

Butler J Neal
Form 4
January 03, 2013

FORM 4

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

OMB APPROVAL

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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 *
Butler J Neal

(Last) (First) (Middle)

9555 W. SAM HOUSTON PKWY
S., SUITE 600

(Street)

HOUSTON 77099

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
KMG CHEMICALS INC [KMG]

3. Date of Earliest Transaction
(Month/Day/Year)
12/04/2012

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

CEO & President

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
Common Stock	12/04/2012		M		7,839 A \$ 18.75	78,734	D
Common Stock	12/04/2012		S		2,073 (1) D \$ 18.75	76,661	D
Common Stock	12/21/2012		S		7,760 D \$ 18.52	68,901	D
Common Stock	12/21/2012		S		5,640 D \$ 18.1778	63,261	D
Common Stock	12/27/2012		S		2,840 D \$ 17.65	60,421	D

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Common Stock	12/27/2012	S	134	D	\$ 17.6574	60,287	D
Common Stock	12/31/2012	S	100	D	\$ 17.65	60,187	D
Common Stock	01/02/2013	S	3,526	D	\$ 17.65	56,661	D

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

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(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. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)	Amount or Number of Shares
Performance Restricted Stock Agr Ser 1	\$ 0	12/04/2012		M	1	07/31/2012 ⁽²⁾ 07/31/2012	Common Stock	7,8
Performance Based Restricted Stock Agr Ser 2	\$ 0	12/04/2012		M	1	07/31/2012 07/31/2012	Common Stock	0 (
Performance Based Stock Award	\$ 0	12/04/2012		A	1	07/31/2015 ⁽⁴⁾ 07/31/2015 ⁽⁴⁾	Common Stock	59,2

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Butler J Neal
9555 W. SAM HOUSTON PKWY S. X CEO & President
SUITE 600
HOUSTON 77099

Signatures

J Neal Butler under a power of attorney granted to Roger C Jackson 01/03/2013

__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) Disposed to pay for taxes incurred
- (2) Vesting of common shares is performance based over a measurement period ending 7/31/2012. Vested shares are awarded, generally, within 2.5 months after 7/31.
- (3) Vesting of common shares is performance based over a measurement period ending 7/31/2012. No shares vested and award expired.
- (4) Vesting of common shares is performance based over a measurement period ending 7/31/2015. Vested shares are awarded, generally, within 2.5 months after 7/31/15.

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.