

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19969**

<p><b>In the Matter of</b></p> <p><b>Krystal Industries, Inc.,</b></p> <p><b>Respondent.</b></p>
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**DIVISION OF ENFORCEMENT’S MOTION FOR**  
**DEFAULT AND BRIEF IN SUPPORT**

The Division of Enforcement (“Division”), by counsel, pursuant to Commission Rules of Practice Rules 154(a) and 155(a)(2), respectfully moves the Securities and Exchange Commission (“Commission”) for an order entering a default against Krystal Industries, Inc. (CIK No. 0001017658) (“Krystal” or “Respondent”) in this proceeding and ordering the revocation of the registration of each class of Respondent’s securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 (“Exchange Act”).

**Argument**

On September 10, 2020, the Commission issued an Order Instituting Proceedings (“OIP”) against Respondent, which has securities registered with the Commission under Section 12(g) of the Exchange Act. The OIP alleges the Respondent is delinquent in filing its mandated periodic reports. Because Respondent failed to answer or otherwise respond to the OIP, the Division now seeks entry of an order finding Respondent to be in default in this proceeding.

Commission Rule of Practice 220(b) states that where an answer is required to be filed by rule or order, the respondent “shall do so within 20 days after service upon the respondent of the order instituting proceedings” unless a different period is provided by rule or order. Here, the OIP requires “an Answer [to be filed] to the allegations contained in this Order within ten (10) days after service of this Order.” OIP at IV. Commission Rule of Practice 160(a) provides that Saturdays, Sundays and Federal legal holidays are to be counted as part of the 10 day period, and Commission Rule of Practice 160(b) extends that time by three days if service is made by mail.

The Declaration of Victor Tabak to Assist Secretary with Record of Service (attached hereto as Exhibit A) (“Tabak Declaration”) establishes that on September 12, 2020, Krystal was served with the OIP by Priority Mail Express at the address provided in Krystal’s last EDGAR filing with the Commission, in accordance with Commission Rule of Practice 141(a)(2)(ii). Krystal’s answer to the OIP was due by September 25, 2020. However, Krystal has neither filed an answer nor made any other response to the OIP in this proceeding.

Respondent is delinquent in its filings with the Commission and has been delinquent for over 24 years. In addition, Respondent’s failure to answer supports revocation of the registration of each class of Respondent’s securities. Accordingly, the Division moves for an order, pursuant to Rule 155(a)(2), finding Krystal to be in default in this proceeding and ordering that the registration of each class of its securities registered pursuant to Exchange Act Section 12 be revoked.

**Conclusion**

For the reasons set forth above, the Division respectfully requests that the Commission:

1) grant the Division's Motion; 2) enter an order of default against Krystal; and 3) revoke the registration of each class of Krystal's securities registered pursuant to Section 12 of the Exchange Act.

Dated: March 26, 2021

Respectfully submitted,



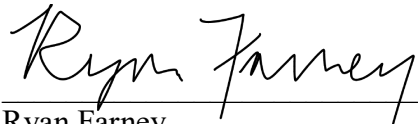
Ryan Farney  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549-5020  
(202) 551-4543 (phone)  
(301) 847-4699 (fax)  
Email: farneyr@sec.gov

COUNSEL FOR  
DIVISION OF ENFORCEMENT

**CERTIFICATE OF SERVICE**

I hereby certify that the Division of Enforcement's Motion for Default and Brief in Support was filed with the Securities and Exchange Commission, Office of the Secretary, 100 F Street NE, Washington, DC 20549, and that a true and correct copy of the foregoing has been served on this 26<sup>th</sup> day of March, 2021, on the following persons entitled to notice:

By UPS:  
Krystal Industries, Inc.  
3843 Morgans Creek  
San Antonio, TX 78230

  
\_\_\_\_\_  
Ryan Farney

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**DECLARATION OF VICTOR TABAK**  
**TO ASSIST SECRETARY WITH RECORD OF SERVICE**

VICTOR TABAK, pursuant to 28 U.S.C. § 1746, declares:

1. I am a Senior Counsel with the Division of Enforcement (“Division”) of the Securities and Exchange Commission, and co-counsel for the Division in the captioned administrative proceeding. I am submitting this Declaration to assist the Secretary in maintaining a record of service on the respondent in the captioned proceeding pursuant to Rule 141(a)(3).

2. The Office of the Secretary provided me with the U.S. Priority Mail Express tracking number for the copy of the Order Instituting Proceedings (“OIP”) mailed by the Secretary to the respondent in this proceeding. I input the tracking number into the U.S. Postal Service’s (“USPS’s”) package tracking system on its Internet website located at [www.usps.com](http://www.usps.com), and printed out the tracking confirmation in order to obtain confirmation of the delivery or attempted delivery of the OIP on the respondent. A true copy of the tracking confirmation for the respondent is attached as Exhibit 1, hereto. Rule

141(a)(2)(ii) provides that service on a corporation or entity may be obtained by confirmation of attempted delivery on the most recent address shown on the entity's most recent filing with the Commission.

3. The Secretary mailed the OIP to respondent Krystal Industries, Inc., CIK 0001017658 ("Krystal"), via Priority Mail Express, Tracking No. EJ435622766, to the address shown on its most recent EDGAR filing at 3843 Morgans Creek, San Antonio, TX 78230. This address is taken from Krystal's last filing with the Commission, which was a Form 10 filed with the Commission on June 21, 1996. The USPS tracking system confirms that the package was delivered on September 12, 2020. *See* Exhibit 1 at page 1.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 30, 2020.

A handwritten signature in black ink, appearing to read "V. Tabak", written over a horizontal line.

Victor Tabak

## Track Another Package +

**Tracking Number:** EJ435622766US

[Remove X](#)

Your item was delivered in or at the mailbox at 1:24 pm on September 12, 2020 in SAN ANTONIO, TX 78257.

### **Delivered**

September 12, 2020 at 1 24 pm  
Delivered, In/At Mailbox  
SAN ANTONIO, TX 78257

Feedback

**Get Updates** v

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**Text & Email Updates**



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**Proof of Delivery**



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**Tracking History**



**September 12, 2020, 1:24 pm**

Delivered, In/At Mailbox

SAN ANTONIO, TX 78257

Your item was delivered in or at the mailbox at 1:24 pm on September 12, 2020 in SAN ANTONIO, TX 78257.

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**September 12, 2020, 9:46 am**

Arrived at Po t Office

SAN ANTONIO, TX 78230

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**September 12, 2020, 7:34 am**  
Arrived at USPS Regional Facility  
SAN ANTONIO TX DISTRIBUTION CENTER

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**September 11, 2020, 10:51 pm**  
Departed USPS Regional Facility  
LINTHICUM HEIGHTS MD DISTRIBUTION CENTER

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**September 11, 2020, 7:55 pm**  
Arrived at USPS Regional Facility  
LINTHICUM HEIGHTS MD DISTRIBUTION CENTER

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**Product Information**

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**See Less** ^

Feedback

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