

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 13D**

**Under the Securities Exchange Act of 1934  
(Amendment No. 3)\***

Nabi Biopharmaceuticals

(Name of Issuer)

Common Stock \$0.10 Par Value

(Title of Class of Securities)

629519109

(CUSIP Number)

David M. Knott  
485 Underhill Boulevard, Suite 205  
Syosset, New York 11791

(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

May 4, 2006

(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 §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. x

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 629519109

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1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
David M. Knott

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2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

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3. SEC Use Only

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4. Source of Funds (See Instructions)  
OO

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5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

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6. Citizenship or Place of Organization  
United States of America

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Number of Shares Beneficially Owned by Each Reporting Person With	7.	Sole Voting Power 5,286,700
	8.	Shared Voting Power 385,700
	9.	Sole Dispositive Power 5,632,700
	10.	Shared Dispositive Power 100,500
11.	Aggregate Amount Beneficially Owned by Each Reporting Person 5,733,200	
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) <input type="checkbox"/>	
13.	Percent of Class Represented by Amount in Row (11) 9.6%	
14.	Type of Reporting Person (See Instructions) IN	

CUSIP No. 629519109

1.	Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only) Dorset Management Corporation      IRS # 11-2873658	
2.	Check the Appropriate Box if a Member of a Group (See Instructions)	
	(a)	<input type="checkbox"/>
	(b)	<input type="checkbox"/>
3.	SEC Use Only	
4.	Source of Funds (See Instructions) WC	
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) <input type="checkbox"/>	
6.	Citizenship or Place of Organization New York	

7. Sole Voting Power  
5,286,700

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Number of  
Shares  
Beneficially  
Owned by  
Each  
Reporting  
Person With

8. Shared Voting Power  
385,700

---

9. Sole Dispositive Power  
5,632,700

---

10. Shared Dispositive Power  
100,500

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11. Aggregate Amount Beneficially Owned by Each Reporting Person  
5,733,200

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12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

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13. Percent of Class Represented by Amount in Row (11)  
9.6%

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14. Type of Reporting Person (See Instructions)  
CO

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**Item 1. Security and Issuer**

This statement on Schedule 13D relates to the Common Stock of the Company, and is being filed pursuant to Rules 13d-1 and 13d-5 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The address of the principal executive offices of the Company is 5800 Park of Commerce Boulevard, N.W., Boca Raton, FL 33487.

**Item 2. Identity and Background**

This statement is being filed by David M. Knott, an individual whose business address is 485 Underhill Boulevard, Suite 205, Syosset, New York 11791.

Mr. Knott is the managing member of Knott Partners Management, LLC, a New York limited liability company ("Knott Management"), that is the sole General Partner of Shoshone Partners, L.P., a Delaware limited partnership ("Shoshone") and managing general partner of Knott Partners, L.P., a New Jersey limited partnership ("Knott Partners" and together with Shoshone, the "Partnerships"). The Partnerships invest in securities that are sold in public markets. The principal activity of each Partnership is the acquisition of long and short positions in equity securities of publicly traded U.S. and foreign securities. Each Partnership has the authority to employ various trading and hedging techniques and strategies in connection therewith.

Mr. Knott is also the sole shareholder, Director and President of Dorset Management Corporation, a New York corporation ("Dorset") which provides investment management services to a limited number of foreign and domestic individuals and entities (the "Managed Accounts"). The business address of Dorset is 485 Underhill Boulevard, Syosset, New York 11791. Collectively, Dorset and Mr. Knott are referred to as the Reporting Parties.

During the last five years, Mr. Knott has not been convicted in any criminal proceeding, nor has he been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which he was or is subject to any judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws, or finding any violation with respect to such laws.

**Item 3. Source and Amount of Funds or Other Consideration**

The source of funds used in making each of the purchases of the Common Stock purchased indirectly by Mr. Knott through the Partnerships and the Managed Accounts was the portfolio assets of the Partnerships and each of the Managed Accounts on whose behalf Mr. Knott has purchased the Common Stock. Neither of the Partnerships nor any of the Managed Accounts own more than five percent of the Common Stock individually. The aggregate amount of consideration used by the Reporting Parties in making such purchases was \$28,735,985.

Mr. Knott effects purchases of securities primarily through margin accounts maintained by Goldman, Sachs & Co., which may extend margin credit as and when required to open or carry positions in the margin accounts, subject to applicable federal margin regulations, stock exchange rules, and the firm's credit policies. In such instances, the positions held in the margin accounts are pledged as collateral security for the repayment of debit balances in the accounts.

**Item 4. Purpose of Transaction**

The Reporting Parties acquired the Common Stock for investment in the ordinary course of business. The Reporting Parties believe that the Common Stock at current market prices is undervalued and represents an attractive investment opportunity. The Reporting Parties may make further purchases of the Common Stock from time to time and may dispose of any or all of the Common Stock held by the Reporting Parties at any time.

On May 4, 2006, Anthony R. Campbell, a Member of Knott Partners Management, LLC sent a letter to Thomas H. McLain, the Chairman President and Chief Executive Officer of the Company. Among other things, the letter reiterated the Reporting Parties belief, expressed in earlier discussions with the Company and in a letter to the Company from Mr. Campbell on April 19, 2006, that the Company should retain an investment bank other than Lehman Brothers to conduct a strategic review of the Company. The Reporting Parties stated that if the Company does not retain an investment bank other than Lehman Brothers to conduct a strategic review of the Company, the Reporting Parties will neither attend the Company's annual meeting nor vote their shares at the Company's annual meeting. The letter sent by the Reporting Parties is attached hereto as Exhibit A and is incorporated herein by reference. The Reporting Parties may continue discussions regarding these matters with management of the Company, its board of directors, stockholders or other relevant parties to express the Reporting Parties' view regarding the Company.

Except as set forth herein, the Reporting Parties do not have any present plan or proposal that would relate to or result in any of the actions or transactions enumerated in clauses (a) through (j) of Item 4 of Schedule 13D. The Reporting Parties will amend this Schedule 13D as events unfold.

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

(a) Pursuant to Rule 13d-3, Mr. Knott may be deemed to own beneficially 5,733,200 shares of Common Stock, which represents 9.6% of all outstanding shares of Common Stock.

(b) Mr. Knott individually has the sole power to vote 5,286,700 shares of Common Stock and dispose of 5,733,200 shares of Common Stock held in the Partnerships' accounts and the Managed Accounts. As President of Dorset, Mr. Knott shares with certain of Dorset's clients the power to vote that portion of 285,200 shares of Common Stock held in their respective accounts. Mr. Knott also shares the power to vote 100,500 shares held by certain employees of Dorset.

None of the Partnerships or Managed Accounts (except through Mr. Knott) either holds or shares with any person the power to vote or to dispose of the Company's Common Stock.

(c) The following table details transactions effected during the past sixty days.

**Shoshone Partners, LP**

<u>Date of Transaction</u>	<u>Purchased (P) or Sold (S)</u>	<u>Number of Shares</u>	<u>Price Per Share</u>	<u>How Transaction Effected</u>
March 15, 2006	P	19,700	\$4.58	Open Market Purchase
March 16, 2006	P	112,500	\$4.68	Open Market Purchase
March 17, 2006	P	18,500	\$4.96	Open Market Purchase
March 17, 2006	P	9,600	\$4.96	Open Market Purchase
March 22, 2006	P	38,100	\$5.49	Open Market Purchase
March 24, 2006	P	28,800	\$5.71	Open Market Purchase
March 24, 2006	P	9,500	\$5.66	Open Market Purchase
April 3, 2006	P	1,000	\$5.59	Open Market Purchase
May 2, 2006	P	13,600	\$6.14	Open Market Purchase

**Matterhorn Offshore Fund Limited**

<u>Date of Transaction</u>	<u>Purchased (P) or Sold (S)</u>	<u>Number of Shares</u>	<u>Price Per Share</u>	<u>How Transaction Effected</u>
March 15, 2006	P	44,300	\$4.58	Open Market Purchase
March 16, 2006	P	250,800	\$4.68	Open Market Purchase

March 17, 2006	P	42,400	\$4.96	Open Market Purchase
March 17, 2006	P	21,400	\$4.96	Open Market Purchase
March 22, 2006	P	85,400	\$5.49	Open Market Purchase

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March 24, 2006	P	64,300	\$5.71	Open Market Purchase
March 24, 2006	P	21,400	\$5.66	Open Market Purchase
April 3, 2006	P	51,200	\$5.59	Open Market Purchase
May 2, 2006	P	46,100	\$6.14	Open Market Purchase

**Knott Partners, L.P.**

<u>Date of Transaction</u>	<u>Purchased (P) or Sold (S)</u>	<u>Number of Shares</u>	<u>Price Per Share</u>	<u>How Transaction Effected</u>
March 15, 2006	P	30,300	\$4.58	Open Market Purchase
March 16, 2006	P	187,700	\$4.68	Open Market Purchase
March 17, 2006	P	32,800	\$4.96	Open Market Purchase
March 17, 2006	P	16,000	\$4.96	Open Market Purchase
March 22, 2006	P	63,800	\$5.49	Open Market Purchase
March 24, 2006	P	47,600	\$5.71	Open Market Purchase
March 24, 2006	P	15,900	\$5.66	Open Market Purchase
April 3, 2006	S	5,200	\$5.53	Open Market Sale
April 3, 2006	S	5,500	\$5.53	Open Market Sale
April 3, 2006	S	37,300	\$5.53	Open Market Sale

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**Good Steward Trading Company SPC**

<u>Date of Transaction</u>	<u>Purchased (P) or Sold (S)</u>	<u>Number of Shares</u>	<u>Price Per Share</u>	<u>How Transaction Effected</u>
March 15, 2006	P	1,100	\$4.58	Open Market Purchase
March 16, 2006	P	6,400	\$4.68	Open Market Purchase
March 17, 2006	P	500	\$4.96	Open Market Purchase
March 17, 2006	P	1,100	\$4.96	Open Market Purchase
March 22, 2006	P	2,300	\$5.49	Open Market Purchase
March 24, 2006	P	1,600	\$5.71	Open Market Purchase
March 24, 2006	P	600	\$5.67	Open Market Purchase
April 3, 2006	P	4,000	\$5.59	Open Market Purchase

**Commonfund Hedged Equity Company**

<u>Date of Transaction</u>	<u>Purchased (P) or Sold (S)</u>	<u>Number of Shares</u>	<u>Price Per Share</u>	<u>How Transaction Effected</u>
March 15, 2006	P	3,400	\$4.59	Open Market Purchase
March 16, 2006	P	22,500	\$4.68	Open Market Purchase

March 17, 2006	P	3,900	\$4.96	Open Market Purchase
March 17, 2006	P	1,900	\$4.96	Open Market Purchase
March 22, 2006	P	7,800	\$5.49	Open Market Purchase
March 24, 2006	P	5,700	\$5.71	Open Market Purchase
March 24, 2006	P	2,000	\$5.66	Open Market Purchase
April 3, 2006	S	4,300	\$5.53	Open Market Sale
April 3, 2006	S	1,900	\$5.53	Open Market Sale

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#### Finderne LLC

<u>Date of Transaction</u>	<u>Purchased (P) or Sold (S)</u>	<u>Number of Shares</u>	<u>Price Per Share</u>	<u>How Transaction Effected</u>
March 15, 2006	P	1,200	\$4.59	Open Market Purchase
March 16, 2006	P	7,600	\$4.68	Open Market Purchase
March 17, 2006	P	1,300	\$4.96	Open Market Purchase
March 17, 2006	P	600	\$4.96	Open Market Purchase
March 22, 2006	P	2,600	\$5.49	Open Market Purchase
March 24, 2006	P	2,000	\$5.71	Open Market Purchase
March 24, 2006	P	600	\$5.67	Open Market Purchase
April 3, 2006	S	2,000	\$5.63	Open Market Sale

#### Mulsanne Partners, LP

<u>Date of Transaction</u>	<u>Purchased (P) or Sold (S)</u>	<u>Number of Shares</u>	<u>Price Per Share</u>	<u>How Transaction Effected</u>
May 2, 2006	P	10,600	\$6.14	Open Market Purchase

(d) The Partnerships and Managed Accounts have the right to receive dividends and proceeds from the sale of the shares of Common Stock that may be deemed to be beneficially owned by the Reporting Parties. No individual person or entity has such right with regard to greater than five percent of the Common Stock.

(e) Not applicable.

The filing of this Schedule 13D shall not be construed as an admission that the Reporting persons are, for purposes of Section 13(d) or 13(g) of the Act, the beneficial owner of any securities covered by this Schedule 13D.

#### **Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer**

The Reporting Parties have entered into agreements with the Partnerships and Managed Accounts pursuant to which the Reporting Parties have discretion over the disposition and/or the voting of the shares of Common Stock.

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#### **Item 7. Materials to be Filed as Exhibits**

Exhibit A - Letter from the Reporting Parties to Thomas H. McLain, Chairman, President and Chief Executive Officer of the Company

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Statement is true, complete and correct.

Dated: May 4, 2006

/s/ David M. Knott  
David M. Knott

Dated: May 4, 2006

Dorset Management Corporation

By: /s/ David M. Knott  
Name: David M. Knott  
Title: President

KNOTT PARTNERS L.P.  
485 Underhill Boulevard  
Suite 205  
Syosset, New York 11791-3419

David M. Knott, General Partner

Telephone: (516) 364-0303  
Facsimile: (516) 364-0879

May 4, 2006

Mr. Thomas H. McLain  
Chairman/President/CEO  
NABI Biopharmaceuticals  
5800 Park of Commerce Blvd. NW  
Boca Raton, FL 33487

Dear Tom:

As you know, we have been investors in your company for over five years. We would be happy to support current management if you were willing to retain an independent investment banker other than Lehman Brothers to do a strategic review. If you are unwilling to go down this path, however, we will not attend the annual meeting or vote our shares.

We believe it is irresponsible and self-serving for you and the board to disregard the suggestions of your largest shareholder when there is no management track record to support your position that now is not an appropriate time to consider a strategic transaction. Based on our review of public documents, we understand that management and directors own less than 3.3% of the company, a significant portion of which has been obtained by what we consider to be low-priced, sweetheart options. Indeed, it is our understanding that there have been few shares purchased in the open market by management or directors. We have attempted to present our views to members of the board and now understand that board members have been instructed not to take our calls.

Additionally, we understand that Lehman is handling the sale of a company asset and that the company has required participants in this transaction to sign a one-year standstill agreement. This is very unusual in the biotechnology industry and suggests to us a further effort to entrench present management. We have reason to believe that this standstill may have deterred other potentially interested parties from bidding on this asset and therefore may prevent the company from realizing full value. We continue to believe there are companies that would have a strategic interest in NABI and/or its various products if the company were receptive to such overtures.

We remind you and the board of your fiduciary duties and assure you we will avail ourselves of every means to protect our investment.

Sincerely,

/s/ Tony Campbell

Tony Campbell

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