

Kremling Ernest C. II
 Form 4
 January 03, 2013

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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 *
 Kremling Ernest C. II

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 9555 W SAM HOUSTON PARKWAY S, SUITE 600
 (Street)

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

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Vice President of Operations

HOUSTON, TX 77099
 (City) (State) (Zip)

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

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 Ownership (Instr. 4)
				(A) or (D) Price			
Common Stock	12/04/2012		M	2,772 A \$ 0	12,901	D	

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)

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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 Based Restricted Stock Agr Ser 1	\$ 0	12/04/2012		M	1	07/31/2012 ⁽¹⁾ 07/31/2012 ⁽¹⁾	Common Stock	2,7
Performance Based Restricted Stock Agr Ser 2	\$ 0	12/04/2012		M	1	07/31/2012 07/31/2012	Common Stock	0 (
Performance Based Restricted Stock Award	\$ 0	12/04/2012		A	1	07/31/2015 ⁽³⁾ 07/31/2015 ⁽³⁾	Common Stock	20,3

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Kremling Ernest C. II 9555 W SAM HOUSTON PARKWAY S SUITE 600 HOUSTON, TX 77099			Vice President of Operations	

Signatures

Roger C Jackson POA from Ernest C Kremling II 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) Vesting of common shares is performance based over a measurement period ended 7/31/2012. Vested shares are awarded, generally within 2.5 months after 7/31/2012.

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- (2) Vesting of common shares is performance based over a measurement period ending 7/31/2012. No shares vested and award expired.
- (3) Vesting of common shares is performance based over a measurement period ended 7/31/2015. Vested shares are awarded, generally within 2.5 months after 7/31/2015.

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.