

# SEC NEWS DIGEST

Issue 99-145

July 29, 1999

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## COMMISSION ANNOUNCEMENTS

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### SEC, NYSE AND NASD ISSUE JOINT STATEMENT ON BROKER-DEALER RISK MANAGEMENT PRACTICES

The examination staffs of the Commission, the New York Stock Exchange, and NASD Regulation, Inc. today issued a joint statement on broker-dealer risk management practices. The statement provides examples of material weaknesses in the policies and practices employed by certain broker-dealers to manage risk and examples of sound practices that were noted during on-site examinations of broker-dealers' risk management practices conducted over the past several years.

The "Broker-Dealer Risk Management Practices Joint Statement" reemphasizes to management throughout the broker-dealer community the importance of maintaining an appropriate risk management system geared to a firm's business activities. Additionally, in recognition of the increased importance of this function, the examination staffs of the SEC, NYSE and NASDR stated that they will increase their emphasis on the review of risk management controls during regulatory examinations.

Lori Richards, Director of SEC's Office of Compliance Inspections and Examinations, said, "We urge all broker-dealers to read the Joint Statement and reexamine their own internal controls practices and procedures. As firms grow and change, they must ensure that their risk management programs keep pace. Experience shows the benefits of sound internal controls."

Edward Kwalwasser, NYSE Group Executive Vice President in Charge of Regulation, said, "Given the complexity of our business and proliferation of new products, it is imperative that risk controls are in place and managed at the highest level of the organization and that they are constantly re-examined to keep pace with the firm's business."

Elisse Walter, Chief Operating Officer of NASD Regulation, said, "Risk management procedures implemented by member firms are critical to the protection of investors and the integrity of the market. I am pleased with the collaborative effort of the NASD, SEC and NYSE

task force and am confident that the recommendations outlined in the joint statement will be helpful to senior management in the securities industry."

Text of the Joint Statement is available on the SEC website at: <www.sec.gov>. (Press Rel. 99-85)

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## **RULES AND RELATED MATTERS**

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### **ORDER CANCELLING REGISTRATIONS OF 14 TRANSFER AGENTS**

The Commission has issued a release cancelling the registrations of 14 transfer agents pursuant to Section 17A(c)(4)(B) of the Securities Exchange Act of 1934. The Commission found that these transfer agents either are no longer in existence or have ceased doing business as a transfer agent. (Rel. 34-41651)

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## **ENFORCEMENT PROCEEDINGS**

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### **SEC SEEKS REVOCATION OF MICROCAP COMPANY'S STOCK REGISTRATION**

On July 28, the Commission instituted public administrative proceedings pursuant to Section 12(j) of the Securities Exchange Act of 1934 against Great White Marine & Recreation, Inc. (Great White), a Waco, Texas company whose common stock is registered with the Commission pursuant to Section 12(g) of the Exchange Act seeking to revoke the registration of its securities. In the Order, the staff alleged that, in connection with its unregistered distribution, Great White, in a Form 10 filed with the Commission, and in press releases, promotional brochures and postings to the company's Internet website, has made false and misleading statements concerning its financial condition and business prospects, purported audits of the company's financial statements, the number of Great White shares issued and outstanding and sales of the company's stock, and the background of its officers, directors and principal management.

The Commission has simultaneously announced the filing of a civil injunctive action on July 28 in the U.S. District Court for the Western District of Texas against Great White and Great White's president and CEO, A. Colin Smith (Smith). The complaint charges, among other things, that Great White has engaged in a massive, unregistered distribution of some 14 million shares of its common stock from which the company has received approximately \$11 million, and that Smith has misappropriated approximately \$3.5 million of these funds for his personal purposes. (Rel. 34-41667; File No. 3-9942)

## TEMPORARY RESTRAINING ORDER SOUGHT AGAINST PRIME BANK SCHEME TARGETED AT MUNICIPALITIES

On July 28, the Commission filed a civil action seeking a temporary restraining order against Alamin, Inc., Financial Resources, George L. Vaughn and Curt Arvidson in connection with a scheme in which the defendants have offered to sell at least \$649 million in interests in a prime bank trading program to at least 23 municipalities located primarily in the western United States. None of these municipalities have actually invested in the scheme.

The complaint alleges the defendants required interested municipalities to provide lists of projects those governments would like to fund using the proceeds which would be earned from the trading program; the defendants then approved investment in the program in the amount equal to the cost of the municipal projects. It is further alleged that the defendants required the municipalities to place liquid assets into a trust which would be administered by the defendants; the defendants would then use the assets as collateral for funds which would be invested in the prime bank trading program yielding returns of up to 130% a month with no risk of loss. The complaint also alleges the defendants represented the program was endorsed by the International Monetary Fund, which supposedly was a participant in the program. The complaint alleges that Vaughn and Arvidson solicited investments through personal contact with the elected officials of, primarily, smaller cities and counties in Utah, Idaho, California, Washington and Oregon, although municipalities in Oklahoma, North Dakota, Ohio and South Carolina were also approached about investing in the program.

The Commission alleges that through their conduct, the defendants are violating the securities registration and antifraud provisions of Sections 5(c) and 17(a) of the Securities Act of 1933. [SEC v. Alamin, Inc. et al., Docket No. 2:99CV-576J, USDC Utah] (LR-16224)

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### SELF-REGULATORY ORGANIZATIONS

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### PARTIAL ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission granted partial accelerated approval to a proposed rule change submitted by the New York Stock Exchange (SR-NYSE-99-29) under Rule 19b-4 instituting a pilot program relating to the continued listing standards. (Rel. 34-41648)

### IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGES

A proposed rule change (SR-CBOE-99-33) filed by the Chicago Board Options Exchange relating to the market-maker surcharge fee schedule has become immediately effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934. Publication of the proposal is expected in the Federal Register during the week of August 2, 1999. (Rel. 34-41649)

A proposed rule change (SR-CBOE-99-36) filed by the Chicago Board Options Exchange relating to the market-maker surcharge fee schedule has become immediately effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934. Publication of the proposal is expected in the Federal Register during the week of August 2, 1999. (Rel. 34-41650)

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## SECURITIES ACT REGISTRATIONS

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The following registration statements have been filed with the SEC under the Securities Act of 1933. The reported information appears as follows: Form, Name, Address and Phone Number (if available) of the issuer of the security; Title and the number and/or face amount of the securities being offered; Name of the managing underwriter or depositor (if applicable); File number and date filed; Assigned Branch; and a designation if the statement is a New Issue.

Registration statements may be obtained in person or by writing to the Commission's Public Reference Branch at 450 Fifth Street, N.W., Washington, D.C. 20549 or at the following e-mail box address: <publicinfo@sec>. In most cases, this information is also available on the Commission's website: <www.sec.gov>.

- S-B ISRAEL STATE OF, 800 SECOND AVENUE 17TH FLOOR, NEW YORK, NY 10017  
(212) 560-0600 - \$125,000,000 STRAIGHT BONDS. (FILE 333-10608 - JUL. 19)  
(BR. 99)
- S-B ISRAEL STATE OF, 800 SECOND AVENUE 17TH FLOOR, NEW YORK, NY 10017  
(212) 560-0600 - \$150,000,000 FOREIGN NON-CONVERTIBLE BONDS. (FILE  
333-10610 - JUL. 19) (BR. 99)
- S-1 EGAIN COMMUNICATIONS CORP, 624 EAST EVELYN AVE, SUNNYVALE, CA 94086 -  
\$60,000,000 COMMON STOCK. (FILE 333-83439 - JUL. 22) (BR. 3)
- S-1 NETCENTIVES INC, 690 FIFTH STREET, SAN FRANCISCO, CA 94107  
(415) 538-1888 - \$69,000,000 COMMON STOCK. (FILE 333-83443 - JUL. 22)  
(BR. 8)
- S-8 LINC CAPITAL INC, 303 E WACKER DR STE 1000, CHICAGO, IL 60601  
(312) 945-1000 - 1,300,277 (\$10,481,803) COMMON STOCK. (FILE 333-83447 -  
JUL. 22) (BR. 7)
- S-3 AMERICAN GENERAL FINANCE CORP, 601 N W SECOND ST, EVANSVILLE, IN 47708  
(812) 424-8031 - 3,000,000,000 (\$3,000,000,000) STRAIGHT BONDS. (FILE  
333-83449 - JUL. 22) (BR. 7)
- S-8 IJNT INTERNATIONAL INC, 13405 NW FREEWAY, SUITE 228, HOUSTON, TX 77095  
(713) -46-2-42 - 1,000,000 (\$4,156,000) COMMON STOCK. (FILE 333-83453 -  
JUL. 22) (BR. 9)
- S-8 CERIDIAN CORP, 8100 34TH AVE S, MINNEAPOLIS, MN 55425 (612) 853-8100 -  
861,425 (\$24,757,699.07) COMMON STOCK. (FILE 333-83455 - JUL. 22) (BR. 3)
- S-8 DSP GROUP INC /DE/, 3120 SCOTT BLVD, SANTA CLARA, CA 95054  
(408) 986-4300 - 500,000 (\$18,625,000) COMMON STOCK. (FILE 333-83457 -  
JUL. 22) (BR. 6)
- S-8 DSP GROUP INC /DE/, 3120 SCOTT BLVD, SANTA CLARA, CA 95054  
(408) 986-4300 - 100,000 (\$3,725,000) COMMON STOCK. (FILE 333-83459 -  
JUL. 22) (BR. 6)

S-8 CINERGY CORP, 139 E FOURTH ST, CINCINNATI, OH 45202 (513) 287-2291 -  
75,000 (\$2,348,437.50) COMMON STOCK. (FILE 333-83461 - JUL. 22) (BR. 2)

S-8 GERBER SCIENTIFIC INC, 83 GERBER RD WEST, SOUTH WINDSOR, CT 06074  
(860) 644-1551 - 2,000,000 (\$47,625,000) COMMON STOCK. (FILE 333-83463 -  
JUL. 22) (BR. 5)

S-3 CONSECO INC, 11825 N PENNSYLVANIA ST, CARMEL, IN 46032 (317) 817-6100  
(FILE 333-83465 - JUL. 22) (BR. 1)

S-3 OXBORO MEDICAL INTERNATIONAL INC, 13828 LINCOLN ST N E, HAM LAKE, MN  
55304 (612) 755-9516 - 874,862 (\$1,071,706) COMMON STOCK. 437,431  
(\$21,872) PREFERRED STOCK. 437,431 (\$1,202,935) COMMON STOCK. (FILE  
333-83469 - JUL. 22) (BR. 5)

S-8 IPSWICH BANCSHARES INC, 23 MARKET STREET, IPSWICH, MA 01938  
(978) 356-7777 - 296,698 (\$2,939,535.44) COMMON STOCK. (FILE 333-83471 -  
JUL. 22) (BR. 9)

S-8 HELLO DIRECT INC /DE/, 5884 EDEN PARK PLACE, SAN JOSE, CA 95138  
(408) 363-5051 - 300,000 (\$2,981,250) COMMON STOCK. (FILE 333-83473 -  
JUL. 22) (BR. 2)

S-8 THOUSAND TRAILS INC /DE/, 2711 LBJ FREEWAY, SUITE 200, DALLAS, TX 75234  
(972) 243-2228 - 25,000 (\$115,625) COMMON STOCK. (FILE 333-83475 -  
JUL. 22) (BR. 8)

S-3 COLUMBUS MCKINNON CORP, 140 JOHN JAMES AUDUBON PKWY, AMHERST, NY 14228  
(716) 689-5400 - 844,515 (\$20,825,740) COMMON STOCK. (FILE 333-83489 -  
JUL. 22) (BR. 5)

S-1 TIBCO SOFTWARE INC, 3165 PORTER DRIVE, PALO ALTO, CA 94304  
(650) 846-5000 - 6,750,000 (\$224,859,375) COMMON STOCK (FILE 333-83491 -  
JUL. 22) (BR. 3)

S-1 INTRALINKS INC, 1372 BROADWAY, FLOOR 12A, NEW YORK, NY 10018  
(212) 543-7700 - \$50,000,000 COMMON STOCK. (FILE 333-83493 - JUL. 22)

S-8 TUT SYSTEMS INC, 2495 ESTAND WAY, PLEASANT HILL, CA 94523 (925) 682-6510  
- 2,220,820 (\$62,958,700) COMMON STOCK. (FILE 333-83495 - JUL. 22)  
(BR. 7)

S-3 NATIONAL FUEL GAS CO, 10 LAFAYETTE SQ, BUFFALO, NY 14203 (716) 857-6980  
- \$625,000,000 COMMON STOCK. (FILE 333-83497 - JUL. 22) (BR. 2)

S-3 BANK OF AMERICA CORP /DE/, NATIONS BANK CORPORATE CENTER, 100 N TRYON ST,  
CHARLOTTE, NC 28255 (704) 386-5000 (FILE 333-83503 - JUL. 22) (BR. 7)

S-8 PILGRIM CAPITAL CORP, TWO RENAISSANCE SQUARE,  
40 N CENTRAL AVE SUITE 1200, PHOENIX, AZ 85004 (602) 417-8100 - 250,000  
(\$6,000,000) COMMON STOCK. (FILE 333-83505 - JUL. 22) (BR. 7)

S-1 CERENT CORP, 1450 N MCDOWELL BLVD, PETALUMA, CA 94954 (707) 793-9055 -  
\$100,000,000 COMMON STOCK. (FILE 333-83507 - JUL. 22) (NEW ISSUE)

S-4 TELLABS INC, 4951 INDIANA AVE, LISLE, IL 60532 (630) 378-8800 -  
10,890,152 (\$11,419,800) COMMON STOCK. (FILE 333-83509 - JUL 22) (BR. 7)

S-8 ALLIEDSIGNAL INC, 101 COLUMBIA RD, PO BOX 4000, MORRISTOWN, NJ 07962  
(201) 455-2000 - 38,123,477 (\$1,513,808,637) COMMON STOCK. (FILE  
333-83511 - JUL. 22) (BR. 5)

S-1 PRICELINE COM INC, FIVE HIGH RIDGE PARK, STAMFORD, CT 06905  
(203) 705-3000 - 6,325,000 (\$564,126,750) COMMON STOCK. 287,500,000  
(\$287,500,000) CONVERTIBLE DEBENTURES AND NOTES. (FILE 333-83513 -  
JUL. 23) (BR. 3)

S-1 TIVO INC, C/O COOLEY GODWARD LLP,  
FIVE PALO ALTO SQUARE 3000 EL CAMINO REA, PALO ALTO, CA 94306  
(408) 747-6080 - \$80,000,000 COMMON STOCK. (FILE 333-83515 - JUL 22)  
(NEW ISSUE)

- S-8 CAROLINA FIRST CORP, 102 S MAIN ST, GREENVILLE, SC 29601 (803) 255-7900  
- 300,000 (\$7,087,000) COMMON STOCK. (FILE 333-83519 - JUL. 23) (BR. 7)
- S-3 TERA COMPUTER CO \WA\, 411 FIRST AVE SOUTH, SUITE 600, SEATTLE, WA 98104  
(206) 701-2000 - 2,331,655 (\$73,218,674) COMMON STOCK. (FILE 333-83521 -  
JUL. 23) (BR. 3)
- S-3 TERA COMPUTER CO \WA\, 411 FIRST AVE SOUTH, SUITE 600, SEATTLE, WA 98104  
(206) 701-2000 - 2,331,655 (\$4,850,245) COMMON STOCK. (FILE 333-83523 -  
JUL. 23) (BR. 3)
- S-4 SYSCO CORP, 1390 ENCLAVE PKWY, HOUSTON, TX 77077 (713) 584-1390 -  
1,210,257 (\$16,035,905.25) COMMON STOCK. (FILE 333-83525 - JUL. 23)  
(BR. 4)