

KMG CHEMICALS INC  
Form SC 13G  
February 14, 2013

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

**SCHEDULE 13G**

**(Rule 13d-102)**

**Information Statement Pursuant to Rules 13d-1**

**Under the Securities Exchange Act of 1934  
(Amendment No. )\***

**KMG Chemicals, Inc.**

(Name of Issuer)

**Common Stock, \$.01 par value**

(Title of Class of Securities)

**482564101**

(CUSIP Number)

**December 31, 2012**

Date of Event Which Requires Filing of the 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 disclosures provided in a prior cover page.

The information required on 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).



CUSIP No. 14159L103

13G

1. Name of Reporting Person  
S.S. OR I.R.S. Identification No. of Above Person  
  
Trigran Investments, Inc.
  2. Check the Appropriate Box if a Member of a Group  
(a)  o  
(b)  x
  3. SEC Use Only
  4. Citizenship or Place of Organization  
Illinois company
- |   |    |                          |                                |
|---|----|--------------------------|--------------------------------|
|   | 5. | Sole Voting Power        | 0                              |
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | 6. | Shared Voting Power      | 586,604 shares of common stock |
|   | 7. | Sole Dispositive Power   | 0                              |
|   | 8. | Shared Dispositive Power | 586,604 shares of common stock |
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
586,604 shares of common stock
  10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares
  11. Percent of Class Represented by Amount in Row (9)  
Approximately 5.1% as of December 31, 2012 (based on 11,498,872 shares of Common Stock issued and outstanding per KMG Chemicals, Inc. Form 10-Q dated December 10, 2012).
  12. Type of Reporting Person  
IA/CO

CUSIP No. 14159L103

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1. Name of Reporting Person  
S.S. OR I.R.S. Identification No. of Above Person  
  
Douglas Granat
2. Check the Appropriate Box if a Member of a Group  
(a)  o  
(b)  x
3. SEC Use Only
4. Citizenship or Place of Organization  
U.S. Citizen
5. Sole Voting Power  
0
6. Shared Voting Power  
586,604 shares of common stock
7. Sole Dispositive Power  
0
8. Shared Dispositive Power  
586,604 shares of common stock
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
586,604 shares of common stock
10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares
11. Percent of Class Represented by Amount in Row (9)  
Approximately 5.1% as of December 31, 2012 (based on 11,498,872 shares of Common Stock issued and outstanding per KMG Chemicals, Inc. Form 10-Q dated December 10, 2012).
12. Type of Reporting Person  
IN/HC

CUSIP No. 14159L103

13G

1. Name of Reporting Person  
S.S. OR I.R.S. Identification No. of Above Person  
  
Lawrence A. Oberman
  2. Check the Appropriate Box if a Member of a Group  
(a)  o  
(b)  x
  3. SEC Use Only
  4. Citizenship or Place of Organization  
U.S. Citizen
- |   |    |  |  |
|---|----|--|--|
|   | 5. |  | Sole Voting Power<br>0                                     |
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | 6. |  | Shared Voting Power<br>586,604 shares of common stock      |
|   | 7. |  | Sole Dispositive Power<br>0                                |
|   | 8. |  | Shared Dispositive Power<br>586,604 shares of common stock |
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
586,604 shares of common stock
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  12. Type of Reporting Person  
IN/HC

CUSIP No. 14159L103

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1. Name of Reporting Person  
S.S. OR I.R.S. Identification No. of Above Person  
  
Steven G. Simon
  2. Check the Appropriate Box if a Member of a Group  
(a)  o  
(b)  x
  3. SEC Use Only
  4. Citizenship or Place of Organization  
U.S. Citizen
- |   |    |  |  |
|---|----|--|--|
|   | 5. |  | Sole Voting Power<br>0                                     |
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | 6. |  | Shared Voting Power<br>586,604 shares of common stock      |
|   | 7. |  | Sole Dispositive Power<br>0                                |
|   | 8. |  | Shared Dispositive Power<br>586,604 shares of common stock |
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
586,604 shares of common stock
  10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares
  11. Percent of Class Represented by Amount in Row (9)  
Approximately 5.1% as of December 31, 2012 (based on 11,498,872 shares of Common Stock issued and outstanding per KMG Chemicals, Inc. Form 10-Q dated December 10, 2012).
  12. Type of Reporting Person  
IN/HC

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**13G**

**Item 1(a)**

Name of Issuer:  
KMG Chemicals, Inc.

**Item 1(b)**

Address of Issuer's Principal Executive Offices:  
9555 West Sam Houston Parkway South,

Suite 600

Houston, Texas 77099

**Item 2(a)**

Name of Person Filing

**Item 2(b)**

Address of Principal Business Office

**Item 2(c)**

Citizenship  
Trigran Investments, Inc.

630 Dundee Road, Suite 230

Northbrook, IL 60062

Illinois company

Douglas Granat

630 Dundee Road, Suite 230

Northbrook, IL 60062

U.S. Citizen

Lawrence A. Oberman

630 Dundee Road, Suite 230

Northbrook, IL 60062

U.S. Citizen

Steven G. Simon

630 Dundee Road, Suite 230

Northbrook, IL 60062

U.S. Citizen

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2(d) Title of Class of Securities:  
Common Stock, \$.01 Par Value  
2(e) CUSIP Number:  
482564101

Item 3

If this statement is filed pursuant to Rules 13d-1(b), or 13d-2(b) or (c), check whether the person filing is a:

- (a)  Broker or dealer registered under Section 15 of the Exchange Act;
- (b)  Bank as defined in Section 3(a)(6) of the Exchange Act;
- (c)  Insurance company as defined in Section 3(a)(19) of the Exchange Act;
- (d)  Investment company registered under Section 8 of the Investment Company Act;
- (e)  An investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E);
- (f)  An employee benefit plan or endowment fund in accordance with Rule 13d-1(b)(1)(ii)(F);
- (g)  A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G);
- (h)  A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act;
- (i)  A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act;
- (j)  Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

If this statement is filed pursuant to Rule 13d-1(c), check this box.



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**Item 4 Ownership: (1)**

- (a) Amount beneficially owned:  
  
Incorporated by reference to Item 9 of the cover page pertaining to each reporting person.
- (b) Percent of class:  
  
Incorporated by reference to Item 11 of the cover page pertaining to each reporting person.
- (c) Number of shares as to which such person has:
  - (i) Sole power to vote or to direct the vote:  
  
Incorporated by reference to Item 5 of the cover page pertaining to each reporting person.
  - (ii) Shared power to vote or to direct the vote:  
  
Incorporated by reference to Item 6 of the cover page pertaining to each reporting person.
  - (iii) Sole power to dispose or to direct the disposition of:  
  
Incorporated by reference to Item 7 of the cover page pertaining to each reporting person.
  - (iv) Shared power to dispose or to direct the disposition of:  
  
Incorporated by reference to Item 8 of the cover page pertaining to each reporting person.

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(1) Douglas Granat, Lawrence A. Oberman and Steven G. Simon are the controlling shareholders and sole directors of Trigran Investments, Inc. and thus may be considered the beneficial owners of shares beneficially owned by Trigran Investments, Inc.

**Item 5 Ownership of Five Percent or Less of a Class:**

Not Applicable.

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

Owners of accounts managed by Trigran Investments, Inc. have or may have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, securities held in their accounts. No such account has such power with respect to more than five percent of the class of securities to which this Schedule 13G relates.

**Item 7 Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company:**

Not Applicable.

**Item 8 Identification and Classification of Members of the Group:**

Not Applicable.

**Item 9 Notice of Dissolution of Group:**

Not Applicable.

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**Item 10**

**Certification:**

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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

Dated this 14th day of February, 2013

**TRIGRAN INVESTMENTS, INC.**

By: /s/ Lawrence A. Oberman  
Name: Lawrence A. Oberman  
Title: Executive Vice President and Director

/s/ Douglas Granat  
Douglas Granat

/s/ Lawrence A. Oberman  
Lawrence A. Oberman

/s/ Steven G. Simon  
Steven G. Simon

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**INDEX TO EXHIBITS**

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**EXHIBIT 1: Agreement to Make a Joint Filing**

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