#### CARROLL WALLACE E JR

Form 4

October 16, 2007

### FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

**OMB** Number:

3235-0287

Expires:

January 31, 2005

0.5

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**OMB APPROVAL** 

response...

if no longer subject to Section 16. Form 4 or Form 5

Check this box

obligations may continue. See Instruction

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

1(b).

(Last)

Stock

Stock

Common

(Print or Type Responses)

1. Name and Address of Reporting Person \* CARROLL WALLACE E JR

(First)

(Street)

2. Issuer Name and Ticker or Trading Symbol

KATY INDUSTRIES INC [KATY]

5. Relationship of Reporting Person(s) to

Issuer

(Middle)

3. Date of Earliest Transaction

(Check all applicable)

2461 SOUTH CLARK

(Month/Day/Year) 10/12/2007

\_X\_\_ 10% Owner \_X\_\_ Director \_ Other (specify Officer (give title below)

STREET, SUITE 630

4. If Amendment, Date Original

Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check

Applicable Line)

\_X\_ Form filed by One Reporting Person Form filed by More than One Reporting

 $I^{(3)}$ 

D

(3)

4,212 (3)

171.839

ARLINGTON, VA 22202

(City)	(State) (Z	Zip) Table	I - Non-De	erivative Securities	s Acqu	uired, Disposed o	of, or Beneficial	lly Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactio Code (Instr. 8)	4. Securities actionAcquired (A) or Disposed of (D) 8) (Instr. 3, 4 and 5)		5. Amount of Securities Beneficially Owned Following	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code V	(A) or Amount (D) Pr	7	Reported Fransaction(s) (Instr. 3 and 4)		
Common Stock				· (2)	2	2,071,036 <u>(2)</u> (4) <u>(6)</u>	I (2) (4) (6)	See Notes (2) (4) (6)
Common Stock					8	8,729	I	By Spouse
Common Stock					8	804,635 (1) (5)	I (1) (5)	See Notes (1) (5)
Common						4 212 (3)	I (3)	See Note 3

Common Stock

32,910 (8)

I (8)

See Notes

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 Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transacti Code (Instr. 8)	5. Number on f Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisab Date (Month/Day/Year	-	7. Title and An Underlying Sec (Instr. 3 and 4)
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title o
Stock Appreciation Right	\$ 1.1	05/31/2007		A	2,000	05/31/2007	05/31/2017	Common Stock
Option to purchase Common	\$ 3.69 (7)					05/26/2005(7)	05/26/2015(7)	Common Stock

## **Reporting Owners**

Reporting Owner Name / Address	Relationships					
	Director	10% Owner	Officer	Other		
CARROLL WALLACE E JR 2461 SOUTH CLARK STREET						
SUITE 630	X	X				
ARLINGTON, VA 22202						

# **Signatures**

Stock

/s/ Philip D. Reinkemeyer as attorney-in-fact for Wallace E. Carroll, Jr.

10/16/2007

\*\*Signature of Reporting Person

Date

Reporting Owners 2

#### **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).

The Reporting Person or members of his immediate family are beneficiaries of the Wallace E. and Lelia H. Carroll Trust U/A Dated 5/1/58 F/B/O Wallace E. Carroll, Jr. and his descendants (the "WEC Jr. '58 Trust"), the Lelia H. Carroll Trust U/A Dated 7/12/62 F/B/O Wallace E. Carroll, Jr. (the "WEC Jr. '62 Trust") and the Family Grandchildren Trust U/A dated 9/29/90 F/B/O the descendents of

- (1) Wallace E. Carroll, Jr. (the "Family Trust") (collectively, the ?WEC Trusts?). The WEC Jr. '58 Trust, the WEC Jr. '62 Trust and the Family Trust directly beneficially own 603,000, 194,693 and 6,942 shares of the Issuer's outstanding common stock, respectively, for an aggregate of 804,635 shares (the ?Trust Shares?). The Reporting Person may be deemed to have an indirect pecuniary interest in the Trust Shares to the extent that he and/or the members of his immediate family living in the same household are beneficiaries of the WEC Trusts.
  - CRL, Inc. ("CRL") directly beneficially owns 2,071,036 shares of the Issuer's outstanding common stock (the ?CRL Shares?) after giving effect to the transaction reported herein. As stockholders of CRL, the WEC Jr. '58 Trust and the Reporting Person may be deemed to
- (2) indirectly beneficially own such Shares. The Reporting Person may be deemed to have an indirect pecuniary interest in the shares indirectly beneficially owned by the WEC Jr. '58 Trust through CRL to the extent that he and/or the members of his immediate family living in the same household are beneficiaries of that trust and as a stockholder of CRL.
- (3) Common stock is held by the Katy Industries, Inc. Directors? Deferred Compensation Plan in a Rabbi Trust arrangement. 2,106 shares are held for the benefit of the Reporting Person, and 2,106 shares are held for the benefit of his spouse.
- (4) As a stockholder of CRL, the Reporting Person may be deemed to have an indirect pecuniary interest in the CRL Shares (see Note 2).
- Members of the Reporting Person?s immediate family are beneficiaries of the WEC Trusts (see Note 1). The Reporting Person may be deemed to have an indirect pecuniary interest in the Trust Shares to the extent that members of her immediate family living in the same household are beneficiaries of the WEC Trusts.
- (6) The Reporting Person may be deemed to have an indirect pecuniary interest in the CRL Shares to the extent that members of his immediate family living in the same household own CRL shares and are beneficiaries of the WEC Jr. '58 Trust (see Note 2).
- (7) The exercisable date, conversion price and expiration date on the stock options represent information from the most recent grant, 5/26/05. The Reporting Person has received stock options from 1998 through 2005 with conversion prices ranging from \$3.11 through \$18.125.
- (8) The Reporting Person is a trustee of the Wallace Foundation which holds 32,910 shares.

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.