

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 91817 / May 10, 2021

Admin. Proc. File No. 3-19969

In the Matter of
KRYSTAL INDUSTRIES, INC.

ORDER TO SHOW CAUSE

The Securities and Exchange Commission (“Commission”) issued an Order Instituting Proceedings (“OIP”) on September 10, 2020, pursuant to Section 12(j) of the Securities Exchange Act of 1934, against Krystal Industries, Inc. (“Respondent”).¹

On April 30, 2021, the Division of Enforcement filed a corrected Declaration of Victor Tabak, which stated that, pursuant to Rule 141(a)(2)(ii) of the Commission’s Rules of Practice,² service of the OIP was made on Respondent on September 12, 2020 at the address shown on its most recent filing with the Commission, a Form 10 filed on June 21, 1996. Respondent’s Form 10 was submitted in support of the corrected Declaration.

As stated in the OIP, Respondent’s answer was required to be filed within ten days of service of the OIP.³ As of the date of this order, Respondent has not filed an answer. The prehearing conference and the hearing are thus continued indefinitely.

Accordingly, Respondent is ORDERED to SHOW CAUSE by May 24, 2021 why the registration of its securities should not be revoked by default due to its failure to file an answer and to otherwise defend this proceeding. When a party defaults, the allegations in the OIP will be deemed to be true and the Commission may determine the proceeding against that party upon consideration of the record without holding a public hearing.

¹ *Krystal Indus., Inc.*, Exchange Act Release No. 89805, 2020 WL 5500098 (Sept. 10, 2020).

² 17 C.F.R. § 201.141(a)(2)(ii).

³ *Krystal Indus., Inc.*, 2020 WL 5500098, at *2; Rules of Practice 151(a), 160(b), 220(b), 17 C.F.R. §§ 201.151(a), 201.160(b), 201.220(b).

If Respondent fails to respond to this order to show cause, it may be deemed in default, the proceeding may be determined against it, and the registration of its securities may be revoked.⁴ Upon review of the filings in response to this order, the Commission will either direct further proceedings by subsequent order or issue a final order resolving the matter.

The parties' attention is called to the Commission's March 18, 2020 order regarding the filing and service of papers, which provides that, pending further order of the Commission, parties to the extent possible shall submit all filings electronically at apfilings@sec.gov.⁵ Also, the Commission's Rules of Practice were recently amended to include new e-filing requirements, which took effect on April 12, 2021.⁶

For the Commission, by the Office of the General Counsel, pursuant to delegated authority.

Vanessa A. Countryman
Secretary

⁴ Rules of Practice 155, 180, 17 C.F.R. §§ 201.155, 201.180; *see Krystal Indus., Inc.*, 2020 WL 5500098, at *2 (“If Respondent fails to file the directed Answer, . . . [it] may be deemed in default and the proceedings may be determined against [it] . . .”).

⁵ *See Pending Administrative Proceedings*, Exchange Act Release No. 88415, 2020 WL 1322001 (Mar. 18, 2020), <https://www.sec.gov/litigation/opinions/2020/33-10767.pdf>.

⁶ *Amendments to the Commission's Rules of Practice*, Exchange Act Release No. 90442, 2020 WL 7013370 (Nov. 17, 2020), 85 Fed. Reg. 86,464, 86,474 (Dec. 30, 2020), <https://www.govinfo.gov/content/pkg/FR-2020-12-30/pdf/2020-25747.pdf>; *see also Instructions for Electronic Filing and Service of Documents in SEC Administrative Proceedings and Technical Specifications*, <https://www.sec.gov/efapdocs/instructions.pdf>. The amendments also impose other obligations on parties to administrative proceedings such as a new redaction and omission of sensitive personal information requirement. *Amendments to the Commission's Rules of Practice*, 85 Fed. Reg. at 86,465-81.