

Martin Gregory S
 Form 3
 May 05, 2009

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

OMB APPROVAL

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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
 Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *

^ Martin Gregory S
 (Last) (First) (Middle)

C/O PZENA INVESTMENT MANAGEMENT, INC., ^ 120 WEST 45TH STREET, 20TH FLOOR
 (Street)

NEW YORK, ^ NY ^ 10036
 (City) (State) (Zip)

2. Date of Event Requiring Statement

(Month/Day/Year)
 05/01/2009

3. Issuer Name and Ticker or Trading Symbol

Pzena Investment Management, Inc. [PZN]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

5. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Class B common stock, par value \$0.000001 <u>(1)</u> <u>(2)</u>	22,500	D	^

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Date Exercisable and Expiration Date	3. Title and Amount of Securities Underlying	4. Conversion	5. Ownership	6. Nature of Indirect Beneficial
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- Pursuant to the Amended Pzena LLC Agreement, no Class B Units are exchangeable before Pzena Inc. has filed, and the Securities and Exchange Commission ("SEC") has declared effective, a registration statement on Form S-3 for the resale of shares of Class A common stock that are issuable upon exchange of Class B Units. Pzena Inc. filed a Form S-3 registration statement, which became effective on February 17, 2009 (the "First Effective Date"), in order to register the issuance of 57,937,910 shares of Class A common stock.
- (4) On and after the First Effective Date, Pzena Inc. will, pursuant to the Amended Pzena LLC Agreement, establish one or more dates (each, an "Exchange Date") in each 12-month period following the First Effective Date (each, an "Annual Period") on which holders of Class B Units may exchange a number of vested Class B Units that equals a certain percentage of the vested and unvested Class B Units held by them as of the first day of the applicable Annual Period; provided that if Pzena Inc. does not establish at least one Exchange Date in each Annual Period, the Exchange Date for such Annual Period will be the last business day of the Annual Period. Pzena Inc. designated March 3, 2009 as the 2009 Exchange Date. Certain executive officers and employees elected to exchange an aggregate of 2,445,973 Class B Units for an equivalent number of shares of the Corporation's Class A common stock.
- (5) Pursuant to the Amended Pzena LLC Agreement, in each Annual Period from the First Effective Date until the date that the Reporting Person's employment with Pzena Inc. and Pzena LLC has been terminated (the "Employment Termination Date"), the Reporting Person and his Permitted Transferees (as defined in the Amended Pzena LLC Agreement),
- (6) (together, the "Reporting Person Group"), will be entitled to exchange a number of vested Class B Units which is equal to 15% of the number of vested and unvested Class B Units held by the Reporting Person Group as of the first day of each such Annual Period on the applicable Exchange Date(s). From the day following the Employment Termination Date until the first anniversary of the Employment Termination Date, the Reporting Person Group will not be permitted to exchange any Class B Units.
- (7) From the day following the first anniversary of the Employment Termination Date until six months thereafter, the Reporting Person Group will be able to exchange a number of vested Class B Units which is equal to 75% of the number of vested and unvested Class B Units held by the Reporting Person Group as of the Employment Termination Date on any Exchange Date that occurs within such six month period, if any. Thereafter, the Reporting Person Group will be entitled to exchange any and all of their vested Class B Units on any applicable Exchange Date.
- (8) On December 31, 2008, Pzena LLC granted the Reporting Person the right to acquire Class B Units of Pzena LLC for \$4.22 per unit until December 31, 2018, subject to earlier expiration upon the occurrence of certain events. Pursuant to the Amended and Restated Certificate of Incorporation of Pzena Inc., when Pzena LLC issues a Class B Unit to a new or existing member of Pzena LLC, Pzena Inc. will concurrently issue one share of its Class B common stock to the holder of such Class B Unit in exchange for the par value thereof.
- (9)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.