

TECH OPS SEVCON INC  
Form SC 13D/A  
January 29, 2010

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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934 (Amendment No. 17)

Tech/Ops Sevcon, Inc.  
(Name of Issuer)

Common Stock \$0.10 Par Value Per Share  
(Title of Class of Securities)

\_\_\_\_\_878293109\_\_\_\_\_

(CUSIP Number)

Peter D. Goldstein  
GAMCO Investors, Inc.  
One Corporate Center  
Rye, New York 10580-1435  
(914) 921-5000

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

\_\_\_\_\_January 28, 2010\_\_\_\_\_

(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 .

CUSIP No. 878293109

- 1 Names of reporting persons  
 I.R.S. identification nos. of above persons (entities only)  
 Gabelli Funds, LLC I.D. No. 13-4044523
- 2 Check the appropriate box if a member of a group (SEE INSTRUCTIONS) (a)

(b)

- 3 Sec use only
- 4 Source of funds (SEE INSTRUCTIONS)  
 00-Funds of investment advisory clients
- 5 Check box if disclosure of legal proceedings is required pursuant to items 2 (d) or 2 (e) X

- 6 Citizenship or place of organization  
 New York

Number Of	: 7	Sole voting power
	:	
Shares	:	210,006 (Item 5)
	:	
Beneficially	: 8	Shared voting power
	:	
Owned	:	None
	:	
By Each	: 9	Sole dispositive power
	:	
Reporting	:	210,006 (Item 5)
	:	
Person	:10	Shared dispositive power
	:	
With	:	None
	:	

- 11 Aggregate amount beneficially owned by each reporting person  
 210,006 (Item 5)

- 12 Check box if the aggregate amount in row (11) excludes certain shares  
 (SEE INSTRUCTIONS)

- 13 Percent of class represented by amount in row (11)  
 6.31%

14 Type of reporting person (SEE INSTRUCTIONS)  
IA

2

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CUSIP No. 878293109

- 1 Names of reporting persons  
I.R.S. identification nos. of above persons (entities only)  
GAMCO Asset Management Inc. I.D. No. 13-4044521
- 2 Check the appropriate box if a member of a group (SEE INSTRUCTIONS) (a)
- (b)
- 3 Sec use only
- 4 Source of funds (SEE INSTRUCTIONS)  
00-Funds of investment advisory clients
- 5 Check box if disclosure of legal proceedings is required pursuant to items 2 (d) or 2 (e)

- 6 Citizenship or place of organization  
New York

Number Of	: 7	Sole voting power
	:	
Shares	:	443,019 (Item 5)
	:	
Beneficially	: 8	Shared voting power
	:	
Owned	:	None
	:	
By Each	: 9	Sole dispositive power
	:	
Reporting	:	443,019 (Item 5)
	:	
Person	:10	Shared dispositive power
	:	
With	:	None
	:	

- 11 Aggregate amount beneficially owned by each reporting person  
443,019 (Item 5)
- 12 Check box if the aggregate amount in row (11) excludes certain shares  
(SEE INSTRUCTIONS)
- 13 Percent of class represented by amount in row (11)  
13.32%
- 14 Type of reporting person (SEE INSTRUCTIONS)  
IA, CO



CUSIP No. 878293109

- 1 Names of reporting persons  
 I.R.S. identification nos. of above persons (entities only)  
 Teton Advisors, Inc. I.D. No. 13-4008049
- 2 Check the appropriate box if a member of a group (SEE INSTRUCTIONS) (a)

(b)

- 3 Sec use only
- 4 Source of funds (SEE INSTRUCTIONS)  
 00 – Funds of investment advisory clients
- 5 Check box if disclosure of legal proceedings is required pursuant to items 2 (d) or 2 (e)

- 6 Citizenship or place of organization  
 Delaware

Number Of	: 7	Sole voting power
	:	
Shares	: 82,348	(Item 5)
	:	
Beneficially	: 8	Shared voting power
	:	
Owned	:	None
	:	
By Each	: 9	Sole dispositive power
	:	
Reporting	: 82,348	(Item 5)
	:	
Person	: 10	Shared dispositive power
	:	
With	:	None
	:	

- 11 Aggregate amount beneficially owned by each reporting person

82,348 (Item 5)

- 12 Check box if the aggregate amount in row (11) excludes certain shares (SEE INSTRUCTIONS)

- 13 Percent of class represented by amount in row (11)

2.48%

- 14 Type of reporting person (SEE INSTRUCTIONS)

IA, CO

4

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CUSIP No. 878293109

1 Names of reporting persons  
 I.R.S. identification nos. of above persons (entities only)  
 GGCP, Inc. I.D.  
 No. 13-3056041

2 Check the appropriate box if a member of a group (SEE INSTRUCTIONS) (a)

(b)

3 Sec use only

4 Source of funds (SEE INSTRUCTIONS)  
 None

5 Check box if disclosure of legal proceedings is required pursuant to items 2 (d) or 2 (e)

6 Citizenship or place of organization  
 New York

Number Of	: 7	Sole voting power
	:	
Shares	:	None
	:	
Beneficially	: 8	Shared voting power
	:	
Owned	:	None
	:	
By Each	: 9	Sole dispositive power
	:	
Reporting	:	None
	:	
Person	:10	Shared dispositive power
	:	
With	:	None
	:	

11 Aggregate amount beneficially owned by each reporting person

None

12 Check box if the aggregate amount in row (11) excludes certain shares  
 (SEE INSTRUCTIONS) X

13 Percent of class represented by amount in row (11)

0.00%

14 Type of reporting person (SEE INSTRUCTIONS)  
HC, CO

5

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CUSIP No. 878293109

1 Names of reporting persons  
 I.R.S. identification nos. of above persons (entities only)  
 GAMCO Investors, Inc. I.D.  
 No. 13-4007862  
 Check the appropriate box if a member of a group (SEE INSTRUCTIONS) (a)

(b)

3 Sec use only

4 Source of funds (SEE INSTRUCTIONS)  
 None

5 Check box if disclosure of legal proceedings is required pursuant to items 2 (d) or 2 (e)

6 Citizenship or place of organization  
 New York

Number Of	: 7	Sole voting power
	:	
Shares	:	None
	:	
Beneficially	: 8	Shared voting power
	:	
Owned	:	None
	:	
By Each	: 9	Sole dispositive power
	:	
Reporting	:	None
	:	
Person	:10	Shared dispositive power
	:	
With	:	None
	:	

11 Aggregate amount beneficially owned by each reporting person  
 None

12 Check box if the aggregate amount in row (11) excludes certain shares  
 (SEE INSTRUCTIONS) X

13 Percent of class represented by amount in row (11)  
 0.00%

14 Type of reporting person (SEE INSTRUCTIONS)

HC, CO

6

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CUSIP No. 878293109

- 1 Names of reporting persons  
I.R.S. identification nos. of above persons (entities only)  
Mario J. Gabelli
- 2 Check the appropriate box if a member of a group (SEE INSTRUCTIONS) (a)
- (b)
- 3 Sec use only
- 4 Source of funds (SEE INSTRUCTIONS)  
None
- 5 Check box if disclosure of legal proceedings is required pursuant to items 2 (d) or 2 (e)

6 Citizenship or place of organization  
USA

Number Of	: 7	Sole voting power
	:	
Shares	:	None (Item 5)
	:	
Beneficially	: 8	Shared voting power
	:	
Owned	:	None
	:	
By Each	: 9	Sole dispositive power
	:	
Reporting	:	None (Item 5)
	:	
Person	:10	Shared dispositive power
	:	
With	:	None
	:	

11 Aggregate amount beneficially owned by each reporting person

None (Item 5)

12 Check box if the aggregate amount in row (11) excludes certain shares  
(SEE INSTRUCTIONS) X

13 Percent of class represented by amount in row (11)

0.00%

14 Type of reporting person (SEE INSTRUCTIONS)  
IN



Item 1. Security and Issuer

This Amendment No. 17 to Schedule 13D on the Common Stock, par value \$0.10, of Tech/Ops Sevcon, Inc. (the “Issuer”) is being filed on behalf of the undersigned to amend the Schedule 13D, as amended (the “Schedule 13D”) which was originally filed on July 18, 2005. Unless otherwise indicated, all capitalized terms used herein but not defined herein shall have the same meanings as set forth in the Schedule 13D.

Item 2. Identity and Background

Item 2 to Schedule 13D is amended, in pertinent part, as follows:

This statement is being filed by Mario J. Gabelli (“Mario Gabelli”) and various entities which he directly or indirectly controls or for which he acts as chief investment officer. These entities engage in various aspects of the securities business, primarily as investment adviser to various institutional and individual clients, including registered investment companies and pension plans, and as general partner of various private investment partnerships. Certain of these entities may also make investments for their own accounts.

The foregoing persons in the aggregate often own beneficially more than 5% of a class of a particular issuer. Although several of the foregoing persons are treated as institutional investors for purposes of reporting their beneficial ownership on the short-form Schedule 13G, the holdings of those who do not qualify as institutional investors may exceed the 1% threshold presented for filing on Schedule 13G or implementation of their investment philosophy may from time to time require action which could be viewed as not completely passive. In order to avoid any question as to whether their beneficial ownership is being reported on the proper form and in order to provide greater investment flexibility and administrative uniformity, these persons have decided to file their beneficial ownership reports on the more detailed Schedule 13D form rather than on the short-form Schedule 13G and thereby to provide more expansive disclosure than may be necessary.

(a), (b) and (c) - This statement is being filed by one or more of the following persons: GGCP, Inc. (“GGCP”), GAMCO Investors, Inc. (“GBL”), Gabelli Funds, LLC (“Gabelli Funds”), GAMCO Asset Management Inc. (“GAMCO”), Teton Advisors, Inc. (“Teton Advisors”), Gabelli Securities, Inc. (“GSI”), Gabelli & Company, Inc. (“Gabelli & Company”), MJG Associates, Inc. (“MJG Associates”), Gabelli Foundation, Inc. (“Foundation”), MJG-IV Limited Partnership (“MJG-IV”), and Mario Gabelli. Those of the foregoing persons signing this Schedule 13D are hereafter referred to as the “Reporting Persons”.

GGCP makes investments for its own account and is the controlling shareholder of GBL. GBL, a public company listed on the New York Stock Exchange, is the parent company for a variety of companies engaged in the securities business, including those named below.

GAMCO, a wholly-owned subsidiary of GBL, is an investment adviser registered under the Investment Advisers Act of 1940, as amended (“Advisers Act”). GAMCO is an investment manager providing discretionary managed account services for employee benefit plans, private investors, endowments, foundations and others.

GSI, a majority-owned subsidiary of GBL, is an investment adviser registered under the Advisers Act and serves as a general partner or investment manager to limited partnerships and offshore investment companies. As a part of its business, GSI may purchase or sell securities for its own account. GSI is the general partner or investment manager of a number of funds or partnerships, including Gabelli Associates Fund, Gabelli Associates Fund II, Gabelli Associates Limited, ALCE Partners, L.P., Gabelli Capital Structure Arbitrage Fund LP, Gabelli Capital Structure Arbitrage Fund Limited, Gabelli Global Partners L.P., Gabelli Intermediate Credit Fund L.P., Gabelli Japanese Value Partners L.P., GAMA Select Energy + L.P., GAMCO Medical Opportunities L.P., GAMCO Long/Short Equity Fund, L.P. and Gabelli Multimedia Partners, L.P. GSI and Marc Gabelli own 45% and 55%, respectively, of Gabelli Securities International Limited (“GSIL”). GSIL provides investment advisory services to offshore funds and accounts. GSIL is an investment advisor of Gabelli International Gold Fund Limited and Gabelli Global Partners, Ltd.

Gabelli & Company, a wholly-owned subsidiary of GSI, is a broker-dealer registered under the Securities Exchange Act of 1934, as amended (“1934 Act”), which as a part of its business regularly purchases and sells securities for its own account.

Gabelli Funds, a wholly owned subsidiary of GBL, is a limited liability company. Gabelli Funds is an investment adviser registered under the Advisers Act which presently provides discretionary managed account services for The Gabelli Equity Trust Inc., The Gabelli Asset Fund, The GAMCO Growth Fund, The Gabelli Convertible and Income

Securities Fund Inc., The Gabelli Value Fund Inc., The Gabelli Small Cap Growth Fund, The Gabelli Equity Income Fund, The Gabelli ABC Fund, The GAMCO Global Telecommunications Fund, GAMCO Gold Fund, Inc., The Gabelli Global Multimedia Trust Inc., The GAMCO Global Convertible Securities Fund, Gabelli Capital Asset Fund, GAMCO International Growth Fund, Inc., The GAMCO Global Growth Fund, The Gabelli Utility Trust, The GAMCO Global Opportunity Fund, The Gabelli Utilities Fund, The Gabelli Blue Chip Value Fund, The GAMCO Mathers Fund, The Gabelli Woodland Small Cap Value Fund, The Comstock Capital Value Fund, The Gabelli Dividend and Income Trust, The Gabelli Global Utility & Income Trust, The Gabelli Global Gold, Natural Resources, & Income Trust, The Gabelli Global Deal Fund, Gabelli Enterprise M&A Fund, The Gabelli SRI Green Fund, Inc. and The Gabelli Healthcare & Wellness Rx Trust (collectively, the “Funds”), which are registered investment companies.

Teton Advisors, an investment adviser registered under the Advisers Act, provides discretionary advisory services to The GAMCO Westwood Mighty Mitessm Fund, The GAMCO Westwood Income Fund and The GAMCO Westwood SmallCap Equity Fund.

MJG Associates provides advisory services to private investment partnerships and offshore funds. Mario Gabelli is the sole shareholder, director and employee of MJG Associates. MJG Associates is the Investment Manager of Gabelli International Limited and Gabelli Fund, LDC. Mario J. Gabelli is the general partner of Gabelli Performance Partnership, LP.

The Foundation is a private foundation. Mario Gabelli is the Chairman, a Trustee and the Investment Manager of the Foundation. Elisa M. Wilson is the President of the Foundation.

Mario Gabelli is the majority stockholder, Chief Executive Officer and a director of GGCP and Chairman and Chief Executive Officer of GBL. Mario Gabelli is also deemed to be the controlling shareholder of Teton through his control of GGCP and MJG-IV.

The Reporting Persons do not admit that they constitute a group.

GBL, GAMCO, and Gabelli & Company are New York corporations and GSI and Teton Advisors are Delaware corporations, each having its principal business office at One Corporate Center, Rye, New York 10580. GGCP is a Wyoming corporation having its principal business office at 140 Greenwich Avenue, Greenwich, CT 06830. Gabelli Funds is a New York limited liability company having its principal business office at One Corporate Center, Rye, New York 10580. MJG Associates is a Connecticut corporation having its principal business office at 140 Greenwich Avenue, Greenwich, CT 06830. The Foundation is a Nevada corporation having its principal offices at 165 West Liberty Street, Reno, Nevada 89501.

For information required by instruction C to Schedule 13D with respect to the executive officers and directors of the foregoing entities and other related persons (collectively, “Covered Persons”), reference is made to Schedule I annexed hereto and incorporated herein by reference.

(e) - On April 24, 2008, Gabelli Funds settled an administrative proceeding with the Securities and Exchange Commission (“Commission”) regarding frequent trading in shares of a mutual fund it advises, without admitting or denying the findings or allegations of the Commission. The inquiry involved Gabelli Funds’ treatment of one investor who had engaged in frequent trading in one fund (the prospectus of which did not at that time impose limits on frequent trading), and who had subsequently made an investment in a hedge fund managed by an affiliate of Gabelli Funds. The investor was banned from the fund in August 2002, only after certain other investors were banned. The principal terms of the settlement include an administrative cease and desist order from violating Section 206(2) of the Investment Advisers Act of 1940, Section 17(d) of the Investment Company Act of 1940 (“Company Act”), and Rule 17d-1 thereunder, and Section 12(d)(1)(B)(1) of the Company Act, and the payment of \$11 million in disgorgement and prejudgment interest and \$5 million in a civil monetary penalty. Gabelli Funds was also required to retain an independent distribution consultant to develop a plan and oversee distribution to shareholders of the monies paid to the Commission, and to make certain other undertakings.

In September 2008, Gabelli Funds reached agreement in principle with the staff of the Commission, subject to Commission approval, on a previously disclosed matter that had been ongoing for several years involving compliance with Section 19(a) of the Investment Company Act of 1940 and Rule 19a-1 thereunder by two closed-end funds. The agreement was finalized with the Commission on January 12, 2009. The provisions of Section 19(a) and Rule 19a-1 require registered investment companies, when making a distribution in the nature of a dividend from sources other than net investment income, to contemporaneously provide written statements to shareholders that



adequately disclose the source or sources of such distribution. While the two funds sent annual statements and provided other materials containing this information, the shareholders did not receive the notices required by Rule 19a-1 with any of the distributions that were made for 2002 and 2003. Gabelli Funds believes that the funds have been in compliance with Section 19(a) and Rule 19a-1 since the beginning of 2004. As part of the settlement, in which Gabelli Funds neither admits nor denies the findings by the Commission, Gabelli Funds agreed to pay a civil monetary penalty of \$450,000 and to cease and desist from causing violations of Section 19(a) and Rule 19a-1. In connection with the settlement, the Commission noted the remedial actions previously undertaken by Gabelli Funds.

(f) - Reference is made to Schedule I hereto.

Item 3. Source and Amount of Funds or Other Consideration

Item 3 to Schedule 13D is amended, in pertinent part, as follows:

The Reporting Persons used an aggregate of approximately \$102,548 to purchase the additional Securities reported as beneficially owned in Item 5 since the most recent filing on Schedule 13D. GAMCO and Gabelli Funds used approximately \$23,442 and \$33,342, respectively, of funds that were provided through the accounts of certain of their investment advisory clients (and, in the case of some of such accounts at GAMCO, may be through borrowings from client margin accounts) in order to purchase the additional Securities for such clients. Teton Advisors used approximately \$45,764 of funds of investment advisory clients to purchase the additional Securities reported by it.

Item 5. Interest In Securities Of The Issuer

Item 5 to Schedule 13D is amended, in pertinent part, as follows:

(a) The aggregate number of Securities to which this Schedule 13D relates is 735,373 shares, representing 22.11% of the 3,326,322 shares outstanding as reported in the Issuer's most recent Form 10-K for the fiscal year ended September 30, 2009. The Reporting Persons beneficially own those Securities as follows:

Name	Shares of Common Stock	% of Class of Common
Gabelli Funds	210,006	6.31%
GAMCO	443,019	13.32%
Teton Advisors	82,348	2.48%

Mario Gabelli is deemed to have beneficial ownership of the Securities owned beneficially by each of the foregoing persons. GSI is deemed to have beneficial ownership of the Securities owned beneficially by Gabelli & Company. GBL and GGCP are deemed to have beneficial ownership of the Securities owned beneficially by each of the foregoing persons other than Mario Gabelli and the Foundation.

(b) Each of the Reporting Persons and Covered Persons has the sole power to vote or direct the vote and sole power to dispose or to direct the disposition of the Securities reported for it, either for its own benefit or for the benefit of its investment clients or its partners, as the case may be, except that (i) Gabelli Funds has sole dispositive and voting power with respect to the shares of the Issuer held by the Funds so long as the aggregate voting interest of all joint filers does not exceed 25% of their total voting interest in the Issuer and, in that event, the Proxy Voting Committee of each Fund shall respectively vote that Fund's shares, (ii) at any time, the Proxy Voting Committee of each such Fund may take and exercise in its sole discretion the entire voting power with respect to the shares held by such fund under special circumstances such as regulatory considerations, and (iii) the power of Mario Gabelli, GBL, and GGCP is indirect with respect to Securities beneficially owned directly by other Reporting Persons.

(c) Information with respect to all transactions in the Securities which were effected during the past sixty days or since the most recent filing on Schedule 13D, whichever is less, by each of the Reporting Persons and Covered Persons is set forth on Schedule II annexed hereto and incorporated herein by reference.

(e) Not applicable.



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: January 29, 2010

GGCP, INC.  
MARIO J. GABELLI

By:/s/ Douglas R. Jamieson  
Douglas R. Jamieson  
Attorney-in-Fact

GABELLI FUNDS, LLC  
TETON ADVISORS, INC.

By:/s/ Bruce N. Alpert  
Bruce N. Alpert  
Chief Operating Officer – Gabelli Funds, LLC  
Chairman – Teton Advisors, Inc.

GAMCO ASSET MANAGEMENT INC.  
GAMCO INVESTORS, INC.

By:/s/ Douglas R. Jamieson  
Douglas R. Jamieson  
President & Chief Operating Officer – GAMCO Investors, Inc.  
President – GAMCO Asset Management Inc.

Schedule I

Information with Respect to Executive

Officers and Directors of the Undersigned

Schedule I to Schedule 13D is amended, in pertinent part, as follows:

The following sets forth as to each of the executive officers and directors of the undersigned: his name; his business address; his present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is conducted. Unless otherwise specified, the principal employer of each such individual is GAMCO Asset Management Inc., Gabelli Funds, LLC, Gabelli Securities, Inc., Gabelli & Company, Inc., Teton Advisors, Inc., or GAMCO Investors, Inc., the business address of each of which is One Corporate Center, Rye, New York 10580, and each such individual identified below is a citizen of the United States. To the knowledge of the undersigned, during the last five years, no such person has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), and no such person was 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 a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities law or finding any violation with respect to such laws except as reported in Item 2(d) and (e) of this Schedule 13D.

GGCP, Inc.

Directors:

Mario J. Gabelli Chief Executive Officer of GGCP, Inc., and Chairman & Chief Executive Officer of GAMCO Investors, Inc.; Director/Trustee of all registered investment companies advised by Gabelli Funds, LLC.

Officers:

Mario J. Gabelli President and Chief Executive Officer

Michael G. Chieco Vice President, Chief Financial Officer, Secretary

Silvio A. Berni Vice President Corporate Development and Controller

GAMCO Investors, Inc.

Directors:

Edwin L. Artzt Former Chairman and Chief Executive Officer  
Procter & Gamble Company  
900 Adams Crossing  
Cincinnati, OH 45202

Raymond C. Avansino Chairman & Chief Executive Officer  
E.L. Wiegand Foundation  
Reno, NV 89501

Richard L. Bready Chairman and Chief Executive Officer  
Nortek, Inc.  
50 Kennedy Plaza  
Providence, RI 02903

Mario J. Gabelli See above

Elisa M. Wilson Director

Eugene R. McGrath Former Chairman and Chief Executive Officer  
Consolidated Edison, Inc.

Robert S. Prather President & Chief Operating Officer  
Gray Television, Inc.  
4370 Peachtree Road, NE  
Atlanta, GA 30319

Officers:

Mario J. Gabelli Chairman and Chief Executive Officer

Douglas R. Jamieson	President and Chief Operating Officer
Henry G. Van der Eb	Senior Vice President
Bruce N. Alpert	Senior Vice President
Jeffrey M. Farber	Executive Vice President and Chief Financial Officer
Christopher Michailoff	Acting Secretary

GAMCO Asset Management Inc.  
Directors:

Douglas R. Jamieson  
Regina M. Pitaro  
William S. Selby

Officers:

Mario J. Gabelli	Chief Investment Officer – Value Portfolios
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Douglas R. Jamieson	President
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Jeffrey M. Farber	Chief Financial Officer
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Christopher J. Michailoff General Counsel and Secretary

Gabelli Funds, LLC

Officers:

Mario J. Gabelli	Chief Investment Officer – Value Portfolios
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Bruce N. Alpert	Executive Vice President and Chief Operating Officer
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Agnes Mullady	Vice President and President Closed-End Fund Division
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Teton Advisors, Inc.

Directors:

Bruce N. Alpert	Chairman
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Douglas R. Jamieson	See above
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Nicholas F. Galluccio	Chief Executive Officer and President
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Alfred W. Fiore            1270 Avenue of the Americas  
20th Floor  
New York, NY 10020

Edward T. Tokar            Beacon Trust  
Senior Managing Director  
333 Main Street  
Madison, NJ 07940

Howard F. Ward            Portfolio Manager  
GAMCO Investors, Inc.  
One Corporate Center  
Rye, NY 10580

Officers:

Bruce N. Alpert            See above

Nicholas F. Galluccio    See above

Jeffrey M. Farber        Chief Financial Officer

Gabelli Securities, Inc.

Directors:

Robert W. Blake            President of W. R. Blake & Sons, Inc.  
196-20 Northern Boulevard  
Flushing, NY 11358

Douglas G. DeVivo        General Partner of ALCE Partners, L.P.  
One First Street, Suite 16  
Los Altos, CA 94022

Douglas R. Jamieson    President

Officers:

Douglas R. Jamieson        See above

Christopher J. Michailoff    Secretary

Jeffrey M. Farber        Chief Financial Officer

Gabelli & Company, Inc.

Directors:

James G. Webster, III        Chairman & Interim President

Irene Smolicz  
Senior Trader  
Gabelli & Company, Inc.

Officers:

James G. Webster, III  
See Above

Bruce N. Alpert  
Vice President - Mutual Funds

Diane M. LaPointe  
Treasurer

Douglas R. Jamieson  
Secretary

Gabelli Foundation, Inc.

Officers:

Mario J. Gabelli  
Chairman, Trustee & Chief Investment Officer

Elisa M. Wilson  
President

MJG-IV Limited Partnership

Officers:

Mario J. Gabelli  
General Partner



SCHEDULE II  
INFORMATION WITH RESPECT TO  
TRANSACTIONS EFFECTED DURING THE PAST SIXTY DAYS OR  
SINCE THE MOST RECENT FILING ON SCHEDULE 13D (1)

DATE	SHARES PURCHASED SOLD(-)	AVERAGE PRICE(2)
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COMMON STOCK-TECH/OPS-SEVCON INC.

GAMCO ASSET MANAGEMENT  
INC.

12/14/09	2,500	2.5244
TETON ADVISORS, INC.		
1/28/10	3,400	2.5356
1/27/10	300	2.4433
1/12/10	700	2.5500
1/11/10	100	2.4900
12/29/09	3,200	2.5075
12/28/09	900	2.4500
12/24/09	1,100	2.5000

(1) UNLESS OTHERWISE INDICATED, ALL TRANSACTIONS WERE EFFECTED  
ON THE AMEX.

(2) PRICE EXCLUDES COMMISSION.

Number  
of Shares  
Acquired on  
Exercise (#) Value  
Realized on  
Exercise (\$) (1) Number of  
Shares  
Acquired on  
Vesting (#) Value  
Realized on  
Vesting (\$)

Bruce C. Rhine

Timothy J. Stultz

Gary C. Schaefer

Bruce A. Crawford

John D. Heaton

20,000	\$ 3,800	20,000	\$ 4,200	38,519	\$26,193	17,000	\$ 9,350	6,400	\$ 4,480	20,000	\$13,200	600	\$	
402	50,000	\$27,500	5,000	\$ 3,150	100,000	\$69,000	42,626	\$20,887	700	\$ 336	7,342	\$3,157	5,016	\$
1,956	1,838	\$ 864	10,000	\$ 5,500	8,759	\$ 4,817	16,200	\$ 8,586	1,900	\$				
760	20,500	\$10,660	50,100	\$24,549	13,300	\$ 7,049	6,700	\$ 2,278						

Douglas J. McCutcheon

Quentin B. Wright

Vincent J. Coates

- (1) The value realized equals the difference between the option exercise price and the fair market value of Nanometrics common stock on the date of exercise, multiplied by the number of shares for which the option was exercised.

**Compensation of Directors**

During fiscal year 2007, directors who are not also employees of Nanometrics received an annual retainer fee of \$15,000, plus \$1,500 for each board meeting attended. The audit committee chairman and compensation committee chairman received an incremental \$8,000 and \$3,000 annual retainer, respectively, for serving in such capacities and each committee member receives an additional \$2,000 annual retainer. All

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directors received \$1,500 for special board or committee meetings attended on site and \$500 for telephonic meetings lasting greater than 30 minutes. Non-employee directors were also eligible to participate in our 2000 Director Stock Option Plan whereby each director received a stock option award of 20,000 options upon appointment to the board of directors and 2,500 stock options at the beginning of each fiscal quarter thereafter, provided the director has served on the board of directors for at least six months on each grant date.

On November 29, 2007, upon the recommendation of the Compensation Committee, the board of directors approved a new policy for non-employee directors. Directors who are not also employees of Nanometrics shall receive an annual retainer fee of \$20,000, plus \$1,500 for each board meeting attended. The Nominating and Governance Committee Chairman, Audit Committee Chairman, Compensation/Stock Option Committee Chairman and Lead Independent Director shall receive an incremental \$5,000, \$10,000, \$5,000 and \$5,000 annual retainer, respectively, for serving in such capacities and each committee member shall receive an additional \$2,000 annual retainer. All non-employee directors shall receive \$1,500 for special board or committee meetings attended on site and \$500 for telephonic meetings lasting greater than 30 minutes. Joseph F. Dox has waived the right to receive such board of director annual retainer and meeting attendance fees. Non-employee directors are also eligible to participate in our Directors' Stock Option Plan whereby each such director shall receive a stock option award of 20,000 options upon appointment to the board of directors and 2,500 stock options on the second business day of each fiscal quarter thereafter, provided the director has served on the board of directors as a non-employee director for at least six months on each grant date. One-third (1/3) of the shares subject to the option shall vest on the one year anniversary of the vesting commencement date, and an additional one-third (1/3) of the shares subject to the option will vest each year thereafter on the annual anniversary of the vesting commencement date, subject to the director continuing to provide services to Nanometrics through each such date. Each non-employee director shall also receive an award of 2,000 restricted stock units under our 2005 Equity Incentive Plan on the second business day of each fiscal year, provided the director has served on the board of directors as a non-employee director for at least six months on each grant date. One-third (1/3) of the restricted stock units subject to the award shall vest on the later of the one year anniversary of the vesting commencement date and the opening of any applicable company trading window, and an additional one-third (1/3) of the restricted stock units subject to the award will vest each year thereafter on the later of the annual anniversary of the vesting commencement date and the opening of any applicable company trading window, subject to the director continuing to provide services to Nanometrics through each such date.

On January 7, 2008, upon the recommendation of the Compensation Committee, the board of directors also approved an annual retainer fee for the Chairman of the Board of \$15,000 for serving in such capacity.

The following table shows compensation information for Nanometrics' directors for fiscal year 2007.

**DIRECTOR COMPENSATION**

**For Fiscal Year 2007**

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$ (1))	Option Awards (#)	All Other Compensation (\$ (2))	Total (\$)
Bruce C. Rhine (3)	\$		\$		\$	\$
Vincent J. Coates	\$ 10,043		\$ 13,554	3,696(4)	\$ 125	\$ 23,722
J. Thomas Bentley	\$ 46,179		\$ 34,159	10,000	\$ 125	\$ 80,464
Joseph F. Dox	\$ (5)		\$ 52,310	20,000	\$ (6)	\$ 52,310
William G. Oldham	\$ 32,297		\$ 34,159	10,000	\$ 125	\$ 66,581
Stephen J Smith	\$ 33,000		\$ 34,159	10,000	\$ 146	\$ 67,305
Edmond R. Ward	\$ 41,797		\$ 34,159	10,000	\$ 1,867	\$ 77,823

(1) Amounts shown do not reflect compensation actually received by the named executive officer. Instead, the amounts shown are the aggregate fair value of stock options granted for financial statement reporting purposes in 2007, as determined pursuant to SFAS 123R. The assumptions used to calculate the value of option awards are set forth under Note 1 of the Notes to Consolidated Financial Statements included in Nanometrics' Annual Report on Form 10-K for fiscal 2007 filed with the SEC on March 13, 2008.

(2) Representing health care reimbursement benefit extended to directors and Section 16 Officers.

(3) Compensation earned in Mr. Rhine's capacity as a named executive officer is shown in the Summary Compensation Table on page 12.

- (4) Representing a discretionary prorated quarterly option grant and discretionary full quarterly option grant to Mr. Coates in connection with his change in status to a non-employee director on August 17, 2007.
- (5) In our sole discretion, we made a charitable donation to an eligible IRS recognized nonprofit organization in the amount of \$22,804 representing the fees Mr. Dox would have received in his capacity as a director for the fiscal year 2007.
- (6) In our sole discretion, a charitable donation in the amount of \$95,000 was made to an eligible IRS recognized nonprofit organization in honor of Mr. Dox.

#### **Employment Contracts and Termination of Employment and Change-in-Control Arrangements**

As part of Nanometrics' hiring efforts, we sometimes enter into employment agreements and severance agreements with our named executive officers that provide for certain severance benefits, including but not limited to, continuation of salary, continuation of bonus plan participation, continuation of health care benefits and acceleration of equity. The Compensation Committee decided, in its judgment, that these types of agreements are often needed to recruit executive officers to join Nanometrics and to mitigate the risks associated with leaving former employers and assuming the challenges of new executive positions.

Pursuant to the terms of an agreement between Nanometrics and Vincent J. Coates dated May 1, 1985, as amended and restated in August 1996 and April 1998, Nanometrics is obligated to continue to pay Mr. Coates his salary and benefits for five years from the date of his resignation as Chairman of the Board of Directors in the event Mr. Coates is required to resign under certain circumstances, including a change of control. Mr. Coates voluntarily resigned his position as Chairman of the Board of Directors on July 26, 2007 and no payments shall be required pursuant to this agreement.

In October 2006, Nanometrics entered into an agreement with John D. Heaton pursuant to which Nanometrics agreed to pay Mr. Heaton his annual salary of \$404,250 for a period of twelve (12) months from the date that he is required or requested for any reason not involving good cause, including a change of control, to involuntarily relinquish his positions with Nanometrics as President, Chief Executive Officer and director, provided that Mr. Heaton executes a separation agreement and general release, refrains from disparagement of Nanometrics, and continues to comply with the terms of a certain confidential information agreement. Mr. Heaton's employment with Nanometrics terminated on March 26, 2007, and, on June 25, 2007, we entered into a Separation Agreement and Release with Mr. Heaton pursuant to which we paid Mr. Heaton his annual salary, less applicable withholdings, through March 26, 2008 and provided twelve (12) months accelerated vesting and an extended deadline to exercise with respect to his outstanding, unvested equity awards.

In September 2005, Douglas J. McCutcheon became Executive Vice President, Finance and Administration and Chief Financial Officer of Nanometrics. In connection with Mr. McCutcheon's employment agreement, Nanometrics agreed to pay Mr. McCutcheon twelve (12) months of continued salary at his then-effective annual rate if Nanometrics terminates him for any reason other than for good cause, provided that Mr. McCutcheon executes a general release. Mr. McCutcheon's employment with Nanometrics terminated on April 24, 2007 and we paid Mr. McCutcheon his annual salary through April 24, 2008.

In July 2007, the Compensation Committee approved and, in August 2007 Nanometrics entered into, an executive severance agreement with Bruce A. Crawford, our Chief Operating Officer, which provides for certain severance benefits following a termination without cause, including six months continuing salary, reimbursements for his premium payments under COBRA for twelve months and twelve months of equity award acceleration, provided that Mr. Crawford executes a general release.

In August 2007, we announced the appointment of Timothy J. Stultz, Ph.D. as our President, Chief Executive Officer and a director. In connection with his appointment, we offered Dr. Stultz a compensation package including certain severance benefits consisting of continued salary payments and equity award acceleration for termination without cause or for good reason, including in connection with a change in control. Specifically, Nanometrics agrees to pay Dr. Stultz (i) his annual salary, including bonuses earned or accrued, and reimbursements for his premium payments under the Consolidated Omnibus Budget Reconciliation Act ( COBRA ) for twelve (12) months from the date of separation in the event that Dr. Stultz's employment with Nanometrics is terminated by us without cause or Dr. Stultz resigns for good reason within his first twelve months of employment with Nanometrics; (ii) his annual salary, including bonuses earned or accrued, and reimbursements for his premium payments under COBRA for nine months from the date of separation in the event that Dr. Stultz's employment with Nanometrics is terminated by us without cause or Dr. Stultz resigns for good reason during the period beginning one year and one day after Dr. Stultz's hire date until two years from Dr. Stultz's hire date; (iii) his annual salary, including bonuses earned or accrued, and reimbursements for his premium payments under COBRA for six months from the date of separation in the event that



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Dr. Stultz's employment with Nanometrics is terminated by us without cause or Dr. Stultz resigns for good reason during the period beginning two years and one day from Dr. Stultz's hire date or thereafter; and (iv) his annual salary, including bonuses earned or accrued, and reimbursements for his premium payments under COBRA for twelve (12) months and 100% acceleration of all equity awards, from the date of separation in the event that Dr. Stultz's employment with Nanometrics is terminated by us without cause or Dr. Stultz resigns for good reason with twelve months following a change of control, provided that Dr. Stultz executes a general release.

In November 2007, Gary C. Schaefer became Chief Financial Officer and Executive Vice President of Finance and Administration of Nanometrics. In January 2008, the Compensation Committee approved an employment agreement with Mr. Schaefer, which provides for certain severance benefits following a termination without cause, including twelve months continuing salary, performance bonus plan participation, reimbursements for his premium payments under COBRA and Exec-U-Care, and 100% acceleration of all equity awards, provided that Mr. Schaefer executes a general release.

The table below estimates amounts payable upon a separation as if the individuals were separated on December 29, 2007.

Name	Benefit	Not in Connection with a Change of Control		In Connection with a Change of Control Termination Without Cause, for Good Reason or Due to Disability or Death (\$)
		Due to Disability or Termination Without Cause (\$)	Due to Death (\$)	
Timothy J. Stultz	Severance pay	\$ 377,000		\$ 377,000
	Variable compensation payment			
	Stock option vesting acceleration			1,013,100
	Health care benefits continuation	13,097		13,097
	Life insurance continuation			
	<b>Total value:</b>	\$ 390,097		\$ 1,403,197
Gary C. Schaefer	Severance pay	\$ 300,000		\$ 300,000
	Variable compensation payment	60,000(1)		60,000
	Stock option vesting acceleration	409,340		409,340
	Health care benefits continuation	13,940		13,940
	Life insurance continuation			
	<b>Total value:</b>	\$ 783,280		\$ 783,280
Bruce A. Crawford	Severance pay	\$ 156,750		\$ 156,750
	Variable compensation payment			
	Stock option vesting acceleration	290,034		290,034
	Health care benefits continuation	18,029		18,029
	Life insurance continuation			
	<b>Total value:</b>	\$ 464,813		\$ 464,813
John D. Heaton	Severance pay (2)	\$ 108,836		
	Variable compensation payment			
	Stock option vesting acceleration			
	Health care benefits continuation (2)	3,901		
	Life insurance continuation			
	<b>Total</b>	\$ 112,737		
Douglas J. McCutcheon	Severance pay (2)	\$ 95,365		
	Variable compensation payment			
	Stock option vesting acceleration			
	Health care benefits continuation			
	Life insurance continuation			

<b>Total</b>	\$ 95,365
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(1) Mr. Schaefer is due a bonus equal to 40% of base salary if we meet our annual operating plan with \$60,000 minimum due. The maximum payment to Mr. Schaefer would be \$120,000.

(2) Amount represents the remaining amount due under the employment contract.

**Compensation/Stock Option Committee Interlocks and Insider Participation**

Messrs. Edmond R. Ward, J. Thomas Bentley and Stephen J Smith served on the Compensation Committee during fiscal year 2007. No member of such Compensation Committee is or was at any time an officer or employee of Nanometrics or any of its subsidiaries. During fiscal year 2007, none of our executive officers served on the Compensation Committee or board of directors of any other company whose executive officers serve as a member of our board of directors or compensation committee.

**COMPENSATION COMMITTEE REPORT**

**Compensation/Stock Option Committee Report**

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the board of directors that the Compensation Discussion and Analysis be included in this Form 10-K/A.

**Members of the Compensation/Stock Option Committee**

Edmond R. Ward, Chairman

J. Thomas Bentley

Stephen J Smith

**ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

**Equity Compensation Plan Information**

All of our equity compensation plans except the 2002 Nonstatutory Stock Option Plan were approved by our stockholders. The following table gives information about the common stock that may be issued under all of our existing equity compensation plans as of December 29, 2007.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	2,543,982	\$ 10.26	1,480,455
Equity compensation plans not approved by security holders (1)	576,485	\$ 8.56	127,456
<b>Total</b>	<b>3,120,467</b>	<b>\$ 9.94</b>	<b>1,607,911</b>

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- (1) The material features of each plan adopted without the approval of security holders is set forth in Footnote 13 to the consolidated financial statements included in our Form 10-K for the fiscal year ended December 29, 2007, and is incorporated by reference herein.

### **Nanometrics Principal Stockholders**

The following table sets forth beneficial ownership of Nanometrics common stock as of April 11, 2008, by each director, by each of the executive officers, by all directors and executive officers as a group, and by all persons known to Nanometrics to be the beneficial owners of more than 5% of Nanometrics stock. Unless otherwise indicated, the address of each executive officer or director of Nanometrics is 1550 Buckeye Drive, Milpitas, CA 95035. As of the close of business on April 11, 2008, there were 18,597,303 shares of common stock outstanding.

Name of Beneficial Owner	Principal Stockholders	Amount and Nature of Beneficial Ownership (1) Shares			
		Shares	Stock Options Exercisable within 60 days of 4/11/08	Total Shares Beneficially Owned	Percent of Class
Dimensional Fund Advisors LP (2)		1,256,009		1,256,009	6.8%
Peter M. Joost (3)		1,317,395		1,317,395	7.1%
Royce and Associates, LLC (4)		1,392,600		1,392,600	7.5%
The TCW Group, Inc. (5)		1,883,396		1,883,396	10.1%

Name of Beneficial Owner	Directors and Officers	Amount and Nature of Beneficial Ownership (1) Shares			
		Shares	Stock Options Exercisable within 60 days of 4/11/08	Total Shares Beneficially Owned	Percent of Class
Bruce C. Rhine (6)		918,810	77,009	995,819	5.3%
Vincent J. Coates (7)		3,498,614		3,498,614	18.8%
Howard A. Bain III (8)		1,000		1,000	*
J. Thomas Bentley			28,332	28,332	*
Joseph F. Dox (9)		1,915	6,666	8,581	*
William G. Oldham, Ph.D.			28,332	28,332	*
Stephen J Smith, Ph.D.			28,332	28,332	*
Timothy J. Stultz, Ph.D.					*
Edmond R. Ward, Ph.D.		2,000	28,332	30,332	*
Gary C. Schaefer			13,333	13,333	*
Bruce A. Crawford		49,604	74,173	123,777	*
John D. Heaton (10)					*
Douglas J. McCutcheon (11)		2,292		2,292	*
Quentin B. Wright (12)		5,418	64,426	69,844	*
All named officers and directors as a group (14 persons)		4,479,653	348,935	4,828,588	25.5%

\* Less than 1%.

- (1) As determined in accordance with Rule 13d-3 under the Securities and Exchange Act of 1934.
- (2) According to a Schedule 13G/A filed with the SEC on February 6, 2008, Dimensional Fund Advisors LP may be deemed to be the beneficial owner of 1,256,009 shares of common stock. Dimensional Fund Advisors LP (formerly, Dimensional Fund Advisors Inc.) ( Dimensional ), an investment advisor registered under Section 203 of the Investment Advisors Act of 1940, furnishes investment advice to four investment companies registered under the Investment Company Act of 1940, and serves as investment manager to certain other commingled group trusts and separate accounts. These investment companies, trusts and accounts are the Funds. In its role as investment advisor or manager, Dimensional possesses investment and/or voting power over the securities that are owned by the Funds, and may be deemed to be the beneficial owner of the shares held by the Funds. All of the shares are owned by the Funds. Dimensional disclaims beneficial ownership of such securities. The address of Dimensional is 1299 Ocean Avenue, Santa Monica, CA 90401.
- (3) According to a Schedule 13G/A filed with the SEC on February 7, 2008 and information available to the Company, Peter M. Joost may be deemed to be the beneficial owner of 1,317,395 shares of common stock which includes 1,052,816 shares of common stock held by JFI II, L.P. ( JFI II ) and 264,579 shares of common stock held by Peter M. and Lindsay M. Joost, Trustees U/T/A dated April 11, 2002 (the Joost Trust ). The sole general partner of JFI II is Joost Enterprises Corporation ( JEC ). Mr. Joost is the President of, and the Joost Trust holds all of the outstanding shares issued by, JEC. Sole voting and dispositive power for the shares held by JFI II is exercised through JEC. Mr. and

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Mrs. Joost share voting and dispositive power for the shares held by the Joost Trust. The address of these individuals and entities is c/o Joost Enterprises Corporation, 555 California Street, Suite 5180, San Francisco, California 94104.

- (4) According to a Schedule 13G/A filed with the SEC on January 30, 2008, Royce and Associates, LLC ( Royce ) may be deemed to be the beneficial owner of 1,392,600 shares of common stock. Various accounts managed by Royce have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of shares of the issuer. The interest of one account, Royce Opportunity Fund an investment company registered under the Investment Company Act of 1940 and managed by Royce, amounted to 1,008,800 shares. The address of Royce is 1414 Avenue of the Americas, New York, NY 10019.
- (5) According to a Schedule 13G/A filed with the SEC on March 10, 2008, The TCW Group, Inc. ( TCW ), on behalf of itself and its direct and indirect subsidiaries, which collectively constitute The TCW Group, Inc. business unit (the TCW Business Unit ), the TCW Business Unit may be deemed to be the beneficial owner of 1,883,396 shares of common stock. The TCW Business Unit is primarily engaged in the provision of investment management services. The ultimate parent company of TCW is Societe Generale, S.A. ( SG ). The principal business of SG is acting as a holding company for a global financial services group, which includes certain distinct specialized business units that are independently operated, including the TCW Business Unit. SG, for purposes of the federal securities laws, may be deemed ultimately to control TCW and the TCW Business Unit. SG disclaims beneficial ownership of the shares beneficially owned by TCW. TCW disclaims beneficial ownership of the shares beneficially owned by SG and any of SG 's other business units. TCW shares voting power of 603,712 shares and shares dispositive power of 1,883,396 shares. The address for TCW Group is 865 South Figueroa Street, Los Angeles, CA 90017.
- (6) Includes (i) 12,518 shares held of record jointly by Mr. Rhine and his spouse as joint tenants with rights of survivorship and (ii) 906,292 shares held of record by the Bruce Charles Rhine and Martha Hawn Rhine Family Trust.
- (7) Includes (i) 120 shares held of record by Mr. Coates and (ii) 3,498,494 shares of common stock held of record by the Vincent J. Coates Separate Property Trust, U/D/T dated August 7, 1981, for which Mr. Coates acts as trustee.
- (8) Shares held of record by Mr. Bain and his spouse.
- (9) Includes 485 shares held of record by Mr. Dox; (ii) 305 shares held of record by the Alexia Dox Trust (the AD Trust ); and (iii) 1,125 shares held of record by the Emilie Dox Trust (the ED Trust ). Ira Greenspan is the Trustee of the AD Trust and the ED Trust and has sole voting and investment power over the shares held by the AD Trust and the ED Trust. Mr. Dox disclaims beneficial ownership of the shares held by the AD Trust and the ED Trust.
- (10) Mr. Heaton resigned from all positions held at Nanometrics effective March 26, 2007.
- (11) Mr. McCutcheon resigned from all positions held at Nanometrics effective April 24, 2007.
- (12) Mr. Wright, our Vice President, External Reporting and Strategic Projects, served as interim Chief Financial Officer from April 2007 until November 2007 and as Chief Accounting Officer from April 2005 until November 2007.

### **ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

#### **Related Party Transaction Policy**

Nanometrics' policy towards Related Party Transactions requires that the Audit Committee review any transaction or series of transactions in excess of \$50,000 in any year between Nanometrics, on the one hand, and an officer, director or 5% or greater stockholder, on the other. Nanometrics' Chief Financial Officer has responsibility for bringing the facts concerning a proposed related party transaction to the Audit Committee. The policy permits approval only in the event of a finding that the transaction is on terms no less favorable than would have been obtained in an ordinary arms-length transaction with an independent third party.



**ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES**

The following table summarizes the aggregate fees that we paid or expect to pay our independent registered public accounting firm, BDO Seidman, LLP for fiscal 2007 and 2006.

	Fiscal 2007	Percentage Pre-approved by Audit Committee	Fiscal 2006	Percentage Pre-approved by Audit Committee
Audit Fees (1)	\$ 1,178,515	100 %	\$ 1,903,109	100 %
Audit Related Fees (2)	70,905	100 %	162,220	100 %
Tax Fees (3)	21,000			100 %
All Other Fees				
<b>Total</b>	<b>\$ 1,270,420</b>		<b>\$ 2,065,329</b>	

## (1) Fees for audit services consist of:

Audit of our annual financial statements including management's assessment of internal controls over financial reporting;

Reviews of our quarterly financial statements; and

Statutory and regulatory audits, consents and other services.

## (2) Fees for audit-related services billed in fiscal 2007 consisted of consultation concerning financial accounting and reporting standards (\$70,905). Fees for audit-related services billed in fiscal 2006 consisted of (i) consultations and due diligence related to our acquisition of Accent Optical Technologies, Inc. (\$144,345) and (ii) consultation concerning financial accounting and reporting standards (\$17,875).

## (3) This figure relates to tax return preparation for certain foreign subsidiaries in fiscal 2007.

In considering the nature of the services provided by the independent registered public accountants, the Audit Committee determined that such services are compatible with the provision of independent audit services. The Audit Committee discussed these services with the independent registered public accountants and our management to determine that they are permitted under the rules and regulations concerning auditors independence promulgated by the Securities and Exchange Commission to implement the Sarbanes-Oxley Act of 2002, as well as the American Institute of Certified Public Accountants.

**Audit Committee Pre-Approval Policy**

Pursuant to our audit committee charter, our Audit Committee must pre-approve all audit and non-audit services, and the related fees, provided to us by our independent auditors, or subsequently approve non-audit services in those circumstances where a subsequent approval is necessary and permissible under the Exchange Act or the rules of the Securities and Exchange Commission. Accordingly, the Audit Committee pre-approved all services and fees provided by BDO Seidman, LLP during the year ended December 29, 2007 and has concluded that the provision of these services is compatible with the accountants' independence.

**PART IV**

**ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**  
**Exhibits.**

The following exhibits are filed with this Annual Report on Form 10-K/A:

<b>Exhibit No.</b>	<b>Description</b>
<b>31</b>	<b>Rule 13a-14(a)/15d-14(a) Certifications</b>
31.1	Certification of Timothy J. Stultz, principal executive officer of the Registrant, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Gary C. Schaefer, principal financial officer of the Registrant, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
<b>32</b>	<b>Section 1350 Certifications</b>
32.1	Certification of Timothy J. Stultz, principal executive officer of the Registrant, and Gary C. Schaefer, principal financial officer of the Registrant, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002



**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: April 25, 2008

**NANOMETRICS INCORPORATED**

By: /s/ Gary C. Schaefer  
Chief Financial Officer and Vice President of  
Finance and Administration