Originally Processed With FOIA(s): S

FOIA Number: S

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the George Bush Presidential Library Staff.

Record Group/Collection: Donated Historical Materials
Collection/Office of Origin: Bush, George H.W., Collection
Series: Personal Papers
Subseries: Zapata Oil File, Personal Alphabetical File

OA/ID Number: 25843
Folder ID Number: 25843-010

Folder Title:
Bush Personal: Southwestern Capital, Inc. [1958-1959]

Stack:	Row:	Section:	Shelf:	Position:
G	5	1	2	5

SOUTHWESTERN CAPITAL, INC.
444 Mellie Esperson Bldg.
Houston 2, Texas

October 2, 1959

Dear Stockholder:

On September 25, 1959, a special meeting of the stockholders of Southwestern Capital, Inc., was held and by unanimous vote of all of the shares represented at the meeting, either in person or by proxy, it was resolved that Southwestern Capital, Inc. be dissolved and that all assets of the corporation be distributed to the stockholders.

There were 6875 shares, out of a total of 7900 shares, represented at the meeting in person and by proxy, and all voted in favor of the dissolution.

It was determined that approximately $3.77 per share would be available for distribution to the stockholders. Therefore, upon presentment of your certificate representing your shares in Southwestern Capital, Inc. at the office of the company at 444 Mellie Esperson Building, Houston, Texas, you may receive your check for those shares at the rate set out above. Your stock certificate may be presented in person or by mail and it would be appreciated if all stockholders would make an effort to present their certificates for payment during the week of October 5, 1959.

Very truly yours,

SOUTHWESTERN CAPITAL, INC.

By [signature]
Secretary

RECEIVED
OCT 7 1959
ZAPATA OFF-SHORE COMPANY

SOUTHWESTERN CAPITAL, INC.
444 Mellie Esperson Bldg.
Houston 2, Texas

PROXY

KNOW ALL MEN BY THESE PRESENTS:

THAT ______________________________, the undersigned, a stockholder in Southwestern Capital, Inc., does hereby appoint E. L. Buckley, C. Anthony Buckley and Raymond P. Elledge, Jr., or any one of them, as his lawful attorneys with power of substitution for him and in his name to vote, as his proxy, at the Special Meeting of the Stockholders, to be held in the City of Houston, State of Texas, on the 25th day of September, 1959, or any adjournment thereof, with all the powers which he would possess if personally present.

The undersigned stockholder acknowledges that he has been notified and is aware that the purpose of the meeting is to consider the dissolution of the company and any other business which may appear before the meeting.

Dated: This _____ day of September, 1959.

____
Stockholder

1000 Shares Pigeon Hole Parking, Inc.
300 Shares Western International ~~Style~~ Syndicate, Inc.

Correspondence Instructions

Date CF 42915

The Attached Papers Are Referred CF 71825

To

For the Purpose Indicated by the Check Mark √

- ☐ Please note and file.
- ☐ Please note and return to me.
- ☐ Please note and see me about this ____ A. M. ____ P. M.
- ☐ Please answer, sending me copy of your letter.
- ☐ Please prepare reply for my signature. 1666 16 3 8.3 125
- ☐ Please take charge of this.
- ☐ To be signed.
- ☐ For your information.
- ☐ Your comments, please.
- ☐ RUSH—Immediate action desired.

REMARKS:

Und. 3/16 - 5/16 1000.

Dempsey 3/16 - 5/16 300

Western Intn'l Syndicate

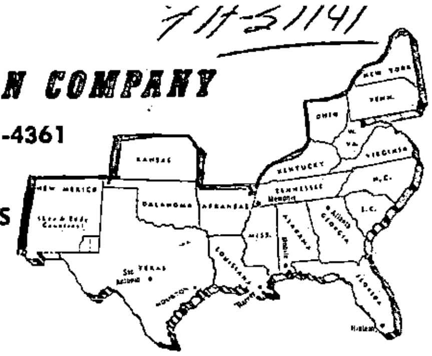
Signed -Porter

TOPS—FORM 1272

711-51141

Bell TRANSPORTATION COMPANY

HOUSTON, TEXAS — 1406 HAYS ST. — FA 3-4361



Specializing in the transportation of:
- ★ HEAVY & CUMBERSOME COMMODITIES
- ★ OILFIELD EQUIPMENT & SUPPLIES
- ★ PIPELINE MATERIALS

— PIPE STORAGE —

— TERMINALS —

Harvey, La.	Dallas, Tex.	San Antonio, Tex.	Memphis, Tenn.	Atlanta, Georgia	Mobile, Alabama	Hialeah, Fl
Peters Rd.	2660 Freewood	810 S.E. Military Dr.	2125 E. Persons	1206 Sylvan Rd.	Mobile Bay Causeway	508 W. Fir
FO 6-8525	FL 7-5745	WAlnut 3-3761	BR 5-6102	PLaza 8-6851	HEmlock 3-2085	TU 8-5623

233 228 11 3793 4 16

Pigeon = 3/16 — 5/16

250.

20. 200 20.

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400.00

20,000.

Florida

200
30 7
230

25.00

20. 200

5 5 10 30
230

To Rudolph

Date 9-28-89 Time 10:20

Phone Call Record

Mr. Buckley

of

Phone CA 4-2915

Message 2:30 " 3/22.

Message Taken By

TELEPHONED		PLEASE PHONE	←
CALLED TO SEE YOU		WILL CALL AGAIN	
WANTS TO SEE YOU		SEE ME	

SOUTHWESTERN CAPITAL, INC.
444 Mellie Esperson Bldg.
Houston 2, Texas

September 11, 1959

Dear Stockholder:

The Board of Directors of Southwestern Capital, Inc. met today at the office of the company in a Special Directors Meeting, and it was decided, by unanimous vote of the Directors, to dissolve the corporation.

There are many reasons underlying this decision and, with the knowledge that a majority of the stockholders of the company would be in favor of such a dissolution, there is enclosed herewith a notice of a special stockholders meeting to be held on September 25, 1959, to consider the question of dissolution. There is also enclosed herewith a form of proxy to be signed by the stockholder.

For your information, the laws of Texas require that 80% of the issued and outstanding stock of a corporation vote in favor of such a dissolution in order to make it effective. Therefore, it would be appreciated if you would sign the enclosed proxy and return it to the company immediately in the enclosed self-addressed envelope. If, after having signed and returned the proxy, you attend the meeting, you may then vote your stock in person.

For your information, the total assets of the company are approximately $30,000.00, all in cash. The company has no present debts or obligations. The cost of dissolution will be approximately $250.00. Therefore, upon dissolution of the company, the assets of the company upon distribution to the stockholders will be approximately $3.75 per share.

Yours very truly,

BOARD OF DIRECTORS

By: P. Anthony Buckley
President

SOUTHWESTERN CAPITAL, INC.
444 Mellie Esperson Bldg.
Houston 2, Texas

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS OF
SOUTHWESTERN CAPITAL, INC.

Notice is hereby given that a Special Meeting of the Stockholders of Southwestern Capital, Inc., a corporation duly organized and existing under the laws of the State of Texas, has been called and will be held on September 25, 1959, at 10 o'clock A.M., at 1840 Tennessee Building, Houston, Texas, for the following purposes:

1. To consider the voluntary dissolution of the company and upon consideration and approval to pass a resolution of the stockholders authorizing such dissolution.

2. To transact any other business that may come before the said meeting.

Please sign the enclosed form of proxy and return immediately. If, after having signed and returned the proxy, you attend the meeting, you may then vote your stock in person.

By order of the Board of Directors.

E. V. Buckley

Secretary

Dated: September 14, 1959.

SOUTHWESTERN CAPITAL, INC.
444 Mellie Esperson Bldg.
Houston 2, Texas

PROXY

KNOW ALL MEN BY THESE PRESENTS:

THAT GEORGE H. W. BUSH, the undersigned a stockholder in Southwestern Capital, Inc., does hereby appoint J. A. Rudolph as his lawful attorney with power of substitution for him and in his name to vote, as his proxy, at the Special Meeting of the Stockholders, to be held in the City of Houston, State of Texas, on the 25th day of September, 1959, or any adjournment thereof, with all the powers which he would possess if personally present.

The undersigned stockholder acknowledges that he has been notified and is aware that the purpose of the meeting is to consider the dissolution of the company and any other business which may appear before the meeting.

Dated: This 19th day of September, 1959.

Geo. H W Bush
Stockholder

SOUTHWESTERN CAPITAL, INC.
444 Mellie Esperson Bldg.
Houston 2, Texas

PROXY

KNOW ALL MEN BY THESE PRESENTS:

THAT George H. W. Bush, the undersigned, a stockholder in Southwestern Capital, Inc., does hereby appoint E. L. Buckley, C. Anthony Buckley and Raymond P. Elledge, Jr., or any one of them, as his lawful attorneys with power of substitution for him and in his name to vote, as his proxy, at the Special Meeting of the Stockholders, to be held in the City of Houston, State of Texas, on the 25th day of September, 1959, or any adjournment thereof, with all the powers which he would possess if personally present.

The undersigned stockholder acknowledges that he has been notified and is aware that the purpose of the meeting is to consider the dissolution of the company and any other business which may appear before the meeting.

Dated: This _____ day of September, 1959.

George H. W. Bush
Stockholder

JAR

SOUTHWESTERN CAPITAL, INC.
444 Mellie Esperson Bldg.
Houston 2, Texas

PROXY

KNOW ALL MEN BY THESE PRESENTS:

THAT GEORGE H. W. BUSH, the undersigned a stockholder in Southwestern Capital, Inc., does hereby appoint W. A. Rudolph as his lawful attorney with power of substitution for him and in his name to vote, as his proxy, at the Special Meeting of the Stockholders, to be held in the City of Houston, State of Texas, on the 25th day of September, 1959, or any adjournment thereof, with all the powers which he would possess if personally present.

The undersigned stockholder acknowledges that he has been notified and is aware that the purpose of the meeting is to consider the diesolution of the company and any other business which may appear before the meeting.

Dated: This 19th day of September, 1959.

Stockholder

Withdrawal/Redaction Sheet
(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01. Letter	From C. Anthony Buckley to George Bush RE: Investment information (1 pp.)	2/3/59	C	

COLLECTION

George Bush Personal Papers
Zapata Oil File
Personal Alphabetical Files

FILE LOCATION

Bush Personal: Southwestern Capital, Inc. [1958-1959]

OA/ID Number

Date Closed 10/20/99

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]
F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Box 3195
Midland, Texas

January 30, 1959

Mr. C. A. Buckley
Box 2369
Houston 1, Texas

Dear Mr. Buckley:

Some time ago I authorized my brokers, G. H. Walker & Co., One Wall Street, New York 5, New York, to transfer some of my Southwestern Capital stock to J. A. Rudolph. Yesterday I called the office of Southwestern Capital and the lady was not able to tell me if this had been accomplished. I talked to New York and they tell me they have not yet received the transferred stock. I would appreciate it very much if you would look into this matter and advise me of the status of the transfer.

Yours very truly,

George H. W. Bush

GHWB:JMcB

cc: Mr. Rudolph

Withdrawal/Redaction Sheet
(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
02. Letter	From George Bush to G.H. Walker and Co. RE: Investment information (1 pp.)	12/1/58	C	

COLLECTION

George Bush Personal Papers
Zapata Oil File
Personal Alphabetical Files

FILE LOCATION

Bush Personal: Southwestern Capital, Inc. [1958-1959]

OA/ID Number

Date Closed 10/20/99

RESTRICTION CODES

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F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Sheet
(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
03. Memo	From George Bush to Jerry Rudolph RE: Investment information (1 pp.)	11/21/58	C	

COLLECTION

George Bush Personal Papers
Zapata Oil File
Personal Alphabetical Files

FILE LOCATION

Bush Personal: Southwestern Capital, Inc. [1958-1959]

OA/ID Number

Date Closed 10/20/99

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

P R O X Y

The undersigned hereby constitutes J. A. Rudolph his attorney and agent with full power of substitution to vote as proxy at the Annual Meeting of the Stockholders of Southwestern Capital, Inc. to be held at the Blue Room of the Bank of the Southwest, Houston, Texas, on Monday, November 24, 1958, and at any adjournment or adjournments thereof, according to the number of votes that the undersigned would be entitled to vote if then personally present, for the election of directors, and with discretionary authority with respect to such other matters, not known or determined at the time of the solicitation of this proxy, as may properly come before said meeting, or any adjournment or adjournments thereof. The undersigned hereby notes that he has previously forwarded to the management of Southwestern Capital, Inc. his proxy dated November 18, 1958. Said proxy is hereby revoked and J. A. Rudolph is now legally appointed the attorney and agent for the undersigned.

George H. W. Bush

Date

THE STATE OF TEXAS)(

COUNTY OF MIDLAND)(

BEFORE ME, the undersigned authority, on this day personally appeared George H. W. Bush, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 21st day of November, 1958.

Notary Public in and for Midland County, Texas

Withdrawal/Redaction Sheet
(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
04. Memo w/ attachment	From Jerry Rudolph to George Bush RE: Investment information (2 pp.)	11/28/58	C	

COLLECTION

George Bush Personal Papers
Zapata Oil File
Personal Alphabetical Files

FILE LOCATION

Bush Personal: Southwestern Capital, Inc. [1958-1959]

OA/ID Number

Date Closed 10/20/99

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

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F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Box 3195
Midland, Texas

November 18, 1958

Mr. C. Anthony Buckley
Box 2369
Houston 1, Texas

Dear Mr. Buckley:

I am sending you herewith my proxy. I appreciate your letter of explanation about the franchise tax matter, and your interest in the welfare of the stockholders of this Company. I understand this proxy can be cancelled if I should appear at the meeting in person.

Yours very truly,

George H. W. Bush

GHWB:JMcB
Encl.

C. ANTHONY BUCKLEY
BOX 2369
HOUSTON 1, TEXAS

November 17, 1958

Mr. George H. W. Bush
P. O. Box 3195
Midland, Texas

Dear Mr. Bush:

In accordance with our conversation today, I checked the records of the company and subsequently our attorney, Mr. Loenard Rosenberg, contacted the offices of the Secretary of State and secured the following information:

A check made out by the previous management in the amount of $76.50 for the Franchise Tax for the year 1958 was one day late in arriving in the Secretary of State's office. I assumed management within a few days but was not advised of the penalty fee.

I have today sent a check to the Secretary of State in the amount of $8.83 which will reinstate our company in the good graces of the State of Texas. A copy of the letter to the Secretary of State is enclosed.

I am also enclosing a Thermofax reproduction of the original Franchise Tax payment and the check which we are sending today.

I will telephone your office tomorrow to see if the above mentioned action meets with your approval. I am taking a deep interest in this in that your proxy may well determine the management of the company for the next year.

Very truly yours,

C. Anthony Buckley

CAB:g
Encl:

SOUTHWESTERN CAPITAL, INC.

2102 Bank of the Southwest Bldg.
Houston 2, Texas

November 17, 1958

Secretary of State, Franchise Tax Division
Austin, Texas

Gentlemen:

In accordance with a conversation which our attorney, Mr. Loenard Rosenberg, had with your office today, you will find enclosed Southwestern Capital, Inc., check No. 1034 for $8.83 in connection with the company's Franchise Tax for the year 1958.

The Company has had a change of address. If you will send us a form for this purpose we will be glad to fill out same and return it to you.

Very truly yours,

SOUTHWESTERN CAPITAL, INC.

BY: C. A. B.
C. Anthony Buckley
President

CAB:g
Encl:

Blind copy to: Mr. George H. W. Bush
P. O. Box 3195
Midland, Texas

HOUSTON, TEXAS ______ 195__ NO. ______

BANK OF THE SOUTHWEST

NATIONAL ASSOCIATION, HOUSTON

35-6
1130

36313

PAY TO THE
ORDER OF ______ $ ______

______ DOLLARS

BY ENDORSEMENT THIS CHECK WHEN PAID IS ACCEPTED IN FULL PAYMENT OF THE FOLLOWING ACCOUNT

KNOW YOUR ENDORSER ... REQUIRE IDENTIFICATION

HOUSTON, TEXAS November 17th 1958 NO. ______

BANK OF THE SOUTHWEST

NATIONAL ASSOCIATION, HOUSTON

35-6
1130

PAY TO THE
ORDER OF SECRETARY OF STATE $ 8.83

EIGHT & 83/100 DOLLARS

BY ENDORSEMENT THIS CHECK WHEN PAID IS ACCEPTED IN FULL PAYMENT OF THE FOLLOWING ACCOUNT

Balance on 1958 Franchise
Tax account No. 88849

C. Anthony Buckley
E. H. Buckley Jr

D29-374

KNOW YOUR ENDORSER ... REQUIRE IDENTIFICATION

Box 3195
Midland, Texas

November 17, 1958

Mr. C. A. Buckley
Southwestern Capital, Inc.
2102 Bank of the Southwest Building
Houston, Texas

Dear Mr. Buckley:

I am one of the stockholders in the Southwestern Capital, Inc. I have done some checking in Houston and I feel that I should like to support you and your associates with my small amount of shares at our annual meeting on November 24.

For some time I have been trying to sell my stock since I knew nothing about what the Company was doing. In an effort to find the office address of the Company, I wrote to the Secretary of State to see if the Company was still in business. I find that the Company's right to do business was forfeited on July 2, 1958, for failure to pay franchise taxes. This, of course, is of some concern to me. They also show the registered office as 1840 Commerce Building, Houston, Texas, which is in error.

As I say, I would like to support your management, but I would like to know why we are not in good standing in Austin since this is a basic requirement for any Company--successful or unsuccessful.

Yours very truly,

George H. W. Bush

GHWB:JMcB
Encls.

STATE OF TEXAS
OFFICE OF SECRETARY OF STATE
AUSTIN

ZOLLIE STEAKLEY
SECRETARY OF STATE

November 13, 1958

George H. W. Bush
Box 3195
Midland, Texas

Re: SOUTHWESTERN CAPITAL INC.

Permit us to enclose this check sheet indicating certain information requested by your recent inquiry.

____It was incorporated under the laws of Texas on 9-7-56.
(✓) with its principal place of business in ______.
(✓) with its registered office in Houston.
____It is presently in good standing.
____It was voluntarily dissolved on ______.
____It was dissolved by court order on ______.
✓ Its right to do business was forfeited on 7-2-58 for failure to pay Franchise Taxes.
____Its charter was forfeited pursuant to H. B. No. 776, 51 st Legislature Ch. 501 926 ______.
____Its charter was forfeited on ______ for failure to make proof of final payment on capital stock.
____Its charter was forfeited on ______ pursuant to H. B. No. 655, 52nd Legislature.
____Names of the original incorporators ( ); present officers and directors are ( ):

____We believe effective service of process on said corporation may be obtained by serving:

____The authorized capital stock is ______.
____Other information requested:

____We have no records in this office reflecting the other information requested.

REGISTERED OFFICE:

1840 Commerce Bldg.
Houston, Texas

Sincerely yours,
Mrs. Melva Starling
Information Clerk

WOB:kch

Box 3195
Midland, Texas

November 17, 1958

Mr. A. C. Porter
A. C. Porter & Company
408 Wilson Building
2601 Main Street
Houston, Texas

Dear Mr. Porter:

Thank you very much for your letter of November 13. Since writing to you, I have received some information from Southwestern Capital, Inc., and I have also checked on the Buckleys through some friends in Houston. I am inclined to agree with you that we should support the present management. However, when I had trouble contacting the Company, I also wrote to the Secretary of State of Texas and today received word our Company is no longer in good standing with the State and its right to do business in Texas was forfeited on July 2, 1958, for failure to pay franchise taxes. Therefore, I am at a loss as to what to do about supporting the management since I find it difficult to see why our franchise taxes were not paid. The office of the Secretary of State did not even have the new office address of the Company.

I am sending a copy of this letter to Mr. Buckley today, and if there is some logical answer to this I feel I shall definitely support the management.

Yours very truly,

George H. W. Bush

GHWB:JMcB
cc: Mr. C. A. Buckley

A. C. PORTER & COMPANY
Investment Bankers
1209 BANK OF THE SOUTHWEST BLDG. HOUSTON, TEXAS

November 13, 1958

STOCKS
BONDS
MUTUAL FUNDS

CAPITOL 4-7571
TWX HO-552

Mr. George H. W. Bush
Box 3195
Midland, Texas

Dear Mr. Bush:

Thank you for your letter of November 4th regarding Southwestern Capital, Inc.

By now I imagine you have received the notice of annual meeting and financial statement. The previous management is attempting to regain control of the company. A comparison of the results under the two managements I believe clearly indicates the advantage of retaining the present group.

This proxy fight has been anticipated throughout the year, consequently, marketability of the shares has been difficult. Should the present management retain control at the annual meeting, however, we do anticipate more activity in the shares.

Yours very truly,

A C Porter

ACPorter/lh

cc: C. A. Buckley
2102 Bank of the Southwest Bldg.

SOUTHWESTERN CAPITAL, INC.
2102 BANK OF THE SOUTHWEST BLDG.
HOUSTON, TEXAS

DEAR FELLOW STOCKHOLDER:

ENCLOSED HEREIN YOU WILL FIND A COPY OF THE ANNUAL REPORT OF YOUR COMPANY. YOU WILL, WE ARE SURE, NOTE THE INCREASE IN PROFITS FROM OUR OPERATIONS. IN OCTOBER, 1957, WHEN THIS MANAGEMENT ASSUMED THE DIRECTION OF YOUR COMPANY, THERE WAS AVAILABLE APPROXIMATELY $10,000.00 IN CASH AND CERTAIN NOTES RECEIVABLE (WHICH WERE IN DEFAULT AND UNDER COLLATERALIZED). WITH THIS SMALL BASE OF CAPITAL THE PRESENT MANAGEMENT WAS ABLE TO BRING THE COMPANY TO ITS PRESENT POSITION OF STRENGTH. IN OCTOBER, 1957, YOUR STOCK HAD A BOOK VALUE OF $3.76 PER SHARE; IN AUGUST, 1958, YOUR STOCK HAD A BOOK VALUE OF $4.09 PER SHARE.

PRESENTLY WE ARE NEGOTIATING WITH TWO OTHER COMPANIES, SMALL LIKE OUR OWN, WHO ARE INTERESTED IN MERGING WITH SOUTHWESTERN CAPITAL. IF A FAVORABLE BASIS OF MERGER CAN BE WORKED OUT, WE WILL REPORT THE SAME TO YOU FOR YOUR APPROVAL.

THE ANNUAL MEETING OF YOUR COMPANY HAS BEEN CALLED FOR 4:00 P. M., NOVEMBER 24, 1958, AT THE BLUE ROOM OF THE BANK OF THE SOUTHWEST, HOUSTON, TEXAS. IF YOU CAN POSSIBLY ATTEND, PLEASE DO. IF YOU CANNOT ATTEND, THEN THERE IS ENCLOSED A PROXY TO GIVE YOU AN OPPORTUNITY TO VOTE ON THE AFFAIRS OF THE COMPANY. AT THE MEETING THERE WILL BE TAKEN UP THE ELECTION OF DIRECTORS FOR THE COMING YEAR AND SUCH OTHER MATTERS AS MAY PROBABLY COME BEFORE THE MEETING.

BASED UPON ITS RECORD, YOUR PRESENT MANAGEMENT IS REQUESTING YOUR CONTINUED SUPPORT. THE UNDERSIGNED REQUESTS YOUR PROXY ON BEHALF OF PRESENT MANAGEMENT. YOU MAY HAVE BEEN PREVIOUSLY SOLICITED ON BEHALF OF SOMEONE ELSE FOR YOUR PROXY. EVEN IF YOU HAVE GIVEN ONE PROXY, YOU ARE STILL FREE TO SEND YOUR PROXY INTO THE PRESENT MANAGEMENT ON THE ENCLOSED FORM. ANY OTHER PROXY YOU MAY HAVE GIVEN IS AUTOMATICALLY CANCELED BY SENDING IN THE ENCLOSED FORM. THE PREVIOUS PROXY REQUESTED OF YOU IS ON BEHALF OF A MANAGEMENT THAT LOST $4,000.00 OF YOUR MONEY. THE ENCLOSED PROXY IS A VOTE FOR THE MANAGEMENT THAT MADE YOU A PROFIT AND WILL CONTINUE TO MAKE YOU A PROFIT.

YOURS VERY TRULY,

C. A. Buckley

C. A. BUCKLEY.

ENC.

CLIFFORD W. BREAKIRON
Accountant and Auditor
5304 Maple
Bellaire, Texas

October 15, 1958

Board of Directors
Southwestern Capital, Inc.
2102 Bank of the Southwest Building
Houston, Texas

Gentlemen:

We have examined the Statement of Financial Condition of SOUTHWESTERN CAPITAL, INC., a Texas Corporation, as of August 31, 1958 and the related statements of paid in surplus and earnings for the period from October 16, 1957 to August 31, 1958. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying Statement of Financial Condition and related statements of paid in surplus and earnings present fairly the position of SOUTHWESTERN CAPITAL, INC. as of August 31, 1958 and the results of its operations for the period October 15, 1957 to August 31, 1958 in conformity with generally accepted accounting principles applied on a consistent basis.

Clifford W. Breakiron
ACCOUNTANT AND AUDITOR

SOUTHWESTERN CAPITAL, INC.
HOUSTON, TEXAS
COMPARATIVE BALANCE SHEET

	AS AT 10/15/57	AS AT 8/31/58
ASSETS		
CURRENT ASSETS		
Cash in Bank	$ 11633.28	$ 25673.09
Notes Receivable	16328.85	
TOTAL CURRENT ASSETS	$ 27962.13	$ 25673.09
Investments - Note 1	1775.00	5677.38
Unamortized Organization Expense	2363.48	1741.02
TOTAL ASSETS	$ 32100.61	$ 33091.49
LIABILITIES AND CAPITAL		
CURRENT LIABILITIES		
Accounts Payable	$ 111.13	$ -0-
Reserve for Federal Income Tax	123.46	759.32
TOTAL LIABILITIES	$ 234.59	$ 759.32
Unearned Discount on Notes Receivable	2112.29	
CAPITAL		
Capital Stock - Authorized 75000 Shares of .01 Par Value; issued 7900 shares	79.00	79.00
Paid in Surplus	33736.67	33736.67
Deficit	(4061.94)	(1483.50)
TOTAL LIABILITIES AND CAPITAL	$ 32100.61	$ 33091.49

* Figures in parenthesis indicate deficit

SOUTHWESTERN CAPITAL, INC.
HOUSTON, TEXAS
COMPARATIVE STATEMENT OF EARNINGS

	9/7/56 to 10/15/57	10/16/57 to 8/31/58
Gross Income	$ 1156.78	$ 3728.15
EXPENSES		
Accounting	$ 50.00	$ 330.00
Advertising	17.35	
Amortization of Incorporation Expense	580.34	580.33
Office Expense	28.95	11.23
Telephone	68.62	21.17
Legal		289.05
Tax		230.50
Interest		146.33
TOTAL EXPENSE	$ 745.26	$ 1608.61
NET INCOME BEFORE FEDERAL INCOME TAX	$ 411.52	$ 2119.54
Deduct: Provision For Federal Income Taxes	123.46	635.86
NET OPERATING INCOME	$ 288.06	$ 1483.68
Deduct Appropiation to Reduce Investments to Market Value	4350.00	
	$(4061.94)	$ 1483.68
Add: Gain on Sale of Investments		1094.76
NET LOSS FOR THE PERIOD	$(4061.94)	
NET PROFIT FOR THE PERIOD		$ 2578.44

* Figures in parenthesis indicate deficit

SOUTHWESTERN CAPITAL, INC.

STATEMENT OF PAID IN SURPLUS

SEPTEMBER 7, 1956 TO AUGUST 31, 1958

SURPLUS ARISING FROM THE SALE OF CAPITAL STOCK:

2400 Shares @ $4.49 per Share		$ 10776.00
5500 Shares @ $4.99 per Share		27445.00
TOTAL SURPLUS RECEIVED ON SALE OF STOCK		$ 38221.00
Deduct - Underwriting Expenses:		
Commissions Paid	$ 2750.00	
Other Expenses	1734.33	$ 4484.33
PAID IN SURPLUS August 31, 1958		$ 33736.67

I own 400 shares

SOUTHWESTERN CAPITAL, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 1958

NOTE 1. Investments consist of the following:

uGN 91

1000	Pigeon Hole Parking, Inc.	18-19½ 38 . 40	$	350.00
2960	Texas International Sulphur	1 3/8 - 1½		3187.38
300	Western International Syndicate, Inc.	no Mkt		2140.00
			$	5677.38

BAINE P. KERR

11/14/58

George,

I do know the Buckleys, but not too well. I know their sister, Beryl Buckley Milburn, who lives in Austin, much better. Their father was one of the well-to-do Tampico oil men who lost most of his properties by expropriation. I think his estate is fairly substantial, however, and these two brothers (Tony and Ed) run the Estate. I would think their management would be superior to the old. Leonard Rosenberg is a young lawyer about whom I know very little. He has done securities work for some of the lesser-known dealers (Kramer, Co., etc.), but he may be all right. Further affiant sayeth not.

I do not wish to insult you by returning the check, but I think it is too much, particularly since you gave the party Saturday night. Next time let us be the hosts since you have undoubtedly overpaid on this one.

BAINE P. KERR

We really did enjoy the week-end, and your friends.

Please give our best to Bar and all.

Baine

Box 3195
Midland, Texas

November 12, 1958

Mr. Baine P. Kerr
Baker, Botts, Andrews & Shepherd
Esperson Building
Houston, Texas

Dear Baine:

First of all let me thank you for the wonderful time we had in Houston. The golf, the dance, the lunch and all the drinks--they were sensational. I feel extremely badly about bringing in all my friends. However, I know they had a wonderful time. Please cash the attached check which will not begin to cover your expenses on all this, but I would at least like to make a small contribution since I did throw so many extras at you. I really want you to take this, please.

Baine, would you do me a favor? I received the attached information from Houston. Do you by any chance know anything about this (new management--C. A. Buckley, E. L. Buckley and Leonard Rosenberg). I am still hoping to salvage some money out of this dog and if you by chance know anything about these people I would like to hear from you. Please return this data to me after you have had a chance to take a short glance at it.

Best regards.

Yours very truly,

George H. W. Bush

GHWB:JMcB
Encl.

Withdrawal/Redaction Sheet
(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
05. Letter	From George Bush to A.C. Porter RE: Investment information (1 pp.)	11/4/58	C	

COLLECTION

George Bush Personal Papers
Zapata Oil File
Personal Alphabetical Files

FILE LOCATION

Bush Personal: Southwestern Capital, Inc. [1958-1959]

OA/ID Number

Date Closed 10/20/99

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]
F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
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F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Box 3195
Midland, Texas

November 4, 1958

Secretary of State
Austin, Texas

Gentlemen:

I am a stockholder in Southwestern Capital, Inc. of Houston, Texas. I have not received any information on this Company and I am wondering if this Company is still in good standing with your office.

Yours very truly,

George H. W. Bush

Box 3195
Midland, Texas

November 4, 1958

Southwestern Capital, Inc.
1840 Commerce Building
Houston, Texas

Gentlemen:

It is my understanding that the by-laws of our Company provide for an annual meeting in September. I should like to officially state that as a stockholder I was entitled to, but received no notice of the meeting. I would appreciate very much having some information on the Company. By letter dated July 16 I wrote to the Company and received no answer to my letter.

Yours very truly,

George H. W. Bush

GHWB:JMcB

cc: Mr. R. P. Elledge, Jr.

Box 3195
Midland, Texas

November 4, 1958

Mr. Raymond P. Elledge, Jr.
1840 Commerce Building
Houston, Texas

Dear Mr. Elledge:

I have written the attached letter to Southwestern Capital, Inc. I would appreciate any dope you can give me on this Company.

Yours very truly,

George H. W. Bush

GHWB:JMcB
Encl.

Withdrawal/Redaction Sheet
(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
06. Letter	From George Bush to Raymond Elledge RE: Investment information (1 pp.)	8/18/58	C	

COLLECTION

George Bush Personal Papers
Zapata Oil File
Personal Alphabetical Files

FILE LOCATION

Bush Personal: Southwestern Capital, Inc. [1958-1959]

OA/ID Number

Date Closed 10/20/99

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
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F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Houston, Texas
August 15, 1958

Mr. George H. W. Bush
Box 2216
Midland, Texas

In re: Southwestern Capital, Inc.

Dear Mr. Bush:

The by-laws of our Company provide for the annual meeting of Stockholders on the 1st day of September each year, if not a legal holiday. Inasmuch as this date falls on Labor Day this year, it is anticipated that the meeting will take place on Tuesday, September 2, 1958. Our by-laws further provide that we are to receive a ten-day notice of the time and place of the meeting. It is important you be present in person or by proxy.

Since the annual meeting of Stockholders, at which time there was substantially a complete change-over in the management of our Company from that when we purchased our stock, there has been very little, if any, information furnished us about our investment. If you were present at that meeting held on September 13, 1957, you will recall that there was nominated a slate of new Directors for our Company. The slate was elected by a margin of 4,000 votes to 1,800 votes over other persons nominated. The voting records reflect that there was cast approximately 3,500 proxy votes. It is earnestly hoped that the new management has been successful in building our Company, and as a consequence, our investment.

In the belief that we, as Stockholders, should be kept informed about the activities of our Company, and that we should select a group of competent directors who will devote their time and energies to the growth of our Company and investment, I sincerely urge you to be present at the Stockholders Meeting. Nothing can match your personal attention to this matter of importance to both of us.

Should the urgency of some other situation prevent your attendance, in person, I have enclosed a proxy for your signature. If you should see fit to deliver your proxy to me, I assure you that I will honor the trust which you place within me. I sincerely invite your comments and suggestions.

Very truly yours,

Raymond P. Elledge, Jr.

Raymond P. Elledge, Jr.

/mls

KNOW ALL MEN BY THESE PRESENTS: That I, undersigned stockholder of Southwestern Capital, Inc., do hereby constitute and appoint RAYMOND P. ELLEDGE, Jr., my true and lawful attorney, with full power of substitution and revocation, for me and in my name, place, and stead, to vote upon the stock owned by me or standing in my name upon the books of the said Company, at the annual meeting of the stockholders thereof to be held at the office of the said Company, City of Houston, State of Texas, on the 1st day of September, 1958, or any other meetings of stockholders within one (1) year from such date, and at any meeting postponed or adjourned therefrom, hereby granting my said attorney full power and authority to act for me at the said meeting, and in my name and stead to vote upon my said stock in the election of directors or otherwise, and in the transaction of such other business as may be brought before the said meeting or any adjournment thereof, all as fully as I might or could do if personally present, hereby ratifying and confirming all that my said attorney may or shall do at such meeting in my name, place and stead.

IN WITNESS WHEREOF, I have signed this instrument this the ____ day of August, 1958.

____

Withdrawal/Redaction Sheet
(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
07. Letter w/ attachments	From George Bush to Southwestern Capital, Inc. RE: Investment information (5 pp.)	7/16/58	C	

COLLECTION

George Bush Personal Papers
Zapata Oil File
Personal Alphabetical Files

FILE LOCATION

Bush Personal: Southwestern Capital, Inc. [1958-1959]

OA/ID Number

Date Closed 10/20/99

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
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F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
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SOUTHWESTERN CAPITAL, INC.

HOUSTON, TEXAS

REPORT ON EXAMINATION

OCTOBER 15, 1957

DAVID R. TOOMIM & COMPANY

DAVID R. TOOMIM & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
1073 SAN JACINTO BUILDING
HOUSTON, TEXAS

October 15, 1957

Board of Directors
Southwestern Capital, Inc.
1061 San Jacinto Building
Houston, Texas

Gentlemen:

We have examined the Statement of Financial Condition of SOUTHWESTERN CAPITAL, INC., a Texas Corporation, as of October 15, 1957 and the related statements of paid in surplus and earnings for the period from September 7, 1956 to October 15, 1957. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The corporation on September 5, 1956, acting through its president, entered into a contract with A. C. Porter and Company, whereby A. C. Porter and Company was authorized to offer stock in the corporation to residents of Texas at a price of $5.00 per share, and to receive 50¢ per share commission on the sale of such stock. We were unable to find anything in the minutes of the corporation which indicated that the board of directors had authorized the president to enter into this contract. Under this contract, A. C. Porter and Company has the option to acquire a maximum of 6,000 shares of the corporation at a price of $5.00 per share until August 30, 1959.

In our opinion, subject to the exception contained in the preceding paragraph, the accompanying Statement of Financial Condition and related statements of paid in surplus and earnings present fairly the position of SOUTHWESTERN CAPITAL, INC. as of October 15, 1957 and the results of its operations for the period September 7, 1956 to October 15, 1957 in conformity with generally accepted accounting principles applied on a consistent basis.

David R. Toomim and Company

CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "A"

SOUTHWESTERN CAPITAL, INC.
(A Texas Corporation)

STATEMENT OF FINANCIAL CONDITION

OCTOBER 15, 1957

A S S E T S

CURRENT ASSETS:		
Cash in Bank		$11,633.28
Notes Receivable (Past Due) - Secured by 13,300 Shares of Texas International Sulphur Co. Common Stock (See Note 1)		16,328.85
TOTAL CURRENT ASSETS		$27,962.13
INVESTMENTS (At Market Value; Cost $6,125.00) (Note 2)		1,775.00
Unamortized Organization Expense		2,363.48
TOTAL ASSETS		$32,100.61

L I A B I L I T I E S   A N D   C A P I T A L

CURRENT LIABILITIES:		
Accounts Payable		$ 111.13
Reserve for Federal Income Taxes		123.46
TOTAL LIABILITIES		$ 234.59
Unearned Discount on Notes Receivable		$ 2,112.29
CAPITAL:		
Capital Stock - Authorized 75,000 Shares of .01 Par Value; Issued 7,900 Shares	$ 79.00	
Paid In Surplus (Exhibit "A-1")	33,736.67	
(Deficit) - (Exhibit "B")	(4,061.94)	
CAPITAL		$29,753.73
TOTAL LIABILITIES AND CAPITAL		$32,100.61

DAVID R. TOOMIM & COMPANY

EXHIBIT "A-1"

SOUTHWESTERN CAPITAL, INC.

STATEMENT OF PAID IN SURPLUS

SEPTEMBER 7, 1956 TO OCTOBER 15, 1957

SURPLUS ARISING FROM THE SALE OF CAPITAL STOCK:		
2,400 Shares @ $4.49 per Share		$10,776.00
5,500 Shares @ $4.99 per Share		27,445.00
TOTAL SURPLUS RECEIVED ON SALE OF STOCK		$38,221.00
Deduct - Underwriting Expenses:		
Commissions Paid	$2,750.00	
Other Expenses	1,734.33	$ 4,484.33
PAID IN SURPLUS, OCTOBER 15, 1957		$33,736.67

DAVID R. TOOMIM & COMPANY

EXHIBIT "B"

SOUTHWESTERN CAPITAL, INC.

STATEMENT OF EARNINGS

SEPTEMBER 7, 1956 TO OCTOBER 15, 1957

GROSS INCOME		$ 1,156.78
EXPENSES:		
Accounting	$ 50.00	
Advertising	17.35	
Amortization of Incorporation Expense	580.34	
Office Expenses	28.95	
Telephone	68.62	
TOTAL EXPENSES		745.26
NET INCOME BEFORE FEDERAL INCOME TAX PROVISION		$ 411.52
Deduct - Provision for Federal Income Taxes		123.46
NET OPERATING INCOME		$ 288.06
Deduct - Appropriation to Reduce Investments to Market Value		4,350.00
(DEFICIT) - OCTOBER 15, 1957		($ 4,061.94)

DAVID R. TOOMIM & COMPANY

SOUTHWESTERN CAPITAL, INC.

NOTES TO FINANCIAL STATEMENTS

OCTOBER 15, 1957

NOTE 1. In June, 1957 the corporation made loans to three individuals each for $5,750.00 secured by a total of 14,000 shares of Texas International Sulphur Company Stock. These notes were all finally due in September, 1957, and are consequently now past due. On September 11, 1957, the corporation sold 700 shares of the collateral for net proceeds of $1,264.25, which amount was credited first to interest accrued and the balance to principal. The market value of the collateral currently exceeds the amount of the notes receivable.

NOTE 2. Investments consist of the following:

		Cost	Market Value
300	Gulf Coast Leaseholds, Inc.	$ 1,125.00	$ 375.00
4,000	Pigeon Hole Parking, Inc.	5,000.00	1,400.00
Total		$ 6,125.00	$ 1,775.00

NOTE 3. On September 5, 1956, the corporation, acting through its president, entered into an agreement with A. C. Porter and Company, whereby the latter company was authorized to sell on a best efforts basis, 50,000 shares of the capital stock of the corporation to residents of the State of Texas at a price of $5.00 per share and to receive 50¢ per share commissions on the sale. A. C. Porter and Company was granted the option of purchasing 6,000 shares of the stock, or such proportion thereof as the shares actually sold bear to 50,000, at $5.00 per share. This option expires August 30, 1959. As of October 15, 1957, based on the shares sold, A. C. Porter and Company has the option to acquire 660 shares at $5.00 per share.

We have been unable to locate anything in the minutes of the board of directors meetings which would ratify the above stated agreement.

NEW ISSUE

These Securities Are Offered
To Residents of Texas Only

OFFERING CIRCULAR

Southwestern Capital, Inc.

50,000 Shares of Common Stock

(Par Value $0.01 per Share)

THESE SECURITIES ARE SPECULATIVE

PRICE $5.00 PER SHARE(1)

	Price to Public	Sales Commission	Proceeds to Company(2)
Per Share	$5.00	$0.50	$4.50
TOTAL	$250,000	$25,000	$225,000

(1) The shares must be purchased in units of 100 shares and may be purchased only by not more than 90 persons who are bona fide residents of the State of Texas. Reference is made to the information set forth herein under the caption "Description of Common Stock" with respect to certain restrictions on the transfer of the Common Stock of the Company.

(2) Before deduction of expenses payable by the Company estimated at $4,500.

THESE SECURITIES ARE OFFERED FOR SALE IN THE STATE OF TEXAS UNDER A PERMIT GRANTED BY THE SECURITIES COMMISSIONER OF TEXAS. THIS PERMIT IS PERMISSIVE ONLY AND DOES NOT CONSTITUTE A RECOMMENDATION OR ENDORSEMENT OF THE SECURITIES PERMITTED TO BE ISSUED.

UNDERWRITER

A. C. PORTER & CO.

1209 BANK OF THE SOUTHWEST BUILDING

HOUSTON, TEXAS

Tom Lanos

The Date of this Offering Circular is September 14, 1956.

TABLE OF CONTENTS

No dealer, salesman or any other person has been authorized to give any information or to make any representations, other than those contained in this Prospectus, in connection with the offer contained herein; and, if given or made, such information or representations must not be relied upon. This Prospectus is not an offer by the Company or by any Underwriter to sell the above securities in any state to any person to whom it is unlawful for such Underwriter to make such offer in such state. Neither the delivery of this Prospectus nor any sales hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Company since the date hereof.

THE COMPANY

SOUTHWESTERN CAPITAL, INC., a Texas Corporation (hereinafter called the "Company") was organized September 7, 1956, for the purpose of engaging in the business of finding and evaluating so-called "special situations" and the furnishing of financial and, when necessary, managerial assistance to such special situations as, in the opinion of management, offer a good opportunity for profit. The principal office of the Company is located at 1840 Commerce Building, Houston 2, Texas.

Background: During recent years the individuals who now compose the management of the Company have noted with increasing interest the development of a need for a fund of capital instituted to take advantage of special situations developing in Texas. Special situations of all types have been encountered but a majority of those presented may be classed in one of the following categories:

1. The existing enterprise with a proven service, process or product which is unable to secure adequate capital due to the existing financial condition of the enterprise or to a lack of understanding on the part of management of the money market. Frequently the amount of capital needed by such enterprises is too small to justify either public financing or the attention of investment bankers necessary to secure private financing.

2. The existing enterprise with a proven service, process or product which has not achieved the growth of which it is capable due to a lack of proper management.

3. The new enterprise with a service, process or product which has a good opportunity for growth and economic success provided such enterprise is furnished with adequate capital and proper management.

It is the belief of the management of the Company that such enterprises as well as other special situations will be attracted to the Company once it becomes known that financial and, if necessary, managerial assistance are available. However, there is no assurance that this will be the experience of the Company.

Policies: It will be the policy of the Company not to furnish financial assistance to any company unless the research or development work already carried on by such company indicates that the service, process or product of such company is commercially practicable. The Company does not intend to engage in basic research and development work.

The manner in which capital is furnished by the Company necessarily will vary according to the business situation presented. Financial assistance may be provided through the loan of funds and/or credit, through the purchase of equity securities or through arranging for public financing or private financing from other sources. Every effort will be made, however, to provide financial assistance on a debt rather than an equity basis. The Company has no fixed policy as to acquiring control of companies in which it invests. The Company anticipates, however, that in some cases it will acquire control of companies.

The Company does not intend to engage in the general business of underwriting securities but will assist enterprises in formulating public financing programs. Neither does the Company intend to engage in the general business of buying and selling securities but, pending the availability of suitable business situations in which to invest, it may invest in government and municipal bonds and the securities of companies which provide an opportunity for income combined with the degree of safety deemed advisable by management. It may also invest in securities which are believed to offer capital appreciation opportunities, cyclical stocks, stock of companies in reorganization or in the process of recapitalization, or other special situations. These securities will, in many instances, carry greater than average risk and may be subject to rapid fluctuations in price. For this reason not more than 20% of its capital and surplus may be invested in securities of this type at any one time. Securities will not be purchased with a view to short term trading profits although it is contemplated that in particular instances securities purchased may be sold at a relatively early date and the right to dispose of any securities purchased at any time is reserved.

The Company does not intend itself to engage directly in manufacturing or merchandising, but may do so indirectly through the acquisition of subsidiary companies. Neither does the Company intend to concentrate its investments or expenditures in any one industry or group of industries although it may develop that its investments and expenditures will tend to concentrate in one industry or group of industries. However, the Company will not invest in the aggregate more than 20% of its capital and surplus in any one business situation; and it will not invest any of its funds in any business in which its directors or officers own in the aggregate 10% or more of the securities of such business.

The Company does not intend to engage in the business of purchasing and selling commodities or commodity contracts, or to engage in the business of making loans to other persons, other than loans or advances to promote the commercial development of such articles or processes or business enterprises as the Board of Directors may deem to embrace possibilities of ultimate profit or gain to the Company.

There is no fixed policy with respect to the purchase and sale of real estate, oil, gas or other minerals. While the Company may acquire producing mineral properties, it will be its policy not to engage directly in exploration for oil, gas or other minerals.

The policies of the Company are to be directed primarily toward the investment of its funds in business situations which offer substantial growth possibilities and capital appreciation as opposed to current income. As a result of the above, the common stock of the Company must be considered speculative.

APPLICATION OF PROCEEDS

Assuming the placement of the 50,000 shares of Common Stock offered hereby, the net proceeds to be received by the Company (after deduction of sales commissions, expenses to be paid by the Company in connection with such placement and expenses incident to the organization of the Company) will be approximately $220,500. Such proceeds will be used for general corporate purposes in accordance with the policies of the Company set forth herein under the caption "The Company." The Company is not able at this time to indicate the amount of proceeds to be used for any specific purpose and no allocation has been made.

Attention is directed to the fact that there is no assurance that all of the shares of Common Stock offered hereby will be placed with not more than 90 persons who are bona fide residents of the State of Texas and that no arrangements have been made for the return of any proceeds realized by the Company to investors in the event less than all such shares are placed, except that all of the first monies received will be escrowed until 5,000 shares have been sold so that in the event less than 5,000 shares are sold, then and only then, will 100% of the offering price be returned to those persons having invested in the Company.

MANAGEMENT AND CONTROL

Directors and Officers:

The following are the names and addresses of the directors and officers of the Company:

Name	Address	Office
Raymond P. Elledge, Jr.	1840 Commerce Building Houston 2, Texas	President & Director
Dr. William L. Barnett	P. O. Box 518 Cleveland, Texas	Vice President and Director
John L. Hill, Jr.	403 Mafrige Building Houston, Texas	Secretary-Treasurer and Director
Rex G. Baker, Jr.	1840 Commerce Building Houston 2, Texas	Director
Dr. M. D. Burnett	Hermann Professional Bldg. Houston, Texas	Director
H. B. Edens	3401 South Main Street Houston, Texas	Director
R. Allison Parker	2201 Milam Houston, Texas	Director
Andrew C. Porter	1209 Bank of the Southwest Bldg. Houston, Texas	Director
David S. Schwinn	718 North Drennan Houston 2, Texas	Director
J. Bob Wilson	1228 Texas National Bank Bldg. Houston, Texas	Director

It is intended that the number of directors constituting the entire Board of the Company will be increased from time to time and that certain of the persons elected to fill the vacancies thus existing will be residents of areas of Texas other than the Houston area. In the opinion of the Company the scope of business of the Company will be increased in this manner as the duties of the members of the Board in the main will consist of rendering consultative or advisory service to the officers of the Company in connection with the evaluation of situations as the same are presented and in connection with management problems after investments are made; and also reporting to the officers of the Company such new or prospective or existing business enterprises and such new or improved products and processes said members may deem to be sufficiently advanced or developed as to indicate practicable commercial possibilities and prospects of ultimate profit and, therefore, worthy of the Company's consideration as media for investment or expenditure of the Company funds.

In July, 1956, Messrs. Elledge and Porter commenced discussions which culminated in the formation of the Company. As a result such persons may be considered as promoters of the Company.

Business Experience of Officers and Directors:

Raymond P. Elledge, Jr., President and Director of the Company, has been engaged in the practice of law and in the oil business as an independent operator and as Managing Partner of Deepwater Oil Company for more than the past five years. He is Vice President and Director of Houston Properties, Inc., Secretary, Treasurer and Director of Buffalo Building Corporation, Treasurer and Director of Century Minerals, Inc., Vice Chairman of the Board of the Southwestern Savings & Loan Association, and Director of Glenn McCarthy, Inc., and of American Mortgage Company of Houston. He is a partner in the law firm of Roberts, Baker, Richards, Elledge & Cunningham, Houston, Texas.

Dr. William L. Barnett, Vice President and Director of the Company, has been engaged in the practice of medicine and surgery in Cleveland, Texas, for more than the past five years. He owns and operates Leggett Memorial Hospital in Cleveland, Texas, and the Cleveland Clinic. He is active in local civic affairs and is a member of the Cleveland School Board, the Cleveland Rotary Club, a director in the Cleveland Chamber of Commerce and president of the Liberty-Chambers County Medical Society.

John L. Hill, Jr., Secretary, Treasurer and Director of the Company, graduated from the University of Texas Law School in 1947. He has had an active trial practice in Houston, Texas, since that time and is a partner in the law firm of Hill, Brown, Kronzer & Abraham, Houston, Texas. In addition to his law practice, Mr. Hill has wide and various interests in oil and real estate throughout Texas.

Rex G. Baker, Jr., Director of the Company, has been engaged in the practice of law and in the oil and investment business for the past ten years. He is President and Chairman of the Board of Southwestern Savings & Loan Association, President and Director of Blanca Trinchera Land & Cattle Company, Vice President and Director of Gulf Electric Company, Director of American Mortgage Company of Houston, Chairman of the Board of Directors of Southern Republic Life Insurance Company, and a Director of South Main State Bank. He is a partner in the law firm of Roberts, Baker, Richards, Elledge & Cunningham.

Dr. M. D. Burnett, Director of the Company, has been engaged in the practice of medicine in Houston, Texas, as a pediatrician for the past nine years. He is Associate Clinical Professor of Baylor University College of Medicine, Houston, Texas.

H. B. Edens, Director of the Company, is a Certified Public Accountant and has practiced public accounting for the past nine years. He is a partner in the public accounting firm of Harry M. Jay & Associates, Treasurer of Manor Realty Company, Blanca Development Company and of Ten-Tex, Inc., and a member of the American Institute of Accountants and of the Texas Society of Certified Public Accountants.

R. Allison Parker, Director of the Company, owns Al Parker Buick Co., Houston, Texas, and is President of the Houston Automobile Dealers' Association.

Andrew C. Porter, Director of the Company, is President of A. C. Porter & Co., Investment Banking Firm in Houston, Texas, and a Director of Pigeon Hole Parking of Texas, Inc.

David S. Schwinn, Director of the Company, joined Dixie Chemical Company in 1948 after receiving his B.S. and M.S. degrees from Texas A. & M. College. He became Vice President and a Director of that company in 1949 and is serving in these capacities at the present time. He is also Vice President and Director of Trace Elements Corporation.

J. Bob Wilson, Director of the Company, is Vice-President and manager in Texas of D'Arcy Advertising Co., with offices in St. Louis, New York, Cleveland, Detroit, Atlanta, Los Angeles, Toronto, Mexico City, Chicago and Houston.

Remuneration and Stock Options:

The directors and officers of the Company will continue their respective occupations, but will devote as much of their time to the Company as the business of the Company requires. The Company does not presently intend to pay any compensation to its directors and officers during the initial period of operations, but will reimburse them for any expenses incurred in connection with the business of the Company. Future remuneration for the officers and directors will be dependent upon the results of operations.

The Company has granted to each of its directors and officers an option to purchase Two Hundred (200) shares of common stock at a price per share of Five Dollars ($5.00). The option becomes void unless exercised by the directors and officers during their association with the Company or within three (3) months thereafter, with an extension of one year in the case of the death of a director or officer. The directors have also been authorized to grant options for an additional two thousand (2,000) shares of common stock in such amounts, at such prices not less than the market value of the then outstanding common stock of the Company, and to such directors, officers and employees, including the directors and officers named above, as the directors shall determine. Up to the present time no such options have been granted by the directors.

Reference is made to the information set forth herein under the caption "Placement of Common Stock" with respect to the option granted A. C. Porter & Co.

The options granted to the directors and officers and to the Agent and authorized to be granted by the directors amount in the aggregate to ten thousand (10,000) shares or twenty percent (20%) of the shares of Common Stock offered hereby.

Stock Ownership:

Upon the organization of the Company certain of its directors and officers and A. C. Porter & Co. purchased a total of two thousand six hundred (2,600) shares of common stock of the Company at a price of $4.50 per share or Eleven Thousand Seven Hundred Dollars ($11,700) in the aggregate. The following tabulation sets forth information as of September 13, 1956, with respect to the common stock owned by (a) each stockholder of the Company, and (b) all directors and officers of the Company as a group:

Name	Type of Ownership	Amount Owned (Shares)	Percent of Class
Raymond P. Elledge, Jr.	Record and Beneficial	200	7.7%
Dr. William L. Barnett	Record and Beneficial	300	11.5%
John L. Hill	Record and Beneficial	300	11.5%
Rex G. Baker, Jr.	Record and Beneficial	200	7.7%
Dr. M. D. Burnett	Record and Beneficial	500	19.2%
H. B. Edens	Record and Beneficial	100	3.9%
R. Allison Parker	Record and Beneficial	200	7.7%
David S. Schwinn	Record and Beneficial	100	3.9%
J. Bob Wilson	Record and Beneficial	200	7.7%
All directors and officers as a group	Record and Beneficial	2,100	80.8%
A. C. Porter & Company	Record and Beneficial	500	19.2%

CAPITALIZATION

The capitalization of the Company at September 13, 1956, and after giving effect to the sale of the 50,000 shares of Common Stock is as follows:

	Authorized Amount	Outstanding at September 13, '56	Amount to be Outstanding if the 50,000 shares being offered are sold(1)
Common stock par value $0.01 per share	75,000	2,600	52,600

(1) Does not include 10,000 shares reserved for issuance upon exercise of the stock options described herein under the captions "Management and Control" and "Placement of Common Stock."

DESCRIPTION OF COMMON STOCK

Each share of Common Stock of the Company has equal voting rights and participates equally in such dividends as may be declared by the Board of Directors of the Company out of funds legally available for the payment thereof. Upon liquidation, holders of Common Stock are entitled to share ratably in the assets available for distribution. Holders of Common Stock have no preemptive, conversion or subscription rights, nor any liability for further calls or assessments. There are no redemption or sinking fund provisions with respect to the Common Stock.

The By-laws of the Company provide (1) that the Common Stock may not be purchased or transferred in units of less than 100 shares and (2) that no purchase or transfer will be permitted by or to any person who is not a bona fide resident of the State of Texas or which will result in beneficial ownership of the Company's Common Stock by more than one hundred (100) persons including the Directors and Officers of the Company. This provision of the Company's By-laws may be changed only by a vote of the stockholders at a meeting called for that purpose.

The Company will act as Transfer Agent of its Common Stock.

PLACEMENT OF COMMON STOCK

The Company has entered into an agreement dated September 8, 1956, with A. C. Porter & Co. (hereinafter referred to as the "Agent"), wherein the Agent has agreed to use its best efforts to place the 50,000 shares of Common Stock offered hereby with not more than 90 persons who are bona fide residents of the State of Texas. The sale price is Five Dollars ($5.00) per share and the sales commission per share is $0.50 or 10%, the Company to receive $4.50 per share. In addition to the sales commission, the Company has granted to the Agent the option to purchase on or before August 30, 1959, 6,000 shares of Common Stock of the Company at the price of $5.00 per share. In the event the Agent shall fail to place all of the shares of Common Stock offered hereby, however, the Agent shall have the right to exercise the entire option only in the proportion that the number of shares of Common Stock sold bears to 50,000 shares. The Company is not obligated to reimburse the Agent for any expenses in excess of $1,000.00 incurred by it in connection with the placement of the 50,000 shares of Common Stock offered hereby. The Company has also agreed to indemnify the Agent against certain liabilities.

A copy of the agreement between the Company and the Agent is on file at the office of the Company and is available for examination during business hours.

LEGAL OPINIONS

The legality of the securities offered hereby will be passed upon for the Company by Messrs. Roberts, Baker, Richards, Elledge & Cunningham, 1840 Commerce Building, Houston, Texas, and for the Agent by Messrs. Andrews, Kurth, Campbell and Bradley, 22nd floor Gulf Building, Houston, Texas.

SOUTHWESTERN CAPITAL, INC.

(A Texas Corporation)

BALANCE SHEET

September 13, 1956

ASSETS

CURRENT ASSETS:		
Cash (See Statement of Cash Receipts and Disbursements)		$11,700.00
DEFERRED CHARGES:		
Representing Estimated Expenses Incurred to Date in Connection with Organization and Stock Offering		2,500.00
TOTAL ASSETS		$14,200.00

LIABILITIES AND NET WORTH

CURRENT LIABILITIES:		
Amount Due to Date in Connection with Organization and Stock Offering		$ 2,500.00
NET WORTH:		
Capital Stock .01¢ Par Value Each (See Page 10) Issued and Outstanding 2,600 shares	$ 26.00	
Capital Surplus	11,674.00	
TOTAL NET WORTH		11,700.00
TOTAL LIABILITIES AND NET WORTH		$14,200.00

STATEMENT OF COMMITMENTS

In connection with the placement of the Common Stock of the Company, on all shares placed, the Company is committed to pay 10% of the selling price as a brokerage for placing such shares.

NOTE A — STATEMENT OF CAPITAL SHARES

September 13, 1956

Total authorized	75,000
Total Issued and Outstanding	2,600
Total Reserved for Option, Warrant Conversion and Other Rights to Acquire Such Shares	10,000

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

From Inception to September 13, 1956

Cash Received —	
From Sale of 2,600 shares @ $4.50 Each	$11,700.00
Cash Disbursed	none
Balance — September 13, 1956	$11,700.00

3,000,000,000,000

at circle
Rte 12 (NW Hiway)
till get to Freeway
North on
90 Freeway
turn Right ~~go East~~
Valley View Rd.

Restland Cemetery
on left Rt 75

exits 7

3.77
400 shares
1508.00

CA-42915.