENBERG INVESTMENT MANAGEMENT CO - Form SC 13D/A

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

Bahamas

7 SOLE VOTING POWER

278,795 common shares (1.4%)

NUMBER OF
SHARES

BENEFICIALLY
OWNED BY

EACH
REPORTING
PERSON
WITH

8 SHARED VOTING POWER

0

9 SOLE DISPOSITIVE POWER

278,795

10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

For the reporting person listed on this page, 278,795; for all reporting
persons as a group, 1,270,388 (6.4%)

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

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

6.4%

14 TYPE OF REPORTING PERSON*

PN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

Edgar Filing: NIERENBERG INVESTMENT MANAGEMENT CO - Form SC 13D/A

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 BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 8 | SHARED VOTING POWER |
| | | 1,270,388 shares (6.4%) |
| | 9 | SOLE DISPOSITIVE POWER |
| | | 0 |
| | 10 | SHARED DISPOSITIVE POWER |
| | | 1,270,388 shares |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

For the reporting person listed on this page, 1,270,388; for all reporting persons as a group, 1,270,388 shares (6.4%)

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

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

6.4%

14 TYPE OF REPORTING PERSON*

CO

*SEE INSTRUCTIONS BEFORE FILLING OUT!

Edgar Filing: NIERENBERG INVESTMENT MANAGEMENT CO - Form SC 13D/A

5

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) |X|
(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 |
| | | 278,795 common shares (1.4%) |
| | 9 | SOLE DISPOSITIVE POWER |
| | | 0 |
| | 10 | SHARED DISPOSITIVE POWER |
| | | 278,795 common shares |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

For the reporting person listed on this page, 278,795; for all reporting persons as a group, 1,270,388 shares (6.4%)

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

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

6.4%

14 TYPE OF REPORTING PERSON*

Edgar Filing: NIERENBERG INVESTMENT MANAGEMENT CO - Form SC 13D/A

CO

*SEE INSTRUCTIONS BEFORE FILLING OUT!

6

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

1,270,388 common shares (6.4%)

9 SOLE DISPOSITIVE POWER

0

10 SHARED DISPOSITIVE POWER

1,270,388

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

For the reporting person listed on this page, 1,270,388; for all reporting persons as a group, 1,270,388 shares (6.4%)

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

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

Edgar Filing: NIERENBERG INVESTMENT MANAGEMENT CO - Form SC 13D/A

6.4%

14 TYPE OF REPORTING PERSON*

IN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

7

This Amendment No. 3 to Schedule 13D (this "Amendment") amends the below-indicated items from the Schedule 13D previously filed by or on behalf of the undersigned parties (the "Reporting Persons"), as previously amended (the "Schedule 13D"), by supplementing such Items with the information below:

Item 2. Identity and Background.

David Nierenberg is hereby added as a Reporting Person; 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; during the past five years he has not 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; and he is a citizen of the United States of America.

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

On March 25, 2008 the Reporting Persons acquired a total of 1,270,388 shares of NTG's common stock through conversion, in accordance with their terms and without the payment of additional consideration, all of the shares of NTG convertible preferred stock acquired by the Reporting Persons on April 7, 2006, as previously reported, that they beneficially owned immediately prior to conversion.

Item 4. Purpose of the Transaction.

Reference is made to the responses to Items 3 and 5, which are incorporated herein by reference.

The Reporting Persons hold their shares of NTG common stock for investment. The Reporting Persons reserve the right to increase or decrease their investment in NTG depending on market conditions, circumstances affecting NTG and/or extrinsic factors such as developments in NTG's industry and the economic environment, and to discuss NTG and their investment in the shares of NTG with the directors and executive officers of NTG 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 1,270,388 common shares, constituting approximately 6.4% of the outstanding Shares. The Reporting Persons have determined their current individual and aggregate percentages for purposes of this Amendment based on the sum of the number of shares of NTG common stock reported to be outstanding on March 11 in NTG's Annual Report on Form 10-K for the year ended December 31, 2007 plus the number of shares of NTG common stock acquired by the Reporting Persons through conversion of convertible preferred stock (see Item 3).

8

Edgar Filing: NIERENBERG INVESTMENT MANAGEMENT CO - Form SC 13D/A

c) On March 25, 2008, the Reporting Persons acquired the following shares of NTG common stock through conversion of convertible preferred stock (see Item 3):

| Portfolio Name | Transaction Date | Common Shares Acquired | Preferred Shares Converted |
|---------------------------|------------------|------------------------|----------------------------|
| D3 Family Fund LP | 3/25/2008 | 251,249 | 1,961 |
| D3 Family Bulldog Fund LP | 3/25/2008 | 740,294 | 5,778 |
| DIII Offshore Fund LP | 3/25/2008 | 278,795 | 2,176 |

Item 7. Material to be filed as Exhibits

Exhibit 1 to this Schedule 13D is the Joint Filing Agreement among the Reporting Persons dated March 5, 2008 pursuant to which all of the Reporting Persons (and one of their affiliates that owns no NTG shares and is therefore not a Reporting Person) have authorized the filing of Schedule 13D's and amendments thereto as a group.

9

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

By: Nierenberg Investment Management Company, Inc.

Its: General Partner

March 26, 2008

By: /s/ David Nierenberg

David Nierenberg, President

DIII Offshore Fund, L.P.

By: Nierenberg Investment Management Offshore, Inc.

Its: General Partner

March 26, 2008

By: /s/ David Nierenberg

David Nierenberg, President

Nierenberg Investment Management Company, Inc.

March 26, 2008

By: /s/ David Nierenberg

David Nierenberg, President

Edgar Filing: NIERENBERG INVESTMENT MANAGEMENT CO - Form SC 13D/A

Nierenberg Investment Management
Offshore, Inc.

March 26, 2008

By: /s/David Nierenberg

David Nierenberg, President

March 26, 2008

/s/ David Nierenberg

David Nierenberg