

RETAIL VENTURES INC
Form 4
June 29, 2005

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 *
FEINBERG STEPHEN

(Last) (First) (Middle)

**C/O CERBERUS CAPITAL
MANAGEMENT, L.P., 299 PARK
AVENUE - 22ND FLOOR**

2. Issuer Name and Ticker or Trading Symbol
RETAIL VENTURES INC [RVI]

3. Date of Earliest Transaction
(Month/Day/Year)
06/28/2005

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

(Street)

NEW YORK, NY 10171

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

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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

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	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative Securities Acquired (A) or	6. Date Exercisable and Expiration Date	7. Title Underly
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr. 3)	
			Code V	(A)	(D)	Title	
					Date Exercisable	Expiration Date	
Senior Subordinated Convertible Loan ⁽¹⁾	\$ 4.5	06/28/2005	J ⁽¹⁾	8,333,333 ⁽¹⁾	⁽²⁾	06/10/2009	Common Stock par va
Warrant ⁽⁵⁾	\$ 4.5 ⁽⁶⁾	06/28/2005	J ⁽⁵⁾	8,333,333 ⁽⁶⁾	⁽⁷⁾	⁽⁸⁾	Common Stock par va
Warrant ⁽¹⁰⁾	\$ 4.5 ⁽¹¹⁾	06/28/2005	J ⁽¹⁰⁾	1,388,752 ⁽¹¹⁾	⁽¹²⁾	06/11/2012	Common Stock par va

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

FEINBERG STEPHEN
C/O CERBERUS CAPITAL MANAGEMENT, L.P.
299 PARK AVENUE - 22ND FLOOR
NEW YORK, NY 10171

Former 10% Owner

Signatures

/s/ Stephen
Feinberg 06/28/2005

**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).

- The principal amount of the Senior Subordinated Convertible Loan (the "Senior Loan") is \$37,500,000. On June 28, 2005, DSW Inc., an Ohio corporation ("DSW") majority owned by Retail Ventures, Inc. (the "Issuer"), consummated an initial public offering (the "IPO") of
- (1) Class A Common Shares, no par value (the "DSW Class A Shares"). In connection with the closing of the IPO, which is expected to occur on or about July 5, 2005 (the "Closing"), the terms of the Senior Loan held by, among others, Cerberus Partners, L.P., a Delaware limited partnership ("Cerberus"), will be amended and the Senior Loan will be converted into a non-convertible loan.
 - (2) The Senior Loan was immediately convertible.
 - (3) Pursuant to an Assignment and Acceptance, dated as of June 11, 2002, between Cerberus and Schottenstein Stores Corporation ("SSC"), Cerberus purchased and assumed 50% of SSC's right, title and interest in the Senior Loan, among other things.
 - (4) All of the securities detailed herein are held by Cerberus. Stephen Feinberg possesses sole power to vote and direct the disposition of all securities of the Issuer held by Cerberus.
 - (5) Pursuant to the amendment to the Senior Loan, Cerberus will be granted a warrant (the "Senior Loan Warrant") providing Cerberus the right, from time to time, in whole or in part and subject to certain conditions, to (i) acquire common shares of the Issuer, no par value

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(the "RVI Common Shares") at the then current exercise price of the Senior Loan Warrant, (ii) acquire, from RVI, DSW Class A Shares at an exercise price per share equal to the price of DSW Class A Shares sold to the public in the IPO (the "IPO Price"), or (iii) acquire a combination thereof.

- (6) Subject to the limitation described below, upon the Closing, Cerberus would have the right to acquire up to 8,333,333 RVI Common Shares upon full exercise of the Senior Loan Warrant, at an initial exercise price of \$4.50 per share, subject to certain adjustments.
- (7) The Senior Loan Warrant is immediately exercisable for RVI Common Shares.
- (8) The Senior Loan Warrant will expire on the later of June 11, 2007 or the date of repayment in full of the obligations under the Senior Loan.

- Each of the Cerberus Warrants (as defined below) will provide that in no event shall such warrant be exercisable to the extent that the issuance of RVI Common Shares upon exercise, after taking into account the RVI Common Shares then owned by Cerberus and its affiliates, would result in the beneficial ownership by Cerberus and its affiliates of more than 9.99% of the RVI Common Shares outstanding immediately after giving effect to such exercise. Thus, upon the Closing, for the purposes of Reg. ?240.13d-3, Stephen Feinberg will be deemed to beneficially own 4,326,875 RVI Common Shares, or 9.99% of the RVI Common Shares deemed issued and outstanding.
- (9)

- Pursuant to an amendment to certain term loans held by, among others, Cerberus, a warrant currently held by Cerberus (the "Term Loan Warrant," and together with the Senior Loan Warrant, the "Cerberus Warrants") will be amended to provide Cerberus the right, from time to time, in whole or in part and subject to certain conditions, to (i) acquire RVI Common Shares at the then current exercise price of the Term Loan Warrant, (ii) acquire, from RVI, DSW Class A Shares at an exercise price per share equal to the IPO Price, or (iii) acquire a combination thereof.
- (10)
 - (11) Subject to the limitation described above, upon the Closing, Cerberus would have the right to acquire up to 1,388,752 RVI Common Shares upon full exercise of the Term Loan Warrant, at an initial exercise price of \$4.50 per share, subject to certain adjustments.
 - (12) The Term Loan Warrant is immediately exercisable for RVI Common Shares.

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.