

NAUTILUS, INC.  
Form 4  
May 22, 2006

**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 \*  
LITTLE PAUL F

(Last) (First) (Middle)

NAUTILUS, INC., 16400 SE  
NAUTILUS DRIVE

(Street)

VANCOUVER, WA 98683

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
NAUTILUS, INC. [NLS]

3. Date of Earliest Transaction  
(Month/Day/Year)  
05/17/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing (Check Applicable Line)  
 Form filed by One Reporting Person  
 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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	05/19/2006		X/K <sup>(1)</sup>		75,000	D	\$ 34.63 0
Common Stock	05/19/2006		X/K <sup>(7)</sup>		75,000	D	\$ 34.63 0
Common Stock	05/19/2006		X/K <sup>(2)</sup>		75,000	D	\$ 25.2 0
Common Stock	05/19/2006		X/K <sup>(8)</sup>		75,000	D	\$ 25.2 0

By Westover Investments <sup>(4)</sup>

By Westover Investments

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								(4)
Common Stock	05/19/2006	J/K <sup>(1)</sup>	75,000	A	\$ 15.8639	807,626	D	
Common Stock	05/19/2006	J/K <sup>(7)</sup>	75,000	A	\$ 15.8639	352,009	I	By Westover Investments (4)
Common Stock	05/19/2006	J/K <sup>(2)</sup>	75,000	A	\$ 15.8639	807,626	D	
Common Stock	05/19/2006	J/K <sup>(8)</sup>	75,000	A	\$ 15.8639	352,009	I	By Westover Investments (4)
Common Stock	05/17/2006	S	6,850	D	\$ 16.2336 (3)	950,776	D	
Common Stock	05/17/2006	S	6,850	D	\$ 16.2336 (3)	495,159	I	By Westover Investments (4)
Common Stock	05/18/2006	S	42,550	D	\$ 16.2249 (5)	908,226	D	
Common Stock	05/18/2006	S	42,550	D	\$ 16.2249 (5)	452,609	I	By Westover Investments (4)
Common Stock	05/19/2006	S	100,600	D	\$ 15.6861 (6)	807,626	D	
Common Stock	05/19/2006	S	100,600	D	\$ 15.6861 (6)	352,009	I	By Westover Investments (4)

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

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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

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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 Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Equity Swap (obligation to sell)	\$ 34.63	05/19/2006		X/K <sup>(1)</sup>	75,000 <sub>(1)</sub>	05/19/2006	05/19/2006	Common Stock	75,000
Equity Swap (obligation to sell)	\$ 34.63	05/19/2006		X/K <sup>(7)</sup>	75,000 <sub>(7)</sub>	05/19/2006	05/19/2006	Common Stock	75,000
Equity Swap (obligation to sell)	\$ 25.2	05/19/2006		X/K <sup>(2)</sup>	75,000 <sub>(2)</sub>	05/19/2006	05/19/2006	Common Stock	75,000
Equity Swap (obligation to sell)	\$ 25.2	05/19/2006		X/K <sup>(8)</sup>	75,000 <sub>(8)</sub>	05/19/2006	05/19/2006	Common Stock	75,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LITTLE PAUL F NAUTILUS, INC. 16400 SE NAUTILUS DRIVE VANCOUVER, WA 98683		X		

## Signatures

William D. Meadowcroft, by power of attorney

05/22/2006

\_\_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) On May 19, 2006, upon the settlement of an equity swap agreement entered into by and between the reporting person and a securities broker on June 19, 2001, the broker paid to the reporting person \$1,407,592.43, representing the difference between \$34.63 and

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\$15.8639421, the value of NLS common stock on the settlement date for each of the shares subject to the agreement. The value of NLS common stock on the settlement date was determined on the basis of the price paid at which the broker completed the unwind of its hedge position in respect to the transaction. The termination of the equity swap and the reported sale of common stock in connection therewith are deemed exempt from Section 16(b) of the Securities Exchange Act of 1934 pursuant to Rule 16b-6(b) thereof. All share totals and prices have been adjusted to reflect a 3 for 2 stock split effective August 2001.

On May 19, 2006, upon the settlement of an equity swap agreement entered into by and between the reporting person and a securities broker on June 19, 2001, the broker paid to the reporting person \$700,435.31, representing the difference between \$25.20 and \$15.8639421, the value of NLS common stock on the settlement date for each of the shares subject to the agreement. The value of NLS

- (2) common stock on the settlement date was determined on the basis of the price paid at which the broker completed the unwind of its hedge position in respect to the transaction. The termination of the equity swap and the reported sale of common stock in connection therewith are deemed exempt from Section 16(b) of the Securities Exchange Act of 1934 pursuant to Rule 16b-6(b) thereof. All share totals and prices have been adjusted to reflect a 3 for 2 stock split effective August 2001.
- (3) The listed number represents the average sales price. The individual sales prices ranged from \$16.17 to \$16.39.
- (4) All indirectly-owned securities are held by Westover Investments, Inc., of which reporting person is the sole shareholder and director.
- (5) The listed number represents the average sales price. The individual sales prices ranged from \$16.03 to \$16.48.
- (6) The listed number represents the average sales price. The individual sales prices ranged from \$15.41 to \$16.18.

On May 19, 2006, upon the settlement of an equity swap agreement entered into by and between Westover Investments, Inc. and a securities broker on June 19, 2001, the broker paid to Westover Investments, Inc. \$1,407,592.43, representing the difference between \$34.63 and \$15.8639421, the value of NLS common stock on the settlement date for each of the shares subject to the agreement. The

- (7) value of NLS common stock on the settlement date was determined on the basis of the price paid at which the broker completed the unwind of its hedge position in respect to the transaction. The termination of the equity swap and the reported sale of common stock in connection therewith are deemed exempt from Section 16(b) of the Securities Exchange Act of 1934 pursuant to Rule 16b-6(b) thereof. All share totals and prices have been adjusted to reflect a 3 for 2 stock split effective August 2001.

On May 19, 2006, upon the settlement of an equity swap agreement entered into by and between Westover Investments, Inc. and a securities broker on June 19, 2001, the broker paid to Westover Investments, Inc. \$700,435.31, representing the difference between \$25.20 and \$15.8639421, the value of NLS common stock on the settlement date for each of the shares subject to the agreement. The

- (8) value of NLS common stock on the settlement date was determined on the basis of the price paid at which the broker completed the unwind of its hedge position in respect to the transaction. The termination of the equity swap and the reported sale of common stock in connection therewith are deemed exempt from Section 16(b) of the Securities Exchange Act of 1934 pursuant to Rule 16b-6(b) thereof. All share totals and prices have been adjusted to reflect a 3 for 2 stock split effective August 2001.

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

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