

DOUGLAS DYNAMICS, INC  
Form SC 13G  
February 14, 2011

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

**SCHEDULE 13G**

**(Rule 13d-102)**

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

**Douglas Dynamics, Inc.**

(Name of Issuer)

**Common Stock, par value \$0.01 per share**

(Title of Class of Securities)

**25960R105**

(CUSIP Number)

**December 31, 2010**

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

\*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 the disclosures provided in a prior cover page.

The information required in 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 (the "Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act.

1. Names of Reporting Persons  
Aurora Equity Partners II L.P., a Delaware limited partnership, together with its general partner Aurora Capital Partners II L.P., a Delaware general partnership
  2. Check the Appropriate Box if a Member of a Group  
(a)    
(b)
  3. SEC Use Only
  4. Citizenship or Place of Organization  
Delaware
- |  |    |                          |           |
|--|----|--------------------------|-----------|
|  | 5. | Sole Voting Power        | 4,702,727 |
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With: | 6. | Shared Voting Power      | 2,214,107 |
|  | 7. | Sole Dispositive Power   | 4,702,727 |
|  | 8. | Shared Dispositive Power | 551,377   |
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
6,916,834
  10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares
  11. Percent of Class Represented by Amount in Row 9  
31.9%(1)
  12. Type of Reporting Person  
PN, PN

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(1) Based upon 21,405,426 shares of common stock, par value \$0.01 per share ( Common Stock ), of Douglas Dynamics, Inc. (the Issuer ), outstanding as of November 8, 2010, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2010, filed with the Securities and Exchange Commission on November 8, 2010, and 299,622 shares of Issuer Common Stock underlying stock options which are exercisable as of, or exercisable within 60 days of, December 31, 2010.

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1. Names of Reporting Persons  
Aurora Overseas Equity Partners II, L.P., a Cayman Islands limited partnership, together with its general partner Aurora Overseas Capital Partners II, L.P., a Cayman Islands limited partnership, together with its general partner Aurora Overseas Advisors II, LDC, a Cayman Islands exempt limited duration company
  2. Check the Appropriate Box if a Member of a Group  
(a)  o  
(b)  o
  3. SEC Use Only
  4. Citizenship or Place of Organization  
Cayman Islands
- |  |    |                          |  |
|--|----|--------------------------|--|
|  | 5. | Sole Voting Power        |  |
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With: |    | 62,423                   |  |
|  | 6. | Shared Voting Power      |  |
|  |    | 2,214,107                |  |
|  | 7. | Sole Dispositive Power   |  |
|  |    | 62,423                   |  |
|  | 8. | Shared Dispositive Power |  |
|  |    | 551,377                  |  |
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
2,276,530
  10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares  o
  11. Percent of Class Represented by Amount in Row 9  
10.5%(2)
  12. Type of Reporting Person  
PN, PN, OO

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(2) Based upon 21,405,426 shares of common stock, par value \$0.01 per share ( Common Stock ), of Douglas Dynamics, Inc. (the Issuer ), outstanding as of November 8, 2010, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2010, filed with the Securities and Exchange Commission on November 8, 2010, and 299,622 shares of Issuer Common Stock underlying stock options which are exercisable as of, or exercisable within 60 days of, December 31, 2010.

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| 1.  | Names of Reporting Persons<br>Aurora Advisors II LLC, a Delaware limited liability company                 |
| 2.  | Check the Appropriate Box if a Member of a Group<br>(a) <input type="radio"/><br>(b) <input type="radio"/> |
| 3.  | SEC Use Only   |
| 4.  | Citizenship or Place of Organization<br>Delaware   |
| 5.  | Sole Voting Power<br>0   |
| 6.  | Shared Voting Power<br>6,979,257   |
| 7.  | Sole Dispositive Power<br>0  |
| 8.  | Shared Dispositive Power<br>5,339,717  |
| 9.  | Aggregate Amount Beneficially Owned by Each Reporting Person<br>6,979,257                                  |
| 10. | Check if the Aggregate Amount in Row (9) Excludes Certain Shares <input type="radio"/>                     |
| 11. | Percent of Class Represented by Amount in Row 9<br>32.2%(3)  |
| 12. | Type of Reporting Person<br>OO   |

Number of  
Shares  
Beneficially  
Owned by  
Each  
Reporting  
Person With:

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(3) Based upon 21,405,426 shares of common stock, par value \$0.01 per share ( Common Stock ), of Douglas Dynamics, Inc. (the Issuer ), outstanding as of November 8, 2010, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2010, filed with the Securities and Exchange Commission on November 8, 2010, and 299,622 shares of Issuer Common Stock underlying stock options which are exercisable as of, or exercisable within 60 days of, December 31, 2010.

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|-----|--|--|
| 1.  | Names of Reporting Persons<br>Gerald L. Parsky   |  |
| 2.  | Check the Appropriate Box if a Member of a Group<br>(a) <input type="radio"/><br>(b) <input type="radio"/> |  |
| 3.  | SEC Use Only   |  |
| 4.  | Citizenship or Place of Organization<br>United States  |  |
| 5.  | Sole Voting Power<br>0   | Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With: |
| 6.  | Shared Voting Power<br>6,979,257   |  |
| 7.  | Sole Dispositive Power<br>19,854   |  |
| 8.  | Shared Dispositive Power<br>5,339,717  |  |
| 9.  | Aggregate Amount Beneficially Owned by Each Reporting Person<br>6,979,257(4)                               |  |
| 10. | Check if the Aggregate Amount in Row (9) Excludes Certain Shares <input type="radio"/>                     |  |
| 11. | Percent of Class Represented by Amount in Row 9<br>32.2%(5)  |  |
| 12. | Type of Reporting Person<br>IN   |  |

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(4) Mr. Parsky disclaims beneficial ownership of such shares except to the extent that he has voting and/or dispositive power over such shares.

(5) Based upon 21,405,426 shares of common stock, par value \$0.01 per share ( Common Stock ), of Douglas Dynamics, Inc. (the Issuer ), outstanding as of November 8, 2010, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2010, filed with the Securities and Exchange Commission on November 8, 2010, and 299,622 shares of Issuer Common Stock underlying stock options which are exercisable as of, or exercisable within 60 days of, December 31, 2010.

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- |     |  |  |
|-----|--|--|
| 1.  | Names of Reporting Persons<br>John T. Mapes  |  |
| 2.  | Check the Appropriate Box if a Member of a Group<br>(a) <input type="radio"/><br>(b) <input type="radio"/> |  |
| 3.  | SEC Use Only   |  |
| 4.  | Citizenship or Place of Organization<br>United States  |  |
| 5.  | Sole Voting Power<br>0   | Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With: |
| 6.  | Shared Voting Power<br>6,979,257   |  |
| 7.  | Sole Dispositive Power<br>7,942  |  |
| 8.  | Shared Dispositive Power<br>5,339,717  |  |
| 9.  | Aggregate Amount Beneficially Owned by Each Reporting Person<br>6,979,257(6)                               |  |
| 10. | Check if the Aggregate Amount in Row (9) Excludes Certain Shares <input type="radio"/>                     |  |
| 11. | Percent of Class Represented by Amount in Row 9<br>32.2%(7)  |  |
| 12. | Type of Reporting Person<br>IN   |  |

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(6) Mr. Mapes disclaims beneficial ownership of such shares except to the extent that he has voting and/or dispositive power over such shares.

(7) Based upon 21,405,426 shares of common stock, par value \$0.01 per share ( Common Stock ), of Douglas Dynamics, Inc. (the Issuer ), outstanding as of November 8, 2010, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2010, filed with the Securities and Exchange Commission on November 8, 2010, and 299,622 shares of Issuer Common Stock underlying stock options which are exercisable as of, or exercisable within 60 days of, December 31, 2010.

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**Item 1(a). Name of Issuer.**

Douglas Dynamics, Inc., a Delaware corporation ("Issuer").

**Item 1(b). Address of Issuer's Principal Executive Offices.**

7777 North 73rd Street, Milwaukee, Wisconsin 53223.

**Item 2(a). Name of Person Filing.**

This Schedule 13G is filed jointly by:

(1) Aurora Equity Partners II L.P. ( AEPII ), the general partner of which is ACPII (as defined below).

(2) Aurora Capital Partners II L.P. ( ACPII ), the general partner of which is AAI (as defined below).

(3) Aurora Advisors II LLC ( AAII ), for which Messrs. Gerald Parsky and John T. Mapes are the sole voting members.

(4) Aurora Overseas Equity Partners II, L.P. ( AOEPPII ), the general partner of which is AOCPII (as defined below).

(5) Aurora Overseas Capital Partners II, L.P. ( AOCPII ), the general partner of which is AOAI (as defined below).

(6) Aurora Overseas Advisors II, LDC ( AOAI ), which is controlled by AAII.

(7) Gerald L. Parsky ( Parsky ), who in various capacities related to the Aurora Partnerships (as defined below), including as a co-voting member of AAII, may be deemed to share beneficial ownership of the Common Stock of the Issuer beneficially owned by the Aurora Partnerships.

(8) John T. Mapes ( Mapes ), who in various capacities related to the Aurora Partnerships, including as a co-voting member of AAII, may be deemed to share beneficial ownership of the Common Stock of the Issuer beneficially owned by the Aurora Partnerships.

For purposes of this Schedule 13G, the Aurora Partnerships collectively refer to AEPII, ACPII, AAII, AOEPPII, AOCPII, AOAI, and the Aurora Entities collectively refer to AEPII and AOEPPII.

**Item 2(b). Address of Principal Business Office or, if none, Residence.**

The principal business address of each of AEPII, ACPII, AAII and Messrs. Parsky and Mapes is 10877 Wilshire Blvd., Suite 2100, Los Angeles, CA 90024. The principal business address of each of AOEPPII, AOCPII and AOAI is West Wind Building, P.O. Box 1111, Georgetown, Grand Cayman, Cayman Islands, B.W.I.

**Item 2(c). Citizenship.**

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- (1) AEPII is a Delaware limited partnership.
  - (2) ACPII is a Delaware limited partnership.
  - (3) AAI is a Delaware limited liability company.
  - (4) AOEPII is a Cayman Islands exempted limited partnership.
  - (5) AOCPII is a Cayman Islands exempted limited partnership.
  - (6) AOAI is a Cayman Islands exempted limited duration company.
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(7) Mr. Gerald L. Parsky is a United States citizen.

(8) Mr. John T. Mapes is a United States citizen.

**Item 2(d).**

**Title of Class of Securities.**

Common Stock, par value \$0.01 per share ( Common Stock ).

**Item 2(e).**

**CUSIP Number.**

25960R105

**Item 3.**

**If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:**

- |     |                       |   |
|-----|-----------------------|---|
| x   | Not Applicable.       |   |
| (a) | <input type="radio"/> | Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).  |
| (b) | <input type="radio"/> | Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).  |
| (c) | <input type="radio"/> | Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).  |
| (d) | <input type="radio"/> | Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).  |
| (e) | <input type="radio"/> | An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E).   |
| (f) | <input type="radio"/> | An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F).  |
| (g) | <input type="radio"/> | A parent holding company or control person in accordance with §240.13d-1(b)(1)(ii)(G).  |
| (h) | <input type="radio"/> | A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813).  |
| (i) | <input type="radio"/> | A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3). |
| (j) | <input type="radio"/> | A non-U.S. institution in accordance with §240.13d-1(b)(1)(ii)(J).  |
| (k) | <input type="radio"/> | Group, in accordance with §240.13d-1(b)(1)(ii)(K).  |

**Item 4.**

**Ownership.**

**Background Information:**

Pursuant to the terms of that certain Second Amended and Restated Securityholders Agreement (the Securityholders Agreement ), dated as of June 30, 2004, as amended to date, by and among the Issuer, and the stockholders, optionholders and warrant holders party thereto, each of the securityholders party thereto (other than the Aurora Entities, Ares Corporate Opportunities Fund, L.P. and General Electric Pension Trust ( GEPT )) have granted an irrevocable proxy to the Aurora Entities to vote all of their shares of Common Stock as the Aurora Entities shall determine (such securityholders being the Proxy Securityholders ), and GEPT, subject to certain exceptions, has generally agreed to vote all of its shares of Common Stock in the same manner as the Aurora Entities vote their shares. Accordingly, each of the Aurora Entities (and the other Aurora Partnerships, Parsky and Mapes through their control of the Aurora Entities) may under certain circumstances be deemed to have shared voting power with respect to the shares of Common Stock owned of record by the Proxy Securityholders and GEPT. As of December 31, 2010, (a) the Proxy Securityholders held of record 744,853 shares of Common Stock, of which 299,622 shares underlie stock options that are exercisable as of, or exercisable within 60 days of, December 31, 2010, and

(b) GEPT held of record 1,469,254 shares of Common Stock. Such shares are collectively referred to herein as the Aurora Voting Shares.

In addition, pursuant to Amendment No. 2 to the Securityholders Agreement, certain of the Issuer's current and former management stockholders agreed not to transfer any amount of the Issuer's securities owned by them, subject to limited exceptions, except at such time and in proportion with the Aurora Entities. Accordingly, each of the Aurora Entities (and the other Aurora Partnerships, Parsky and Mapes through their control of the Aurora Entities) may be deemed to have shared dispositive power with respect to the shares held by current and former management. As of December 31, 2010, these stockholders held of record 551,377 shares of Common Stock (the Restricted Shares), of which 201,164 underlie stock options that are exercisable as of, or exercisable within 60 days of, December 31, 2010.

(1) AEPII may be deemed to beneficially own an aggregate of 6,916,834 shares of Common Stock, or 31.9% of the outstanding Common Stock. Of this amount, 4,702,727 shares are held of record by AEPII and accordingly AEPII may be deemed to have sole voting and dispositive power over such shares. The remaining 2,214,107 shares consist of Aurora Voting Shares, as to which AEPII may be deemed to have shared voting power. Of such Aurora Voting Shares, 551,377 shares also represent Restricted Shares and accordingly AEPII may be deemed to have shared dispositive over those 551,377 shares. ACPII, in its capacity as the general partner of AEPII, may be deemed to have shared beneficial ownership over the same securities beneficially owned by AEPII. ACPII is not itself the record owner of any shares of Common Stock and, as such, does not have sole beneficial ownership of any shares of Common Stock.

(2) AOEPPII may be deemed to beneficially own an aggregate of 2,276,530 shares of Common Stock, or 10.5% of the outstanding Common Stock. Of this amount, 62,423 shares are held of record by AOEPPII and accordingly AOEPPII may be deemed to have sole voting and dispositive power over such shares. The remaining 2,214,107 shares consist of Aurora Voting Shares, as to which AOEPPII may be deemed to have shared voting power. Of such Aurora Voting Shares, 551,377 shares also represent Restricted Shares and accordingly AOEPPII may be deemed to have shared dispositive over those 551,377 shares. AOCPII in its capacity as the general partner of AOEPPII, and AOAI in its capacity as the general partner of AOCPII, may each be deemed to have shared beneficial ownership over the same securities beneficially owned by AOEPPII. Neither AOCPII nor AOAI are themselves the record owners of any shares of Common Stock and, as such, neither of them have sole beneficial ownership of any shares of Common Stock.

(3) Each of AAII, Parsky and Mapes, through their relationships with the Aurora Partnerships, may be deemed to beneficially own an aggregate of 6,979,257 shares of Common Stock, or 32.2% of the outstanding Common Stock. Of this amount, 4,702,727 shares are held of record by AEPII, 62,423 shares are held of record by AOEPPII, and 2,214,107 shares consist of Aurora Voting Shares (which includes 19,854 shares held of record by a retirement account for Parsky's benefit, 7,942 shares held of record by a retirement account for Mapes' benefit and 23,190 shares held of record by Douglas Dynamics Equity Partners, L.P., a Delaware limited partnership (DDEP), the general partner of which is AAII), and of which 551,377 shares are also Restricted Shares. Accordingly, each of AAII, Parsky and Mapes may be deemed to have sole voting power with respect to 0 shares, shared voting power with respect to 6,979,257 shares, shared dispositive power with respect to 5,339,717 shares, and sole dispositive power with respect to 0 shares, 19,854 shares and 7,942 shares, respectively.

**Item 5. Ownership of Five Percent or Less of a Class.**  
Not Applicable.

- Item 6. Ownership of More than Five Percent on Behalf of Another Person.**  
The right to receive distributions and proceeds from the sale of the 4,702,727, 62,423 and 23,190 shares of Common Stock held of record by AEPII, AOEPPI and DDEP, respectively, is governed by their respective limited partnership agreements, and such distributions or proceeds may be made with respect to the general and limited partnership interest in such limited partnerships.
- Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person.**  
Not Applicable.
- Item 8. Identification and Classification of Members of the Group.**  
Consistent with Item 2 of the cover page for each Reporting Person above, each Reporting Person neither affirms nor confirms the existence of a group among them.
- Item 9. Notice of Dissolution of Group.**  
Not Applicable.
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**Item 10. Certifications.**  
Not Applicable.

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

**AURORA EQUITY PARTNERS II L.P.**

By: Aurora Capital Partners II L.P.,  
its general partner

By: Aurora Advisors II LLC,  
its general partner

By: /s/ Timothy J. Hart February 14, 2011  
Name: Timothy J. Hart  
Title: President, Secretary and General Counsel

**AURORA OVERSEAS EQUITY PARTNERS II, L.P.**

By: Aurora Overseas Capital Partners II L.P.,  
its general partner

By: Aurora Overseas Advisors II, LDC,  
its general partner

By: /s/ Timothy J. Hart February 14, 2011  
Name: Timothy J. Hart  
Title: President, Secretary and General Counsel

**AURORA CAPITAL PARTNERS II L.P.**

By: Aurora Advisors II LLC,  
its general partner

By: /s/ Timothy J. Hart February 14, 2011  
Name: Timothy J. Hart  
Title: President, Secretary and General Counsel

**AURORA OVERSEAS CAPITAL PARTNERS II L.P.**

By: Aurora Overseas Advisors II, LDC,  
its general partner

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By: /s/ Timothy J. Hart February 14, 2011  
Name: Timothy J. Hart  
Title: President, Secretary and General Counsel

AURORA ADVISORS II LLC

By: /s/ Timothy J. Hart February 14, 2011  
Name: Timothy J. Hart  
Title: President, Secretary and General Counsel

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AURORA OVERSEAS ADVISORS II, LDC

By: /s/ Timothy J. Hart February 14, 2011  
Name: Timothy J. Hart  
Title: President, Secretary and General Counsel

By: /s/ Gerald L. Parsky February 14, 2011  
GERALD L. PARSKY

By: /s/ John T. Mapes February 14, 2011  
JOHN T. MAPES

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