

Cai Chenyu Caroline  
Form 3  
February 15, 2019

# 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 \*

Â Cai Chenyu Caroline

(Last) (First) (Middle)

PZENA INVESTMENT  
MANAGEMENT, INC., Â 320  
PARK AVENUE, 8TH FLOOR

(Street)

NEW YORK, Â NY Â 10022

(City) (State) (Zip)

2. Date of Event Requiring Statement

(Month/Day/Year)

02/08/2019

3. Issuer Name and Ticker or Trading Symbol

Pzena Investment Management, Inc. [PZN]

4. Relationship of Reporting Person(s) to Issuer

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

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner

X Officer \_\_\_ Other  
(give title below) (specify below)

Executive Vice President

6. Individual or Joint/Group

Filing(Check Applicable Line)

X 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 A Common stock, par value \$0.01

216,308

D

Â

Class B common stock, par value \$0.000001  
(1)

714,327 (2)

I

Pzena Investment Management,  
LP (3)

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)**

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1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Class B Units <sup>(4)</sup>	Â <sup>(4)</sup>	Â <sup>(4)</sup>	Class A common stock, par value \$0.01	714,327 <sup>(2)</sup>	\$ <sup>(4)</sup>	I	Pzena Investment Management, LP <sup>(3)</sup>
Class A common stock Option <sup>(5)</sup>	Â <sup>(6)</sup>	12/21/2019	Class A common stock, par value \$0.01	235,000	\$ 8	D	Â
Class B Unit Option <sup>(7)</sup>	12/20/2012	12/20/2020	Class B Units <sup>(4)</sup>	5,617	\$ 7.58	D	Â
Class B Unit Option <sup>(8)</sup>	12/21/2013	12/21/2021	Class B Units <sup>(4)</sup>	11,115	\$ 4.77	D	Â
Phantom Class B Units <sup>(9)</sup>	Â <sup>(9)</sup>	Â <sup>(9)</sup>	Class B Units <sup>(4)</sup>	207,793 <sup>(9)</sup>	\$ <sup>(9)</sup>	D	Â
Phantom Class B Units <sup>(10)</sup>	Â <sup>(10)</sup>	Â <sup>(10)</sup>	Class B Units <sup>(4)</sup>	29,413 <sup>(10)</sup>	\$ <sup>(10)</sup>	D	Â
Class B Unit Option <sup>(11)</sup>	01/01/2022	01/01/2027	Class B Units <sup>(4)</sup>	200,000	\$ 13.89	D	Â
Delayed Exchange Class B Unit Option <sup>(12)</sup>	01/01/2022	01/01/2027	Class B Units <sup>(4)</sup>	300,000	\$ 7.11	D	Â
Delayed Exchange Class B Unit Option <sup>(13)</sup>	01/18/2018	01/01/2028	Class B Units <sup>(4)</sup>	50,000	\$ 7.04	D	Â
Delayed Exchange Class B Unit Option <sup>(14)</sup>	01/01/2019	01/01/2029	Class B Units <sup>(4)</sup>	78,740	\$ 5.97	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Cai Chenyu Caroline PZENA INVESTMENT MANAGEMENT, INC. 320 PARK AVENUE, 8TH FLOOR NEW YORK, NY 10022	Â	Â	Â Executive Vice President	Â

## Signatures

Joan F. Berger, as attorney-in-fact for Chenyu  
Caroline Cai

02/15/2019

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 5(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) This number includes 164,194 of Delayed Exchange Class B Units and 550,133 Class B Units.
  - (3) 3. 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 her holdings of (i) Class B Units of the Operating Company and (ii) Class B Shares 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 Share, to PIM LP and PIM LP will concurrently issue to her 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 Shares subject to the terms of the LPA. The Issuer is the general partner of PIM LP.
  - (4) 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 ("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.
  - (5) On December 21, 2009, the Operating Company granted the Reporting Person the right to acquire Class A Shares of the Operating Company for \$8.00 per unit until December 21, 2019, subject to earlier expiration upon the occurrence of certain events.
  - (6) The option for the first 78,333 shares became exercisable on December 21, 2009, the following 78,333 shares became exercisable on December 21, 2010 and the remaining 78,334 shares became exercisable on December 21, 2011.
  - (7) On December 20, 2010, the Operating Company granted the Reporting Person the right to acquire Class B Units of the Operating Company for \$7.58 per unit until December 20, 2020, subject to earlier expiration upon the occurrence of certain events. Pursuant to the Amended and Restated Certificate of Incorporation of Pzena Investment Management, Inc., 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.
  - (8) On December 21, 2011, the Operating Company granted the Reporting Person the right to acquire Class B Units of the Operating Company for \$4.77 per unit until December 21, 2021, subject to earlier expiration upon the occurrence of certain events. Pursuant to the Amended and Restated Certificate of Incorporation of Pzena Investment Management, Inc., 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) On December 20, 2012, the Reporting Person was granted 519,481 Phantom Class B Units of Pzena Investment Management, LLC (the "Operating Company"). Issued pursuant to the Operating Company's Amended and Restated 2006 Equity Incentive Plan (the "2006 Plan"). Subject to forfeiture provisions outlined in the respective award agreement, the Phantom Class B Units vest, and become Class B units, ratably over a ten-year period beginning on the first anniversary of the date of grant, and do not participate in the dividends of the Operating Company until vested. As of December 20, 2018, 311,688 Phantom Class B units have vested, and 207,793 Phantom Class B units remain unvested.
  - (10) On December 19, 2013, the Reporting Person was granted 58,823 Phantom Class B Units of Pzena Investment Management, LLC (the "Operating Company"). Issued pursuant to the Operating Company's Amended and Restated 2006 Equity Incentive Plan (the "2006 Plan"). Subject to forfeiture provisions outlined in the respective award agreement, the Phantom Class B Units vest, and become Class B units, ratably over a ten-year period beginning on the first anniversary of the date of grant, and do not participate in the dividends of the Operating Company until vested. As of December 20, 2018, 29,410 Phantom Class B units have vested, and 29,413 Phantom Class B units remain unvested.

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- (11) On January 1, 2017, the Operating Company granted the Reporting Person the right to acquire Class B Units of the Operating Company for \$13.89 per unit until January 1, 2027, subject to earlier expiration upon the occurrence of certain events. Pursuant to the Amended and Restated Certificate of Incorporation of Pzena Investment Management, Inc., 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.

- (12) On January 1, 2017, the Operating Company granted the Reporting Person the right to acquire Delayed Exchange Class B Units of the Operating Company for \$7.11 per unit until January 1, 2027, subject to earlier expiration upon the occurrence of certain events. These Delayed Exchange Class B units will vest immediately upon the date of acquisition and they will have the right to receive dividend payments, however, they will not be 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.

- (13) On January 1, 2018, the Operating Company granted the Reporting Person the right to acquire Delayed Exchange Class B Units of the Operating Company for \$7.04 per unit until January 1, 2028, subject to earlier expiration upon the occurrence of certain events. These Delayed Exchange Class B units will vest immediately upon the date of acquisition and they will have the right to receive dividend payments, however, they will not be 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.

- (14) On January 1, 2019, the Operating Company granted the Reporting Person the right to acquire Delayed Exchange Class B Units of the Operating Company for \$5.97 per unit until January 1, 2029, subject to earlier expiration upon the occurrence of certain events. These Delayed Exchange Class B units will vest immediately upon the date of acquisition and they will have the right to receive dividend payments, however, they will not be 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.

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

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