

Herman Gary L
Form 3
September 11, 2007

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 *

STRATEGIC
TURNAROUND EQUITY
PARTNERS LP CAYMAN

(Last) (First) (Middle)

720 FIFTH AVENUE, 10TH
FLOOR, A

(Street)

NEW YORK, A NY A 10019

(City) (State) (Zip)

2. Date of Event Requiring
Statement

(Month/Day/Year)
06/12/2007

3. Issuer Name **and** Ticker or Trading Symbol
NATIONAL HOLDINGS CORP [NHLD]

4. Relationship of Reporting
Person(s) to Issuer

(Check all applicable)

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

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

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 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

564,450

D ⁽¹⁾ A

Common Stock

700,066

I ⁽²⁾ See footnote ⁽²⁾

Common Stock

880,625

I ⁽³⁾ See footnote ⁽³⁾

Common Stock

706,066

I ⁽⁴⁾ See footnote ⁽⁴⁾

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

SEC 1473 (7-02)

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information contained in this form are not
required to respond unless the form displays a
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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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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 Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
STRATEGIC TURNAROUND EQUITY PARTNERS LP CAYMAN 720 FIFTH AVENUE, 10TH FLOOR NEW YORK, NY 10019	Â	Â	Â	X
Galloway Capital Management, LLC 720 FIFTH AVENUE, 10TH FLOOR NEW YORK, NY 10019	Â	Â	Â	X
GALLOWAY BRUCE C/O GALLOWAY CAPITAL MANAGEMENT LLC 720 FIFTH AVENUE 10TH FLOOR NEW YORK, NY 10019	Â	Â X	Â	Â
Herman Gary L C/O GALLOWAY CAPITAL MANAGEMENT LLC 720 FIFTH AVENUE 10TH FLOOR NEW YORK, NY 10019	Â	Â	Â	X

Signatures

Strategic Turnaround Equity Partners LP (Cayman) By: /s/ Gary Herman, Managing Member
Galloway Capital Management, LLC, General Partner

09/11/2007

****Signature of Reporting Person**

Date

Galloway Capital Management, LLC By: /s/ Gary Herman, Managing Member

09/11/2007

Signature of Reporting Person

Date _____

/s/ Bruce Galloway

09/11/2007

****Signature of Reporting Person**

Date _____

/s/ Gary Herman

09/11/2007

****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) Bruce Galloway and Gary Herman are managing members of Galloway Capital Management, LLC the general partner of Strategic Turnaround Equity Partners, LP (Cayman) ("STEP"). Messrs. Galloway and Herman disclaim beneficial ownership of the shares in STEP except for their indirect interests therein by virtue of being members of Galloway Capital Management LLC and having direct interests as limited partners of STEP.

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- (2) Includes 564,450 shares held by STEP and 135,616 held by Finvest Yankee, LP for which the reporting person has the power to vote and dispose.

Of the total 880,625 shares, 564,450 are directly held by STEP, 165,084 are held directly by Mr. Galloway's Individual Retirement

- (3) Account, 14,000 shares are held by Rexon Galloway Capital Growth, LLC for which Mr. Galloway has the power to vote and dispose, and 5,975 are held by Mr. Galloway's children for which Mr. Galloway has the power to vote and dispose.

- (4) Of the total 706,066 shares, 700,066 are directly held by STEP, 6,000 are held by Mr. Herman individually.

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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