

KATY INDUSTRIES INC  
Form DEF 14A  
April 25, 2014

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

## SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934

Filed by the Registrant  x  
Filed by a Party other than the Registrant  o  
Check the appropriate box:

o Preliminary Proxy Statement  
 o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**  
 x Definitive Proxy Statement  
 o Definitive Additional Materials  
 o Soliciting Material Under Rule 14a-12

### **KATY INDUSTRIES, INC.**

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of filing fee (Check the appropriate box):

x No fee required  
 o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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**KATY INDUSTRIES, INC.**  
**305 Rock Industrial Park Drive**  
**Bridgeton, Missouri 63044**  
**(314) 656-4321**

April 23, 2014

Dear Stockholders:

You are cordially invited to attend the 2014 annual meeting of stockholders of Katy Industries, Inc. (the Company or Katy ), which will be held at 9:00 a.m. local time on Thursday, May 22, 2014, at the Holiday Inn Mount Kisco, located at One Holiday Inn Drive, Mount Kisco, New York.

The principal business of the annual meeting will be (i) the election of three Class I directors, and (ii) the ratification of the appointment by the Company's Audit Committee of the Board of Directors of UHY LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2014.

It is important that your shares are represented at the annual meeting. If you do not attend the annual meeting, you may vote your shares by mail by signing and returning the enclosed proxy card. Whether or not you plan to attend the annual meeting, we encourage you to vote by executing and returning the enclosed proxy card so that your shares will be voted at the annual meeting. If you decide to attend the annual meeting, you may revoke your proxy and personally cast your vote.

Thank you, and we look forward to seeing you at the annual meeting or receiving your proxy vote.

Sincerely yours,

William F. Andrews  
*Chairman of the Board of Directors*

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**KATY INDUSTRIES, INC.  
305 Rock Industrial Park Drive  
Bridgeton, Missouri 63044  
(314) 656-4321**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

To the Stockholders of Katy Industries, Inc.:

We are holding the annual meeting of stockholders of Katy Industries, Inc. ( Katy ) on May 22, 2014 at 9:00 a.m. local time. The meeting will be held at the Holiday Inn Mount Kisco, located at One Holiday Inn Drive, Mount Kisco, New York. The meeting is called to act upon the following matters, which are described more fully in the accompanying Proxy Statement:

1. To elect three Class I directors for a two-year term;
2. To ratify the appointment by the Audit Committee of the Board of Directors of UHY LLP as Katy s independent registered public accounting firm for the fiscal year ending December 31, 2014; and
3. To transact such other business as may properly come before the meeting and any postponement or adjournment thereof.

The Proxy Statement that we are delivering with this notice contains important information concerning the proposals to be considered at the annual meeting. You will be entitled to vote at the annual meeting if you were a stockholder of Katy at the close of business on April 3, 2014.

**YOUR VOTE AT THE ANNUAL MEETING IS IMPORTANT.**

**PLEASE INDICATE YOUR VOTE ON THE ENCLOSED PROXY CARD AND RETURN IT IN THE ENCLOSED ENVELOPE AS SOON AS POSSIBLE, EVEN IF YOU PLAN TO ATTEND THE MEETING.**

**IF YOU ATTEND THE MEETING, YOU MAY REVOKE YOUR PROXY AT ANY TIME PRIOR TO THE TIME IT IS VOTED.**

By Order of the Board of Directors

James W. Shaffer  
*Secretary*

Bridgeton, Missouri  
April 23, 2014

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**KATY INDUSTRIES, INC.  
305 Rock Industrial Park Drive  
Bridgeton, Missouri 63044  
(314) 656-4321**

**PROXY STATEMENT**

**For the Annual Meeting of Stockholders  
to be held May 22, 2014**

**INFORMATION ABOUT THE ANNUAL  
STOCKHOLDERS MEETING**

The 2014 annual meeting of stockholders of Katy Industries, Inc. (the Company or Katy ) will be held at 9:00 a.m. local time on May 22, 2014 at the Holiday Inn Mount Kisco, located at One Holiday Inn Drive, Mount Kisco, New York.

This Proxy Statement is furnished by and on behalf of the board of directors (the Board of Directors ) of Katy in connection with the Company's solicitation of proxies for use at the annual meeting and at any adjournments or postponements thereof. This Proxy Statement includes information that Katy is required to provide to you under the rules of the Securities and Exchange Commission ( SEC ) and is intended to assist you in voting your shares. On or about April 25, 2014, Katy will begin mailing this Proxy Statement and the enclosed proxy card to all people who, according to our stockholder records, owned shares of the Company's common stock at the close of business on April 3, 2014 (the Record Date ). As of the Record Date, there were 7,951,176 shares of our common stock issued and outstanding.

The cost of soliciting proxies will be paid by the Company. The Company has retained Morrow & Co., LLC to aid in the solicitation at a fee of \$4,000 plus reasonable out-of-pocket expenses. Katy's directors, officers and employees may request proxies in person or by telephone, mail, facsimile or letter.

**Important Notice Regarding the Availability of Proxy Materials  
for the Shareholder Meeting to be held on May 22, 2014: This  
Proxy Statement and our Annual Report on Form 10-K for the  
fiscal year ended December 31, 2013 are available at  
[www.katyindustries.com/financial/annualreport.html](http://www.katyindustries.com/financial/annualreport.html).**

# VOTING

## RECORD HOLDERS

You may own common stock either (1) directly in your name, in which case you are the record holder of such shares, or (2) indirectly through a broker, bank or other nominee, in which case such nominee is the record holder.

If your shares are registered directly in your name, we are sending these proxy materials directly to you. If the record holder of your shares is a nominee, you will receive proxy materials from such record holder.

## VOTING SHARES AND REVOCABILITY OF PROXIES

You are entitled to one vote at the annual meeting for each share of Katy's common stock that you owned of record at the close of business on the Record Date. The number of shares you own (and may vote) is listed on the enclosed proxy card.

In accordance with Delaware law, a list of stockholders entitled to vote at the meeting will be available at the meeting.

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If you are the record holder, you may vote your shares of common stock at the annual meeting in person or by proxy. To vote in person, you must attend the annual meeting and obtain and submit a ballot. Katy will provide you with a ballot at the annual meeting. To vote by proxy, you must complete and return the enclosed proxy card. By completing and returning (and not revoking) the enclosed proxy card, you will be directing the representatives designated on the proxy card to vote your shares at the annual meeting in accordance with the instructions you give on the proxy card. Your proxy card will be valid only if you sign, date and return it before the annual meeting. The submission of a signed proxy will not affect your right to attend and vote in person at the annual meeting.

**IF YOU COMPLETE THE PROXY CARD EXCEPT FOR THE VOTING INSTRUCTIONS, THEN YOUR SHARES WILL BE VOTED FOR THE BOARD OF DIRECTORS RECOMMENDATIONS SET FORTH IN THIS PROXY STATEMENT.**

You may revoke your proxy at any time before it is voted by any of the following means:

Notifying the Secretary of Katy in writing addressed to our principal corporate offices at Katy Industries, Inc., 305 Rock Industrial Park Drive, Bridgeton, Missouri 63044, that you wish to revoke your proxy.

- Submitting a proxy bearing a later date than your original proxy.

Attending the annual meeting and voting in person. Merely attending the annual meeting will not by itself revoke a proxy; you must vote your shares of common stock at the annual meeting to revoke the proxy.

If your common stock is held by a broker, bank or other nominee, you will receive instructions from such nominee that you must follow in order to have your shares voted. If you plan to attend the annual meeting and vote in person, you will need to contact the broker, bank or other nominee to obtain evidence of your ownership of common stock on April 3, 2014.

The Board of Directors does not expect any matter other than the proposals discussed in this Proxy Statement to be presented at the annual meeting. However, if any other matter properly comes before the annual meeting, executed and returned proxies will be voted in a manner deemed by the proxy representatives named therein to be in the best interests of Katy and its stockholders.

## **QUORUM AND VOTES REQUIRED FOR APPROVAL**

The presence in person or by proxy of holders of a majority of the outstanding shares of our common stock will constitute a quorum for the annual meeting. For purposes of the quorum and the discussion below regarding the vote necessary to take stockholder action, the stockholders who are present at the annual meeting in person or by proxy and who abstain are considered stockholders who are present and entitled to vote and they count toward the quorum. In addition, all shares held by brokers or nominees that are present and entitled to be voted on any matter to be voted on at the meeting are counted toward the presence of a quorum, regardless of whether such shares are actually voted.

Each share of common stock is entitled to one vote on each matter to come before the annual meeting. With regard to the election of directors, you may vote for a candidate or withhold your vote. Directors will be elected by a plurality of the votes of the shares of common stock entitled to vote and present in person or represented by proxy at a meeting where a quorum is present. Under plurality voting, the nominees who receive the largest number of votes cast in favor of their election will be elected as directors, up to the maximum number of directors to be elected at the annual meeting. Consequently, under Delaware law and the Company's certificate of incorporation and bylaws, abstentions will have no effect on the election of directors.





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If a quorum is present, the approval of the proposal ratifying the appointment of UHY LLP requires the affirmative vote of the holders of a majority of the shares of common stock present, in person or by proxy, at the annual meeting. With respect to this matter, a stockholder may (i) vote For the matter, (ii) vote Against the matter, or (iii) Abstain from voting on the matter. Under Delaware law and the Company's certificate of incorporation and bylaws, an abstention from voting on this proposal has the same effect as a vote against such matter.

Under rules of self-regulatory organizations governing brokers, brokers holding shares of record for customers generally are entitled to vote on routine matters without voting instructions from their customers. The ratification of the appointment of UHY LLP is considered a routine matter. On non-routine matters, including the election of the board of directors, shares held by your broker will not be voted absent specific instructions from you, which means your shares may go unvoted and not affect the outcome if you do not specify your vote. If a broker does not receive voting instructions from a customer on non-routine matters and accordingly does not vote on these matters, this is called a broker non-vote. Broker non-votes will be counted for the purposes of establishing a quorum to conduct business at the meeting and are not counted as votes cast.

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## **PROPOSAL 1 ELECTION OF DIRECTORS**

Katy's business is managed under the direction of its Board of Directors. There are currently seven directors, divided into two classes serving staggered terms. The classes are as nearly equal in number as possible with three Class I directors, elected to two-year terms at the 2012 annual meeting, and four Class II directors, elected to two-year terms at the 2013 annual meeting. Stockholders will elect three Class I directors at this year's annual meeting to serve for a two-year term ending at the time of the 2016 annual meeting.

The Board of Directors has nominated the following nominees for election as Class I directors to the Board of Directors, each to serve until the 2016 annual meeting or until his/her successor is duly elected and qualified or until his/her death, resignation or removal:

Daniel B. Carroll  
Pamela Carroll Crigler  
David J. Feldman

Mr. Daniel Carroll and Mr. Feldman are current directors of the Company and have indicated their willingness to serve as directors. Wallace E. Carroll, Jr. will not be standing for re-election and will be retiring from our Board of Directors effective at the conclusion of this annual meeting. Katy is grateful to Mr. Wallace Carroll for his years of valuable service to the Company. After careful evaluation by our Nominating and Governance Committee, Ms. Crigler has been nominated and has indicated her willingness to serve as a director. The Class II directors are not up for re-election at the annual meeting, as their terms do not expire until the time of the 2015 annual meeting.

The Board of Directors has determined that all of our current and nominated directors are qualified to serve as directors of the Company. In addition to the specific business experience listed below, each of our current and nominated directors has the tangible and intangible skills and attributes which we believe are required to be an effective director of the Company, including experience at senior levels in areas of expertise helpful to the Company, a willingness and commitment to assume the responsibilities required of a director of the Company and the character and integrity we expect of our directors.

## **RECOMMENDATION OF THE BOARD OF DIRECTORS**

THE BOARD OF DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR THE ELECTION OF EACH OF ITS NOMINEES. IF ANY NOMINEE BECOMES UNAVAILABLE TO SERVE ON THE BOARD OF DIRECTORS FOR ANY REASON, YOUR PROXY WILL BE VOTED FOR A PERSON OR PERSONS TO BE SELECTED BY THE BOARD OF DIRECTORS. PROXIES CANNOT BE VOTED FOR A NUMBER OF NOMINEES GREATER THAN THE NUMBER OF CLASS I DIRECTORS.

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The following table shows information about the nominees for election to Katy's Board of Directors as Class I directors. Mr. Carroll and Mr. Feldman currently serve as Class I directors:

Name	Age	Principal Occupation and Business Experience	Other Directorships During the Past Five Years	Period of Service as Katy Director
Daniel B. Carroll <sup>(1)</sup>	78	2003 to Present: Private Investor 1994 to 2010: Partner of Newgrange L.P., a components supplier to the global footwear industry 1985 to 2010: Member and Manager of ATP Manufacturing, LLC, a manufacturer of molded polyurethane components	None	1994 to Present

We believe Mr. Carroll's qualifications to serve on our Board of Directors include his experience in managing manufacturing companies, including manufacturers of metals and plastics.

Pamela Carroll Crigler <sup>(1)</sup>	49	2011 to Present: Board Member and Treasurer for Meals on Wheels of New Canaan, Inc., a nonprofit community organization providing meals to seniors and disabled residents of New Canaan, CT 1993 to 2008: Owner of The Playhouse Toy Store, an educational toy store	None	N/A
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We believe Ms. Crigler's qualifications to serve on the Board of Directors include her educational background, including a Master's in Business Administration, her experience as a business owner in the retail space, and the gender diversity her service would provide.

David J. Feldman	55	2008 to Present: Chief Executive Officer, President, and a Director of Katy 2007 to 2008: President and Chief Operating Officer of Airserv Corporation, a service provider to the U.S. aviation industry	None	2008 to Present
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We believe Mr. Feldman's qualifications to serve on our Board of Directors include his position as our Chief Executive Officer and his extensive experience in the manufacturing industry.

- (1) Daniel B. Carroll and Pamela Carroll Crigler are second cousins. Ms. Crigler is also the daughter of Wallace E. Carroll, Jr., who is beneficial owner of 2,305,039 shares.

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The following directors were elected to a two-year term at the 2013 annual meeting, and are not nominees for re-election at the 2014 annual meeting:

Name	Age	Principal Occupation and Business Experience	Other Directorships During the Past Five Years	Period of Service as Katy Director
Christopher W. Anderson	39	2005 to Present: Partner of Kohlberg & Co., L.L.C., a U.S. private equity firm 1998 to 2005: Associate at Kohlberg & Co., L.L.C.	Bauer Performance Sports, Ltd.	2001 to Present

We believe Mr. Anderson's qualifications to serve on our Board of Directors include his significant experience in equity financing, including extensive experience in the private equity industry, and strategy experience with other manufacturing companies, particularly in the areas of financial and business analysis and corporate business planning.

William F. Andrews	82	2001 to Present: Chairman of Katy 2008 to Present: Chairman of Executive Committee, Corrections Corp. 1997 to 2012: Consultant with Kohlberg & Co., L.L.C., a U.S. private equity firm 2004 to 2010: Chairman of Singer Worldwide 2000 to 2008: Chairman of Corrections Corp.	Black Box Corporation O Charley's Inc. Singer Worldwide TREX Corp.	1991 to Present
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We believe Mr. Andrews' qualifications to serve on our Board of Directors include his experience as Chairman of seven public companies and board member of more than twenty public companies 36 total companies.

Samuel P. Frieder	49	2010 to Present: Managing Partner of Kohlberg & Co., &nb		
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