

KMG CHEMICALS INC  
Form SC 13G  
August 14, 2006

**UNITED STATES  
SECURITIES AND EXCHANGE  
COMMISSION**  
Washington, D.C. 20549  
**SCHEDULE 13G**  
(Rule 13d-102)

**Information to be Included in Statements Filed Pursuant to Rule 13d-1(b), (c) and (d) and  
Amendments Thereto Filed Pursuant to Rule 13d-2**

**Under the Securities Exchange Act of 1934**

**KMG Chemicals, Inc.**

(Name of Issuer)

**Common Stock, par value \$0.01 per share**

(Title of Class of Securities)

**482564101**

(CUSIP Number)

**July 21, 2006**

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

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The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 482564101

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|---|---|----|--------------------------------|----|--------------------------|----|-------------------------------------|----|-------------------------------|
| 1.  | Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)<br>David L. Hatcher   |    |                                |    |                          |    |                                     |    |                               |
| 2.  | Check the Appropriate Box if a Member of a Group (See Instructions)<br>(a) <input type="radio"/><br>(b) <input type="radio"/>   |    |                                |    |                          |    |                                     |    |                               |
| 3.  | SEC Use Only  |    |                                |    |                          |    |                                     |    |                               |
| 4.  | Citizenship or Place of Organization<br>U.S.A.  |    |                                |    |                          |    |                                     |    |                               |
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | <table border="0"> <tr> <td style="vertical-align: top;">5.</td> <td>Sole Voting Power<br/>4,118,568</td> </tr> <tr> <td style="vertical-align: top;">6.</td> <td>Shared Voting Power<br/>0</td> </tr> <tr> <td style="vertical-align: top;">7.</td> <td>Sole Dispositive Power<br/>4,118,568</td> </tr> <tr> <td style="vertical-align: top;">8.</td> <td>Shared Dispositive Power<br/>0</td> </tr> </table> | 5. | Sole Voting Power<br>4,118,568 | 6. | Shared Voting Power<br>0 | 7. | Sole Dispositive Power<br>4,118,568 | 8. | Shared Dispositive Power<br>0 |
| 5.  | Sole Voting Power<br>4,118,568  |    |                                |    |                          |    |                                     |    |                               |
| 6.  | Shared Voting Power<br>0  |    |                                |    |                          |    |                                     |    |                               |
| 7.  | Sole Dispositive Power<br>4,118,568   |    |                                |    |                          |    |                                     |    |                               |
| 8.  | Shared Dispositive Power<br>0   |    |                                |    |                          |    |                                     |    |                               |
| 9.  | Aggregate Amount Beneficially Owned by Each Reporting Person<br>4,118,568   |    |                                |    |                          |    |                                     |    |                               |
| 10.   | Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) <input type="radio"/>   |    |                                |    |                          |    |                                     |    |                               |
| 11.   | Percent of Class Represented by Amount in Row (9)<br>39.1%  |    |                                |    |                          |    |                                     |    |                               |
| 12.   | Type of Reporting Person (See Instructions)<br>IN   |    |                                |    |                          |    |                                     |    |                               |

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Item 1.

- (a) Name of Issuer  
KMG Chemicals, Inc.
- (b) Address of Issuer's Principal Executive Offices  
10611 Harwin Drive, Suite 402  
Houston, Texas 77036

Item 2.

- (a) Name of Person Filing  
David L. Hatcher
- (b) Address of Principal Business Office or, if none, Residence  
10611 Harwin Drive, Suite 402  
Houston, Texas 77036
- (c) Citizenship  
Mr. Hatcher is a United States citizen.
- (d) Title of Class of Securities  
Common Stock, par value \$0.01 per share. Mr. Hatcher acquired these shares October 15, 1996, prior to KMG Chemicals, Inc. becoming a public company, and as a stock dividend on March 30, 2001. Disposed of 1,087,984 shares on July 6, 2006 and 175,751 shares on July 21, 2006.
- (e) CUSIP Number  
482564101

Item 3.

- If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:
- (a)  Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
  - (b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
  - (c)  Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
  - (d)  Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
  - (e)  An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
  - (f)  An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
  - (g)  A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
  - (h)  A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
  - (i)  A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
  - (j)  Group, in accordance with §240.13d-1(b)(1)(ii)(J).

Item 4. Ownership

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

- (a) Amount beneficially owned:  
  
4,118,568 shares of Common Stock.
- (b) Percent of class:  
  
39.1%
- (c) Number of shares as to which the person has:
  - (i) Sole power to vote or to direct the vote
  - (ii) 4,118,568  
Shared power to vote or to direct the vote
  - (iii) 0  
Sole power to dispose or to direct the disposition of
  - (iv) 4,118,568  
Shared power to dispose or to direct the disposition of

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following .

Item 6. Ownership of More than Five Percent on Behalf of Another Person

Not Applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person

Not Applicable.

Item 8. Identification and Classification of Members of the Group

Not Applicable.

Item 9. Notice of Dissolution of Group

Not Applicable.

Item 10. Certification

Not Applicable.

**Signature**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

August 11, 2006  
Date

/s/ David L. Hatcher  
Signature

David L. Hatcher  
Name/Title

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