

NIERENBERG INVESTMENT MANAGEMENT CO  
 Form 4  
 October 16, 2008

**FORM 4**

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

OMB APPROVAL

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

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**NIERENBERG DAVID**

2. Issuer Name and Ticker or Trading Symbol  
**NATUS MEDICAL INC [BABY]**

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
**19605 SE 8TH STREET**  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**10/14/2008**

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
 \_\_\_ Officer (give title below) \_\_\_ Other (specify below)

**CAMAS, WA 98607**  
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 \_\_\_ Form filed by One Reporting Person  
 \_\_\_X\_\_\_ Form filed by More than One Reporting Person

**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)	
				(A) or (D)	Price			
Common Stock	10/14/2008		S	26,547	D \$ 20.31	931,081 <sup>(1)</sup>	I	By The DIII Offshore Fund, LP
Common Stock						702,291 <sup>(1)</sup>	I	By The D3 Family Fund, LP
Common Stock						2,569,995 <sup>(1)</sup>	I	By The D3 Family Bulldog Fund, LP
						129,931 <sup>(1)</sup>	I	

Common  
Stock

By The D3  
Family  
Canadian,  
LP

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

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(9-02)

**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 Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Transaction (Instr. 5)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
NIERENBERG DAVID 19605 SE 8TH STREET CAMAS, WA 98607		X		
Nierenberg Investment Management Offshore Inc 19605 NE 8TH STREET CAMAS, WA 98607		X		
NIERENBERG INVESTMENT MANAGEMENT CO 19605 NE 8TH STREET CAMAS, WA 98607		X		
DIII OFFSHORE FUND LP 19605 NE 8TH STREET CAMAS, WA 98607		X		

## Signatures

David Nierenberg, President, Nierenberg Investment Management Company, Inc. (NIMCO)	10/16/2008
**Signature of Reporting Person	Date
David Nierenberg, President, NIMO, General Partner of The DIII Offshore Fund, L.P.	10/16/2008
**Signature of Reporting Person	Date
David Nierenberg, President, Nierenberg Investment Management Offshore, Inc. (NIMO)	10/16/2008
**Signature of Reporting Person	Date
David Nierenberg	10/16/2008
**Signature of Reporting Person	Date

## Explanation of Responses:

- \* 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).
- (1) Each of the reporting persons disclaims beneficial ownership of these securities except to the extent of the reporting person's pecuniary interest therein.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.