

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**  
**September 5, 2008**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-13160**

**In the Matter of**

**Karts International, Inc.,  
Keith Group of Companies, Inc., and  
KMS Industries, Inc.,**

**Respondents.**

**ORDER INSTITUTING  
PROCEEDINGS AND NOTICE OF  
HEARING PURSUANT TO SECTION  
12(j) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**I.**

The Securities and Exchange Commission (“Commission”) deems it necessary and appropriate for the protection of investors that public administrative proceedings be, and hereby are, instituted pursuant to Section 12(j) of the Securities Exchange Act of 1934 (“Exchange Act”) against Respondents Karts International, Inc., Keith Group of Companies, Inc., and KMS Industries, Inc.

**II.**

After an investigation, the Division of Enforcement alleges that:

**A. RESPONDENTS**

1. Karts International, Inc. (CIK No. 1010077) is a Nevada corporation located in Hammond, Louisiana with a class of equity securities registered with the Commission pursuant to Exchange Act Section 12(g). Karts is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed a Form 10-Q for the period ended September 30, 2001, which reported a net loss of over \$4.9 million for the prior nine months.

2. Keith Group of Companies, Inc. (CIK No. 803656) is a void Delaware corporation located in Hallandale, Florida with a class of equity securities registered with the Commission pursuant to Exchange Act Section 12(g). Keith Group is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed a Form 10-Q for the period ended May 31, 1994.

3. KMS Industries, Inc. (CIK No. 56356) is a forfeited Delaware corporation located in Ann Arbor, Michigan with a class of equity securities registered with the Commission pursuant to Exchange Act Section 12(g). KMS is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed a Form 10-QSB for the period ended September 30, 2006, which reported a net loss of \$500,000 for the prior nine months.

#### B. DELINQUENT PERIODIC FILINGS

4. As discussed in more detail above, all of the respondents are delinquent in their periodic filings with the Commission (*see* Chart of Delinquent Filings, attached hereto as Appendix 1), have repeatedly failed to meet their obligations to file timely periodic reports, and failed to heed delinquency letters sent to them by the Division of Corporation Finance requesting compliance with their periodic filing obligations or, through their failure to maintain a valid address on file with the Commission as required by Commission rules, did not receive such letters.

5. Exchange Act Section 13(a) and the rules promulgated thereunder require issuers of securities registered pursuant to Exchange Act Section 12 to file with the Commission current and accurate information in periodic reports, even if the registration is voluntary under Section 12(g). Specifically, Rule 13a-1 requires issuers to file annual reports, and Rule 13a-13 requires issuers to file quarterly reports.

6. As a result of the foregoing, Respondents failed to comply with Exchange Act Section 13(a) and Rules 13a-1 and 13a-13 thereunder.

### III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate for the protection of investors that public administrative proceedings be instituted to determine:

A. Whether the allegations contained in Section II are true and, in connection therewith, to afford the Respondents an opportunity to establish any defenses to such allegations; and,

B. Whether it is necessary and appropriate for the protection of investors to suspend for a period not exceeding twelve months, or revoke the registration of each class of securities of the Respondents identified in Section II registered pursuant to Section 12 of the Exchange Act.

### IV.

IT IS HEREBY ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice [17 C.F.R. § 201.110].

IT IS HEREBY FURTHER ORDERED that Respondents shall file an Answer to the allegations contained in this Order within ten (10) days after service of this Order, as provided by Rule 220(b) of the Commission's Rules of Practice [17 C.F.R. § 201.220(b)].

If Respondents fail to file the directed Answers, or fail to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against them upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f), and 310 of the Commission's Rules of Practice [17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f), and 201.310].

This Order shall be served forthwith upon Respondents personally or by certified, registered, or Express Mail, or by other means of verifiable delivery.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 120 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice [17 C.F.R. § 201.360(a)(2)].

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Florence E. Harmon  
Acting Secretary

Attachment

## Appendix 1

### Chart of Delinquent Filings *In the Matter of Karts International, Inc., et al.*

Company Name	Form Type	Period Ended	Due Date	Date Received	Months Delinquent (rounded up)
<b><i>Karts International, Inc.</i></b>					
	<i>10-KSB</i>	12/31/01	04/01/02	Not filed	77
	<i>10-QSB</i>	03/31/02	05/15/02	Not filed	76
	<i>10-QSB</i>	06/30/02	08/14/02	Not filed	73
	<i>10-QSB</i>	09/30/02	11/14/02	Not filed	70
	<i>10-KSB</i>	12/31/02	03/31/03	Not filed	66
	<i>10-QSB</i>	03/31/03	05/15/03	Not filed	64
	<i>10-QSB</i>	06/30/03	08/14/03	Not filed	61
	<i>10-QSB</i>	09/30/03	11/14/03	Not filed	58
	<i>10-KSB</i>	12/31/03	03/30/04	Not filed	54
	<i>10-QSB</i>	03/31/04	05/17/04	Not filed	52
	<i>10-QSB</i>	06/30/04	08/16/04	Not filed	49
	<i>10-QSB</i>	09/30/04	11/15/04	Not filed	46
	<i>10-KSB</i>	12/31/04	03/31/05	Not filed	42
	<i>10-QSB</i>	03/31/05	05/16/05	Not filed	40
	<i>10-QSB</i>	06/30/05	08/15/05	Not filed	37
	<i>10-QSB</i>	09/30/05	11/14/05	Not filed	34
	<i>10-KSB</i>	12/31/05	03/31/06	Not filed	30
	<i>10-QSB</i>	03/31/06	05/15/06	Not filed	28
	<i>10-QSB</i>	06/30/06	08/14/06	Not filed	25
	<i>10-QSB</i>	09/30/06	11/14/06	Not filed	22
	<i>10-KSB</i>	12/31/06	04/02/07	Not filed	17
	<i>10-QSB</i>	03/31/07	05/15/07	Not filed	16
	<i>10-QSB</i>	06/30/07	08/14/07	Not filed	13
	<i>10-QSB</i>	09/30/07	11/14/07	Not filed	10
	<i>10-KSB</i>	12/31/07	03/30/08	Not filed	6
	<i>10-Q<sup>1</sup></i>	03/31/08	05/16/08	Not filed	4
	<i>10-Q</i>	06/30/08	08/15/08	Not filed	1
Total Filings Delinquent		27			

<sup>1</sup>Regulation S-B and its accompanying forms, including Forms 10-QSB and 10-KSB, are in the process of being removed from the federal securities laws. See Release No. 34-56994 (Dec. 19, 2007). The removal is taking effect over a transition period that will conclude on March 15, 2009, so by that date, all reporting companies that previously filed their periodic reports on Forms 10-QSB and 10-KSB will be required to use Forms 10-Q and 10-K instead. Forms 10-QSB and 10-KSB will no longer be available, though issuers that meet the definition of a "smaller reporting company" (generally, a company that has less than \$75 million in public equity float as of the end of its most recently completed second fiscal quarter) will have the option of using new, scaled disclosure requirements that Regulation S-K now includes.

Company Name	Form Type	Period Ended	Due Date	Date Received	Months Delinquent (rounded up)
<b>Keith Group of Companies, Inc.</b>	10-K	08/31/94	11/29/94	Not filed	166
	10-Q	11/30/94	01/16/95	Not filed	164
	10-Q	02/28/95	04/14/95	Not filed	161
	10-Q	05/31/95	07/17/95	Not filed	158
	10-K	08/31/95	11/29/95	Not filed	154
	10-Q	11/30/95	01/16/96	Not filed	152
	10-Q	02/28/96	04/15/96	Not filed	149
	10-Q	05/31/96	07/15/96	Not filed	146
	10-K	08/31/96	11/29/96	Not filed	142
	10-Q	11/30/96	01/14/97	Not filed	140
	10-Q	02/28/97	04/14/97	Not filed	137
	10-Q	05/31/97	07/15/97	Not filed	134
	10-K	08/31/97	12/01/97	Not filed	129
	10-Q	11/30/97	01/14/98	Not filed	128
	10-Q	02/28/98	04/14/98	Not filed	125
	10-Q	05/31/98	07/15/98	Not filed	122
	10-K	08/31/98	11/30/98	Not filed	118
	10-Q	11/30/98	01/14/99	Not filed	116
	10-Q	02/28/99	04/14/99	Not filed	113
	10-Q	05/31/99	07/15/99	Not filed	110
	10-K	08/31/99	11/29/99	Not filed	106
	10-Q	11/30/99	01/14/00	Not filed	104
	10-Q	02/29/00	04/14/00	Not filed	101
	10-Q	05/31/00	07/17/00	Not filed	98
	10-K	08/31/00	11/29/00	Not filed	94
	10-Q	11/30/00	01/16/01	Not filed	92
	10-Q	02/28/01	04/16/01	Not filed	89
	10-Q	05/31/01	07/16/01	Not filed	86
	10-K	08/31/01	11/29/01	Not filed	82
	10-Q	11/30/01	01/14/02	Not filed	80
	10-Q	02/28/02	04/15/02	Not filed	77
	10-Q	05/31/02	07/15/02	Not filed	74
	10-K	08/31/02	11/29/02	Not filed	70
	10-Q	11/30/02	01/14/03	Not filed	68
	10-Q	02/28/03	04/14/03	Not filed	65
	10-Q	05/31/03	07/15/03	Not filed	62
	10-K	08/31/03	12/01/03	Not filed	57
	10-Q	11/30/03	01/14/04	Not filed	56
	10-Q	02/28/04	04/13/04	Not filed	53
	10-Q	05/31/04	07/15/04	Not filed	50
10-K	08/31/04	11/29/04	Not filed	46	
10-Q	11/30/04	01/14/05	Not filed	44	
10-Q	02/28/05	04/14/05	Not filed	41	
10-Q	05/31/05	07/15/05	Not filed	38	

<b>Company Name</b>	<b>Form Type</b>	<b>Period Ended</b>	<b>Due Date</b>	<b>Date Received</b>	<b>Months Delinquent (rounded up)</b>
	<i>10-K</i>	08/31/05	11/29/05	Not filed	34

Company Name	Form Type	Period Ended	Due Date	Date Received	Months Delinquent (rounded up)
<b>Keith Group of</b>					
	10-Q	11/30/05	01/16/06	Not filed	32
	10-Q	02/28/06	04/14/06	Not filed	29
	10-Q	05/31/06	07/17/06	Not filed	26
	10-K	08/31/06	11/29/06	Not filed	22
	10-Q	11/30/06	01/16/07	Not filed	20
	10-Q	02/28/07	04/16/07	Not filed	17
	10-Q	05/31/07	07/16/07	Not filed	14
	10-K	08/31/07	11/29/07	Not filed	10
	10-Q	11/30/07	01/14/08	Not filed	8
	10-Q	02/28/08	04/14/08	Not filed	5
	10-Q	05/31/08	07/16/08	Not filed	2
Total Filings Delinquent	56				

**KMS Industries, Inc.**

10-KSB	12/31/96	03/31/97	Not filed	138
10-QSB	03/31/97	05/15/97	Not filed	136
10-QSB	06/30/97	08/14/97	Not filed	133
10-QSB	09/30/97	11/14/97	Not filed	130
10-KSB	12/31/97	03/31/98	Not filed	126
10-QSB	03/31/98	05/15/98	Not filed	124
10-QSB	06/30/98	08/14/98	Not filed	121
10-QSB	09/30/98	11/16/98	Not filed	118
10-KSB	12/31/98	03/31/99	Not filed	114
10-QSB	03/31/99	05/17/99	Not filed	112
10-QSB	06/30/99	08/16/99	Not filed	109
10-QSB	09/30/99	11/15/99	Not filed	106
10-KSB	12/31/99	03/30/00	Not filed	102
10-QSB	03/31/00	05/15/00	Not filed	100
10-QSB	06/30/00	08/14/00	Not filed	97
10-QSB	09/30/00	11/14/00	Not filed	94

Company Name	Form Type	Period Ended	Due Date	Date Received	Months Delinquent (rounded up)
<b>KMS Industries, Inc.</b>					
	10-KSB	12/31/00	04/02/01	Not filed	89
	10-QSB	03/31/01	05/15/01	Not filed	88
	10-QSB	06/30/01	08/14/01	Not filed	85
	10-QSB	09/30/01	11/14/01	Not filed	82
	10-KSB	12/31/01	04/01/02	Not filed	77
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	10-QSB	06/30/02	08/14/02	Not filed	73
	10-QSB	09/30/02	11/14/02	Not filed	70
	10-KSB	12/31/02	03/31/03	Not filed	66
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	10-QSB	09/30/07	11/14/07	Not filed	10
	10-KSB	12/31/07	03/30/08	Not filed	6
	10-Q	03/31/08	05/16/08	Not filed	4
	10-Q	06/30/08	08/15/08	Not filed	1
Total Filings Delinquent	47				