

TRANS WORLD ENTERTAINMENT CORP  
Form SC 13G  
December 30, 2008

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

SCHEDULE 13G

UNDER THE SECURITIES EXCHANGE ACT OF 1934  
(Amendment No. )\*

TRANS WORLD ENTERTAINMENT CORPORATION  
(Name of Issuer)

COMMON STOCK  
(Title of Class of Securities)

89336Q100  
(CUSIP Number)

DECEMBER 30, 2008  
(Date of Event which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)  
 Rule 13d-1(c)  
 Rule 13d-1(d)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 89336Q100

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1 Name of Reporting Persons.  
I.R.S. Identification Nos. of above person (entities only)

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Riley Investment Partners Master Fund, L.P.

2 Check the Appropriate Box if a Member of a Group (See Instructions)  
(a)   
(b)

3 SEC Use Only

4 Citizenship or Place of Organization

Cayman Islands

Number of	5	Sole Voting Power
Shares	1,000	
Beneficially	6	Shared Voting Power
Owned by	0	
Each	7	Sole Dispositive Power
Reporting	1,000	
Person	8	Shared Dispositive Power
With	0	

9 Aggregate Amount Beneficially Owned by Each Reporting Person  
1,000

10 Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares  
(See Instructions)

11 Percent of Class Represented by Amount in Row (9)  
0.0%(1)

12 Type Of Reporting Person (See Instructions)  
PN

(1) Based on 31,269,111 shares of common stock of Trans World Entertainment Corporation (the "Issuer") outstanding at November 30, 2008, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarter ended November 1, 2008 filed with the Securities and Exchange Commission on December 11, 2008.

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1 Name of Reporting Persons.  
I.R.S. Identification Nos. of above person (entities only)

Riley Investment Management LLC

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2 Check the Appropriate Box if a Member of a Group (See Instructions)

(a)   
(b)

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3 SEC Use Only

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4 Citizenship or Place of Organization

Delaware

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Number of	5	Sole Voting Power
Shares		728,775(2)
Beneficially	6	Shared Voting Power
Owned by		1,693,027(3)
Each	7	Sole Dispositive Power
Reporting		728,775(2)
Person	8	Shared Dispositive Power
With		1,693,027(3)

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9 Aggregate Amount Beneficially Owned by Each Reporting Person

1,888,799(3)

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10 Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares  
(See Instructions)

[x]

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11 Percent of Class Represented by Amount in Row (9)

5.4%(1)

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12 Type Of Reporting Person (See Instructions)

IA

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- (2) Because Riley Investment Management LLC has sole investment and voting power over 1,000 shares of Common Stock held by Riley Investment Partners Master Fund, L.P. and 727,775 shares of Common Stock held by managed accounts of its investment advisory clients, Riley Investment Management LLC may be deemed to have beneficial ownership of these shares.
- (3) Riley Investment Management LLC has shared voting and dispositive power over 1,693,027 shares of Common Stock held by its investment advisory clients, 1,160,024 of which are held by an investment advisory accounts indirectly affiliated with Riley Investment Partners Master Fund, L.P.

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However, Riley Investment Management LLC disclaims beneficial ownership of the non-affiliated shares.

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1 Name of Reporting Persons.  
I.R.S. Identification Nos. of above person (entities only)

B. Riley & Co., LLC

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2 Check the Appropriate Box if a Member of a Group (See Instructions)

(a) [ ]  
(b) [X]

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3 SEC Use Only

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4 Citizenship or Place of Organization

Delaware

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Number of	5	Sole Voting Power
Shares	46,583	
Beneficially	6	Shared Voting Power
Owned by	0	
Each	7	Sole Dispositive Power
Reporting	46,583	
Person	8	Shared Dispositive Power
With	0	

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9 Aggregate Amount Beneficially Owned by Each Reporting Person

46,583

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10 Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares  
(See Instructions)

[ ]

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11 Percent of Class Represented by Amount in Row (9)

.2%(1)

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12 Type Of Reporting Person (See Instructions)

BD

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1	Name of Reporting Persons. I.R.S. Identification Nos. of above person (entities only)	
	B. Riley & Co. Retirement Trust	
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2	Check the Appropriate Box if a Member of a Group (See Instructions)	
		(a) [ ]
		(b) [X]
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3	SEC Use Only	
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4	Citizenship or Place of Organization	
	California	
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	Number of	5 Sole Voting Power
	Shares	34,148
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	Beneficially	6 Shared Voting Power
	Owned by	0
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	Each	7 Sole Dispositive Power
	Reporting	34,148
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	Person	8 Shared Dispositive Power
	With	0
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9	Aggregate Amount Beneficially Owned by Each Reporting Person	
	34,148	
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10	Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)	
		[ ]
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11	Percent of Class Represented by Amount in Row (9)	
	.1%(1)	
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12	Type Of Reporting Person (See Instructions)	
	EP	
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1 Name of Reporting Persons.  
I.R.S. Identification Nos. of above person (entities only)

Bryant Riley

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2 Check the Appropriate Box if a Member of a Group (See Instructions)

(a) [ ]  
(b) [X]

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3 SEC Use Only

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4 Citizenship or Place of Organization

United States

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Number of	5	Sole Voting Power
Shares	810,506(4)	
Beneficially	6	Shared Voting Power
Owned by	1,693,027(5)	
Each	7	Sole Dispositive Power
Reporting	810,506(4)	
Person	8	Shared Dispositive Power
With	1,693,027(5)	

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9 Aggregate Amount Beneficially Owned by Each Reporting Person

1,970,530(5)

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10 Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares  
(See Instructions)

[x]

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11 Percent of Class Represented by Amount in Row (9)

6.3%(1)

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12 Type Of Reporting Person (See Instructions)

IN

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(4) Because Riley Investment Management LLC has sole voting and investment power over security holdings of Riley Investment Partners Master Fund, L.P.'s and certain managed accounts of its investment advisory clients and Mr. Riley, in his role as the sole manager of Riley Investment Management LLC, controls its voting and investment decisions Riley Investment

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Management LLC and Mr. Riley may be deemed to have beneficial ownership of the 1,000 shares of Common Stock held by Riley Investment Partners Master Fund, L.P. and 727,775 shares held in managed accounts by its investment advisory clients. Includes 34,148 shares held by the B. Riley & Co. Retirement Trust, of which Mr. Riley is the trustee. Includes 46,583 shares held by B. Riley & Co., LLC over which Mr. Riley has sole voting and dispositive power. Mr. Riley is the Chairman and sole indirect equity owner of B. Riley & Co., LLC. Includes 1,000 shares held by Mr. Riley's children.

- (5) Riley Investment Management LLC has shared voting and dispositive power over 1,693,027 shares of Common Stock held by its investment advisory clients, 1,160,024 of which are held by an investment advisory accounts indirectly affiliated with Riley Investment Partners Master Fund, L.P. Although Mr. Riley controls Riley Investment Management LLC's voting and investment decisions for its investment advisory clients, Mr. Riley disclaims beneficial ownership of the non-affiliated shares.

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### ITEM 1.

- (a) Name of Issuer  
Trans World Entertainment Corporation
- (b) Address of Issuer's Principal Executive Offices  
38 Corporate Circle  
Albany, New York 12203

### ITEM 2.

- (a) (i) Riley Investment Partners Master Fund, L.P. (Cayman Islands limited partnership)  
Riley Investment Management LLC (Delaware limited liability company)  
Bryant Riley (individual residing in California)
- (ii) B. Riley & Co., LLC (Delaware limited liability company)  
B. Riley & Co. Retirement Trust
- (b) Address of Principal Business Office or, if none, Residence
- (i) 11100 Santa Monica Blvd.  
Suite 810  
Los Angeles, CA 90025
- (ii) 11100 Santa Monica Blvd.  
Suite 800  
Los Angeles, CA 90025
- (c) Citizenship  
United States
- (d) Title of Class of Securities  
Common Stock
- (e) CUSIP Number

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89336Q100

ITEM 3. IF THIS STATEMENT IS FILED PURSUANT TO SS.SS.240.13d-1(b) OR 240.13d-2(b) OR (c), CHECK WHETHER THE PERSON FILING IS A:

- (a)  Broker or dealer registered under Section 15 of the Act (15 U.S.C. 78o).
- (b)  Bank as defined in Section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c)  Insurance company as defined in Section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d)  Investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e)  An investment adviser in accordance with ss.240.13d-1(b)(1)(ii)(E);
- (f)  An employee benefit plan or endowment fund in accordance with ss.240.13d-1(b)(1)(ii)(F);
- (g)  A parent holding company or control person in accordance with ss.240.13d-1(b)(1)(ii)(G);
- (h)  A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i)  A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j)  Group, in accordance with ss.240.13d-1(b)(1)(ii)(J).

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ITEM 4. OWNERSHIP.

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

For each Reporting Person:

(a) Amount beneficially owned: Please see Line 9 on the cover sheet for each reporting person (including footnotes thereto).

(b) Percent of class: Please see Line 11 on the cover sheet for each reporting person (including footnotes thereto).

(c) Number of shares as to which the person has:

(i) Sole power to vote or to direct the vote: Please see Line 5 on the cover sheet for each reporting person (including footnotes thereto).

(ii) Shared power to vote or to direct the vote: Please see Line 6 on the cover sheet for each reporting person (including footnotes thereto).

(iii) Sole power to dispose or to direct the disposition of: Please see Line 7 on the cover sheet for each reporting person (including footnotes thereto).

(iv) Shared power to dispose or to direct the disposition of: Please see Line 8 on the cover sheet for each reporting person (including footnotes thereto).



ITEM 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following [ ].

INSTRUCTION: Dissolution of a group requires a response to this item.

ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON.

Not applicable

ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY.

Not applicable

ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP.

Not applicable

ITEM 9. NOTICE OF DISSOLUTION OF GROUP.

Not applicable

ITEM 10. CERTIFICATION

(b) The following certification shall be included if the statement is filed pursuant to ss.240.13d-1(c):

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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.

Date: December 30, 2008

Riley Investment Partners Master Fund, L.P.  
By: Riley Investment Management, its  
General Partner

By: /s/ Bryant R. Riley

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Bryant R. Riley, Managing Member

Riley Investment Management, LLC

By: /s/ Bryant R. Riley

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Bryant R. Riley, Managing Member

B. Riley & Co., LLC

By: /s/ Bryant R. Riley

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Bryant R. Riley, Chairman

B. Riley & Co. Retirement Trust

By: /s/ Bryant R. Riley

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Bryant R. Riley, Trustee

By: /s/ Bryant R. Riley

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Bryant R. Riley