

FLOWSERVE CORP
Form SC 13D/A
October 03, 2012

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

SCHEDULE 13D

**Under the Securities Exchange Act of 1934
(Amendment No. 1)***

Flowserve Corporation

(Name of Issuer)

Common Stock, \$1.25 par value

(Title of Class of Securities)

34354P105

(CUSIP Number)

**Ralph V. Whitworth
Relational Investors, LLC
12400 High Bluff Drive, Suite 600
San Diego, CA 92130
(858) 704-3333**

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

October 1, 2012

(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.

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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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1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only)
Relational Investors, LLC
 2. Check the Appropriate Box if a Member of a Group (See Instructions)

| | |
|-----|-------------------------------------|
| (a) | <input checked="" type="checkbox"/> |
| (b) | <input type="checkbox"/> |
 3. SEC Use Only
 4. Source of Funds (See Instructions)
OO
 5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
 6. Citizenship or Place of Organization
Delaware
- | | | | |
|---|-----|--------------------------|-----------|
| | 7. | Sole Voting Power | 2,341,989 |
| Number of Shares Beneficially Owned by Each Reporting Person With | 8. | Shared Voting Power | -0- |
| | 9. | Sole Dispositive Power | 2,341,989 |
| | 10. | Shared Dispositive Power | -0- |
11. Aggregate Amount Beneficially Owned by Each Reporting Person
2,341,989
 12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
 13. Percent of Class Represented by Amount in Row (11)
4.58%
 14. Type of Reporting Person (See Instructions)
IA/HC/OO

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1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only)
Relational Investors, L.P.
2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a) x
(b) o
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) o
6. Citizenship or Place of Organization
Delaware
- | | | |
|---|-----|-----------------------------------|
| Number of Shares Beneficially Owned by Each Reporting Person With | 7. | Sole Voting Power 350,025 |
| | 8. | Shared Voting Power -0- |
| | 9. | Sole Dispositive Power 350,025 |
| | 10. | Shared Dispositive Power -0- |
11. Aggregate Amount Beneficially Owned by Each Reporting Person
350,025
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) o
13. Percent of Class Represented by Amount in Row (11)
0.68%
14. Type of Reporting Person (See Instructions)
PN

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1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only)
Relational Fund Partners, L.P.
2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a) x
(b) o
3. SEC Use Only
4. Source of Funds (See Instructions)
WC/OO
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) o
6. Citizenship or Place of Organization
Delaware
- | | | |
|---|-----|---------------------------------|
| Number of Shares Beneficially Owned by Each Reporting Person With | 7. | Sole Voting Power 6,387 |
| | 8. | Shared Voting Power -0- |
| | 9. | Sole Dispositive Power 6,387 |
| | 10. | Shared Dispositive Power -0- |
11. Aggregate Amount Beneficially Owned by Each Reporting Person
6,387
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) o
13. Percent of Class Represented by Amount in Row (11)
0.01%
14. Type of Reporting Person (See Instructions)
PN

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1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only)
Relational Coast Partners, L.P.
 2. Check the Appropriate Box if a Member of a Group (See Instructions)

| | |
|-----|-------------------------------------|
| (a) | <input checked="" type="checkbox"/> |
| (b) | <input type="checkbox"/> |
 3. SEC Use Only
 4. Source of Funds (See Instructions)
WC/OO
 5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
 6. Citizenship or Place of Organization
Delaware
- | | | |
|---|-----|----------------------------------|
| Number of Shares Beneficially Owned by Each Reporting Person With | 7. | Sole Voting Power 89,975 |
| | 8. | Shared Voting Power -0- |
| | 9. | Sole Dispositive Power 89,975 |
| | 10. | Shared Dispositive Power -0- |
11. Aggregate Amount Beneficially Owned by Each Reporting Person
89,975
 12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
 13. Percent of Class Represented by Amount in Row (11)
0.18%
 14. Type of Reporting Person (See Instructions)
PN

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1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only)
RH Fund 1, L.P.
2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a) X
(b) O
3. SEC Use Only
4. Source of Funds (See Instructions)
WC/OO
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) O
6. Citizenship or Place of Organization
Delaware
- | | | |
|---|-----|-----------------------------------|
| Number of Shares Beneficially Owned by Each Reporting Person With | 7. | Sole Voting Power 200,703 |
| | 8. | Shared Voting Power -0- |
| | 9. | Sole Dispositive Power 200,703 |
| | 10. | Shared Dispositive Power -0- |
11. Aggregate Amount Beneficially Owned by Each Reporting Person
200,703
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) O
13. Percent of Class Represented by Amount in Row (11)
0.39%
14. Type of Reporting Person (See Instructions)
PN

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1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only)
RH Fund 6, L.P.
2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a) X
(b) O
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) O
6. Citizenship or Place of Organization
Delaware
- | | | |
|---|-----|-----------------------------------|
| Number of Shares Beneficially Owned by Each Reporting Person With | 7. | Sole Voting Power 140,312 |
| | 8. | Shared Voting Power -0- |
| | 9. | Sole Dispositive Power 140,312 |
| | 10. | Shared Dispositive Power -0- |
11. Aggregate Amount Beneficially Owned by Each Reporting Person
140,312
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) O
13. Percent of Class Represented by Amount in Row (11)
0.27%
14. Type of Reporting Person (See Instructions)
PN

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only)
Relational Investors VIII, L.P.
2. Check the Appropriate Box if a Member of a Group (See Instructions)

| | |
|-----|-------------------------------------|
| (a) | <input checked="" 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)
6. Citizenship or Place of Organization
Delaware

| | |
|-----|-----------------------------------|
| 7. | Sole Voting Power 512,076 |
| 8. | Shared Voting Power -0- |
| 9. | Sole Dispositive Power 512,076 |
| 10. | Shared Dispositive Power -0- |
11. Aggregate Amount Beneficially Owned by Each Reporting Person
512,076
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
13. Percent of Class Represented by Amount in Row (11)
1.00%
14. Type of Reporting Person (See Instructions)
PN

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

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1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only)
Relational Investors IX, L.P.
2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a) X
(b) O
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) O
6. Citizenship or Place of Organization
Delaware
- | | | |
|---|-----|-----------------------------------|
| Number of Shares Beneficially Owned by Each Reporting Person With | 7. | Sole Voting Power 124,341 |
| | 8. | Shared Voting Power -0- |
| | 9. | Sole Dispositive Power 124,341 |
| | 10. | Shared Dispositive Power -0- |
11. Aggregate Amount Beneficially Owned by Each Reporting Person
124,341
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) O
13. Percent of Class Represented by Amount in Row (11)
0.24%
14. Type of Reporting Person (See Instructions)
PN

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only)
Relational Investors XV, L.P.
 2. Check the Appropriate Box if a Member of a Group (See Instructions)

| | |
|-----|-------------------------------------|
| (a) | <input checked="" 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)
 6. Citizenship or Place of Organization
Delaware
- | | | |
|---|-----|----------------------------------|
| | 7. | Sole Voting Power 64,067 |
| Number of Shares Beneficially Owned by Each Reporting Person With | 8. | Shared Voting Power -0- |
| | 9. | Sole Dispositive Power 64,067 |
| | 10. | Shared Dispositive Power -0- |
11. Aggregate Amount Beneficially Owned by Each Reporting Person
64,067
 12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
 13. Percent of Class Represented by Amount in Row (11)
0.13%
 14. Type of Reporting Person (See Instructions)
PN

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only)
Relational Investors XVI, L.P.
 2. Check the Appropriate Box if a Member of a Group (See Instructions)

| | |
|-----|-------------------------------------|
| (a) | <input checked="" 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)
 6. Citizenship or Place of Organization
Delaware
- | | | | |
|---|-----|--------------------------|--------|
| | 7. | Sole Voting Power | 50,261 |
| Number of Shares Beneficially Owned by Each Reporting Person With | 8. | Shared Voting Power | -0- |
| | 9. | Sole Dispositive Power | 50,261 |
| | 10. | Shared Dispositive Power | -0- |
11. Aggregate Amount Beneficially Owned by Each Reporting Person
50,261
 12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
 13. Percent of Class Represented by Amount in Row (11)
0.10%
 14. Type of Reporting Person (See Instructions)
PN

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only)
Relational Investors XX, L.P.
 2. Check the Appropriate Box if a Member of a Group (See Instructions)

| | |
|-----|-------------------------------------|
| (a) | <input checked="" type="checkbox"/> |
| (b) | <input type="checkbox"/> |
 3. SEC Use Only
 4. Source of Funds (See Instructions)
WC/OO
 5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
 6. Citizenship or Place of Organization
Delaware
- | | |
|-----|----------------------------------|
| 7. | Sole Voting Power 54,058 |
| 8. | Shared Voting Power -0- |
| 9. | Sole Dispositive Power 54,058 |
| 10. | Shared Dispositive Power -0- |
11. Aggregate Amount Beneficially Owned by Each Reporting Person
54,058
 12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
 13. Percent of Class Represented by Amount in Row (11)
0.11%
 14. Type of Reporting Person (See Instructions)
PN

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only)
Relational Investors XXIII, L.P.
2. Check the Appropriate Box if a Member of a Group (See Instructions)

| | |
|-----|-------------------------------------|
| (a) | <input checked="" type="checkbox"/> |
| (b) | <input type="checkbox"/> |
3. SEC Use Only
4. Source of Funds (See Instructions)
WC/OO
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
6. Citizenship or Place of Organization
Delaware

| | |
|-----|----------------------------------|
| 7. | Sole Voting Power 76,487 |
| 8. | Shared Voting Power -0- |
| 9. | Sole Dispositive Power 76,487 |
| 10. | Shared Dispositive Power -0- |
11. Aggregate Amount Beneficially Owned by Each Reporting Person
76,487
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
13. Percent of Class Represented by Amount in Row (11)
0.15%
14. Type of Reporting Person (See Instructions)
PN

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only)
Ralph V. Whitworth
 2. Check the Appropriate Box if a Member of a Group (See Instructions)

| | |
|-----|-------------------------------------|
| (a) | <input checked="" type="checkbox"/> |
| (b) | <input type="checkbox"/> |
 3. SEC Use Only
 4. Source of Funds (See Instructions)
NA
 5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
 6. Citizenship or Place of Organization
United States
- | | | |
|---|-----|---------------------------------------|
| | 7. | Sole Voting Power -0- |
| Number of Shares Beneficially Owned by Each Reporting Person With | 8. | Shared Voting Power 2,341,989 |
| | 9. | Sole Dispositive Power -0- |
| | 10. | Shared Dispositive Power 2,341,989 |
11. Aggregate Amount Beneficially Owned by Each Reporting Person
2,341,989
 12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
 13. Percent of Class Represented by Amount in Row (11)
4.58%
 14. Type of Reporting Person (See Instructions)
IN

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only)
David H. Batchelder
 2. Check the Appropriate Box if a Member of a Group (See Instructions)

| | |
|-----|-------------------------------------|
| (a) | <input checked="" type="checkbox"/> |
| (b) | <input type="checkbox"/> |
 3. SEC Use Only
 4. Source of Funds (See Instructions)
NA
 5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
 6. Citizenship or Place of Organization
United States
- | | | |
|---|-----|---------------------------------------|
| | 7. | Sole Voting Power -0- |
| Number of Shares Beneficially Owned by Each Reporting Person With | 8. | Shared Voting Power 2,341,989 |
| | 9. | Sole Dispositive Power -0- |
| | 10. | Shared Dispositive Power 2,341,989 |
11. Aggregate Amount Beneficially Owned by Each Reporting Person
2,341,989
 12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
 13. Percent of Class Represented by Amount in Row (11)
4.58%
 14. Type of Reporting Person (See Instructions)
IN

Item 1. Security and Issuer

This Schedule 13D/A constitutes the first amendment to the Schedule 13D originally filed by the Reporting Persons with the Securities and Exchange Commission (the **SEC**) on June 25, 2012 (the **Statement**) with respect to the common stock, \$1.25 par value (the **Shares**), of Flowserve Corporation (the **Issuer** or the **Company**). Except as specifically amended by this Schedule 13D/A, the Statement remains in full force and effect.

Item 3. Source and Amount of Funds or Other Consideration

RILLC and the Managed Accounts purchased an aggregate of 673,297 Shares for a total consideration (including brokerage commissions) of \$76.6 million derived from capital of RILLC and the Managed Accounts.

The Relational LPs purchased an aggregate of 1,668,692 Shares for total consideration (including brokerage commissions) of \$189.4 million derived from the capital of the Relational LPs and margin borrowings from Credit Suisse Securities (USA) LLC (**CSSU**) for RFP, RCP, RH1, RI XX and RI XXIII.

Interest on the margin debt balance of the margin accounts described above is charged at the then Federal Funds Rate plus 50 basis points. **CSSU** has a lien on the Shares held by RFP, RCP, RH1, RI XX and RI XXIII to secure repayment of the margin borrowings described above.

Item 5. Interest in Securities of the Issuer

(a) As of the date of this Statement, the Reporting Persons beneficially owned in the aggregate 2,341,989 Shares, constituting 4.58% of the outstanding Shares. The percentage of Shares owned is based upon 51,129,781 Shares outstanding on July 23, 2012, as set forth in the Issuer's Form 10-Q for the quarter ended June 30, 2012. The Reporting Persons may be deemed to have direct beneficial ownership of the Shares as follows:

| NAME | NUMBER OF SHARES | % OF OUTSTANDING SHARES | VOTING AND DISPOSITIVE POWER |
|----------|------------------|-------------------------|------------------------------|
| RILLC | 673,297 | 1.32% | Sole |
| RILP | 350,025 | 0.68% | Sole |
| RFP | 6,387 | 0.01% | Sole |
| RCP | 89,975 | 0.18% | Sole |
| RH1 | 200,703 | 0.39% | Sole |
| RH6 | 140,312 | 0.27% | Sole |
| RI VIII | 512,076 | 1.00% | Sole |
| RI IX | 124,341 | 0.24% | Sole |
| RI XV | 64,067 | 0.13% | Sole |
| RI XVI | 50,261 | 0.10% | Sole |
| RI XX | 54,058 | 0.11% | Sole |
| RI XXIII | 76,487 | 0.15% | Sole |

RILLC, individually and in its capacity as an investment adviser, may be deemed to possess direct beneficial ownership of the 673,297 Shares that are owned by it and the Managed Accounts. Additionally, RILLC, as the sole general partner, or sole managing member of the general partner, of each of the Relational LPs may be deemed to beneficially own (as that term is defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended) the 1,668,692 Shares beneficially owned by the Relational LPs because the limited partnership agreements of the Relational LPs specify that RILLC has sole investment discretion and voting authority with respect to those Shares.

Each of Messrs. Whitworth and Batchelder, as Principals of RILLC, may be deemed to share indirect beneficial ownership of the Shares which RILLC may beneficially own. Each of Messrs. Whitworth and Batchelder disclaims beneficial ownership of such Shares for all other purposes.

To the best of the knowledge of each of the Reporting Persons, other than as set forth above, none of the persons named in Item 2 is the beneficial owner of any Shares.

(b) See item (a) above.

(c) Except as set forth in Exhibit A to this Statement, none of the Reporting Persons has effected any transactions in the Shares during the past sixty days.

(d) No other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Shares covered by this Statement, except that dividends from, and proceeds from the sale of, the Shares held by accounts managed by RILLC may be delivered to such accounts.

(e) The Reporting Persons ceased to be beneficial owner of more than 5 percent of the Shares on October 1, 2012.

Item 7. Material to Be Filed as Exhibits

The following Exhibits are filed herewith:

Exhibit A Information concerning transactions in the Shares effected by the Reporting Persons in the last 60 days.

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: October 3, 2012

RELATIONAL INVESTORS, L.P.
RELATIONAL FUND PARTNERS, L.P.
RELATIONAL COAST PARTNERS, L.P.
RH FUND 1, L.P.
RH FUND 6, L.P.
RELATIONAL INVESTORS VIII, L.P.
RELATIONAL INVESTORS IX, L.P.
RELATIONAL INVESTORS XV, L.P.
RELATIONAL INVESTORS XVI, L.P.
RELATIONAL INVESTORS XX, L.P.
RELATIONAL INVESTORS XXIII, L.P.

By: RELATIONAL INVESTORS, LLC
as general partner to each

By: */s/ Ralph V. Whitworth*
Ralph V. Whitworth, Principal

RELATIONAL INVESTORS, LLC

By: */s/ Ralph V. Whitworth*
Ralph V. Whitworth, Principal

/s/ Ralph V. Whitworth
Ralph V. Whitworth

/s/ David H. Batchelder
David H. Batchelder