

NAUTILUS, INC.  
Form 3  
January 23, 2006

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
Â ENDOWMENT CAPITAL GROUP LLC		(Month/Day/Year)	NAUTILUS, INC. [NLS]	
(Last)	(First)	(Middle)		
1105 NORTH MARKET STREET, Â 15TH FLOOR			4. Relationship of Reporting Person(s) to Issuer	
(Street)			(Check all applicable)	
WILMINGTON, Â DE Â 19801			<input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer <input type="checkbox"/> Other (give title below)    (specify below)	
(City)	(State)	(Zip)	5. If Amendment, Date Original Filed(Month/Day/Year)	
			6. Individual or Joint/Group Filing(Check Applicable Line)	
			<input type="checkbox"/> Form filed by One Reporting Person	
			<input checked="" type="checkbox"/> Form filed by More than One Reporting Person	

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock <u>(1)</u> <u>(2)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u>	2,143,829	I	See Footnotes 1 through 5

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

SEC 1473 (7-02)

**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 control number.**

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

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative	5. Ownership Form of Derivative Security:	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Security	Direct (D) or Indirect (I) (Instr. 5)	
NLS+GC (call) <u>(1)</u> <u>(2)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u>	01/19/2006	07/01/2006	Nautilus, Inc.	550,000	\$ 15	I	See Footnotes 1 through 5
NLS+SV (put) <u>(1)</u> <u>(2)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u>	01/19/2006	07/01/2006	Nautilus, Inc.	550,000	\$ 12.5	I	See Footnotes 1 through 5
OND+AC (call) <u>(1)</u> <u>(2)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u>	01/19/2006	01/01/2007	Nautilus, Inc.	500,000	\$ 15	I	See footnotes 1 through 5
OND+MV (put) <u>(1)</u> <u>(2)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u>	01/19/2006	01/01/2007	Nautilus, Inc.	500,000	\$ 12.5	I	See Footnotes 1 through 5

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ENDOWMENT CAPITAL GROUP LLC 1105 NORTH MARKET STREET 15TH FLOOR WILMINGTON, DE 19801	^	^ X	^	^
LONG DRIVE L P 1105 NORTH MARKET STREET 15TH FLOOR WILMINGTON, DE 19801	^	^ X	^	^
ENDOWMENT CAPITAL L P 1105 NORTH MARKET STREET 15TH FLOOR WILMINGTON, DE 19801	^	^ X	^	^
TIMON PHILIP C 1105 NORTH MARKET STREET 15TH FLOOR WILMINGTON, DE 19801	^	^ X	^	^
Endowment Management LP 1105 NORTH MARKET STREET 15TH FLOOR WILMINGTON, DE 19801	^	^ X	^	^

## Signatures

See Attached  
Exhibit 99

01/23/2006

\*\*Signature of  
Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 5(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) Endowment Capital, L.P. (1,375,705 shares) and Long Drive, L.P. (768,124 shares) (collectively, the "Funds") directly own the 2,143,829 shares of Common Stock (the "Shares"). Endowment Capital Group, LLC is the sole general partner and Endowment Management, LLC is the sole investment manager of each of the Funds. Philip Timon is the sole managing member of Endowment Capital Group, LLC and Endowment Management, L.P.
  - (2) Endowment Capital, L.P. (1,374,800 shares) and Long Drive, L.P. (752,500 shares) (collectively, the "Funds") directly own the 2,100,000 derivatives.

By virtue of its position as the sole general partner of the Funds, Endowment Capital Group, LLC may be deemed to be the indirect beneficial owner of the Shares. Nothing in this Form 3 shall be deemed an admission that Endowment Capital Group, LLC is, for purposes of Section 16 of the Securities Exchange Act or otherwise, the beneficial owner of any securities reported on this Form 3 in which it does not have a pecuniary interest as calculated pursuant to the rules and regulations promulgated under Section 16 of the Securities Exchange Act.
  - (3) By virtue of its position as the investment manager of the Funds, Endowment Management, L.P. may be deemed to be the indirect beneficial owner of the Shares. Nothing in this Form 3 shall be deemed an admission that Endowment Management, L.P. is, for purposes of Section 16 of the Securities Exchange Act or otherwise, the beneficial owner of any securities reported on this Form 3 in which it does not have a pecuniary interest as calculated pursuant to the rules and regulations promulgated under Section 16 of the Securities Exchange Act.
  - (4) By virtue of his position as the managing member of both Endowment Capital Group, LLC and Endowment Management, L.P., Philip Timon may be deemed to be the indirect beneficial owner of the Shares. Nothing in this Form 3 shall be deemed an admission that Philip Timon is, for purposes of Section 16 of the Securities Exchange Act or otherwise, the beneficial owner of any securities reported on this Form 3 in which he does not have a pecuniary interest as calculated pursuant to the rules and regulations promulgated under Section 16 of the Securities Exchange Act.
  - (5) Timon is, for purposes of Section 16 of the Securities Exchange Act or otherwise, the beneficial owner of any securities reported on this Form 3 in which he does not have a pecuniary interest as calculated pursuant to the rules and regulations promulgated under Section 16 of the Securities Exchange Act.

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.