

RETAIL VENTURES INC

Form SC 13D/A

November 16, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 13D**

**Under the Securities Exchange Act of 1934
Amendment No. 2**

RETAIL VENTURES, INC.

(Name of Issuer)

Common Stock

(Title of Class of Securities)

76128Y 10 2

(CUSIP Number)

Irwin A. Bain, Esq.

Schottenstein Stores Corporation

1800 Moler Road

Columbus, Ohio 43207

614-449-4332

With a copy to:

Robert J. Tannous, Esq.

Porter, Wright, Morris & Arthur LLP

41 South High Street

Columbus, OH 43215

614-227-1953

*(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications)*

November 15, 2007

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), (f) or (g), check the following box

Page - 2 -

CUSIP No. 76128Y 10 2

1. Names of Reporting Person: Jay L. Schottenstein
S.S. or I.R.S. Identification No. of Above Individual (optional): N/A

Check the Appropriate Box if a Member of a Group:

2. (a)
(b)

SEC Use Only

3.

Source of Funds:

4.

OO

Check Box if Disclosure of legal Proceedings is Required Pursuant to Items 2(d) or 2(e):

5.

Citizenship or Place of Organization:

6.

United States

Sole Voting Power:

7.

Number of 165,300

Shared Voting Power:

8.

Shares Beneficially Owned by 29,696,768

Sole Dispositive Power:

9.

Each Reporting Person 165,300

With: Shared Dispositive Power:
10.
29,696,768

11. Aggregate Amount Beneficially Owned by Each Reporting Person:
29,862,068

12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares:

13. Percent of Class Represented by Amount in Row (11):
50.6%

14. Type of Reporting Person:
IN

Page - 3 -

CUSIP No. 76128Y 10 2

ITEM 1. Security and Issuer

This Schedule 13D relates to the common stock, no par value (the Shares), of Retail Ventures, Inc., an Ohio corporation (the Company), whose principal executive offices are located at 3241 Westerville Road, Columbus, Ohio 43224.

ITEM 2. Identity and Background

- (a) Jay L. Schottenstein (Mr. Schottenstein)
- (b) 1800 Moler Road, Columbus, Ohio 43207
- (c) Mr. Schottenstein s principal occupation is Chairman of the Board, President and Chief Executive Officer of Schottenstein Stores Corporation, 1800 Moler Road, Columbus, Ohio 43207
- (d) During the last five years Mr. Schottenstein has not been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).
- (e) During the last five years Mr. Schottenstein has not been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction resulting in a judgement, decree or final order enjoining future violations of, or prohibiting or mandating activity subject to, federal or state securities laws or finding any violations with respect to such laws.
- (f) Mr. Schottenstein is a citizen of the United States.

ITEM 3. Source and Amount of Funds or Other Consideration

ITEM 4. Purpose of Transaction

On January 13, 2006, Schottenstein Stores Corporation notified the Company of its desire to exercise its registration rights pursuant to Section 2.1 and 2.3 of the Second Amended and Restated Registration Rights Agreement dated as of July 5, 2005, and demanded that the Company register pursuant to a shelf registration, all of the common stock issuable upon the exercise of the Convertible Warrants and New Term Warrants.

The reporting persons evaluate each of their investments, including the Company and the Shares, on an ongoing basis, based upon various factors, criteria and alternatives including those noted below. Based on current circumstances and such ongoing evaluation the reporting persons may, from time to time, acquire additional Shares, continue to own Shares or dispose of Shares at any time, in the open market or otherwise, may take actions which could involve any of the items enumerated in the Schedule 13D instructions to this Item 4. The reporting persons reserve

Page - 4 -

CUSIP No. 76128Y 10 2

the right, based on all relevant factors and circumstances, to change their investment intent with respect to the Company and the Shares at any time in the future, and to change their intent with respect to any or all of the matters referred to in this Schedule 13D, including any of the items enumerated in the Schedule 13D instructions to this Item 4. In reaching any conclusion as to its future course of action, the reporting persons will take into consideration various factors, criteria and alternatives, including, but not limited to, the Company's business and prospects, other developments concerning the business and management of the Company, its competitors and the industry in which it operates, other business and investment opportunities available to the reporting persons, any contractual obligations to which the reporting persons are now or may in the future become subject, including in respect of the financing of their ownership of the Shares or otherwise relating to its investment in the Company or otherwise, and general economic and stock market conditions, including, but not limited to, the market price of the Shares and other investment alternatives. From time to time the reporting persons may enter into discussions with the Company and/or third parties, concerning their holding of the Shares and possible future extraordinary transactions involving the reporting persons and the Company and such third persons. There can be no assurance as to whether the reporting persons will take any action with respect to their ownership of the Shares, take action with respect to any of the items enumerated in the Schedule 13D instructions to this Item 4, including entering into any discussions with the Company or with any third parties with respect to the Shares or the Company, nor as to outcome of any such matters, including as to whether any discussions if entered into will lead to any transaction that might be considered or agreed to by any third party, the Company or the reporting persons, the terms of any transaction, or the timing or certainty of any transaction.

ITEM 5. Interest in Securities of the Issuer

- (a) Mr. Schottenstein beneficially owns 29,862,068 shares of the Company's common stock in the aggregate, representing 50.6% of the outstanding shares. This includes (i) 195,300 shares of common stock beneficially owned by Mr. Schottenstein individually; (ii) 29,614,268 shares of the Company's common stock beneficially owned by Schottenstein Stores Corporation (Mr. Schottenstein serves as a director, Chairman of the Board, President and Chief Executive Officer of Schottenstein Stores Corporation); and (iii) 52,500 shares of common stock owned by Glosser Brothers Acquisition, Inc., (Mr. Schottenstein serves as Chairman and President), Mr. Schottenstein expressly disclaims beneficial ownership of these shares).

 - (b) Mr. Schottenstein has sole power to vote and dispose of 165,300 shares. Mr. Schottenstein shares the power to vote and dispose of 29,696,768 shares as follows:
-

Page - 5 -

CUSIP No. 76128Y 10 2

Mr. Schottenstein, as Chairman of the Board, President, and a director of Glosser Brothers Acquisition, Inc., shares the power to vote 52,500 shares owned by Glosser Brothers Acquisition, Inc. Mr. Schottenstein expressly disclaims beneficial ownership of all such shares.

Mr. Schottenstein is a director, Chairman of the Board, President and Chief Executive Officer of Schottenstein Stores Corporation and has shared power to vote and dispose of 29,614,268 shares beneficially owned by Schottenstein Stores Corporation.

(c) Mr. Schottenstein had no transactions during the sixty days prior to November 15, 2007.

(d) N/A.

(e) N/A.

ITEM 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Term Loans and Term Warrants

On June 11, 2002, Schottenstein Stores Corporation and Cerberus Partners, L.P., a Delaware limited partnership (Cerberus), entered into a financing agreement and agreed to a form of warrant pursuant to which (i) Schottenstein Stores Corporation and Cerberus made available to the Company two term loans (the Term Loans) each in the aggregate principal amount of \$50,000,000 and (ii) Cerberus, the Company and Schottenstein Stores Corporation agreed to a form of warrant (the Term Warrants) that were issued to each of Schottenstein Stores Corporation and Cerberus in connection with the extension of credit described in clause (i) above. The Term Loans were repaid in full on July 5, 2005.

Page - 6 -

CUSIP No. 76128Y 10 2

In September, 2002, Back Bay Capital Funding LLC (Back Bay) purchased a portion of each of the Term Loans and Term Warrants held by Schottenstein Stores Corporation and Cerberus. In November, 2005 Millennium Partners, L.P. (Millennium) purchased from Back Bay the Term Warrants Back Bay had acquired from Schottenstein Stores Corporation and Cerberus. After the Millennium transaction, the Term Warrant held by Schottenstein Stores Corporation entitled it to acquire 1,388,752 shares of Company stock.

On July 5, 2005, the Term Warrants were amended and restated to entitle Schottenstein Stores Corporation and Cerberus, respectfully, to acquire directly from the Company 1,388,752 shares of Company stock for \$4.50 per share (subject to adjustment for anti-dilution) or 328,915 shares of DSW stock for \$19 per share (the IPO price, subject to adjustment for anti-dilution), or a combination thereof (the New Term Warrants). The expiration date of the New Term Warrants is June 11, 2012. Pursuant to Section 3.01(b) of the New Term Warrants, the number of shares of Company stock issuable upon exercise by Schottenstein Stores Corporation of its New Term Warrant was increased by 342,708 shares following the issuance by the Company of shares of Company stock in connection with the conversion of certain convertible securities of the Company. Following such increase, the New Term Warrant held by Schottenstein Stores Corporation entitles it to acquire 1,731,460 shares of Company stock.

Senior Non-Convertible Loan and Senior Loan Warrants

On July 5, 2005, Schottenstein Stores Corporation, Cerberus and the Company and certain of its subsidiaries and affiliates entered into a Second Amended and Restated Senior Loan Agreement (the Senior Loan) and a Second Amended and Restated Registration Rights Agreement (the Registration Rights Agreement), which replaced a preexisting loan and registration rights agreement that Schottenstein Stores Corporation, Cerberus and the Company had outstanding and pursuant to which (i) Schottenstein Stores Corporation and Cerberus made available to the Company a non-convertible term loan in the aggregate principal amount of \$50,000,000 and (ii) the Company issued Schottenstein Stores Corporation and Cerberus warrants which entitle the holder to purchase from the Company either Company stock or, in the alternative, stock of DSW, Inc. (DSW) held by the Company (the Senior Loan Warrants).

The Senior Loan Warrant held by Schottenstein Stores Corporation entitles it to acquire directly from the Company 8,333,333 shares of Company stock for \$4.50 per share (subject to adjustment for anti-dilution) or 1,973,685 shares of DSW stock for \$19 per share (the IPO price,

Page - 7 -

CUSIP No. 76128Y 10 2

subject to adjustment for anti-dilution), or a combination thereof. The Senior Loan Warrant is exercisable until the later of (i) June 10, 2009 and (ii) the repayment in full of the applicable Amended Senior Loan (as defined below).

On January 13, 2006, Schottenstein Stores Corporation notified the Company of its desire to exercise its registration rights pursuant to Section 2.1 and 2.3 of the Second Amended and Restated Registration Rights Agreement and demanded that the Company register pursuant to a shelf registration, all of the common stock issuable upon the exercise of the Senior Loan Warrants and New Term Warrants.

On August 16, 2006, the Senior Loan was amended and restated whereby the Company (i) paid \$49.5 million of the then aggregate \$50.0 million outstanding balance, (ii) secured the remaining \$0.5 million balance with cash collateral accounts, (iii) converted the Senior Loan into two separate loans of \$0.25 million held by each of Schottenstein Stores Corporation and Cerberus, respectfully (the Amended Senior Loans), (iv) pledged DSW stock sufficient for the exercise of the Senior Loan Warrants, (v) obtained a release of the capital stock of DSW held by the Company used to secure the Senior Loan and (vi) changed the final maturity date of the Amended Senior Loans to the earlier of June 10, 2009 or the date that the Senior Loan Warrants held by the applicable lender are exercised.

The descriptions of the transactions and agreements set forth in this schedule 13D are qualified in their entirety by reference to the complete agreements governing such matters, each of which are incorporated by reference or attached to this Schedule 13D as exhibits pursuant to Item 7.

Except as described herein, no contracts, arrangements, understandings or similar relationships exist with respect to the securities of the Company between Schottenstein Stores Corporation and any person or entity.

Page - 8 -

CUSIP No. 76128Y 10 2

ITEM 7. Material to Be Filed as Exhibits

The following exhibits are incorporated by reference and deemed filed with this schedule:

1. Form of Conversion Warrant filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed by the Company on July 11, 2005.
 2. Second Amended and Restated Registration Rights Agreement filed as Exhibit 4.3 to the Company's Current Report on Form 8-K filed by the Company on July 11, 2005.
 3. Amended Common Stock Warrants filed as Exhibits 4.1, 4.2 and 4.3 to the Company's Current Report on Form 8-K filed by the Company on October 19, 2005.
 4. Amended and Restated Senior Loan Agreement, dated as of August 16, 2006, among Value City Department Stores LLC, as borrower, and Schottenstein Stores Corporation, as lender. Incorporated by reference to Exhibit 10.2 to Form 8-K filed on August 22, 2006.
-

Page - 9 -
CUSIP No. 76128Y 10 2

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

DATED: November 15, 2007

By: /s/ Jay L. Schottenstein
Jay L. Schottenstein