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# FOIA MARKER

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

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**OA/ID Number:** 25849  
**Folder ID Number:** 25849-005

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**Folder Title:**  
Zapata - Hall and Mize, Notes-Replies on Share of Legal Expenses [1966]

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Stack:	Row:	Section:	Shelf:	Position:
<b>G</b>	<b>5</b>	<b>1</b>	<b>3</b>	<b>4</b>

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# Withdrawal/Redaction Sheet

## (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01. List w/ attachments	List of stockholders with financial information (5 pp.)	2/3/66	C	
<b>COLLECTION</b>				
George Bush Personal Papers Zapata Oil File Business Alphabetical Files				
<b>FILE LOCATION</b>				
Zapata - Hall and Mize, Notes - Replies on Share of Legal Expenses [1966]		OA/ID Number	Date Closed 01/18/00	

### 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]
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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]

FIRST CITY NATIONAL BANK  
OF HOUSTON, TEXAS

DATE 1,114.66

WE CHARGE FOR ITEMS  
DEPOSITED WHICH WERE  
RETURNED UNPAID FOR  
REASONS SHOWN  
ON EACH ITEM.

APPROVED

*Note - Face - 28.56  
July note*

George H. W. Bush      20-6959-8  
1701 Houston Club Bldg.  
Houston, Texas      77002

TOTAL: 28.56\*

⑆⑆⑆30⑆⑆000⑆⑆

RETURNED BY  
FIRST NATIONAL LINCOLN BANK  
LOUISVILLE, KENTUCKY

RETURN TO 52  
RETURNED UNPAID FOR  
REASON INDICATED:

- INSUFFICIENT FUNDS
- ENDORSEMENT
- MISSING
- NOT AS DRAWN
- WRONG BANK
- SIGNATURE
- UNCOLLECTED FUNDS
- OTHER REASON (SPECIFY)

December 11, 1904

Miss M. J. ...  
... ..

Dear Madam:

I have the honor to acknowledge the receipt of your letter of the 10th inst.

and in reply to inform you that the same has been forwarded to the proper authorities.

I am, Madam, very respectfully,  
Your obedient servant,

John ...

**First City National Bank**  
of Houston  
P. O. Box 2557  
Houston, Texas 77001

Mary

① Check needs to be  
return to Mr. McMartin  
for signature.

② b/b will have his address on Zapata indenture.



A3



# Withdrawal/Redaction Sheet

## (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
02. Letter w/ attachment	From George Bush to Helen Gust RE: Financial information (2 pp.)	11/14/66	C	
<b>COLLECTION</b>				
George Bush Personal Papers Zapata Oil File Business Alphabetical Files				
<b>FILE LOCATION</b>				
Zapata - Hall and Mize, Notes - Replies on Share of Legal Expenses [1966]		OA/ID Number	Date Closed	01/18/00

### RESTRICTION CODES

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- F-7 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-8 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. Letter w/ attachment	From Hugh Lidtke to George Bush RE: Financial information (2 pp.)	11/18/66	C	
<b>COLLECTION</b>				
George Bush Personal Papers Zapata Oil File Business Alphabetical Files				
<b>FILE LOCATION</b>				
Zapata - Hall and Mize, Notes - Replies on Share of Legal Expenses [1966]		OA/ID Number	Date Closed	01/18/00

### RESTRICTION CODES

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ga

Date \_\_\_\_\_

Mr. George Bush  
1740 Houston Club Building  
Houston, Texas 77002

Dear Mr. Bush:

I hereby agree to bear my proportionate share of any legal expenses incurred by you in connection with the protection of our interests in the \$3,200,000 6% installment notes dated February 7, 1966.

I own \$ \_\_\_\_\_ in notes.

My proportionate part of the legal expenses would therefore be \_\_\_\_\_%.

Very truly yours,

GEORGE BUSH  
1701 HOUSTON CLUB BUILDING  
HOUSTON, TEXAS 77002

September 1, 1966

When we sold our Zapata shares to Doyle Mize on February 7, 1966, we took 6% notes made by Ernest Hall and Doyle Mize. These notes totaled \$3,200,000.

The notes provided that the 160,000 shares of stock we sold to Mize at \$20 per share would stay up as collateral and, in addition, that the makers would keep up enough collateral so that the market value would not get below 200% of the total value of the note.

Originally the note was secured by the 160,000 shares of Zapata plus 83,333 shares of Western Equities (later name changed to Westec). As Zapata's market price increased, the makers withdrew Westec shares used as collateral. When Zapata got over \$40 per share, the Zapata alone collateralised the notes and the makers took down the last of the Westec shares.

On Friday, August 26th, the price of Zapata's stock dropped to \$35 per share and during this week has fluctuated between \$25 and \$35. On Thursday, September 1, Zapata closed at \$34½ per share. This makes five consecutive business days during which our notes did not have 200% collateral.

Under the terms of the indenture, the makers of the notes now have 15 days in which to put up additional collateral so as to bring the total market value of the collateral up to 2.125 times the unpaid balance of the notes. The additional collateral can be Westec stock, government bonds, or other securities acceptable to 50% of the stockholders.

It is probable that Ernest Hall, the owner of the Westec shares originally pledged to our notes, will be unable to put up Westec shares to adequately collateralise our notes. This means that the makers must come up with other collateral.

I have talked to Doyle Mize, the owner of the Zapata stock and co-maker of the notes. He advises that he is confident he can collateralise our notes in accordance with the indenture. He tells me that Zapata is no way involved in Westec other than through one relatively small transaction under which Zapata sold a company owning one old rig to Westec in exchange for stock. Zapata's fortunes, he assures me, are in no way linked to the apparent problems of Westec. He further feels that Zapata's business is sound and good, that earnings are up this year and will be up more next year and that the recent market decline in Zapata is related to general market conditions plus rumors of non-existent relationships between Zapata and Westec.

To this I can add a personal note. The offshore business is good. The North Sea discovery subsequent to our sale has firmed up worldwide demand. There is a generally optimistic feeling prevailing on offshore. Zapata has expanded its rig fleet.

With Mr. Mize's assurances, I feel that there will be little likelihood of any technical default on our notes; however, in an unpredictable market, it seems only prudent to safeguard our holdings in every way.

Since the collateral value has been below the required level for five business days, the makers must put up additional security before fifteen more calendar days.

Under the circumstances outlined above, I felt that we noteholders should have advice of counsel. I have retained Mr. James Kerr of Fulbright, Crooker, Freeman, Bates & Jaworski here in Houston to advise us over the next few weeks in the event we should have to take legal action. Mr. Kerr has drawn up a letter to the makers, a copy of which is attached. No further action is required by us, unless the makers fail to adequately collateralise the notes.

I do not anticipate any large legal fees for I accept at face value Mr. Mize's assurances that the notes will not be in default; but I would like to ask that if you agree with the precautionary measure I have taken that you bear your proportionate part of the legal expenses involved.

If this is agreeable, please return the attached letter to me for my files.

I will follow this matter closely and will keep you informed of all developments.

I told Mr. Mize that I would pass along to each noteholder his reassurances about Zapata generally and more specifically about his intention to live up to the letter of his agreement with us. In addition, I would like to reiterate my own confidence in Mr. Mize's integrity and ability.

Yours very truly,

George Bush

BLUE SPRUCE  
1911 RIDGEWAY ROAD  
DAYTON 19, OHIO

20

October 28, 1966

Dear Poppy,

I'm enclosing my check for my share of the legal expenses in connection with the Mize and Hall note.

I certainly do appreciate you looking after my interests and am glad you were able to get the notes paid off.

Here's best wishes for you in the coming election. We need more like you in Washington.

Cordially,

Caroline

RECEIVED

OCT 31 1966

# Withdrawal/Redaction Sheet

## (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
04. Letter w/ attachments	From Agnes Scholder to George Bush RE: Financial information (3 pp.)	10/11/66	C	
<b>COLLECTION</b>				
George Bush Personal Papers Zapata Oil File Business Alphabetical Files				
<b>FILE LOCATION</b>				
Zapata - Hall and Mize, Notes - Replies on Share of Legal Expenses [1966]		OA/ID Number	Date Closed	01/18/00

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

*Mailed to  
those who did  
return account.*

GEORGE BUSH  
1701 HOUSTON CLUB BUILDING  
HOUSTON, TEXAS 77002

62

October 6, 1966

When it appeared that the Mize-Hall notes might have to be put into default and that our interests might be in jeopardy, I retained the Houston firm of Fulbright, Crooker, et al, to protect our interests.

The firm handled the closing for us. Prior to this, their tax department and corporate department studied various alternative plans which we might have had to use, provided adequate financial arrangements had not been made.

In my opinion, the enclosed bill is a fair one.

I have set out your proportionate amount of the notes and shown this percentage of the full legal fee:

I have paid the entire bill so your check for reimbursement should be made payable to George H. W. Bush.

Very truly yours,

George H. W. Bush

GEORGE BUSH  
1701 HOUSTON CLUB BUILDING  
HOUSTON, TEXAS 77002

October 6, 1966

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Very truly,yours,

George H. W. Bush

GEORGE BUSH  
1701 HOUSTON CLUB BUILDING  
HOUSTON, TEXAS 77002

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Very truly,yours,

George H. W. Bush

GEORGE BUSH

1701 HOUSTON CLUB BUILDING  
HOUSTON, TEXAS 77002

*Mailed to Stross  
Who did not set  
agmt  
JB*

October 6, 1966

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Very truly yours,

George H. W. Bush

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1701 HOUSTON CLUB BUILDING  
HOUSTON, TEXAS 77002

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George H. W. Bush

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1701 HOUSTON CLUB BUILDING  
HOUSTON, TEXAS 77002

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I have paid the entire bill so your check for reimbursement should be made to George H. W. Bush.

Very truly yours,

George H. W. Bush

FULBRIGHT, CROOKER, FREEMAN, BATES & JAWORSKI  
ATTORNEYS AT LAW  
BANK OF THE SOUTHWEST BUILDING  
HOUSTON, TEXAS 77002

JAMES H. KERR, JR.  
PARTNER

October 4, 1966

7a

RECEIVED

OCT 5 1966

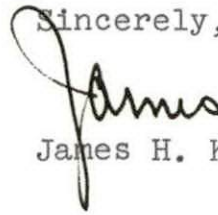
Mr. George Bush  
1701 Houston Club Building  
Houston, Texas 77002

6% Installment Notes,  
Zapata Offshore Company

Dear George:

Enclosed is our statement for legal services and disbursements performed for the various noteholders in connection with collection of the 6% Installment Notes executed by Messrs. Hall and Mize pursuant to Collateral Trust Indenture dated as of February 7, 1966. We appreciate your calling on us to handle this matter and trust it was handled to your satisfaction.

Sincerely,



James H. Kerr, Jr.

JHK-Jr/bf  
enclosure

Mr. George Bush  
1701 Houston Club Building  
Houston, Texas 77002

HOUSTON, TEXAS, October 4, 1966

**TO FULBRIGHT, CROOKER, FREEMAN, BATES & JAWORSKI**  
**BANK OF THE SOUTHWEST BUILDING**

Legal services relating to collection of 6% Installment  
Notes executed by Messrs. Hall and Mize pursuant to  
Collateral Trust Indenture dated February 7, 1966, includ-  
ing review of Collateral Trust Indenture, agreement of  
sale dated February 3, 1966, conferences with clients,  
research relating to securities, tax, and collection  
matters, conferences with officers of First City National  
Bank of Houston, attorneys for maker of notes and pur-  
chasers of notes and attending closing ----- \$1,500.00

DISBURSEMENTS:

Telephone calls and telegrams ----- 52.25  
TOTAL----- \$1,552.25

*Pd George Bush ck # 2417  
10-5-66  
AS*

# Withdrawal/Redaction Sheet (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
05. List w/ attachments	List of stockholders with financial information (15 pp.)	2/3/66	C	
<b>COLLECTION</b>				
George Bush Personal Papers Zapata Oil File Business Alphabetical Files				
<b>FILE LOCATION</b>				
Zapata - Hall and Mize, Notes - Replies on Share of Legal Expenses [1966]		OA/ID Number	Date Closed	01/18/00

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# OIL and GAS

## Stockholders OK Zapata Expansion

Stockholders of the Zapata Off-Shore Co voted overwhelmingly Wednesday for a management proposal to acquire Williams-McWilliams Industries, Inc, a New Orleans-based dredging and marine construction contractor.

Less than one-tenth of Zapata's 1.2 million-plus shares of outstanding stock was cast against the proposal during a special meeting in the company offices here.

**SHAREHOLDERS** also authorized a new class of voting stock consisting of 2 million shares of preferred stock, without par value.

A record turnout of nearly 100 shareholders was present for the special session presided over by D. Doyle Mize, board chairman.

The Mize team urged the Williams-McWilliams acquisition, through a stock ex-

change, as a step to complement Zapata's world-wide marine drilling operations.

Zapata recently asked the Securities and Exchange Commission to register debentures and warrants to be used in the Williams-McWilliams transaction.

**THE EXCHANGE** rate in the pending acquisition will be \$13 principal amount of debentures for each share of Williams stock and a warrant to purchase one share of Zapata common stock for each two shares of Williams stock. If all Williams stock is tendered and accepted, the transaction would involve more than \$10.4 million in debentures and warrants.

John F. Maher, Houston investor, is the chief executive officer of the Williams firm and owner of approximately 56 per cent of its stock.

Maher and David T. Searls, Houston attorney and counsel to Williams and Maher, will be invited to join the Zapata board of directors, according to Zapata's proxy statement.

William H. Flynn, president of Zapata, told the Post that Maher and Searls have indicated they will accept the invitations.

**WEDNESDAY'S** special session lasted about 25 minutes during which Robert H. Gow, secretary, read a management statement regarding the company's position in light of recent developments on the stock market.

The statement said, "There are not now nor have there ever been any discussions or plans to merge or otherwise consolidated" Zapata and Westec, Inc, a Houston holding company.

The statement added that no agreement or understanding exists between E. M. Hall Jr, former president of Westec, and the Zapata chairman regarding present or future plans management or operations of Westec and Zapata.

"Neither of them is an officer or director of the company with which the other is associated," the Zapata paper stated.

## Crude Stocks In U.S. Dip

The national level of crude oil stocks edged downward last week despite substantial advances in Texas.

The American Petroleum Institute reported Wednesday that U.S. crude stocks totaled 253,435,000 barrels at the close of last week, against 253,764,000 the previous week and 243,799,000 a year ago. East of California crude stocks amounted to 224,519,000 barrels, compared with 223,631,000 a week earlier and 213,028,000 last year.

Texas inventories totaled 105,290,000 barrels last Friday, an advance of 680,000 for the week.

Stocks, by grade or origin, and change from previous week (in thousands of barrels):

Pennsylvania grade 2,118, inc 8; other Appalachian 1,469, inc 19; Lima-Michigan 1,584, inc 104; Illinois-Indiana 8,346, 279; Kansas 7,219, inc 37; Nebraska-North Dakota 2,812, dec 36; Oklahoma 18,861, dec 458; Arkansas 907, inc 10; Mississippi, Alabama and Florida 3,862, dec 360.

East Texas 7,543, dec 30; West Texas 56,757, inc 407; Gulf Texas 15,756, inc 6; other Texas 25,234, inc 297; Northern Louisiana 4,093, inc 134; Gulf Coast Louisiana 22,754, inc 811; New Mexico 73,02, dec 110; Wyoming 15,981, dec 71; other Rocky Mountain 10,078, inc 102; California and Alaska 21,205, dec 1,199; foreign in District V 7,711, dec 18 under revised figure for preceding week; and other foreign 11,823, inc 297.



## CORPORATION AIM TO GET HOUSE

# Westec Takes

By SAM WEINER, Post Business Editor

The Westec Corp, rocked by a ban on trading of its stock, an SEC investigation, the ouster of its president and resignation of its board chairman, began taking steps Wednesday which are intended to set its house in order.

These were the rapid-fire developments:

- Keith Beeman, well-known electronics executive, emerged in a dominant role in the company's operations after Ernest M. Hall Jr was removed as president and James W. Williams resigned as chairman of the board.

- A five-member executive

committee was named to serve in place of the company's board of directors.

- The company authorized Ernst & Ernst, independent accountants, to audit Westec's books as of Aug 31, 1966.

- A spokesman for the Securities & Exchange Commis-

sion (SEC) hinted that the 10-day ban on trading of Westec's stock may be prolonged because of the time required to audit the company's books.

- The company authorized Baker, Botts, Shepherd & Coates, its legal counsel, to continue assisting the SEC in its probe of events which led to suspension of trading of Westec stock.

MEANWHILE, IT was reported that a number of other interested parties have also asked their attorneys to look into the situation.

THE HOUSTON POST

## Business & Finance

# ATIONS

	Sales	High	Low	Last	Net Chg
White Crs .60	4	26 3/4	26 1/2	26 1/2	+ 1/8
White Eagle	32	1 3/4	1	1 1/4	- 1/4
White R Oil	2	1 3/4	1 3/4	1 3/4	...
Wrights 711	26	11	10 3/4	10 3/4	+ 1/8
Wmhouse .54f	5	14 1/4	14 1/4	14 1/4	- 1/8
Williams Bro	30	45	43	43	—
WmMcW .15e	119	17 7/8	15 5/8	16 1/4	- 3/4
Wishire Oil	74	4	3 3/4	4	+ 1/4
Wilson Bros	12	12 7/8	12 5/8	12 3/4	+ 1/8
Winkelmn .40	4	7 1/4	7 1/4	7 1/4	+ 1/4
Wolfe-Ala .40b	2	16 1/2	16 1/2	16 1/2	+ 1/8
WoodNW .45e	2100	11	11	11	.....
Woodwind .64	10	16 1/2	15 3/4	16 1/8	+ 1/8
York Wr .50	5	13 3/4	13 1/4	13 1/4	- 1/8
YrldColor .50	2	12 1/2	12 1/4	12 1/2	+ 3/8
Ywright Harg	71	1-16	1/8	1/8	.....
Wyomissa .60	1	11 1/2	11 1/2	11 1/2	.....

## X

Xtra Inc	103	71 1/2	67 1/2	67 1/4	-1 1/2
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## Y

Yonker R 12g	10	4 7/8	4 3/4	4 3/4	- 1/4
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## Z

Zale Corp .68	11	21 1/2	20 3/4	20 3/4	- 3/8
ZapOilSh .86f	570	35	30 3/4	31 3/4	- 2
Zero Mfg	17	8 3/4	8 1/2	8 3/4	+ 1/8
Zion Foods	1	2 1/2	2	2 1/4	- 1/8

## SALES

Approx total stock sales	.....	2,260,000
Stock sales year ago	.....	1,477,870
Approx total bond sales	.....	\$790,000
Bond sales year ago	.....	\$553,000

Sales figures are unofficial. Unless otherwise noted, rates of dividends in the foregoing table are annual disbursements based on the last quarterly or semi-annual declaration. Special or extra dividends or payments not designated as regular are identified in the following footnotes.

a—Also extra or extras. b—Annual rate plus stock dividend. c—Liquidating dividend. d—Declared or paid in 1965 plus stock dividend. e—Declared or paid in 1965. f—Payable in stock dividend or ex-distribution date. g—Paid last year. h—Declared or paid after stock dividend or split up. k—Declared or paid this year, an accumulative issue with dividends in arrears. l—New issue. p—Paid this year, dividend omitted, deferred or

# BILL DURHAM

Post Agricultural Editor



## South and East Texas Counties Making Plans for Showing Hay

It's hay show time again in Texas and we are getting announcements and reports about shows from all over South and East Texas.

The state show will again be held in Houston. The date is Oct 21 and the show will be held again at the North Houston Livestock Auction on Rankin Road.

**WE HAVE** a report from Colorado County Agent Doyle Moore that 50 entries have been received for that county's hay show which will be held at the Dennis Catering Hall in Columbus on Sept 8.

Moore says that Johnson

grass, the most popular grass grown for hay in this area, leads in entries.

There are 20 Johnson grass entries and Coastal Bermuda comes second with 16, Moore said.

**THIS IS** the second annual show for Colorado County and again the samples are being run through the Texas A&M University laboratory to determine protein content and other factors.

## Montgomery County Date Set

We also have an announcement of the Montgomery County hay show, which will be held on Oct 13 at the Cow

the Montgomery County Chamber of Commerce.

Hay samples in this show will also be run through the

IN ORDER

# Major Steps

11a

"Just about every big law firm in Houston has clients who are interested in this," one attorney told The Houston Post.

Beeman, chairman of the Geo Space Corp, Westec's largest subsidiary, was named chairman of an operating committee which will take over the functions previously performed by Williams and Hall.

Financial circles are speculating on whether this puts Beeman in line for one of the top executive posts at Westec, but an attorney of Baker, Botts, Shepherd & Coates, acting as spokesman for the company, said there have been no moves made yet toward electing a new chairman of the board and president.

Meanwhile, however, it is understood that matters which would ordinarily be referred to the president of the company are being routed to Beeman's office.

**BEEMAN WAS** one of the co-founders of the Southwestern Industrial Electronics Co in 1945 and served as its president until Feb 20, 1960. Dresser Industries acquired SIE from Beeman and Richard H. Parker, the other co-founder, in 1955.

Parker is also now with Westec, serving as president of the Geo Space Corp, and he likewise is regarded as a potential candidate for a high-level executive post in Westec.

Westec, a holding company which has become more electronics-oriented through numerous acquisitions during the past few years, reported total assets of \$55.9 million and a net worth of approximately \$25.4 million at the end of 1965.

**THE TRADING** in the company's stock was halted by the American Stock Exchange last week, and the SEC on Aug 26 announced that trading of the stock would be banned for 10 days — from Aug 29 to Sept 7, inclusive.

The commission said its action was based "on the need for clarification of Westec's announcement of Aug 25, 1966 concerning trading in the company's stock." The SEC said

its action "was also based upon information which raises questions as to the accuracy of recent public announcements by the company concerning copper exploration in South America and other matters."

The Houston Post's Washington Bureau asked the SEC Wednesday whether it could elaborate on what the "other matters" were. A commission spokesman said the securities regulation agency could not.

**ORVAL L. DuBOIS**, secretary for information to the commission, remarked, "We are in a fortunate position in this matter in that the company is on our side."

"The company is going to co-operate to the fullest so that once the facts are disclosed we can lift the trading ban," DuBois added.

DuBois said the SEC does have plans to lift the trading ban "but just when is the big question." He noted that often a trading suspension for a specified period of time can be extended for additional periods.

**ASKED IF IT** were unlikely that the trading ban would be lifted before the audit is completed, DuBois commented, "That's pretty good speculation."

The Baker, Botts attorney, who is working at Westec's Houston headquarters with several other attorneys from the law firm, said he could give no estimate as to the length of time which would be required by Ernst & Ernst to complete the audit.

Asked if approximately two weeks might be a reasonable guess, he said "we would have to be optimistic to expect it to be finished in that time." But he didn't say whether they were optimistic.

Meanwhile, a Houston broker described the suspension of Westec's stock as "a real mess."

"I just imagine the SEC is going to check this thing from one end to the other," he said.

**THE BROKER** said he has made a record of all transactions his firm has ever handled in Westec's stock "for my

benefit just in case the SEC walks in and wants a list of our stock transactions in Westec."

Financial circles have reported that approximately half-a-dozen brokerage firms, about five of which are in Houston and one in New York, took orders totaling 160,000 shares from an unidentified individual about 10 days ago. It was reported he may have been acting for a group.

When the market value of the 160,000 shares dropped, along with the stock market as a whole, the intended purchaser of the stock notified the brokerage firms that he couldn't pay for the stock, financial circles said. The American Stock Exchange's board of governors suspended the stock's trading to prevent the 160,000 shares from being dumped on the declining market.

Westec's announcement Wednesday about the removal of its president and resignation of its board chairman was the first statement the company has made since last week.

**THE STATEMENT**, which came from Robert E. Moore, Westec's secretary, mentioned that Williams "has been retained to be on call to provide the executive committee with such information as they may request concerning the continuing operation of the company."

Members of the executive committee are W. W. Whinnell, of Chicago, an independent director; Paul Charrin, a vice president of Westec and chief executive officer of the Pan Geo Atlas Corp, a subsidiary of Westec; Bert V. Bock, president of the Camerina Petroleum Corp, acquired in late 1965, by Westec; James B. Riedel, president of WECO Petroleum, Inc, another Westec subsidiary, and Moore.

Members of the operating committee, headed by Beeman, are Bock, Wendell W. Gamel, president of the Metrics System Corp, part of Westec's Aerospace Group; Charrin, and John H. Van Alstyne.

