

DANIELSON HOLDING CORP
 Form 4
 June 21, 2005

FORM 4

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

OMB APPROVAL

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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 *
 SZ INVESTMENTS LLC

2. Issuer Name and Ticker or Trading Symbol
 DANIELSON HOLDING CORP [DHC]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 TWO NORTH RIVERSIDE PLAZA
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 06/20/2005

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

CHICAGO, IL 60606

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

(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	
Common Stock, \$0.10 par value	06/20/2005		X		9,028,562	A	\$ 6 19,060,298	D
Common Stock, \$0.10 par value	06/20/2005		X		1,588,235	A	\$ 6 3,352,941	I

As Managing Member ⁽¹⁾

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

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SEC 1474 (9-02)

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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 Security (Instr. 3 and 4)	Amount of Underlying Security (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount of Underlying Security (Instr. 3 and 4)
Warrant to purchase common stock (right to buy) ⁽²⁾	\$ 6	06/20/2005		X	10,031,736	05/31/2005	06/21/2005	Common Stock, par value \$0.10	9,021,736
Warrant to purchase common stock (right to buy) ⁽²⁾	\$ 6	06/20/2005		X	1,764,706	05/31/2005	06/21/2005	Common Stock, par value \$0.10	1,581,706

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SZ INVESTMENTS LLC TWO NORTH RIVERSIDE PLAZA CHICAGO, IL 60606		X		

Signatures

Donald J. Liebenritt, Vice President

06/21/2005

__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).
- (1) These shares are directly beneficially owned by EGI-Fund (05-07) Investors, L.L.C. ("Fund 05-07") and indirectly beneficially owned by each of (i) the Reporting Person, as the sole managing member of Fund 05-07; (ii) Zell General Partnership, Inc., the managing member

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of the Reporting Person; and (iii) Chai Trust Company, L.L.C., the trustee of trusts which indirectly own the Reporting Person.

- (2) The Issuer issued in a rights offering at no charge one non-transferrable warrant with respect to each share of its Common Stock outstanding as of the close of business on May 27, 2005. Each warrant gave the holder the right to purchase 0.90 shares of the Issuer's Common Stock at a price of \$6.00 per share. Each warrant holder could also elect to purchase additional shares at the exercise price if other warrant holders did not fully exercise their warrants.

- (3) These warrants are directly beneficially owned by Fund 05-07 and indirectly beneficially owned by each of (i) the Reporting Person, as the sole managing member of Fund 05-07; (ii) Zell General Partnership, Inc., the managing member of the Reporting Person; and (iii) Chai Trust Company, L.L.C., the trustee of trusts which indirectly own the Reporting Person.

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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