

Goetz John Paul
Form 4
November 02, 2007

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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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 *
Goetz John Paul

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)
10/30/2007

____ Director
 Officer (give title below)
____ 10% Owner
____ Other (specify below)
President, Co-CIO

C/O PZENA INVESTMENT MANAGEMENT, INC., 120 WEST 45TH STREET, 20TH 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 10036

(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)
			Code	V	Amount	(A) or (D)	Price
Class B Common Stock, par value \$0.000001 (1) (2)	10/30/2007		A(1)(2)		5,442,785	A	\$ 5.44 (1) (2)
Class B Common Stock, par value	10/30/2007		A(1)(2)		708,970	A	\$ 0.71 (1) (2)
						I (3)	By trusts (3)

\$0.000001

(1) (2)

Class A
Common
Stock, par
value
\$0.01

0 D

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

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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 of Number of Shares
Class B Units <u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u> <u>(8)</u>	<u>(4)</u>	10/30/2007		A	5,442,785	<u>(5)</u> <u>(6)</u> <u>(7)</u> <u>(8)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u> <u>(8)</u>	Class A Common Stock, par value \$0.01 5,442,785
Class B Units <u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u> <u>(8)</u>	<u>(4)</u>	10/30/2007		A	708,970	<u>(5)</u> <u>(6)</u> <u>(7)</u> <u>(8)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u> <u>(8)</u>	Class A Common Stock, par value \$0.01 708,970

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Goetz John Paul
C/O PZENA INVESTMENT MANAGEMENT, INC.
120 WEST 45TH STREET, 20TH FLOOR
NEW YORK, NY 10036

President, Co-CIO

Signatures

/s/ Joan F. Berger, as attorney-in-fact for John P.
Goetz

11/02/2007

__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) On October 30, 2007, the Corporation issued each holder of a Class B Unit of Pzena Investment Management LLC ("Pzena LLC"), each of which is exchangeable for a share of the Corporation's Class A Common Stock (as further described in footnotes 4-8 below), one share of the Corporation's Class B common stock, par value \$0.000001 per share (the "Class B Common Stock") 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 Corporation to holders of its capital stock, except for the right to receive the par value thereof upon the Corporation's liquidation or dissolution.

(2) Each share of Class B Common Stock entitles the holder to five (5) votes per share on all matters submitted to a vote of the Corporation's common stockholders until the first time that the total number of shares of Class B Common Stock outstanding constitutes 20% of the number of all shares of Class A Common Stock and Class B Common Stock outstanding. From such time and thereafter, each share of Class B Common Stock entitles the holder to one (1) vote per share on all matters submitted to a vote of the Corporation's common stockholders. When and if a holder exchanges a Class B Unit for a share of Class A Common Stock, the corresponding share of Class B Common Stock will be redeemed and cancelled by the Corporation. Shares of Class B Common Stock are not transferable unless transferred concurrently with the corresponding Class B Unit and with the consent of the Corporation and Pzena LLC.

(3) Pursuant to Rule 16a-1(a)(4) of the Securities Exchange Act of 1934, as amended, the Reporting Person herein states that this filing shall not be deemed an admission that he or it is the beneficial owner of any of such interests, and disclaims beneficial ownership of such interests, except to the extent of his pecuniary interest in such interests.

(4) Represents units of Pzena LLC that were reclassified as "Class B Units" of Pzena LLC on a one-for-one basis in connection with the amendment and restatement of Pzena LLC's operating agreement as of October 30, 2007 (the "Amended Pzena LLC Agreement"), among the Corporation, as the Managing Member of Pzena LLC and the holder of certain units of Pzena LLC, and the holders of such reclassified units of Pzena LLC. Pursuant to the Amended Pzena LLC Agreement, each Class B Unit is exchangeable for a share of Class A Common Stock of the Corporation, subject to the timing and volume limitations set forth in the Amended Pzena LLC Agreement (as further described in footnotes 5-8 below).

(5) Pursuant to the Amended Pzena LLC Agreement, no Class B Units are exchangeable before the Corporation has filed, and the 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. Pursuant to the Resale and Registration Rights Agreement, dated as of October 30, 2007, among the Corporation and the holders of Class B Units as of such date, the Corporation has agreed to use its best efforts to file, and have the SEC declare effective, such a Form S-3 registration statement as soon as practicable after the Corporation becomes eligible to use Form S-3, which is expected to be on or after October 24, 2008.

(6) On and after the effective date of such Form S-3 registration statement (the "First Effective Date"), the Corporation 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 their 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 the Corporation 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.

(7) 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 the Corporation 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), which currently includes the trusts reported on this Form 4 as having acquired 708,970 Class B Units on October 30, 2007 (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

(8) 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 three years thereafter, the Reporting Person Group will not be permitted to exchange any Class B Units. Thereafter, the Reporting Person Group will be entitled to exchange any and all of their vested Class B Units on any applicable Exchange Date.

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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