NATCO GROUP INC Form SC 13D/A July 17, 2007

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

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. 2)

(Amendment No. 2) NATCO GROUP (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) July 10, 2007 \_\_\_\_\_\_ (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 PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (entities only)

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)
(a) |X|

The D3 Family Fund, L.P.

(b) |\_|

| 3                        | SEC USE ONI                                                                             | .Y                                        |                                                                                                                                                         |                         |
|--------------------------|-----------------------------------------------------------------------------------------|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| 4                        | SOURCE OF F                                                                             | 'UNDS (See                                | Instructions)                                                                                                                                           |                         |
| 5                        | CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) |                                           |                                                                                                                                                         |                         |
| 6                        | CITIZENSHIE<br>Washington                                                               | OR PLACE                                  | OF ORGANIZATION                                                                                                                                         |                         |
|                          |                                                                                         | 7                                         | SOLE VOTING POWER                                                                                                                                       |                         |
|                          |                                                                                         |                                           | 270,024 Common shares (1.4%)                                                                                                                            |                         |
| OF SHA                   | RES                                                                                     | 8                                         | SHARED VOTING POWER                                                                                                                                     |                         |
| BENEFICIALLY<br>OWNED BY |                                                                                         |                                           | 0                                                                                                                                                       |                         |
| EAC<br>REPOR             | TING                                                                                    | 9                                         | SOLE DISPOSITIVE POWER                                                                                                                                  |                         |
| PERS<br>WIT              |                                                                                         |                                           | 270,024                                                                                                                                                 |                         |
|                          |                                                                                         | 10                                        | SHARED DISPOSITIVE POWER                                                                                                                                |                         |
|                          |                                                                                         |                                           | 0                                                                                                                                                       |                         |
| 11<br><br>12             | For the representation reporting process.  CHECK BOX I                                  | oorting pe<br>persons as<br><br>F THE AGG | EFICIALLY OWNED BY EACH REPORTING PERSOrson listed on this page, 270,024; for a group, 1,381,858 shares (7.2%)  REGATE AMOUNT IN ROW (11) EXCLUDES CERI | all<br>                 |
|                          | SHARES (See                                                                             |                                           |                                                                                                                                                         |                         |
| 13                       | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 7.2%                                 |                                           |                                                                                                                                                         |                         |
| 14                       | TYPE OF REF                                                                             | ORTING PE                                 | RSON (See Instructions)                                                                                                                                 |                         |
|                          |                                                                                         |                                           | 2                                                                                                                                                       |                         |
| 1                        | NAME OF REF                                                                             |                                           | RSONS<br>N NOS. OF ABOVE PERSONS (entities only)                                                                                                        |                         |
|                          | The DIII Of                                                                             | fshore Fu                                 | nd, L.P.                                                                                                                                                |                         |
| 2                        | CHECK THE A                                                                             | APPROPRIAT                                | E BOX IF A MEMBER OF A GROUP (See Instr                                                                                                                 | uctions) (a)  X  (b)  _ |
| 3                        | SEC USE ONI                                                                             | <br>.Y                                    |                                                                                                                                                         |                         |
| 4                        | SOURCE OF F                                                                             | UNDS (See                                 | Instructions)                                                                                                                                           |                         |

| 5                                                            | CHECK BOX<br>ITEMS 2(d)  | IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO or 2(e)                                                                            |  |  |  |  |
|--------------------------------------------------------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--|
| 6                                                            | CITIZENSHI<br>Bahamas    | IP OR PLACE OF ORGANIZATION                                                                                                                   |  |  |  |  |
|                                                              |                          | 7 SOLE VOTING POWER                                                                                                                           |  |  |  |  |
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON |                          | 304,540 Common shares (1.6%)                                                                                                                  |  |  |  |  |
|                                                              |                          | 8 SHARED VOTING POWER                                                                                                                         |  |  |  |  |
|                                                              |                          | 0                                                                                                                                             |  |  |  |  |
|                                                              |                          | 9 SOLE DISPOSITIVE POWER                                                                                                                      |  |  |  |  |
|                                                              | ITH                      | 304,540                                                                                                                                       |  |  |  |  |
|                                                              |                          | 10 SHARED DISPOSITIVE POWER                                                                                                                   |  |  |  |  |
|                                                              |                          | 0                                                                                                                                             |  |  |  |  |
| 11                                                           | For the re               | AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON eporting person listed on this page, 304,540; for all persons as a group, 1,381,858 (7.2%) |  |  |  |  |
| 12                                                           |                          | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions)  _                                                   |  |  |  |  |
| 13                                                           | PERCENT OF               | CLASS REPRESENTED BY AMOUNT IN ROW (11)                                                                                                       |  |  |  |  |
| 14<br>                                                       | TYPE OF RE               | EPORTING PERSON (See Instructions)                                                                                                            |  |  |  |  |
|                                                              |                          | 3                                                                                                                                             |  |  |  |  |
| 1                                                            |                          | EPORTING PERSONS ENTIFICATION NOS. OF ABOVE PERSONS (entities only)                                                                           |  |  |  |  |
|                                                              | The D3 Fam               | The D3 Family Bulldog Fund, L.P.                                                                                                              |  |  |  |  |
| 2                                                            | CHECK THE                | APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions) (a) $ X $ (b) $ \_ $                                                                |  |  |  |  |
| 3                                                            | SEC USE ON               | ILY                                                                                                                                           |  |  |  |  |
| 4                                                            | WC                       | FUNDS (See Instructions)                                                                                                                      |  |  |  |  |
| 5                                                            |                          | IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO                                                                                    |  |  |  |  |
| 6                                                            | CITIZENSHI<br>Washingtor | IP OR PLACE OF ORGANIZATION                                                                                                                   |  |  |  |  |

|                                                                       |                                                | 7                                                                                           | SOLE VOTING POWER                                                                                                                                                                                                                                                                                                                                                                                           |  |  |
|-----------------------------------------------------------------------|------------------------------------------------|---------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
|                                                                       |                                                |                                                                                             | 807,294 common shares (4.2%)                                                                                                                                                                                                                                                                                                                                                                                |  |  |
| NUMBER - OF SHARES BENEFICIALLY OWNED BY EACH - REPORTING PERSON WITH |                                                | 8                                                                                           | SHARED VOTING POWER                                                                                                                                                                                                                                                                                                                                                                                         |  |  |
|                                                                       |                                                |                                                                                             | 0                                                                                                                                                                                                                                                                                                                                                                                                           |  |  |
|                                                                       |                                                | 9                                                                                           | SOLE DISPOSITIVE POWER                                                                                                                                                                                                                                                                                                                                                                                      |  |  |
|                                                                       |                                                |                                                                                             | 807,294                                                                                                                                                                                                                                                                                                                                                                                                     |  |  |
|                                                                       |                                                | 10                                                                                          | SHARED DISPOSITIVE POWER                                                                                                                                                                                                                                                                                                                                                                                    |  |  |
|                                                                       |                                                |                                                                                             | 0                                                                                                                                                                                                                                                                                                                                                                                                           |  |  |
| 11                                                                    | For the rep                                    | porting p                                                                                   | NEFICIALLY OWNED BY EACH REPORTING PERSON erson listed on this page, 807,294; for all a group, 1,381,858 shares (7.2%)                                                                                                                                                                                                                                                                                      |  |  |
| 12                                                                    |                                                | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions)  _ |                                                                                                                                                                                                                                                                                                                                                                                                             |  |  |
| 13                                                                    | PERCENT OF                                     | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 7.2%                                     |                                                                                                                                                                                                                                                                                                                                                                                                             |  |  |
| 14                                                                    | TYPE OF REPORTING PERSON (See Instructions) PN |                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                             |  |  |
|                                                                       |                                                |                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                             |  |  |
|                                                                       |                                                |                                                                                             | 4                                                                                                                                                                                                                                                                                                                                                                                                           |  |  |
| 1                                                                     | NAME OF RE                                     |                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                             |  |  |
| 1                                                                     | I.R.S. IDE                                     | NTIFICATI                                                                                   | ERSONS                                                                                                                                                                                                                                                                                                                                                                                                      |  |  |
| 1                                                                     | I.R.S. IDE                                     | NTIFICATI<br>Investme                                                                       | ERSONS ON NOS. OF ABOVE PERSONS (entities only) ent Management Company, Inc. TE BOX IF A MEMBER OF A GROUP (See Instructions) (a)  X                                                                                                                                                                                                                                                                        |  |  |
|                                                                       | I.R.S. IDE                                     | NTIFICATI Investme APPROPRIA                                                                | ERSONS ON NOS. OF ABOVE PERSONS (entities only) ent Management Company, Inc. TE BOX IF A MEMBER OF A GROUP (See Instructions) (a)  X                                                                                                                                                                                                                                                                        |  |  |
| 2                                                                     | I.R.S. IDE                                     | NTIFICATI Investme APPROPRIA                                                                | ERSONS ON NOS. OF ABOVE PERSONS (entities only) ent Management Company, Inc. TE BOX IF A MEMBER OF A GROUP (See Instructions) (a)  X                                                                                                                                                                                                                                                                        |  |  |
| 2                                                                     | I.R.S. IDE                                     | Investme Investme APPROPRIA LY FUNDS (Se                                                    | PERSONS ON NOS. OF ABOVE PERSONS (entities only) On Management Company, Inc. THE BOX IF A MEMBER OF A GROUP (See Instructions)  (a)  X (b)  _ THE BOX IF A MEMBER OF A GROUP (See Instructions)  (b)  _ THE BOX IF A MEMBER OF A GROUP (See Instructions)                                                                                                                                                   |  |  |
| 2 3 4                                                                 | I.R.S. IDE                                     | Investme APPROPRIA  LY  FUNDS (Se Or 2(e)                                                   | PERSONS ON NOS. OF ABOVE PERSONS (entities only) On Management Company, Inc. THE BOX IF A MEMBER OF A GROUP (See Instructions)  (a)  X (b)  _ THE BOX IF A MEMBER OF A GROUP (See Instructions)  (b)  _ THE BOX IF A MEMBER OF A GROUP (See Instructions)                                                                                                                                                   |  |  |
| 2 3 4 5 5                                                             | I.R.S. IDE                                     | Investme APPROPRIA  LY  FUNDS (Se  IF DISCLO  or 2(e)  P OR PLAC                            | PERSONS ON NOS. OF ABOVE PERSONS (entities only) On Management Company, Inc.  THE BOX IF A MEMBER OF A GROUP (See Instructions)  (a)  X (b)  _  THE BOX IF A MEMBER OF A GROUP (See Instructions)  (a)  X (b)  _  THE BOX IF A MEMBER OF A GROUP (See Instructions)  (b)  _  THE BOX IF A MEMBER OF A GROUP (See Instructions)                                                                              |  |  |
| 3 5 6                                                                 | I.R.S. IDE                                     | Investme APPROPRIA  LY  FUNDS (Se  IF DISCLO  or 2(e)  P OR PLAC                            | ERSONS ON NOS. OF ABOVE PERSONS (entities only)  Int Management Company, Inc.  TE BOX IF A MEMBER OF A GROUP (See Instructions)  (a)  X  (b)  _  THE BOX IF A MEMBER OF A GROUP (See Instructions)  (a)  X  (b)  _  THE BOX IF A MEMBER OF A GROUP (See Instructions)  (a)  X  (b)  _  THE BOX IF A MEMBER OF A GROUP (See Instructions)  (a)  X  (b)  _  THE BOX IF A MEMBER OF A GROUP (See Instructions) |  |  |

| BENEFICIALLY<br>OWNED BY    | 1,381,858 shares (7.2%)                                                                                                                                     |  |  |  |  |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--|
| EACH<br>REPORTING           | 9 SOLE DISPOSITIVE POWER                                                                                                                                    |  |  |  |  |
| PERSON<br>WITH              | 0                                                                                                                                                           |  |  |  |  |
|                             | 10 SHARED DISPOSITIVE POWER                                                                                                                                 |  |  |  |  |
|                             | 1,381,858 shares                                                                                                                                            |  |  |  |  |
| For the r                   | E AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON reporting person listed on this page, 1,381,858; for all g persons as a group, 1,381,858 shares (7.2%) |  |  |  |  |
|                             | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions)  _                                                                 |  |  |  |  |
| 13 PERCENT (<br>7.2%        | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 7.2%                                                                                                     |  |  |  |  |
| 14 TYPE OF F                | REPORTING PERSON (See Instructions)                                                                                                                         |  |  |  |  |
|                             | 5                                                                                                                                                           |  |  |  |  |
|                             |                                                                                                                                                             |  |  |  |  |
|                             | REPORTING PERSONS<br>DENTIFICATION NOS. OF ABOVE PERSONS (entities only)                                                                                    |  |  |  |  |
| Nierenber                   | rg Investment Management Offshore, Inc.                                                                                                                     |  |  |  |  |
| 2 CHECK THE                 | E APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)  (a)  X  (b)  _                                                                                 |  |  |  |  |
| 3 SEC USE C                 | NLY                                                                                                                                                         |  |  |  |  |
| 4 SOURCE OF WC              | F FUNDS (See Instructions)                                                                                                                                  |  |  |  |  |
|                             | CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)                                                                     |  |  |  |  |
| 6 CITIZENSE<br>Bahamas      | HIP OR PLACE OF ORGANIZATION                                                                                                                                |  |  |  |  |
|                             | 7 SOLE VOTING POWER                                                                                                                                         |  |  |  |  |
|                             | 0                                                                                                                                                           |  |  |  |  |
| NUMBER<br>OF SHARES         | 8 SHARED VOTING POWER                                                                                                                                       |  |  |  |  |
| BENEFICIALLY<br>OWNED BY    | 304,540 common shares (1.6%)                                                                                                                                |  |  |  |  |
| EACH<br>REPORTING<br>PERSON | 9 SOLE DISPOSITIVE POWER                                                                                                                                    |  |  |  |  |

| WIT | Э.Н. О                                                                                                                                                                            |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     | 10 SHARED DISPOSITIVE POWER                                                                                                                                                       |
|     | 304,540 common shares                                                                                                                                                             |
| 11  | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON For the reporting person listed on this page, 304,540; for all reporting persons as a group, 1,381,858 shares (7.2%) |
| 12  | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions)  _                                                                                       |
| 13  | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 7.2%                                                                                                                           |
| 14  | TYPE OF REPORTING PERSON (See Instructions) CO                                                                                                                                    |

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This Amendment No. 2 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 4. Purpose of the Transaction.

On July 10, 2007, the Reporting Persons filed with the Securities and Exchange Commission a Form 144 covering the potential sale, in unsolicited broker's transactions on the open market, of a total of 400,000 shares of NTG's common stock which the Reporting Persons have the right to acquire from NTG upon conversion of a total of 3,122 of the shares of NTG convertible preferred stock beneficially owned by them, as previously reported on their Schedule 13D. As of the date of this Amendment the Reporting Persons have sold 288,482 of those shares (see Item 5). The Reporting Persons intend to sell the additional 111,518 shares (through the conversion of the applicable number of convertible preferred shares) within the next three months, subject to market conditions. In addition, pursuant to a Form 144 filed with the Securities and Exchange Commission on June 15, 2007 covering the potential sale of 110,061 shares of NTG common stock beneficially owned by them, the Reporting Persons have sold all of such shares in broker's transactions on the open market since that date (see Item 5). The Reporting Persons presently intend to hold their remaining shares of NTG convertible preferred stock for investment and reserve the right to increase or decrease their investment depending on market conditions, circumstances affecting NTG and/or extrinsic factors such as developments in the company's industry and the economic environment.

#### Item 5. Interest in Securities of the Issuer.

- (a, b) The Reporting Persons, in the aggregate, beneficially own 1,381,858 common shares, constituting approximately 7.2% of the outstanding Shares.
- c) During the past 60 days, the Reporting Persons have sold, in unsolicited brokers' transactions on the open market on aggregate of 398,543 shares of NTG common stock, including 288,482 shares acquired upon conversion of shares of convertible preferred stock for of the preferred shares surrendered for conversion.

| Portfolio Name D3 Family Fund LP D3 Family Bulldog Fund LP                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Transaction Date 6/15/2007 6/18/2007 6/18/2007 6/19/2007 6/22/2007 7/9/2007 7/10/2007 7/11/2007 7/11/2007 7/13/2007 7/16/2007 6/15/2007                                                                                              | Shares Sold<br>9,410<br>1,117<br>233<br>2,195<br>435<br>252<br>6,748<br>3,116<br>7,585<br>27,530<br>10,115<br>740<br>14,520                                                         | Price<br>48.28<br>48.56<br>48.56<br>48.66<br>48.05<br>50.36<br>50.23<br>50.44<br>50.31<br>50.35<br>48.28                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 7                                                                                                                                                                                                                                    |                                                                                                                                                                                     |                                                                                                                                              |
| D3 Family Bulldog Fund LP D5 Family Bulldog Fund LP D6 Family Bulldog Fund LP D6 Family Bulldog Fund LP D7 Family Bulldog | 6/15/2007<br>6/18/2007<br>6/19/2007<br>6/22/2007<br>7/9/2007<br>7/9/2007<br>7/10/2007<br>7/11/2007<br>7/11/2007<br>7/16/2007<br>6/15/2007<br>6/18/2007<br>6/19/2007<br>6/22/2007<br>7/10/2007<br>7/10/2007<br>7/11/2007<br>7/11/2007 | 9,820<br>4,710<br>7,645<br>975<br>16,043<br>1,286<br>7,171<br>11,467<br>27,205<br>98,315<br>36,180<br>2,640<br>8,511<br>1,871<br>3,029<br>590<br>9,500<br>4,417<br>10,510<br>37,755 | 48.28<br>48.56<br>48.66<br>48.05<br>48.05<br>50.36<br>50.23<br>50.44<br>50.31<br>50.35<br>48.28<br>48.56<br>48.66<br>48.00<br>48.05<br>50.36 |

Item 7. Material to be filed as Exhibits

Exhibit 1: Joint Filing Agreement among the Reporting Persons dated July 24, 2006 pursuant to which all of the Reporting Persons have authorized the filing of this Amendment 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., and D3 Bulldog Fund, By: Nierenberg Investment Management

Company, Inc.

Its: General Partner

July 16, 2007 By: /s/ David Nierenberg ------

David Nierenberg, President

DIII Offshore Fund, L.P.

By: Nierenberg Investment Management

Offshore, Inc.

Its: General Partner

July 16, 2007 By: /s/ David Nierenberg

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David Nierenberg, President

Nierenberg Investment Management Company, Inc.

July 16, 2007 By: /s/ David Nierenberg

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David Nierenberg, President

Nierenberg Investment Management

Offshore, Inc.

July 16, 2007 By: /s/ David Nierenberg

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David Nierenberg, President

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