

Levy Richard N
Form 4
July 31, 2017

FORM 4

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

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

OMB APPROVAL

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(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. Issuer Name **and** Ticker or Trading
Symbol

KATY INDUSTRIES INC [KATY]

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

07/21/2017

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

Possible member of 10% group

6. Individual or Joint/Group Filing(Check
Applicable Line)

____ Form filed by One Reporting Person
X 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 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 | (D) | Price |

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

**Persons who respond to the collection of
information contained in this form are not
required to respond unless the form
displays a currently valid OMB control
number.**

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 Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities Acquired | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount Underlying Securities (Instr. 3 and 4) |
|---------------------------------------|------------------------------|---|---|------------------------|---|--|--|
|---------------------------------------|------------------------------|---|---|------------------------|---|--|--|

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| (Instr. 3) | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) | (A) or Disposed of (D) (Instr. 3, 4, and 5) | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
|---------------------|------------------------------------|------------------|------------|---|------|---|-----|-----|---------------------|--------------------|-----------------|--|
| Convertible Debt | (1) | 07/21/2017 | J(1) | \$ 24,000,000 (2) (3) | | | | | (1) | (1) | Common Stock | (1) |

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 | | X | | Possible member of 10% group |
| VPC SBIC I, LP 227 W. MONROE STREET, SUITE 3900 CHICAGO, IL 60606 | | X | | Possible member of 10% group |
| VPC SBIC GP, LLC 227 W. MONROE STREET, SUITE 3900 CHICAGO, IL 60606 | | X | | Possible member of 10% group |
| Victory Park Management, LLC 227 W. MONROE STREET, SUITE 3900 CHICAGO, IL 60606 | | X | | Possible member of 10% group |
| Jacob Capital, L.L.C. 227 W. MONROE STREET, SUITE 3900 CHICAGO, IL 60606 | | X | | Possible member of 10% group |
| Levy Richard N 227 W. MONROE STREET, SUITE 3900 CHICAGO, IL 60606 | | X | | Possible member of 10% group |

Signatures

/s/ Scott R. Zemnick, General
Counsel 07/31/2017

__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) The Term Loans (as defined below) were 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

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amount is proportionately adjusted for stock splits, reverse stock splits, stock combinations, stock dividends and other distributions and recapitalizations affecting the capital stock of the Issuer); provided that the Term Loans were not convertible into common stock until the Issuer 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 were convertible for so long as such indebtedness remained outstanding. The Term Loans accrued "PIK" interest at the rate of 12.00% per annum.

- (2) On July 21, 2017, Jansan Acquisition LLC ("Jansan"), the Issuer, Continental Commercial Products, LLC, Fort Wayne Plastics, Inc. and FTW Holdings, Inc. consummated the transactions contemplated by the Asset Purchase Agreement, dated as of May 14, 2017 (the "Purchase Agreement"). In accordance with the Purchase Agreement, Jansan acquired the Purchased Assets (as defined in the Purchase Agreement) with a credit bid in the amount of the indebtedness under the Issuer's second lien credit facility, including the convertible term loans (the "Term Loans") thereunder. As a result, the Term Loans were satisfied and, as such, the Reporting Persons no longer beneficially own any of the Common Stock previously issuable upon conversion of the Term Loans.

- (3) In accordance with Instructions 3(c) and 4(b)(iv) to Form 4, the entire face amount of the Term Loans held by Jansan is reported herein. For purposes of Section 16 of the Securities Exchange Act of 1934, as amended, each 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.

- (4) This Form 4 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 member of the SBIC GP and the sole manager of VPC Advisors. Richard Levy ("Levy") is the sole member of Jacob Capital.

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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