

Coviello Paul
Form 3
October 12, 2010

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

OMB APPROVAL

OMB Number: 3235-0104
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *

Â Coviello Paul
(Last) (First) (Middle)

200 ABINGTON EXECUTIVE PARK, Â SUITE 205

(Street)

CLARKS SUMMIT, Â PA Â 18411

(City) (State) (Zip)

2. Date of Event Requiring Statement

(Month/Day/Year)
10/05/2010

3. Issuer Name and Ticker or Trading Symbol
NATIONAL HOLDINGS CORP [NHL.D.OB]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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)

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)

Date Exercisable Expiration Date

3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)

Title Amount or Number of Shares

4. Conversion or Exercise Price of Derivative Security

5. Ownership Form of Security: Direct (D) or Indirect (I)

6. Nature of Indirect Beneficial Ownership (Instr. 5)

(Instr. 5)

Series C Preferred Stock	07/12/2010	Â (1)	Common Stock	552,486	\$ 0.5 (2)	I (3)	See footnote (4)
Warrants (right to purchase)	07/12/2010(5)	Â (5)	Common Stock	552,486	\$ 0.5	I (3)	See footnote (4)
Series D Preferred Stock	10/05/2010	Â (1)	Common Stock	2,000,000	\$ 0.5 (2)	I (3)	See footnote (4)
Warrants (right to purchase)	10/05/2010(5)	Â (5)	Common Stock	2,000,000	\$ 0.5	I (3)	See footnote (4)
Warrants (right to purchase)	10/05/2010(5)	Â (5)	Common Stock	40,450	\$ 0.5	I (3)	See footnote (4)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Coviello Paul 200 ABINGTON EXECUTIVE PARK SUITE 205 CLARKS SUMMIT, PA 18411	Â X	Â	Â	Â
Linden Asset Management, Inc. 200 ABINGTON EXECUTIVE PARK SUITE 205 CLARKS SUMMIT, PA 18411	Â	Â X	Â	Â

Signatures

Paul J. Coviello, individually and on behalf of Linden Asset Management, Inc., By Mark F. Coldwell, by Power of Attorney

10/12/2010

__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) The shares of Series C Preferred Stock and Series D Preferred Stock do not expire.
- (2) The shares of Series C Preferred Stock and Series D Preferred Stock convert at a price equal to the Original Issue Price divided by the Conversion Price, as adjusted, which is initially \$0.50 per share.
- (3) Linden Asset Management, Inc. serves as the investment manager of the private fund which directly owns these securities.
Pursuant to an investment management agreement, Linden Asset Management, Inc. has investment and voting power with respect to these
- (4) securities. Paul J. Coviello is the SEC of Linden Asset Management, Inc. The Reporting Persons disclaim beneficial ownership of any of the Issuer's securities to which this report relates for the purpose of Section 16 or for any other purpose.
- (5) The warrants vest 33% immediately and 33% on each of the 1st and 2nd anniversaries of the date of grant. Each tranche of vested warrants expire five years from the date of vesting.

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.