

KATY INDUSTRIES INC  
 Form 3  
 August 22, 2016

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

OMB APPROVAL

OMB Number: 3235-0104  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

**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 * |         |          | 2. Date of Event Requiring Statement | 3. Issuer Name <b>and</b> Ticker or Trading Symbol |  |
| Â Victory Park Capital Advisors, LLC      |         |          | (Month/Day/Year)                     | KATY INDUSTRIES INC [KATY]                         |  |
| (Last)                                    | (First) | (Middle) |                                      | 4. Relationship of Reporting Person(s) to Issuer   | 5. If Amendment, Date Original Filed(Month/Day/Year)       |
| 227 W. MONROE STREET,                     |         |          |                                      | (Check all applicable)                             |  |
| (Street)                                  |         |          |                                      | ___ Director                                       | ___X___ 10% Owner  |
| CHICAGO,Â ILÂ 60606                       |         |          |                                      | ___ Officer  | ___X___ Other  |
| (City)                                    | (State) | (Zip)    |                                      | (give title below) (specify 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 Beneficially Owned**

|                                    |  |   |  |
|------------------------------------|--|---|--|
| 1. Title of Security<br>(Instr. 4) | 2. Amount of Securities Beneficially Owned<br>(Instr. 4) | 3. Ownership Form:<br>Direct (D)<br>or Indirect (I)<br>(Instr. 5) | 4. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|------------------------------------|--|---|--|

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

SEC 1473 (7-02)

**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.**

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

|   |   |  |  |  |  |
|---|---|--|--|--|--|
| 1. Title of Derivative Security<br>(Instr. 4) | 2. Date Exercisable and Expiration Date<br>(Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security<br>(Instr. 4) | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security: Direct (D) | 6. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|   | Date Exercisable  | Expiration Date  | Title  | Amount or Number of                                  |  |

|                  |          |          |              | Shares      |            | or Indirect<br>(I)<br>(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<br>227 W. MONROE STREET, SUITE 3900<br>CHICAGO, IL 60606 | Â             | Â X       | Â       |       | Possible member of 10% group |
| VPC SBIC I, LP<br>227 W. MONROE STREET, SUITE 3900<br>CHICAGO, IL 60606                     | Â             | Â X       | Â       |       | Possible member of 10% group |
| VPC SBIC GP, LLC<br>227 W. MONROE STREET, SUITE 3900<br>CHICAGO, IL 60606                   | Â             | Â X       | Â       |       | Possible member of 10% group |
| Victory Park Management, LLC<br>227 W. MONROE STREET, SUITE 3900<br>CHICAGO, IL 60606       | Â             | Â X       | Â       |       | Possible member of 10% group |
| Jacob Capital, L.L.C.<br>227 W. MONROE STREET, SUITE 3900<br>CHICAGO, IL 60606              | Â             | Â X       | Â       |       | Possible member of 10% group |
| Levy Richard N<br>227 W. MONROE STREET, SUITE 3900<br>CHICAGO, IL 60606                     | Â             | Â X       | Â       |       | Possible member of 10% group |

## Signatures

/s/ Scott R. Zemnick, 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

## Edgar Filing: KATY INDUSTRIES INC - Form 3

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.

Â

### 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.

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