

SHAFFER JAMES W  
Form 4  
March 16, 2010

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
SHAFFER JAMES W

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

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

(Last) (First) (Middle)  
  
305 ROCK INDUSTRIAL PARK  
DRIVE  
  
(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
03/12/2010

\_\_\_\_ Director  
 Officer (give title below)  
\_\_\_\_ 10% Owner  
\_\_\_\_ Other (specify below)  
VP, Treasurer and CFO

BRIDGETON, MO 63044

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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

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

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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	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Security
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## Edgar Filing: SHAFFER JAMES W - Form 4

Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr. 3 and 4)		
			Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Ar Nu Sh
Option to purchase Common Stock	\$ 1.16				10/27/2009 <sup>(1)</sup>	10/27/2018	Common Stock	1
Stock Appreciation Rights	\$ 1.6	03/12/2010	A	20,000	03/12/2011 <sup>(2)</sup>	03/12/2020	Common Stock	2

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SHAFFER JAMES W 305 ROCK INDUSTRIAL PARK DRIVE BRIDGETON, MO 63044			VP, Treasurer and CFO	

## Signatures

James W.  
Shaffer

03/16/2010

  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) Stock options vest evenly over three years; 1/3 vest on 10/27/09, 1/3 vest on 10/27/10 and 1/3 vest on 10/27/11.
- (2) Stock appreciation rights vest evenly over three years; 1/3 vest on 3/12/11, 1/3 vest on 3/12/12 and 1/3 vest on 3/12/13.

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.