

KATY INDUSTRIES INC
Form 3
August 22, 2016

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 *

^ Victory Park Capital Advisors, LLC

(Last) (First) (Middle)

227 W. MONROE STREET,
SUITE 3900

(Street)

CHICAGO, IL 60606

(City) (State) (Zip)

2. Date of Event Requiring Statement

(Month/Day/Year)
08/11/2016

3. Issuer Name and Ticker or Trading Symbol
KATY INDUSTRIES INC [KATY]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director 10% Owner
___ Officer Other
(give title below) (specify below)
Possible member of 10% group

5. 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 Beneficially Owned

1. Title of Security
(Instr. 4)

2. Amount of Securities Beneficially Owned
(Instr. 4)

3. Ownership Form:
Direct (D)
or Indirect (I)
(Instr. 5)

4. Nature of Indirect Beneficial Ownership
(Instr. 5)

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

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security
(Instr. 4)

2. Date Exercisable and Expiration Date
(Month/Day/Year)

Date Exercisable Date

3. Title and Amount of Securities Underlying Derivative Security
(Instr. 4)

Title Amount or Number of

4. Conversion or Exercise Price of Derivative Security

5. Ownership Form of Derivative Security: Direct (D)

6. Nature of Indirect Beneficial Ownership
(Instr. 5)

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				Shares		or Indirect (I) (Instr. 5)	
Preferred Stock	Â (1)	Â (1)	Common Stock	18,859,183	\$ (1)	I	By VPC SBIC I, LP (2) (3)
Convertible Debt	Â (4)(5)	Â (4)(5)	Common Stock	324,404,886	\$ (4) (5)	I	See footnotes (2) (3) (6)

Reporting Owners

Reporting Owner Name / Address	Relationships				
	Director	10% Owner	Officer	Other	
Victory Park Capital Advisors, LLC 227 W. MONROE STREET, SUITE 3900 CHICAGO, IL 60606	Â	Â X	Â		Possible member of 10% group
VPC SBIC I, LP 227 W. MONROE STREET, SUITE 3900 CHICAGO, IL 60606	Â	Â X	Â		Possible member of 10% group
VPC SBIC GP, LLC 227 W. MONROE STREET, SUITE 3900 CHICAGO, IL 60606	Â	Â X	Â		Possible member of 10% group
Victory Park Management, LLC 227 W. MONROE STREET, SUITE 3900 CHICAGO, IL 60606	Â	Â X	Â		Possible member of 10% group
Jacob Capital, L.L.C. 227 W. MONROE STREET, SUITE 3900 CHICAGO, IL 60606	Â	Â X	Â		Possible member of 10% group
Levy Richard N 227 W. MONROE STREET, SUITE 3900 CHICAGO, IL 60606	Â	Â X	Â		Possible member of 10% group

Signatures

/s/ Scott R. Zernick, General Counsel

08/22/2016

**Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 5(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) VPC SBIC I, LP (the "SBIC Fund") is the direct holder of 1,131,551 shares of the Issuer's preferred stock. Each share of preferred stock is convertible at any time into 16-2/3 shares of the Issuer's common stock and is not subject to an expiration date. The number of shares of common stock issuable upon the conversion of the preferred stock is subject to certain adjustments upon the occurrence of stock splits, stock dividends and certain transactions, as set forth in Amended and Restated Certificate of Incorporation of the Issuer.

(2) This Form 3 is being filed by Victory Park Capital Advisors, LLC ("VPC Advisors") as well as the entities listed on the Joint Filer Information Statement attached as an exhibit hereto (the "Reporting Persons"). VPC Advisors is the investment manager of the SBIC Fund. VPC SBIC GP, LLC (the "SBIC GP") is the general partner of the SBIC Fund. Jacob Capital L.L.C. ("Jacob Capital") is the sole

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member of the SBIC GP and the sole manager of VPC Advisors. Richard Levy ("Levy") is the sole member of Jacob Capital.

In accordance with Instruction 5 (b)(iv) to Form 3, the entire amount of the Issuer's securities held by the SBIC Fund or that the SBIC Fund may be deemed to beneficially own are reported herein. For purposes of Section 16 of the Securities Exchange Act of 1934, each

- (3) Reporting Person disclaims beneficial ownership of any such securities, except to the extent of his/its indirect pecuniary interest therein, if any, and this report shall not be deemed an admission that such Reporting Person is the beneficial owner of such securities for purposes of Section 16 or otherwise.

An aggregate of \$25,853,238.26 of indebtedness, including \$22,621,583.49 of indebtedness held by the SBIC Fund, was outstanding as of

(4) August 11, 2016 under term loans (the "Term Loans") made pursuant to the Issuer's second lien credit facility (the "Second Lien Credit Facility").

The Term Loans are convertible into a number of shares of the Issuer's common stock equal to the amount of (x) the principal and accrued but unpaid interest under the term loans being converted, divided by (y) approximately \$0.069732561 (as such amount is proportionately adjusted for stock splits, reverse stock splits, stock combinations, stock dividends and other distributions and

- (5) recapitalizations affecting the capital stock of the Issuer); provided that the Term Loans may not be converted into common stock until the Issuer has reduced the par value of its common stock to an amount less than or equal to the conversion price. Subject to the proviso in the preceding sentence, the Term Loans will be convertible for so long as such indebtedness remains outstanding. The Term Loans bear "PIK" interest at the rate of 12.00% per annum.

Victory Park Management, LLC ("VPM"), as administrative agent and collateral agent for the lenders under the Second Lien Credit Facility, has the right, at any time, to convert the outstanding principal amount of, and interest on, the Term Loans into common stock as

- (6) described in footnote (5). The shares of common stock issuable upon conversion of the Term Loans will be distributed among the lenders under the Second Lien Credit Facility pro rata in accordance with their respective commitments under the Term Loans. The SBIC Fund is a lender under the Second Lien Credit Facility. VPC Advisors is the sole member of VPM. See footnote 2.

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Remarks:

PleaseÂ seeÂ JointÂ FilerÂ InformationÂ StatementÂ attachedÂ asÂ ExhibitÂ 99Â hereto.

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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