

Lipsey William Louis
 Form 5
 January 03, 2013

FORM 5

**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).
 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

1. Name and Address of Reporting Person *
 Lipsey William Louis

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. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
 12/31/2012

Director 10% Owner
 Officer (give title below) Other (specify below)
 Pres, Marketing/Client Srvc

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 Reporting

(check applicable line)

NEW YORK, NY 10036

Form Filed by One Reporting Person
 Form Filed by More than One Reporting Person

(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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
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Class B common stock, par value \$0.000001
 (1) (2)

08/03/2012

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G⁽³⁾

100,000 D \$ 0

4,066,490

D

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Signatures

/s/ Joan F. Berger, as attorney-in-fact for William L .
Lipsey

01/03/2013

__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).

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. (the "Corporation") Class B common stock, par value \$0.000001 per share (the "Class B common stock")

(1) 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.

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

(2) 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 the Operating Company.

(3) This transaction involved a charitable gift of securities by the Reporting Person to the Fidelity Investments Charitable Gift Fund.

Pursuant to the Operating Company's Amended and Restated Operating Agreement (the "Operating Agreement"), each Class B Unit is exchangeable for a share of Class A common stock of Pzena Investment Management, Inc. (the "Company"), subject to the timing and volume limitations set forth in the Operating Agreement.

(5) Also, pursuant to the Operating Agreement, the Company will establish one or more dates (each, an "Exchange Date") during each 12 month period (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.

Pursuant to the Operating Agreement, in each Annual Period until the termination of the Reporting Person's employment with the Company, the Reporting Person and his Permitted Transferees (as that term is defined in the Operating Agreement) (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 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.

(7) 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 such interests, and disclaims beneficial ownership of such interests, except to the extent of his pecuniary interest in such interests.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.