

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

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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

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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

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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

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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;

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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

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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

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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

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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