

INDUSTRIAL SERVICES OF AMERICA INC /FL
 Form 3
 December 11, 2013

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
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INITIAL STATEMENT OF 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 * | | | 2. Date of Event Requiring Statement | 3. Issuer Name and Ticker or Trading Symbol | |
| Â GARBER SEAN | | | (Month/Day/Year) | INDUSTRIAL SERVICES OF AMERICA INC /FL | |
| (Last) | (First) | (Middle) | 12/02/2013 | [IDSA] | |
| 4568 MELTON AVENUE | | | 4. Relationship of Reporting Person(s) to Issuer | | 5. If Amendment, Date Original Filed(Month/Day/Year) |
| (Street) | | | (Check all applicable) | | |
| LOUISVILLE,Â KYÂ US 40213 | | | <input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below) | | 6. Individual or Joint/Group Filing(Check Applicable Line) |
| (City) | (State) | (Zip) | President | | <input checked="" type="checkbox"/> Form filed by One Reporting Person |
| | | | | | <input type="checkbox"/> Form filed by More than One Reporting Person |

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---------------------------------|---|--|---|
| Common Stock | 0 ⁽¹⁾ | D | Â |

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

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security: Direct (D) or Indirect | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|--|--|---|--|--|---|
| | Date Exercisable Expiration Date | Title Amount or Number of | | | |

| | | | | | | | |
|-----------------------|------------|------------|-----------------|-------------------------|------|------------|---------------------------|
| | | | | Shares | | (I) | |
| | | | | | | (Instr. 5) | |
| Option (right to buy) | 12/01/2013 | 12/01/2016 | Common Stock | 1,500,000 <u>(3)</u> | \$ 5 | I | By Algar, Inc. <u>(2)</u> |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-----------|
| | Director | 10% Owner | Officer | Other |
| GARBER SEAN 4568 MELTON AVENUE LOUISVILLE, KY US 40213 | | | X | President |

Signatures

/s/ Sean Garber 12/11/2013

 Signature of Date
Reporting Person

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(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) On November 19, 2013, as a condition to a Management Agreement effective December 1, 2013 between the Issuer and Algar, Inc., an entity controlled by the Reporting Person, the Reporting Person was granted a proxy, jointly with the Issuer's interim Chief Executive Officer and Chairman, to vote all Issuer shares owned by Harry Kletter, The Harry Kletter Family Limited Partnership and K and R, LLC. On December 2, 2013, the Reporting Person became the Issuer's President.
- (2) The Reporting Person is Chief Executive Officer of and the controlling shareholder of Algar, Inc.
- (3) On December 2, 2013, Algar, Inc. was issued an option to purchase 1,500,000 shares of Issuer common stock which become exercisable in four equal tranches. The first tranche was immediately exercisable; subject to certain additional requirements, generally, the second tranche becomes exercisable when the Issuer's stock consistently trades above \$6.00 or the Issuer's revenues increase by \$30 million following an acquisition, the third tranche becomes exercisable when the Issuer's stock consistently trades above \$8.00 or the Issuer's revenues increase by \$90 million following an acquisition, and the fourth tranche becomes exercisable when the Issuer's stock consistently trades above \$9.00 or the Issuer's revenues increase by \$120 million following an acquisition.

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.