

NANOPHASE TECHNOLOGIES CORPORATION

Form SC 13D/A

April 06, 2004

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

SCHEDULE 13D/A

UNDER THE SECURITIES EXCHANGE ACT OF 1934  
(Amendment No. 1)

Nanophase Technologies Corporation  
(Name of Issuer)

COMMON STOCK, par value \$.01  
(Title of Class of Securities)

630079101  
(CUSIP Number)

David J. Allen, Esquire  
290 South County Farm Road, Third Floor  
Wheaton, Illinois 60187-4526  
Telephone: (630) 588-7200  
(Name, Address and Telephone Number of Person Authorized to  
Receive Notices and Communications)

April 1, 2004  
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on  
Schedule 13G to report the acquisition which is the subject  
of this Schedule 13D, and is filing this schedule because  
of Section 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g),  
check the following box. [ ]

NOTE: Schedules filed in paper format shall include a  
signed original and five copies of the schedule, including  
all exhibits. See Section 240.13d-7(b) for other parties  
to whom copies are to be sent.

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).

2  
Schedule 13D/A

CUSIP No. 630079101 Page 2 of 8 Pages

1. Names of Reporting Person  
S.S. OR I.R.S. Identification No. of Above Persons

Edgar Filing: NANOPHASE TECHNOLOGIES CORPORATION - Form SC 13D/A

Grace Brothers, Ltd.

2. Check the Appropriate Box if a Member of a Group (See instructions)

(a)

(b)

3. SEC Use Only

4. Source of Funds (See instructions)

00

5. Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

Illinois Limited Partnership

	7 Sole Voting Power
Number of	0
Shares	8 Shared Voting Power
Beneficially	2,685,195 shares
Owned by	
Each	
Reporting	9 Sole Dispositive Power
Person	0
With	10 Shared Dispositive Power
	2,685,195 shares

11. Aggregate Amount Beneficially Owned by Each Reporting Person

2,685,195 shares

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See instructions)

13. Percent of Class Represented by Amount in Row (11)

15.1%

14. Type of Reporting Person (See instructions)

PN, BD

3

Schedule 13D/A

CUSIP No. 630079101 Page 3 of 8 Pages

1. Names of Reporting Person

S.S. OR I.R.S. Identification No. of Above Persons

Grace Investments, Ltd.

2. Check the Appropriate Box if a Member of a Group (See instructions)

(a)

(b)

3. SEC Use Only

Edgar Filing: NANOPHASE TECHNOLOGIES CORPORATION - Form SC 13D/A

4. Source of Funds (See instructions)  
00

5. Check if Disclosure of Legal Proceedings is Required  
Pursuant to Items 2(d) or 2(e) [ ]

6. Citizenship or Place of Organization

Illinois Limited Partnership

	7 Sole Voting Power
Number of	0
Shares	8 Shared Voting Power
Beneficially	300,000 shares
Owned by	
Each	
Reporting	9 Sole Dispositive Power
Person	0
With	10 Shared Dispositive Power
	300,000 shares

11. Aggregate Amount Beneficially Owned by Each Reporting  
Person  
300,000 shares

12. Check if the Aggregate Amount in Row (11) Excludes  
Certain Shares (See instructions) [ ]

13. Percent of Class Represented by Amount in Row (11)

1.7%

14. Type of Reporting Person (See instructions)

PN,

4

Schedule 13D/A

CUSIP No. 630079101 Page 4 of 8 Pages

1. Names of Reporting Person  
S.S. OR I.R.S. Identification No. of Above Persons

Bradford T. Whitmore

2. Check the Appropriate Box if a Member of a Group (See  
instructions)

(a) [ ]

(b) [ ]

3. SEC Use Only

4. Source of Funds (See instructions)  
00

5. Check if Disclosure of Legal Proceedings is Required  
Pursuant to Items 2(d) or 2(e) [ ]

6. Citizenship or Place of Organization  
United States

7 Sole Voting Power

Edgar Filing: NANOPHASE TECHNOLOGIES CORPORATION - Form SC 13D/A

Number of Shares 272,812 shares  
Beneficially Owned by Each Reporting Person 8 Shared Voting Power 2,985,195 shares  
With 9 Sole Dispositive Power 272,812 shares  
10 Shared Dispositive Power 2,985,195 shares

11. Aggregate Amount Beneficially Owned by Each Reporting Person  
3,258,007 shares

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See instructions) [ ]

13. Percent of Class Represented by Amount in Row (11)

18.3%

14. Type of Reporting Person (See instructions)

IN

5  
Schedule 13D/A

CUSIP No. 630079101 Page 5 of 8 Pages

1. Names of Reporting Person  
S.S. OR I.R.S. Identification No. of Above Persons

Spurgeon Corporation

2. Check the Appropriate Box if a Member of a Group (See instructions)

(a) [ ]  
(b) [ ]

3. SEC Use Only

4. Source of Funds (See instructions)  
00

5. Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e) [ ]

6. Citizenship or Place of Organization  
Illinois Corporation

Number of Shares 7 Sole Voting Power 0  
Beneficially Owned by Each Reporting Person 8 Shared Voting Power 2,985,195 shares  
With 9 Sole Dispositive Power 0  
10 Shared Dispositive Power

Edgar Filing: NANOPHASE TECHNOLOGIES CORPORATION - Form SC 13D/A

2,985,195 shares

11. Aggregate Amount Beneficially Owned by Each Reporting Person  
2,985,195 shares

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See instructions) [ ]

13. Percent of Class Represented by Amount in Row (11)

16.7%

14. Type of Reporting Person (See instructions)  
CO

6

Page 6 of 8 Pages

The undersigned hereby amends its Schedule 13D as filed on September 19, 2003 relating to the Common Stock of Nanophase Technologies Corporation. Unless otherwise indicated, all capitalized terms used herein but not defined herein shall have the same meaning as set forth in the Schedule 13D. Except as set forth herein, the Schedule 13D remains unchanged.

Item 5. Interest in Securities of the Issuer

(a) As of the date of this filing, if Grace exercised its warrants, it would beneficially own 2,685,195 shares of Common Stock, representing approximately 15.1% of the outstanding shares of Common Stock. Grace Investments beneficially owns 300,000 shares of Common Stock, representing approximately 1.7% of the outstanding shares of Common Stock. As general partner of Grace and Grace Investments, if Grace exercised its warrants, Spurgeon may be deemed the beneficial owner of 2,985,195 shares of Common Stock, or 16.7% of the outstanding shares of Common Stock, although they otherwise disclaim beneficial ownership. As general partner of Grace and Grace Investments, if Grace exercised its warrants, Whitmore may be deemed the beneficial owner of 2,985,195 shares of Common Stock, and 272,812 shares of Common Stock as direct beneficial owner, or 18.3% of the outstanding shares of Common Stock.

(b) Grace: shared voting power (with Whitmore and Spurgeon)  
2,232,194 Shares of Common Stock;  
and  
Warrants expiring on September 8, 2004 (\$4.415 strike price) presently exercisable for 453,001 shares of Common Stock

Grace Investments: shared voting power (with Whitmore and Spurgeon)  
300,000 Shares of Common Stock

Whitmore: shared voting power (with Grace, Grace Investments and Spurgeon)  
2,532,194 Shares of Common Stock;

Edgar Filing: NANOPHASE TECHNOLOGIES CORPORATION - Form SC 13D/A

and  
Warrants expiring on September 8, 2004 (\$4.415 strike price) presently exercisable for 453,001 shares of Common Stock  
and  
sole voting power  
272,812 Shares of Common Stock

Spurgeon: shared voting power (with Grace, Grace Investments, and Whitmore)  
2,532,194 Shares of Common Stock;  
and  
Warrants expiring on September 8, 2004 (\$4.415 strike price) presently exercisable for 453,001 shares of Common Stock

(c) Transactions in the Company's Common Stock effected by Grace Brothers, Ltd. during the past 60 days are set forth in Schedule A. Transactions in the Company's Common Stock effected by Grace Investments, Ltd. during the past 60 days are set forth in Schedule B. Transactions in the Company's Common Stock effected by Bradford T. Whitmore during the past 60 days are set forth in Schedule C.

7  
Page 7 of 8 Pages

SIGNATURE

After reasonable inquiry and to the best of its knowledge and belief, the undersigned certifies that the information set forth in this Statement with respect to it is true, complete and correct.

Dated: April 6, 2004

Grace Brothers, Ltd.

By: /s/ Bradford T. Whitmore  
Name: Bradford T. Whitmore  
Its: General Partner

Grace Investments, Ltd.

By: /s/ Bradford T. Whitmore  
Name: Bradford T. Whitmore  
Its: General Partner

Bradford T. Whitmore

By: /s/ Bradford T. Whitmore  
Name: Bradford T. Whitmore

Spurgeon Corporation

By: /s/ David J. Allen  
Name: David J. Allen  
Its: Vice President

8  
Page 8 of 8 Pages

# Edgar Filing: NANOPHASE TECHNOLOGIES CORPORATION - Form SC 13D/A

## SCHEDULE A

TRADE ACTIVITY FOR NANOPHASE TECHNOLOGIES CORPORATION  
 EFFECTED BY GRACE BROTHERS, LTD. FOR THE PREVIOUS 60 DAYS.  
 (ALL ACTIVITY WAS EXECUTED OVER THE COUNTER)

Date	Security	Amount of Shares Sold	Price per Share
03/30/2004	Common Stock	1,350	\$10.29
03/30/2004	Common Stock	5,300	\$10.30
03/30/2004	Common Stock	43,100	\$10.31
03/30/2004	Common Stock	4,700	\$10.32
03/30/2004	Common Stock	4,525	\$10.33
03/30/2004	Common Stock	1,237	\$10.34
03/30/2004	Common Stock	400	\$10.35
03/30/2004	Common Stock	574	\$10.36
03/30/2004	Common Stock	3,300	\$10.40
03/30/2004	Common Stock	1,000	\$10.53
03/30/2004	Common Stock	2,000	\$10.58
03/30/2004	Common Stock	1,000	\$10.59
03/30/2004	Common Stock	1,500	\$10.60
03/30/2004	Common Stock	600	\$10.55
03/30/2004	Common Stock	400	\$10.56
03/31/2004	Common Stock	12,875	\$ 9.90
03/31/2004	Common Stock	1,700	\$ 9.91
03/31/2004	Common Stock	15,615	\$ 9.94
03/31/2004	Common Stock	1,200	\$ 9.95
03/31/2004	Common Stock	2,800	\$ 9.96
03/31/2004	Common Stock	5,050	\$ 9.97
03/31/2004	Common Stock	19,900	\$10.00
03/31/2004	Common Stock	2,500	\$10.01
03/31/2004	Common Stock	300	\$10.02
03/31/2004	Common Stock	100	\$10.04
03/31/2004	Common Stock	3,200	\$10.05
03/31/2004	Common Stock	900	\$10.06
03/31/2004	Common Stock	600	\$10.08
03/31/2004	Common Stock	1,700	\$10.13
03/31/2004	Common Stock	13,200	\$10.20
03/31/2004	Common Stock	1,200	\$10.21
03/31/2004	Common Stock	300	\$10.22
03/31/2004	Common Stock	2,500	\$10.30
03/31/2004	Common Stock	200	\$10.32
03/31/2004	Common Stock	4,500	\$10.33
04/01/2004	Common Stock	1,300	\$10.03
04/01/2004	Common Stock	1,000	\$10.04
04/01/2004	Common Stock	18,669	\$10.05
04/01/2004	Common Stock	7,100	\$10.06
04/01/2004	Common Stock	6,400	\$10.07
04/01/2004	Common Stock	1,000	\$10.08
04/01/2004	Common Stock	21,553	\$10.10
04/01/2004	Common Stock	700	\$10.11
04/01/2004	Common Stock	200	\$10.12
04/01/2004	Common Stock	1,500	\$10.13
04/01/2004	Common Stock	29,650	\$10.15
04/01/2004	Common Stock	702	\$10.17
04/01/2004	Common Stock	3,000	\$10.19
04/01/2004	Common Stock	45,900	\$10.30

# Edgar Filing: NANOPHASE TECHNOLOGIES CORPORATION - Form SC 13D/A

## SCHEDULE B

TRADE ACTIVITY FOR NANOPHASE TECHNOLOGIES CORPORATION  
EFFECTED BY GRACE INVESTMENTS, LTD. FOR THE PREVIOUS 60  
DAYS. (ALL ACTIVITY WAS EXECUTED OVER THE COUNTER)

Date	Security	Amount of Shares Sold	Price per Share
04/01/2004	Common Stock	26,900	\$11.12
04/01/2004	Common Stock	300	\$11.13
04/01/2004	Common Stock	20,000	\$11.15
04/01/2004	Common Stock	59,600	\$11.16
04/01/2004	Common Stock	1,800	\$11.17
04/01/2004	Common Stock	52,654	\$11.18
04/01/2004	Common Stock	28,450	\$11.20
04/01/2004	Common Stock	20,000	\$11.21
04/01/2004	Common Stock	31,250	\$11.24
04/01/2004	Common Stock	200	\$11.26
04/01/2004	Common Stock	2,800	\$11.27
04/01/2004	Common Stock	40,000	\$11.30
04/01/2004	Common Stock	39,500	\$11.35
04/01/2004	Common Stock	400	\$11.36
04/01/2004	Common Stock	400	\$11.40
04/01/2004	Common Stock	19,700	\$11.43
04/01/2004	Common Stock	8,700	\$11.45
04/02/2004	Common Stock	8,500	\$10.60
04/02/2004	Common Stock	58,815	\$10.61
04/02/2004	Common Stock	2,500	\$10.63
04/02/2004	Common Stock	500	\$10.64
04/02/2004	Common Stock	1,700	\$10.65
04/02/2004	Common Stock	1,000	\$10.66
04/02/2004	Common Stock	600	\$10.67
04/02/2004	Common Stock	32,154	\$10.85
04/02/2004	Common Stock	10,000	\$10.86
04/02/2004	Common Stock	23,205	\$10.87
04/02/2004	Common Stock	22,800	\$10.88
04/02/2004	Common Stock	3,300	\$10.89
04/02/2004	Common Stock	5,500	\$10.90
04/02/2004	Common Stock	12,015	\$10.92
04/02/2004	Common Stock	1,300	\$10.93
04/02/2004	Common Stock	2,086	\$10.98
04/02/2004	Common Stock	50,000	\$11.03
04/02/2004	Common Stock	5,430	\$11.05
04/02/2004	Common Stock	20,700	\$11.06
04/02/2004	Common Stock	1,300	\$11.08
04/02/2004	Common Stock	4,760	\$11.10
04/02/2004	Common Stock	10,000	\$11.11
04/02/2004	Common Stock	400	\$11.14
04/02/2004	Common Stock	700	\$11.25
04/02/2004	Common Stock	3,300	\$11.26
04/02/2004	Common Stock	2,000	\$11.27
04/02/2004	Common Stock	750	\$11.47
04/02/2004	Common Stock	25,000	\$11.54
04/05/2004	Common Stock	30,148	\$11.00
04/05/2004	Common Stock	1,318	\$11.01
04/05/2004	Common Stock	2,300	\$11.02
04/05/2004	Common Stock	800	\$11.03
04/05/2004	Common Stock	5,240	\$11.04



Edgar Filing: NANOPHASE TECHNOLOGIES CORPORATION - Form SC 13D/A

04/05/2004	Common Stock	20,575	\$11.05
04/05/2004	Common Stock	7,300	\$11.06
04/05/2004	Common Stock	3,600	\$11.07
04/05/2004	Common Stock	200	\$11.08
04/05/2004	Common Stock	300	\$11.09
04/05/2004	Common Stock	15,000	\$11.12
04/05/2004	Common Stock	10,000	\$11.15
04/05/2004	Common Stock	10,000	\$11.17

SCHEDULE C

TRADE ACTIVITY FOR NANOPHASE TECHNOLOGIES CORPORATION  
 EFFECTED BY BRADFORD T. WHITMORE FOR THE PREVIOUS 60 DAYS.  
 (ALL ACTIVITY WAS EXECUTED OVER THE COUNTER)

Date	Security	Amount of Shares Sold	Price per Share
04/01/2004	Common Stock	22,300	\$10.35
04/01/2004	Common Stock	3,800	\$10.39
04/01/2004	Common Stock	2,800	\$10.40
04/01/2004	Common Stock	300	\$10.41
04/01/2004	Common Stock	800	\$10.42
04/01/2004	Common Stock	7,400	\$10.50
04/01/2004	Common Stock	300	\$10.51
04/01/2004	Common Stock	1,300	\$10.52
04/01/2004	Common Stock	100	\$10.53
04/01/2004	Common Stock	600	\$10.54
04/01/2004	Common Stock	300	\$10.55
04/01/2004	Common Stock	45,800	\$10.60
04/01/2004	Common Stock	100	\$10.61
04/01/2004	Common Stock	100	\$10.62
04/01/2004	Common Stock	100	\$10.65
04/01/2004	Common Stock	100	\$10.66
04/01/2004	Common Stock	300	\$10.67
04/01/2004	Common Stock	1,300	\$10.68
04/01/2004	Common Stock	2,200	\$10.70
04/01/2004	Common Stock	10,000	\$10.75
04/01/2004	Common Stock	6,500	\$10.80
04/01/2004	Common Stock	1,500	\$10.81
04/01/2004	Common Stock	1,000	\$10.82
04/01/2004	Common Stock	1,000	\$10.84
04/01/2004	Common Stock	10,000	\$10.85
04/01/2004	Common Stock	10,000	\$10.90
04/01/2004	Common Stock	20,000	\$10.98
04/01/2004	Common Stock	2,000	\$11.00
04/01/2004	Common Stock	48,000	\$11.15