

ADMINISTRATIVE PROCEEDING
FILE NO. 3-717

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

In the Matter of

NATIONWIDE FAMILY PLANS, INC. (8-7508)
WILLIAM KILROY
LOUIS C. OSTRER

FILED

JAN 24 1968

SECURITIES & EXCHANGE COMMISSION

INITIAL DECISION

Irving Schiller
Hearing Examiner

Washington, D. C.
January 24, 1968

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NATIONWIDE FAMILY PLANS, INC. (8-7508) : INITIAL DECISION
WILLIAM KILROY :
LOUIS C. OSTRER :
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BEFORE: Irving Schiller, Hearing Examiner

APPEARANCES: Charles Snow, David Smith and John Phelan,
of the New York Regional Office of the
Commission, for the Division of
Trading and Markets

Barry Feiner of Feiner and Claris,
for Nationwide Family Plans, Inc.
and William Kilroy

Henry R. Bright, for Louis C. Ostrer

These are consolidated proceedings pursuant to Section 15(b) of the Securities Exchange Act of 1934 (Act) to determine whether Nationwide Family Plans, Inc. (registrant) willfully violated Sections 15(b) and 17(a) of the Exchange Act and Rules 15b3-1, 17a-3, 4 and 5 thereunder and whether Ben Wolf (Wolf), ^{1/} William Kilroy (Kilroy) and Louis C. Ostrer (Ostrer) willfully aided and abetted in the willful violations of the above-mentioned Sections and Rules and whether remedial action is appropriate in the public interest pursuant to Section 15(b) of the Act.

The order for proceedings alleges in substance that from and after March 8, 1963 registrant, aided and abetted by Kilroy and Ostrer, willfully violated the Exchange Act and the Rules thereunder by failing to file promptly amendments to its registration application to reflect certain information contained therein which had become inaccurate by changes which had occurred in the ownership of 10% or more of registrant's common stock, in the direct or indirect control of registrant, in the officers and directors of registrant and in the location of registrant's business office. The order further alleges that registrant, aided and

1/ Ben Wolf was named as a respondent in the first order for proceedings dated August 26, 1964. By order dated September 1, 1966 the Commission dismissed the proceedings with respect to the said respondent.

The references to the alleged violations referred to in the text relate to the Commission's order for proceedings dated July 21, 1966.

abetted by Kilroy and Ostrer, willfully violated the Exchange Act and the Rules thereunder in failing to file required reports of registrant's financial condition for the calendar years 1964 and 1965, failing to make, keep current, and preserve certain records specified in the order for proceedings which are required to be kept and maintained by the Act and the Rules thereunder.

After appropriate notice, hearings were held before the undersigned hearing examiner. Proposed findings of fact and conclusions of law and briefs in support thereof were filed by the New York Regional Office of the Commission and Ostrer.

The following findings and conclusions are based on the record, the documents and exhibits and the hearing examiner's observation of the various witnesses.

Registrant, a New York corporation, was organized March 16, 1959 and registered with this Commission as a broker and dealer pursuant to Section 15(b) of the Exchange Act on June 26, 1959. Registrant is engaged primarily in the sale of mutual funds. In March 1963 Kilroy purchased 75% of the outstanding stock of registrant for which he agreed to pay \$1500. Upon such acquisition Kilroy became president of registrant.

Failure to Disclose that Ostrer Directly or Indirectly Controlled the Business of Registrant

As delineated in the order for proceedings one of the issues in the case involves the failure to amend registrant's registration application to disclose that Ostrer directly or indirectly

controlled registrant. On the basis of the facts in the record the hearing examiner finds that, within the meaning of the Act and the Rules thereunder, Ostrer directly or indirectly controlled the business of registrant, that no amendment to registrant's registration application was filed to disclose such information and that such failure constituted a violation of the Act. We detail the circumstances which have led to this conclusion.

In 1959 shortly after his graduation from high school Kilroy was employed by registrant as a part-time clerical assistant. He terminated his employment after a year, worked at two other jobs unrelated to the securities business and late in 1961 or early 1962 was again employed by registrant as a full-time clerk. In about March 1963 Wolf, who owned the outstanding stock of registrant, entered into an agreement with Kilroy to sell registrant's stock for \$1500 which was to be paid from future profits. Kilroy testified registrant never earned any money, that for the years 1963 and 1964 registrant incurred losses and that he never paid Wolf. Registrant ceased operations during 1965.

In March 1963 when Kilroy acquired registrant the company was primarily engaged in the sale of mutual funds and had approximately twenty-five registered representatives, all of whom were working on a part-time basis. Kilroy testified that registrant's business had been steadily declining and in an effort to generate additional mutual fund business he went to Ostrer, for whom he had sold insurance, to discuss whether he could solicit business from

Ostrer's agents. Ostrer at that time was the general agent for two insurance companies, occupied two floors at 377 - 5th Avenue, New York City and had about forty insurance brokers. As a result of the discussion Ostrer and Kilroy concluded that registrant's representatives could be utilized to sell life insurance and Ostrer's agents could sell mutual funds and it would be mutually advantageous for registrant to move to Ostrer's office. Ostrer testified that the motivating factors in such a move as far as he was concerned was that his own insurance business could increase since registrant's salesmen could also sell insurance and registrant would be readily available to his insurance agents who also sold mutual funds. Ostrer not only believed he could generate additional insurance business from registrant's representatives but, as the record demonstrates, discerned the personal advantages in having registrant in his office.

Registrant moved into Ostrer's office early in March 1964. Soon after the move was accomplished Kilroy became dependent upon Ostrer financially and otherwise for not only registrant's existence but for his personal income as well. Ostrer put Kilroy on his payroll as an insurance salesman and gave him advances, against future commissions, of \$500 to \$600 a month. Ostrer provided registrant with free office space and supplied Kilroy with use of a telephone and receptionist without charge. Although Kilroy was unable to estimate registrant's gross business from mutual funds

for the year prior to the move the evidence shows that Ostrer and his wife, who were both registered representatives of registrant, sold in excess of \$100,000 mutual fund shares from March 1964 to the middle of 1965 constituting practically the bulk of registrant's gross business. Ostrer commenced loaning money to Kilroy for purposes never made clear in the record. The record is clear, however, that these debts rose to approximately \$20,000 during the 1964-65 period and as of the date of the hearing Kilroy was purportedly still indebted to Ostrer for approximately \$6,000. Both Ostrer and Kilroy testified that no notes were given by Kilroy or registrant for any of the loans nor was there any other evidence produced at the hearing concerning the indebtedness.

During the same period, the State of New York enacted a law requiring broker-dealers to have a minimum net capital of \$5,000. Neither Kilroy nor registrant possessed the funds necessary for registrant's continued existence. Ostrer thereupon gave Kilroy \$5,000 which Kilroy testified he considered as a personal loan which he contributed to registrant. The record discloses that no evidence of the so-called loan was ever given to Ostrer nor that the so-called loan was ever carried on registrant's books. Kilroy testified that Ostrer has never requested repayment and that if he (Kilroy) "never has \$5,000 he would never have to repay" Ostrer and the money would ultimately be considered a "gift."

In addition to supplying free office space and other

facilities to registrant Ostrer used registrant's checking account for his personal convenience or for motives related to his insurance business. Thus, the record shows that almost immediately upon registrant's entering Ostrer's premises Ostrer suggested that one Semour Greenfield (Greenfield), Ostrer's office manager and the individual who handled most of Ostrer's insurance, be made a co-signer on registrant's checks. On March 16, 1964 registrant adopted a resolution designating Greenfield as Secretary-Treasurer, giving Kilroy and Greenfield authority to sign checks and designating The Amalgamated Bank of New York as registrant's depository with the requirement that both Greenfield's and Kilroy's signatures appear on all checks. On May 29, 1964 registrant opened an account at the Franklin National Bank also requiring both Greenfield's and Kilroy's signatures. The bank account card listed Greenfield as Secretary. Kilroy testified the purpose of the arrangement was to facilitate the payment for securities delivered to registrant at times when Kilroy was present at Ostrer's office. However, it is clear from the record that Greenfield obtained Ostrer's approval before agreeing to act as registrant's secretary and that Ostrer was instrumental in having his right-hand man and trusted employee become a necessary signatory on registrant's checks. It is also apparent from the record that the arrangements for Greenfield to sign checks made it impossible for Kilroy to withdraw funds or issue checks for registrant's purposes without Greenfield's approval and as later events demonstrated permitted

Ostrer effectively to utilize registrant's bank account for his own purposes.

Thus, the record shows that in July and September 1964 registrant issued eight checks on its account at the Franklin National Bank totalling approximately \$29,000, all of which were issued at the request of Ostrer. Kilroy testified that seven of the checks were issued to Ostrer as an accommodation to him and that he received Ostrer's check or cash in exchange either the day he issued the check or within a day or two later. Two of such checks totalling \$11,775 were issued to an associate of Ostrer upon the latter's request and assurance or "guarantee" that the moneys would be repaid. Kilroy further testified that Ostrer never told him the purpose for which he was requesting registrant's checks, that he never knew Ostrer's reason for requesting the checks and that he gave Ostrer or his associate the various checks merely on Ostrer's request or Ostrer's "guarantee" of payment. None of the checks given to Ostrer related to registrant's business. In addition, registrant issued a check on September 10, 1964 in the amount of \$770 which purportedly contained Kilroy's signature but was in fact signed by Ostrer who admitted signing Kilroy's name but testified it was done with Kilroy's consent. Ostrer testified that two of the checks he received from registrant were "probably" requests he made for repayment of loans previously made to Kilroy and admitted that he directed Kilroy to make the checks payable to a third person. Ostrer in his testimony conceded he requested

Kilroy to exchange checks with him on several occasions. However, he testified he had no recollection of four of the checks given to him and denied they were given as an accommodation to him because his signature did not appear on the checks. Having admitted that he engaged in the practice of requesting Kilroy to exchange checks with him for his personal purposes Ostrer's denial that the checks were an accommodation to him is not acceptable to the hearing examiner and his testimony concerning the said checks is not credited. Moreover, the record shows that during the period January 1, 1964 to June 1, 1965 Ostrer had no personal bank account and that at least during a part of July 1964 an involuntary petition in bankruptcy had been filed against him.^{2/}

The question whether or not Ostrer directly or indirectly controlled registrant is an issue of fact "to be determined by the special circumstances in each case."^{3/} The term "control" or

^{2/} Ostrer testified that the involuntary petition was dismissed some time in July 1964 and that in November 1964 he filed voluntary petitions in bankruptcy for himself and his corporation which are pending in the Eastern and Southern Districts of New York respectively. In this connection it is noted that the latest date on the checks referred to in the text is September 29, 1964.

^{3/} Rochester Telephone Corp. v. United States, 307 U.S. 125, 145-6 (1939); Archer v. S.E.C., 133 F.2d 759, 799 (1943).

"controlling" is defined by Rule 17 CFR 240.12b-2 under the Act as "the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise!"^{4/} (Emphasis supplied.) The record, by a preponderance of the evidence, amply supports a finding by the hearing examiner that Ostrer possessed the power to direct or cause the direction of the management and policies of registrant within the meaning of the Rule. As noted earlier Kilroy was operating registrant at a loss and went to Ostrer seeking additional business from him and his insurance agents. Ostrer, who at the time was apparently running a successful insurance business, saw a means of increasing his own business and using registrant for his personal advantage. To accomplish this Ostrer provided not only free office space and additional facilities for registrant's operations but when registrant's existence was threatened by its inability to comply with the New York law requiring a minimum net capital of \$5,000 he supplied the necessary funds without even obtaining evidence of what he characterized as "loan." Ostrer did however take certain precautions to assure himself that registrant's operations were not completely under Kilroy's control. Greenfield, the individual who

^{4/} Control is similarly defined under the Securities Act of 1933, the Trust Indenture Act of 1939 and under the accounting regulations of the Commission. See 17 CFR 230.405; 17 CFR 260.0-2 and 17 CFR 210.1-02.

concededly was in charge of Ostrer's insurance business, was made secretary-treasurer of registrant with the power to co-sign registrant's checks, thus making it impossible for Kilroy to issue any checks without Greenfield's signature. Ostrer's consent was obtained by Greenfield before consenting to the arrangement. Of utmost significance is the fact that Ostrer could and did direct Kilroy to furnish him with funds from registrant's bank account for his personal use and for purposes totally unrelated to any of registrant's operations. It is clear from the record that Kilroy's primary source of income during this period came from Ostrer in the form of advances against commissions and that by virtue of the loans Ostrer made to Kilroy, for amounts up to as much as \$20,000, Kilroy was dependent upon Ostrer for his livelihood as well as for registrant's continued existence. Ostrer urges that the record fails to establish that Ostrer in any way directed, managed or supervised the policies of Kilroy or registrant and that at best the issuance by Kilroy of registrant's checks is merely indicative of "unbusinesslike conduct" on the part of Ostrer and Kilroy. The hearing examiner rejects these assertions. While no one of the many factors recited above, standing by itself, might warrant a finding that Ostrer controlled registrant we believe that the combination of all those factors, particularly his constant ability to obtain funds from registrant for his personal convenience, justifies a finding that he, directly and indirectly, had the

power to direct or cause the direction of the management and policies of registrant and within the meaning of the Act controlled registrant. No amendment to registrant's application for registration was filed to reflect the fact that Ostrer controlled registrant. The Commission has held that the application for registration is a basic and vital part in the administration of the provisions of the Act respecting brokers and dealers and that it is particularly essential to the efficacy of the regulatory scheme under the Act that a broker-dealer's application disclose controlling persons and that concealment of the real principals defeats the purpose of the registration provisions.^{5/} The hearing examiner concludes that registrant willfully violated Section 15(b) of the Act and Rule 15b3-1 thereunder by failing promptly to file an amendment to its registration application to reflect that since March 1964 Ostrer directly or indirectly controlled the business of registrant and that Kilroy and Ostrer willfully aided and abetted such violation.

^{5/} Financial Counsellors, Inc., 41 S.E.C. 926, 928 (April 1964); M. J. Merritt & Co., Inc., Securities and Exchange Act Release No. 7878 (May 2, 1966).

Failure to Disclose Information Relating to Ownership
of Registrant's Securities, Its Officers and
Directors and Location of Its Place of Business

As noted above, Kilroy entered into an agreement with Wolf to purchase the outstanding stock of registrant.^{6/} In March 1963, pursuant to the agreement, Wolf transferred the common stock of registrant to Kilroy and Kilroy testified he thereupon became president of registrant. No amendment to registrant's registration application was ever filed to reflect either of these events. Similarly, no amendment to registrant's registration application was ever filed to reflect that Greenfield had become secretary-treasurer of registrant on or about March 16, 1964.

On January 24, 1963 registrant filed an amendment to its registration application stating that its principal place of business was located at 110 W. 40th St., New York City, New York. In the fall of 1963 registrant was unable to pay its rent and moved its place of business to Brooklyn, New York occupying space at two locations in that borough until some time in 1964 when it moved to Ostrer's offices at 377 5th Avenue, New York City, New York. In

^{6/} Registrant's registration application filed May 1959 discloses that Wolf alone owned 10% or more of registrant's common stock. Wolf testified at the hearing that when registrant was originally formed he owned 75% of the stock and that a Mr. Fruman (not otherwise identified) owned the remaining 25% of the stock. Wolf further testified that thereafter and prior to March 1963 Fruman "went to jail" as a result of some difficulties and the certificates representing the 25% interest in registrant disappeared.

the early part of 1965 registrant moved its offices to the borough of Queens. From the fall of 1963 to the current date no amendment to registrant's registration application was ever filed to reflect the fact that applicant had moved its principal place of business on several occasions. The hearing examiner finds that registrant willfully violated Section 15(b) of the Act and Rule 15b3-1 thereunder in failing promptly to file amendments to its registration application to reflect that the information contained therein had become inaccurate by the changes which had occurred and failed specifically to reflect that Kilroy had become the owner of registrant's outstanding common stock, that Kilroy had become registrant's president, that Greenfield had become registrant's secretary-treasurer and that registrant had moved its principal place of business on several occasions. The hearing examiner further finds that Kilroy aided and abetted such violations and that Ostrer from and after March 16, 1964 aided and abetted such violations.

Failure to File Reports of Financial Condition

The order for proceedings alleges that registrant willfully violated Section 17(a) of the Act and Rule 17a-5 thereunder in failing to file annual reports for years 1964 and 1965. The Commission's files disclose that the last annual report of registrant's financial condition was filed for the period ended November 30, 1963. In December 1964 and November 1965 the New York Regional Office of the Commission sent letters to registrant informing it that it was required to file financial reports for

1964 and 1965 respectively. In March of 1965 and 1966 notices were sent by certified mail to registrant calling attention to the earlier letters and advising registrant that it was delinquent in filing the required financial reports for the years 1964 and 1965 respectively. The record shows that the March 1966 letter was returned to the Commission by the Post Office Department with the notation that registrant had moved without leaving a forwarding address. The hearing examiner finds that registrant, aided and abetted by Kilroy and Ostrer, willfully violated Section 17(a) of the Act and Rule 17a-5 thereunder in failing to file reports of its financial condition for the years 1964 and 1965.^{7/}

Failure to Maintain Books and Records

The order for proceedings also alleges registrant failed to make, keep current and preserve certain specified records as required by the Act and the Rules thereunder. The record discloses that on two occasions in March 1965 an examination was made of registrant's books and records by Commission staff investigators. Such examinations revealed that registrant's books and records failed to comply with the requirements of the record keeping rules in the following respects: (a) registrant's general ledger was posted only to October 31, 1964 and was not maintained on a current

^{7/} The hearing examiner takes official notice that the public files of the Commission reflect that no reports of financial condition have been filed for the years 1966 and 1967. However, since no allegation of such violations is set forth in the order for proceedings, no findings are made with respect thereto.

basis and the entries in such ledger were made on a monthly basis rather than on a daily basis as required; (b) registrant's customers' ledger was posted to January 1964 and not maintained on a current basis; (c) registrant's stock record was posted to January 7, 1965 and not maintained on a current basis; (d) registrant's cash receipts and disbursements book was posted only to January 1965 and the entries contained therein merely reflected dates and amounts of moneys received and paid but failed to properly describe the nature of such entries; and (e) that although registrant's check book stubs reflected the issuance of several checks during April through June 1964, apparently for the purchase of life insurance securities, no entries were made in any customer's account nor reflected in any other of registrant's books and records as required. The record is clear that registrant was doing business during the period from at least November 1964 through March 1965. The hearing examiner finds that registrant willfully violated Section 17(a) of the Act and Rule 17a-3 thereunder, that Kilroy willfully aided and abetted such violation and that Ostrer from and after March 1964 similarly willfully aided and abetted such violation.

In addition Kilroy testified that when he moved to Queens in 1965 he brought all of registrant's books and records to an office then under construction, which he proposed to occupy, left them there, and they "were lost." Kilroy's careless, indifferent or negligent conduct regarding compliance with the

Commission's rules relating to the preservation of records justifies a finding of willful violation by registrant, aided and abetted by Kilroy. Accordingly, the hearing examiner finds that registrant willfully violated Section 17(a) of the Act and Rule 17a-4 thereunder and Kilroy willfully aided and abetted such violation.

Public Interest

The remaining question is what, if any, remedial action is appropriate in the public interest. It is evident from the record that registrant was being operated as an adjunct to the insurance business in which Kilroy and Ostrer were primarily interested in and from which they derived their income. Ostrer testified that his insurance firm wrote between \$20,000,000 and \$30,000,000 of insurance a year during the period from 1963 through 1965 and that the gross premium income for 1963 was approximately \$500,000 and for the years 1964 and 1965 such premium income was approximately \$600,000. The evidence shows that during this same period registrant was losing money from its operations. Kilroy testified his primary source of income was derived from selling insurance. The evidence is overwhelming that at least from 1963, after Kilroy acquired registrant, no effort was made to comply with the Commission's record keeping requirements or other rules and regulations governing the conduct of broker-dealers. The evidence clearly demonstrates that registrant's bank account was being used by Kilroy and Ostrer for their personal objectives and for purposes

wholly unrelated to its business as a broker-dealer. In the Special Study Report of the Securities Markets the Commission pointed out that the right and privilege to carry on the functions of a broker-dealer which involves the public investor should be available to those who shall have demonstrated among other things their ability to meet at least minimal standards of integrity and competence.^{8/} The record in the instant case amply demonstrates that registrant has willfully violated the Act and the Rules thereunder, that it has been operated primarily for purposes other than the business of a broker-dealer and that public investors should be protected from a broker-dealer who not only is in violation of the Act but manifests lack of knowledge of or unwillingness to comply with the law. The hearing examiner concludes that it is appropriate in the public interest that registrant's registration application be revoked.

The hearing examiner finds that both Kilroy and Ostrer have shown that they lack understanding of the functions of a broker-dealer and have, by their conduct in connection with registrant's business as reflected above, evinced either a deliberate intention to mask their activities by not complying with the Act and Rules and Regulations thereunder or an inability to understand and appreciate the high standards of conduct required of those

^{8/} See House Document No. 95, Pt. 5, 88th Cong., 1st Session, pp. 37-40.

engaged in the securities business. Under either circumstances the hearing examiner concludes that the imposition of a sanction is appropriate in the public interest. The Division in its original brief stated that in view of the willful violations it is in the public interest to suspend Kilroy and Ostrer from association with any broker-dealer for a period of not less than one year. Thereafter the Division, pursuant to leave granted by the hearing examiner, filed an amended proposed findings of fact and conclusions of law requesting the hearing examiner to find that Kilroy had been indicted by a Grand Jury in New York County, New York for criminally receiving stolen property and grand larceny and that two indictments were returned against Ostrer in the same County charging him with criminally receiving and concealing stolen property, forgery, and grand larceny. The hearing examiner, pursuant to Rule 14(d) of the Commission's Rules of Practice, takes official notice of the three indictments returned by the Grand Juries, County of New York, State of New York.^{9/} In its amended brief the Division requests the imposition of the "more severe sanctions of barring orders against the defendants Kilroy and Ostrer." In support of its amended request the Division urges that both Kilroy and Ostrer testified concerning their character

9/ People of the State of New York v. Kilroy, File No. 2664-67;
People of the State of New York v. Ostrer, File No. 3032-67;
People of the State of New York v. Ostrer, File No. 3030-67.

and reputation which evidence "is clouded" by the indictments. It is obvious that the Division has determined that the sanctions it previously sought are insufficient and reached its conclusions solely on the basis of the indictments returned against the respondents. The Commission and the Courts have consistently held that proceedings under the Act are not punitive in nature but rather that the sanctions imposed on a broker-dealer are a means to protect the public interest.^{10/} Although the hearing examiner does not agree with the Division that the return of indictments against respondents in and of themselves should form the basis for the imposition of "more severe sanctions" it is unnecessary to determine this matter in these proceedings. The hearing examiner has given careful consideration to the matter of sanctions appropriate in the public interest and has determined that, notwithstanding the indictments, the record provides ample basis for the conclusion that barring both respondents from association with a broker or dealer is in the public interest. The violations found by the hearing examiner are serious and the evidence in the record demonstrates that Kilroy lacks the experience and understanding of the functions of a broker-dealer, does not possess the minimum qualifications requisite of one who is to engage in the securities business,^{11/} and has willfully aided and

^{10/} Blaise D'Antoni & Associates v. S.E.C., 289 F.2d 276, 277 (C.A.5, 1961), rehearing denied 290 F.2d 688.

^{11/} See Rule 15b8-1 under the Act.

abetted in registrant's failure to comply with the filing and reporting requirements. We have noted earlier the Commission's decisions concerning the necessity for brokers and dealers to comply with the filing and reporting requirements of the Act.^{12/} For the reasons stated above the hearing examiner concludes that Kilroy should not be permitted to associate with a broker or dealer.

The hearing examiner found that Ostrer also has aided and abetted registrant's violations, that he used registrant for his personal purposes and that he made no attempt to disclose his control of registrant. Ostrer like Kilroy shows a lack of understanding of the securities business and the necessity for complying with the Act and the Rules thereunder. In determining that Kilroy and Ostrer should be barred from association with a broker-dealer the hearing examiner has given no weight to the pending indictments against either of them. The hearing examiner concludes it is appropriate in the public interest that Kilroy and Ostrer should be barred from being associated with a broker or dealer.^{13/}

Accordingly,

IT IS ORDERED that the registration as a broker and dealer of Nationwide Family Plans, Inc. be, and it hereby is,

^{12/} Footnote 5, supra.

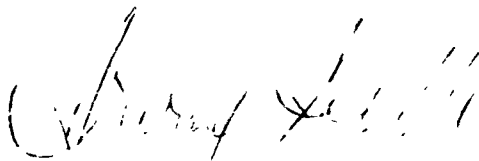
^{13/} To the extent proposed findings and conclusions submitted by the parties are in accord with the views set forth herein they are sustained and to the extent they are inconsistent therewith they are expressly overruled.

revoked, and

IT IS FURTHER ORDERED that William Kilroy and Louis B. Ostrer be, and they hereby are, barred from being associated with a broker or dealer.

This order shall become effective in accordance with and subject to the provisions of Rule 17(f) of the Commissions Rules of Practice.

Pursuant to Rule 17(b) of the Commission's Rules of Practice a party may file a petition for Commission review of this initial decision within 15 days after service thereof on him. Pursuant to Rule 17(f) this initial decision shall become the final decision of the Commission as to each party unless he files a petition for review pursuant to Rule 17(b) or the Commission, pursuant to Rule 17(c) determines on its own initiative to review this initial decision as to him. If a party timely files a petition for review or the Commission takes action to review as to a party, this initial decision shall not become final with respect to that party.



Irving Schiller
Hearing Examiner

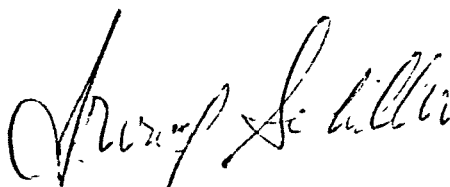
UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

January 29, 1968

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In the Matter of	:	
	:	INITIAL DECISION
NATIONWIDE FAMILY PLANS, INC. (8-7508)	:	
WILLIAM KILROY	:	ERRATA
LOUIS C. OSTRER	:	
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Please take notice that the following change should
be made in the above-entitled initial decision dated
January 24, 1968:

Insert the word "not" after the word "was" in
line 17 on page 6.



Irving Schiller
Hearing Examiner