

Bachman Gary J
Form 4
January 03, 2019

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN 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 *
Bachman Gary J

2. Issuer Name and Ticker or Trading Symbol
Pzena Investment Management, Inc.
[PZN]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
01/01/2019

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Chief Operating Officer

C/O PZENA INVESTMENT MANAGEMENT, 320 PARK AVENUE, 8TH FLOOR

(Street)

4. 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

NEW YORK, NY 10022

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) | Price | | |
| Class B common stock, par value \$0.000001 ⁽¹⁾ | 01/01/2019 | ⁽²⁾ | A | 2,644 | A ⁽²⁾ 26,239 | I | Pzena Investment Management, LP ⁽⁴⁾ |
| Class B common stock, par value | 01/01/2019 | | F | 1,023 | D \$ 0 25,216 ⁽³⁾ | I | Pzena Investment Management, LP ⁽⁴⁾ |

Edgar Filing: Bachman Gary J - Form 4

\$0.000001

(1)

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(9-02)

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

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount or Number of Shares |
| Phantom Class B common stock <u>(6)</u> <u>(5)</u> | <u>(6)</u> <u>(5)</u> | 12/31/2018 | | A | 10,519 | <u>(6)</u> <u>(5)</u> <u>(6)</u> <u>(5)</u> | Class B Units 10,519 |
| Class B Units <u>(7)</u> | <u>(2)</u> | 01/01/2019 | | A | 2,644 | <u>(2)</u> <u>(2)</u> | Class A common stock, par value \$0.01 2,644 |
| Class B Units <u>(7)</u> | <u>(2)</u> | 01/01/2019 | | F | 1,023 | <u>(2)</u> <u>(2)</u> | Class A common stock, par value \$0.01 1,023 |
| Class B Units Options <u>(8)</u> <u>(9)</u> | \$ 5.97 <u>(8)</u> | 01/01/2019 | | A | 78,740 | 01/01/2024 01/01/2029 | Class B Units 78,740 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Bachman Gary J

Chief Operating Officer

C/O PZENA INVESTMENT MANAGEMENT
 320 PARK AVENUE, 8TH FLOOR
 NEW YORK, NY 10022

Signatures

Steven M. Coffey, as attorney-in-fact for Gary J.
 Bachman

01/03/2019

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Each holder of a Class B Unit of Pzena Investment Management, LLC (the "Operating Company") is also issued one share of Pzena Investment Management, Inc.'s (the "Issuer") Class B common stock, par value \$0.000001 per share, in exchange for the par value thereof. Holders of Class B common stock are not entitled to participate in any dividends or other distributions made by the Issuer to holders of its capital stock, except for the right to receive the par value thereof upon the Issuer's liquidation or dissolution.

(2) On January 1, 2015, the Reporting Person was admitted as a member of the Operating Company and was granted 10,570 Class B Units which vest ratably over the first four anniversaries of the grant subject to the terms and conditions of the award agreement and the Amended Pzena LLC Agreement.

(3) This number includes 15,669 of Delayed Exchange Class B Units and 9,547 Class B Units.

(4) On January 1, 2016, pursuant to the Amended and Restated Agreement of Limited Partnership ("LPA") of Pzena Investment Management, LP ("PIM LP"), dated as of the same date, the Reporting Person became a limited partner of PIM LP and contributed to PIM LP his holdings of (i) Class B Units of the Operating Company and (ii) Class B common stock of the Issuer in order to receive a corresponding number of limited partnership interests in PIM LP. Pursuant to the LPA, whenever a Class B Unit is issued to the Reporting Person, the Reporting Person will be deemed to immediately and automatically contribute such Unit and related Class B common stock, to PIM LP and PIM LP will concurrently issue to him a corresponding limited partnership interest. Pursuant to the LPA, each limited partnership interest in PIM LP will be cancelled upon redemption by the Reporting Person for Class B Units and related Class B common stock subject to the terms of the LPA. The Issuer is the general partner of PIM LP.

(5) Issued in connection with the Reporting Person's mandatory deferral of his 2018 Restricted Amount pursuant to Section 5 of the Pzena Investment Management, LLC Amended and Restated Bonus, as amended (the "Bonus Plan").

(6) These Phantom Class B units vest, and become Delayed Exchange Class B Units of the Operating Company, in four equal annual installments and are subject to the terms and conditions set forth in the Bonus Plan. When these Delayed Exchange Class B units vest they will have the right to receive dividend payments, however, they are not eligible for exchange pursuant to the Exchange Rights of Class B Members (Exhibit B to the Amended Pzena LLC Agreement) until seven years after the applicable vesting date, at which time they will be 100% exchangeable for shares of the Issuer's Class A common stock (subject to the timing set forth in the Exchange Rights Agreement). These Class B units do not carry any rights associated with the Issuer and Operating Company's Tax Receivable Agreement.

(7) Represents units of the Operating Company that were reclassified as "Class B Units" of the Operating Company on a one-for-one basis in connection with the amendment and restatement of the Operating Company's operating agreement as of October 30, 2007 (as amended from time to time, the "Amended Pzena LLC Agreement"), among the Issuer, as the Managing Member of the Operating Company and the holder of certain units of the Operating Company, and the holders of such reclassified units of the Operating Company. Pursuant to the Amended Pzena LLC Agreement, each Class B Unit is exchangeable for a share of Class A common stock of the Issuer subject to the timing and volume limitations set forth in the Amended Pzena LLC Agreement.

(8) On Jan. 1, 2019, the Operating Company granted the Reporting Person the right to acquire, beginning on Jan. 1, 2024, Delayed Exchange Class B Units of the Operating Company for \$5.97 per unit until Jan. 1, 2029, subject to earlier expiration upon the occurrence of certain events. Pursuant to the Amended and Restated Certificate of Incorporation of the Issuer when the Operating Company issues a Class B Unit to a new or existing member of the Operating Company, the Issuer will concurrently issue one share of its Class B Shares to the holder of such Class B Unit in exchange for the par value thereof.

(9) Delayed Exchange Class B units will be issued upon exercise of the option and will have the right to receive dividend payments, however, they are not eligible for exchange pursuant to the Exchange Rights of Class B Members until seven years after the grant date, at which time they will be 100% exchangeable for shares of the Issuer's Class A common stock (subject to the restructuring in the Exchange Rights Agreement). These Class B units do not carry any rights associated with the Issuer and Operating Company's Tax Receivable Agreement.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Edgar Filing: Bachman Gary J - Form 4

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.