

SEC NEWS DIGEST

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COMMISSION ANNOUNCEMENTS

CLOSED MEETING – THURSDAY, JUNE 8, 2000 – 11:00 A.M.

The subject matter of the closed meeting scheduled Thursday, June 8, 2000 will be: Institution of injunctive actions; and Institution and settlement of administrative proceedings of an enforcement nature.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 942-7070.

SEC, STATE SECURITIES REGULATORS ANNOUNCE PROMISSORY NOTE ENFORCEMENT SWEEP

The Commission and state securities regulators today announced a joint effort to combat the fraudulent sale of promissory notes to investors. This initiative has resulted in a significant number of enforcement actions. Although promissory notes can be appropriate investments for many individuals, federal and state securities regulators undertook the initiative because promissory notes are increasingly being used by some as vehicles to defraud investors out of millions of dollars and have become a growing problem for regulators. Promissory notes are investments that typically involve a loan to a company made by an investor in exchange for a fixed amount of periodic income.

As part of this sweep, in recent weeks, securities regulators in 28 states have taken scores of actions against hundreds of individuals and entities.¹ These state actions involved more than 3,000 investors. The SEC has filed charges in 13 enforcement actions against 38 individuals and 22 entities involved in the fraudulent sale of promissory notes. In all,

¹ The following states participated in this enforcement sweep: Alabama, Arizona, California, Connecticut, Florida, Georgia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Nebraska, New Jersey, New York, North Carolina, North Dakota, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, Washington and Wisconsin.

the defendants named in these actions are alleged to have fraudulently obtained hundreds of millions of dollars from investors.

Several of the schemes that are the subject of these enforcement actions involve similar fraudulent fact patterns. In many cases, for example, investors were promised a high level of return in exchange for a very low level of risk. Brad Sonic, Indiana's Securities Commissioner and President of the North American Securities Administrators Association (NASAA), warns: "Investors are attracted to this type of investment because it has an aura of safety with an above market rate of return. Investors must never forget the first rule of finance: the greater the reward, the greater the risk. In today's market, there's no such thing as a 'guaranteed' 10% or 15% return."

Richard H. Walker, the SEC's Enforcement Director, stated: "In volatile markets, investors often look for safer fixed-rate investments. This flow of investor money is not lost on those looking to defraud. As this sweep illustrates, investors must be particularly skeptical when offered unrealistically high returns."

Another common element of many of the promissory note schemes is that investors were falsely told that the money they invested was guaranteed by insurance companies, or that the notes were backed by surety bonds or other collateral. Often times, these insurance or surety companies were purportedly located offshore. In most cases, the issuers either had no insurance, collateral or other means to guarantee payment, or had significantly under-insured or under-collateralized the promissory notes.

In many of these actions, it is alleged that the sale of the promissory notes was made by an independent life insurance agent functioning as an unregistered broker-dealer. These insurance agents, lured by high commissions, frequently relied solely on the information provided to them by the issuers which, as demonstrated by the cases brought by the SEC and the states, often was false or misleading. In the cases brought by the SEC, insurance agents were involved in selling notes for 18 of the 21 issuers involved. Insurance agents were also involved in many of the cases brought by state securities regulators. In many instances, these agents were not registered with securities regulators as required in order to sell securities.

Another common element of many of the fraudulent schemes is that the elderly were targeted by the individuals and entities named in the SEC and state actions. The investors were lured into the fraudulent schemes by sales presentations that touted high returns with little or no risk.

These enforcement actions were greatly facilitated by close cooperation between state and federal securities regulators. Mr. Walker commented, "This sweep demonstrates the value of regulators joining forces to address widespread scams and to focus investors' attention on those particular frauds." Echoing Mr. Walker's sentiments, NASAA's Brad Skolnik said: "By working together, the states and the SEC can leverage their resources, bring more actions to halt these sales and shine an even brighter spotlight on a serious problem."

Contacts: For state actions, contact Myles Edwards at NASAA (202-737-0901, extension 109). (Press Rel. 2000-72)

ENFORCEMENT PROCEEDINGS

IN THE MATTER OF JERRY ANDERSON AND ROBERT KERNS

On May 31, 2000, an administrative law judge issued an initial decision in the matter of Jerry W. Anderson and Robert M. Kerns. The Order Instituting Proceedings alleged that the U.S. District Court for the Central District of California permanently enjoined Jerry W. Anderson and Robert M. Kerns on April 2, 1999. The court found that they violated Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5 thereunder, in that they contributed, by way of material omissions, misstatements, and other acts, to a fraudulent scheme involving oil and gas joint venture offerings.

The administrative law judge barred Jerry W. Anderson and Robert M. Kerns from association with any broker or dealer, pursuant to Sections 15(b) and 19(h) of the Securities Exchange Act of 1934. (Initial Decision No. 166; File No. 3-10027)

COMMISSION SANCTIONS SCHIELD MANAGEMENT COMPANY, MARSHALL SCHIELD AND TROY SCHIELD FOR FALSE PERFORMANCE ADVERTISING

On May 31, 2000, the Commission ordered Denver investment adviser, Schield Management Company (SMC), its president, Marshall Schield, and SMC employee, Troy Schield, to pay penalties totaling \$80,000 for false performance advertising from March 1994 through December 1998. This action also ordered SMC, Marshall Schield and Troy Schield to be censured, and to cease and desist from future violations of the antifraud provisions of the Investment Advisers Act (Advisers Act). SMC is also required to send a copy of the Commission's decision to its existing and future customers.

In its Order, the Commission found that SMC distributed performance advertising that was false and misleading in four ways. First, SMC overstated investment performance by failing to deduct the entire amount of management fees and sales loads. Second, SMC advertised up to five years of performance data while failing to disclose or inadequately disclosing that this data was created through retroactive application of its models, which were developed with the benefit of hindsight, to time periods before SMC began investing. For one investment strategy, SMC combined the retroactive data with actual trading data to present graphs showing the strategy consistently outperformed the S&P 500 index, when in fact the strategy under-performed the S&P 500. Third, SMC published and distributed many advertisements that failed to disclose that SMC assumed the reinvestment of dividends when calculating performance. Fourth, SMC presented information to a ratings publication which falsely suggested that SMC followed the

Performance **P**resentation Standards of the Association for Investment Management and Research.

The Commission found that Marshall Schield, SMC's president, aided and abetted SMC's violations of ~~the~~ antifraud provisions of Section 206(1), (2) and (4) of the Advisers Act and **Rule 206(4)-1(a)(5)** by failing to take the necessary steps to assure that SMC's **advertisements were** correct and disclosed all material information. It also found that Troy Schield aided **and** abetted SMC's violations of Section 206(2) and (4) of the Advisers Act and Rule 206(4)-1(a)(5) by failing to deduct applicable fees and sales loads from the performance results he calculated for SMC's advertisements.

SMC and the Schields consented to the Order without admitting or denying the allegations. (In the Matter of Marshall L. Schield – Rel. IA-1871, File No. 3-10008; In the **Matter of Troy M. Schield** - Rel. IA-1872; File No. 3-10008)

IN THE MATTER OF SYSTEMS OF EXCELLENCE, INC.

On May 30, 2000, Administrative Law Judge Lillian A. McEwen issued an Order Making Findings and Imposing Remedial Sanctions by Default (Default Order) against Systems of Excellence, Inc. (SOE), a Florida corporation, with offices in McLean, Virginia and Coral Gables, Florida

The Order **Instituting Proceedings (OIP)** alleged, among other things, that SOE filed several materially false and misleading documents with the Securities and Exchange Commission, **including** eleven materially false and misleading Forms S-8 in December, 1995 and **sixteen** materially false and misleading Forms S-8 in October, 1996. The Default Order **sustains** the charges in their entirety based on SOE's failure to answer the OIP, its **failure** to respond to an Order to Show Cause, and for failure to otherwise defend itself **in the** proceeding.

The Order finds it is necessary and appropriate for the protection of investors to revoke SOE's registration of its common stock, pursuant to Section 12(j) of the Securities Exchange Act **of** 1934. (Rel. 34-42855; File No. 3-10170)

ADMINISTRATIVE PROCEEDING INSTITUTED AGAINST RAFI KHAN

On May 31, 2000, the Commission instituted and simultaneously settled a public administrative proceeding against Rafi M. Khan, who was formerly associated with Reynolds **Kendrick** Stratton, Inc. and Shamrock Partners, Ltd. To settle this proceeding, Khan, without **admitting** or denying the Commission's findings, consented to the entry of an Order **barring** him from associating with any broker or dealer with the right to reapply for association after five years.

The Commission's Order finds that on April 17, 2000, Khan was permanently enjoined from future violations of Section 17(a) of the Securities Act 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder (*SEC v. Rafi M. Khan*)

and Timothy J. Tyrrell, Civil Action No. 98-6143 MMM, SHx, C.D. Cal.). The Commission's complaint alleges that Khan orchestrated the manipulation of the stocks of two companies through a variety of manipulative practices including acquiring substantial control of the market for each stock, executing unauthorized trades, touting exaggerated earnings projections, and promoting a "short squeeze" scheme. (Rel. 34-42867; File No. 3-10212)

PUBLIC ADMINISTRATIVE PROCEEDINGS INSTITUTED AGAINST JOSEPH MONACO

On June 1, the Commission instituted administrative proceedings against Joseph A Monaco (Monaco) of Lake Mary, Florida. The Order Instituting Administrative Proceedings (Order) is based on the entry of an order issued by the U.S. District Court for the Middle District of Florida permanently enjoining Monaco from violating the antifraud and registration provisions of the federal securities laws (*SEC v. James T. Staples, et al.*, Civil Action No. 98-1061-CIV-22C, M.D. Fla.).

In the District Court proceeding, the Commission alleged that from 1994 to 1996, Legend Sports, Inc. and Monaco operated a Ponzi scheme by using \$18 million in proceeds from the sale of promissory notes and preferred stock to pay interest and dividends to investors, commissions to its salesmen and the expenses of company officers. The complaint alleged that Monaco sold the notes and stock to the public, and that he recruited and supervised the other salesmen who sold the notes and stock. In addition, the complaint alleged that Monaco and the other salesmen misrepresented and omitted material facts in connection with the sale of the securities, including, failing to disclose to investors that they received a 15% commission for each security they sold and that Monaco was paid a 5% override on every security sold by Legend Sports.

In March 2000, the District Court ordered Monaco to disgorge six million dollars of the proceeds Legend Sports received through the fraudulent sale of the notes and preferred stock. Formerly based in Altamonte Springs, Florida, Legend Sports developed and operated golf entertainment facilities in central Florida between 1992 and 1998.

A hearing will be held before an administrative law judge to determine what remedial relief, if any, is appropriate in the public interest, including a bar from participating in any offering of a penny stock. (Rel. 34-42877; File No. 3-10213)

DAVID TROTTER SUSPENDED FROM ASSOCIATION WITH ANY BROKER OR DEALER

On June 1, the Commission instituted administrative proceedings against David E Trotter (Trotter). The Commission simultaneously accepted Trotter's Offer of Settlement, providing for an order suspending him from association with any broker or dealer for one year. The Order Instituting Proceedings alleges that on August 5, 1999, a final judgment of permanent injunction was entered, by consent, against Trotter, permanently enjoining him from violations of Section 5 of the Securities Act of 1933.

and Section 15(a) of the Securities Exchange Act of 1934. Securities and Exchange Commission v. James T. Staples, et al., Civil Action No. 98-1061-CIV-22C (M.D. Fla.). According to the Order, the Commission's civil complaint alleged that Trotter violated the registration and broker-dealer registration provisions of the federal securities laws in 1996 when he recruited others to sell and who sold securities in the form of promissory notes issued by Legend Sports, Inc. (Legend Sports). The civil complaint charged Legend Sports, a company formerly based in Altamonte Springs, Florida, with operating a Ponzi scheme by using proceeds from the sale of the promissory notes and other securities to pay interest and dividends to investors, commissions to its salesmen and the expenses of company officers and other parties unrelated to its business. (Rel. 34-42878; File No. 3-10214)

STERLING FOSTER JUDGE DENIES PETITION OF DEFENDANTS' CLASS ACTION ATTORNEYS SEEKING NEARLY \$600,000 IN LEGAL FEES FROM FUNDS EARMARKED FOR RETURN TO DEFRAUDED INVESTORS

The Commission announced that, on May 24, 2000, Federal District Court Judge Barbara S. Jones denied a petition for nearly \$600,000 in legal fees filed by civil class action attorneys for Sterling Foster & Company, Inc. (Sterling Foster), a registered broker-dealer, and its president Adam Lieberman (Lieberman) in the Commission's action against those defendants. In its action, the Commission charged Sterling Foster, Lieberman and others with fraudulently obtaining \$75 million through a massive securities fraud by, among other things using "boiler-room" sales practices to sell micro-cap securities. The Petitioners sought payment of legal fees they generated in defending Sterling Foster and Lieberman against claims brought by investors in separate civil class actions and other litigation from funds Sterling Foster and Lieberman agreed in the Commission's action to disgorge for distribution to defrauded investors.

In order to settle the Commission's charges against them, Sterling Foster and Lieberman, on November 8, 1998, consented to the entry of final judgments ordering, among other things, that they disgorge \$75,000,000, waived down to \$11,496,064.21, including prejudgment interest, plus the proceeds of the sale, at fair market prices, of additional assets turned over to the United States government. Subsequently, on September 9, 1999, Petitioners Ungaretti & Harris and Joseph D'Elia filed a petition seeking to intervene in the Commission's action in order to modify the final judgments to obtain payment of their legal fees. Petitioners claimed that an asset-freeze order, which permitted Lieberman to transfer otherwise frozen funds for the payment of legal fees, entitled Petitioners to payment of their fees from the frozen funds. Petitioners also asserted an equitable claim to the disgorged funds for their work in defending Sterling Foster and Lieberman in the private investor suits. The Court rejected the Petitioners' arguments, finding that "Petitioners' attempt to lay claim to disgorged funds has no support in law or equity." In the opinion issued by the Court, Judge Jones stated in part that the asset freeze order "was clearly intended to benefit the SEC and, by extension, the victims of Lieberman's fraud" and that "Petitioners are properly viewed for what they are: unsecured creditors of Lieberman."

In its complaint filed on February 14, 1997 (complaint), the Commission charged specifically, among other things, that:

Between October 1994 and the present, Sterling Foster and Lieberman, and others manipulated the price of securities of the following public companies: Lasergate Systems Inc., Advanced Voice Technologies, Inc., Com/Tech Communication Technologies, Inc., Embryo Development Corp., Applewoods, Inc. and ML Direct, Inc., and sold these securities at artificially inflated prices to investors.

Lieberman trained Sterling Foster representatives to induce customers to purchase these securities by using a series of "boiler-room" sales practices, including misrepresenting to customers that: (1) Sterling Foster had inside information about the issuers of these securities that was soon to be announced publicly; (2) the prices of these securities would reach certain targets within a few days; (3) registered representatives were not earning any compensation on purchases of these securities by customers; and (4) no prospectuses were available relating to these securities.

Sterling Foster and Lieberman charged customers undisclosed excessive markups of at least \$75 million on the customers' purchases of these securities. Once these customers were duped into making the purchases, Sterling Foster and Lieberman prevented the customers from selling the securities.

The litigation is pending as to the other defendants, Kellerman, Monroig and Rueb. [SEC v. Sterling Foster & Company, Inc., Adam Lieberman, Craig Kellerman, Frank Monroig, and Dennis Rueb, 97. Civ. 1077, BSJ, SDNY] (LR-16568)

COMPLAINT FILED AGAINST PACIFIC AIR TRANSPORT, INC.

The Commission filed a Complaint in U.S. District Court against Pacific Air Transport, Inc. and Robert B. Hirsch, alleging that from November 1998 through September 1999, Pacific Air fraudulently raised approximately \$8 million from at least 250 investors in 22 states from the sale of unregistered nine-month "secured" promissory notes. Pacific Air marketed the notes, which promised interest rates ranging from 12% to 13%, through a sales network consisting primarily of insurance agents. Investor funds supposedly were guaranteed by an offshore insurance company.

The guarantee did not exist and the majority of the noteholders, many of whom are elderly, have lost most of their investment. Moreover, the defendants knowingly made false and misleading statements to investors regarding the security of the investment, business prospects of the company, returns on investments, and the use of investor funds

The Complaint charges violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5, seeking injunctive relief, disgorgement with prejudgment interest, an accounting and civil money penalties. [SEC v. Pacific Air Transport, Inc. and Robert B. Hirsch, Civil Action No CV 00-05854, USDC/CD Cal] (LR-16569)

SEC v. WESTSHORE AGENCY OF MICHIGAN, INC., ET AL.

The Securities and Exchange Commission today announced that it filed suit in the Southern District of Texas against eight insurance salesmen and a Michigan corporation and its president, also an insurance salesman, alleging that they fraudulently sold more than \$13.5 million in worthless promissory notes to approximately 140 elderly investors. The promissory notes were issued by a now defunct South Carolina company, which was previously sued by the SEC (*SEC v. Chemical Trust, et al.*, Case No. 00-8015 – CIV-RYSKAMP (S.D. Fla.), Lit. Rel. No. 16416, January 21, 2000). The defendants named in the SEC's current suit are:

- **James Russell Hicks**, age 45, and his wholly-owned company, Westshore Agency of Michigan Inc. The Complaint alleges, among other things, that Hicks and his company, both residents of Byron City, Michigan, recruited sales agents to sell the promissory notes, and distributed false and misleading sales materials.
- **Edward Neel Cox**, age 54, a resident of Houston, Texas. The complaint alleges that Cox offered and sold the promissory notes under the assumed name, Regal Financial Group. Cox also recruited other salesmen to sell the promissory notes under the Regal name.
- **Billy Wayne Sparkman**, age 49, the executive vice president of Regal, **Joseph Lee Covington**, age 50, a Regal account executive, and **Charles F. Johnson**, age 60, also a Regal account executive. It is alleged that these defendants, all residents of College Station, Texas, offered and sold the promissory notes in the Houston and College Station area and recruited other salesmen to sell the notes.
- **Stephen T. Hoyl**, age 36, a resident of Amarillo, Texas; **Danny R. Mayfield**, age 42, a resident of Lubbock, Texas; **Randy J. Post**, age 40, a resident of Houston, Texas; and **Benny A. Sides**, age 52, a resident of Odessa, Texas. The Complaint alleges that these defendants also fraudulently offered and sold the promissory notes under the Regal name.

The Commission's Complaint alleges that the defendants targeted the senior citizen community, promising investors annual returns of between 9.25% and 15%. The defendants also claimed that the principal invested was guaranteed through surety bonds issued by a third-party surety. In reality, the investment was a nationwide "Ponzi" scheme and the purported surety company, which was operated by a convicted felon, had no assets to support the surety bonds it issued to investors.

The Complaint alleges that the Regal defendants placed advertisements in local newspapers specifically targeting elderly investors with promises of "no risk" and "guaranteed income." One defendant even placed advertisements in the obituary section of a newspaper.

All of the individual defendants in this matter were licensed insurance agents who, it is alleged, used their position of trust to sell the fraudulent investment to existing clients as well as to new clients solicited through the newspaper advertisements they placed. The defendants knew that many of the investors liquidated their conservative investments, such as annuities and bank certificates of deposit, to invest in the promissory notes. It is alleged that the defendants knowingly withheld material information from investors, including the exorbitant commissions paid to the defendants and the fact that several states had taken regulatory action against the issuer.

As a result of the misconduct, the Complaint charges the defendants with violating the securities registration and antifraud provisions of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933, and Section 10(b) of the Securities and Exchange Act of 1934, and the Commission's Rule 10b-5. The defendants are also charged with acting as unregistered broker-dealers in violation of Section 15(a) of the Exchange Act. The Complaint seeks permanent injunctive relief against the defendants, an accounting, disgorgement of ill-gotten profits, and civil money penalties.

The Commission would like to acknowledge the outstanding cooperation of the Texas State Securities Board, who worked with the Commission in its investigation. [SEC v. Westshore Agency of Michigan, Inc., et al., USDC, SD Texas, Houston Division, CA No. H-00-1827] (LR-16570)

SEC CHARGES TAMARACK FUNDING CORP. AND GARRY ISAACS WITH SECURITIES FRAUD

The Securities and Exchange Commission (Commission) announced that it filed a federal civil action against Tamarack Funding Corporation, a Texas corporation (TFC of Texas), Tamarack Funding Corporation, a Florida corporation (TFC of Florida) (collectively referred to as TFC), and Garry P. Isaacs (Isaacs), their president, for antifraud and securities registration violations of the federal securities laws.

The Commission's complaint alleges that the defendants fraudulently raised approximately \$4.7 million from investors nationwide by offering and selling unregistered securities in the form of interest-bearing "promissory notes." According to the complaint, investors were told that their funds would be used to purchase retail automobile installment loan contracts (vehicle loans) and that their investment would be 100% collateralized. Contrary to these representations, the complaint alleges that only \$1.4 million was actually used by TFC to purchase vehicle loans. According to the SEC, the remaining investor funds were used to pay TFC's operating costs and unrelated expenses. The complaint further alleges that TFC used some investor funds to repay interest to existing investors and was thereby engaged in a Ponzi scheme.

As a result, the Commission charges TFC of Texas, TFC of Florida, and Isaacs with violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. For relief, the Commission seeks preliminary and permanent injunctions, accountings, disgorgement of

ill-gotten gains with **prejudgment** interest, civil penalties, and the appointment of a receiver.

Also named in the lawsuit as relief defendants are two companies, controlled and owned by Isaacs, that received over \$4 million in investor funds. These entities are Tamarack Lender's Trust and Tamarack Capital Management Corp. [SEC v. Tamarack Funding Corporation and Garry P. Isaacs, Civil Action No. 00-6730, SD Florida] (LR-16571)

SEC FILES ENFORCEMENT ACTIONS AGAINST VARIOUS SALES AGENTS IN CONNECTION WITH SEBASTIAN INTERNATIONAL ENTERPRISES' \$17.7 MILLION PONZI SCHEME

The Securities and Exchange Commission (SEC) announced that on May 31, 2000, it filed two civil complaints against four individuals who allegedly raised \$5.2 million from the public as part of a \$17.7 million Ponzi scheme conducted by Sebastian International Enterprises, Inc. (SIE). Three of those individuals, without admitting or denying the allegations in the SEC's complaint, have agreed to settle charges against them. The SEC's lawsuits follow an emergency action brought by the SEC in August, 1999 that halted SIE's fraudulent offering.

In both complaints, the SEC alleges that between at least July, 1997 and August 19, 1999, SIE sold \$17.7 million worth of purportedly "high interest promissory notes" to over 400 investors nationwide. The complaints further allege that SIE sold the notes through a network of insurance agents, financial advisers and registered representatives of broker dealers.

In the first action, SEC v. Claude Cossu, the SEC alleges that Claude Cossu of Fairfield, California, a former registered representative of a broker-dealer and an insurance agent, raised over \$2.5 million from investors of the \$17.7 total raised by SIE. The complaint further alleges that Cossu made material misrepresentations and omissions to investors that purchased the SIE notes concerning, among other things, the risk and safety of SIE's securities, the ability of SIE to pay interest and principal on the notes and the alleged existence of a surety bond guaranteeing the notes. Additionally, the complaint alleges that Cossu received over \$397,000 in commission payments from SIE.

The SEC's complaint against Cossu, which seeks injunctive relief, disgorgement of ill-gotten gains and civil money penalties, alleges that he violated the securities and broker-dealer registration provisions and the antifraud provisions of the federal securities laws. Specifically, the complaint alleges that he violated Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 (Securities Act) and Sections 10(b) and 15(a)(1) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder.

In the second action, SEC v. Linda Ballou, et al., the SEC alleges that Linda Ballou of Rancho Mirage, California and Ronald Wackler of Troy, Ohio, raised over \$1.5 million of the total raised by SIE. The SEC further alleges that Ballou and Wackler made material misrepresentations and omissions to investors concerning, among other things,

the risk and safety of SIE's securities, the ability of SIE to pay interest and principal on the notes and the alleged existence of a surety bond guaranteeing the notes. In return for selling the SIE securities, the SEC alleges that Ballou and Wackler received commission payments from SIE in the amount of \$154,994 and \$23,464, respectively. Based on this conduct, the SEC alleges that Ballou and Wackler violated Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 (Securities Act) and Sections 10(b) and 15(a)(1) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder. The complaint seeks injunctive relief, disgorgement and civil money penalties from Ballou and Wackler.

The complaint also alleges that Bruce Harlan, of Sharon, Connecticut, offered and sold SIE's unregistered securities. The complaint further alleges that Harlan sold over \$1.1 million worth of notes and earned approximately \$114,558 in commissions. The complaint, which seeks injunctive relief and the imposition of civil money penalties, alleges that Harlan violated Section 5(a) and 5(c) of the Securities Act and Section 15(a)(1) of the Exchange Act.

The SEC also announced that simultaneously with the filing of its complaint, Ballou, Wackler and Harlan agreed to settle the action against them by consenting, without admitting or denying any of the allegations contained in the SEC's complaint, to the entry of a permanent injunction from future securities law violations. Ballou will also be ordered to pay disgorgement of \$154,994, and Wackler will be ordered to pay disgorgement of \$23,464. Under the terms of the settlement, Wackler will partially satisfy payment of his disgorgement amount by paying \$7,000. The remainder of Wackler's disgorgement, and all of Ballou's disgorgement, will be waived, and the SEC will not seek civil penalties, due to their demonstrated financial inability to pay. Harlan will also pay a civil penalty of \$5,500. [SEC v. Linda Ballou, Ronald Wackler and Bruce Harlan, Case No. 600-CV-692-ORL 19B, MD Fla.] (LR-16572); [SEC v. Claude Cossu, Case No. CIV-S-00-1198, E.D. Ca.] (LR-16573)

COMMISSION FILES SUIT AGAINST FOUR LICENSED INSURANCE SALESMEN

The Securities and Exchange Commission today announced that it filed suit in the Northern District of Texas against four licensed insurance salesmen, alleging that they fraudulently sold more than \$4.5 million in worthless promissory notes to approximately 75 elderly investors. The promissory notes were issued by a now defunct South Carolina company, which was previously sued by the SEC (*SEC v. Chemical Trust, et. al.*, Case No. 00-8015 – CIV-RYSKAMP (S.D. Fla.), Lit. Rel. No. 16416, January 21, 2000). The defendants named in the SEC's current suit are:

- Kurtis Keith Lowe, age 36, a resident of Fort Worth, Texas. The Complaint alleges that Kurtis Lowe offered and sold the promissory notes under the assumed name, Omega Financial Services, and recruited insurance salesmen from across Texas to sell the promissory notes under the Omega name

- **Woody Keith Lowe**, age 59, a resident of Hereford, Texas. It is alleged that **Woody Lowe offered and sold the promissory notes under the assumed name Omega in the Amarillo, Texas area.**
- **Jerry Lynn Ruyle**, age 53, a resident of Flint, Texas. It is alleged that **Ruyle offered and sold the promissory notes under the assumed name Omega in the Tyler, Texas area.**
- **Robert Allen Blackburn**, age 34, a resident of Arlington, Texas. It is alleged that **Blackburn offered and sold the promissory notes under the assumed name Omega in the Dallas, Texas area.**

The **Commission's Complaint** alleges that the defendants targeted the senior citizen community, promising investors annual returns of between 8% and 15%. The defendants also claimed that the principal invested was guaranteed through surety bonds issued by a third-party surety company. In reality, the investment was a "ponzi" scheme and the purported surety company was operated by a convicted felon and had no assets to support the surety bonds it issued to investors.

The Complaint alleges that the defendants placed advertisements in local newspapers specifically targeting elderly investors with promises of safe and secure investments such as "FDIC INSURED CD'S." One defendant even placed advertisements in the obituary section of a newspaper in hopes of attracting elderly investors

All of the defendants in this matter were licensed insurance agents who, it is alleged, used their position of trust to **sell** the fraudulent investment to existing clients, as well as to new clients solicited through the newspaper advertisements that they placed. The defendants knew that many of the investors liquidated their conservative investments, such as annuities and bank certificates of deposit, to invest in the promissory notes. It is alleged that the defendants knowingly withheld material information from investors, including the large commissions paid to the defendants and that several states had taken regulatory action against the issuer.

As a result of the misconduct, the Complaint charges the defendants with violating the securities registration and antifraud provisions of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933, and Section 10(b) of the Securities and Exchange Act of 1934, and the Commission's Rule 10b-5. The defendants are also charged with acting as unregistered broker-dealers in violation of Section 15(a) of the Exchange Act. The Complaint seeks permanent injunctive relief against the defendants, an accounting, disgorgement of ill-gotten profits, and civil money penalties.

The Commission would like to acknowledge the outstanding cooperation of the Texas State Securities Board, who worked with the Commission in its investigation. [SEC v. Kurtis Keith Lowe, et al., USDC, ND TX, Fort Worth Division, CA No. 4:00-CV-0467-A] (LR-16574)

SEC SUES SEVEN IN CONNECTION WITH FRAUDULENT \$12 MILLION PROMISSORY NOTE OFFERING

The Securities and Exchange Commission ("Commission") announced that, on May 31, 2000, it filed a Complaint in the United States District Court for the Western District of New York against Tee To Green Golf Parks, Inc. ("Tee To Green") and others in connection with a fraudulent scheme arising from the sale of at least \$12 million in nine-month promissory notes to investors. The Commission's complaint names the following defendants:

Tee To Green, a Delaware corporation, which operates a golf practice facility located in Buffalo, New York.

Steven Blumhagen, age 49, a resident of North Tonawanda, New York.

Susan Blumhagen, age 49, a resident of North Tonawanda, New York.

David Trotter, age 53, a resident of Windermere, Florida.

Hanover Financial Group, Inc. ("Hanover Financial"), a Florida corporation, based in Windermere, Florida.

Donald W. Owens, age 44, a resident of Hamilton, Ohio.

Financial Security Group Insurance Agency, Inc. ("Financial Security Group"), an Ohio corporation, based in Hamilton, Ohio.

The complaint alleges as follows: At the direction of Steven Blumhagen, Tee To Green's president, Tee To Green falsely represented to investors that the promissory notes it issued were guaranteed and reinsured through a syndicate of high quality insurance companies. In fact, the notes were not guaranteed or reinsured. Investors were told that proceeds from the note sales would be used in the development of golf practice facilities. In fact, Steven and Susan Blumhagen, a director and 70% shareholder of Tee To Green, diverted at least \$3.45 million for their personal expenses and investments. Additionally, Tee To Green used at least \$1.8 million to pay commissions to sales agents, although Tee To Green never disclosed that it was paying commissions to facilitate the sales of its notes.

Steven Blumhagen hired David Trotter and his company, Hanover Financial, to organize and manage the offering and sale of the notes. Over 350 investors in at least six states (including Ohio, Oregon, North Carolina, South Carolina, Mississippi and Pennsylvania) purchased Tee To Green notes during 1997. Donald Owens and his company, Financial Security Group, recruited agents in Ohio, the state where the largest volume of notes were sold, and also sold notes directly to investors. Tee To Green paid these sales agents significant undisclosed commissions.

The Commission charged Tee To Green, Steven Blumhagen, David Trotter and Hanover Financial with violations of the antifraud provisions of the securities laws. The Commission charged Susan Blumhagen with violations of the antifraud provisions or, alternatively, with aiding and abetting the antifraud provisions of the securities laws. The Commission also charged Tee To Green, Steven Blumhagen, Donald Owens and Financial Security Group with violations of the registration provisions, and charged

Donald Owens and Financial Security Group with violations of the broker-dealer registration provisions. The Commission seeks a permanent injunction, disgorgement, prejudgment interest and civil monetary penalties against Tee To Green, Steven Blumhagen, Susan Blumhagen, David Trotter and Hanover Financial, and also seeks an accounting from Tee To Green, and seeks a permanent injunction and civil monetary penalties against Donald Owens and Financial Security Group.

The Commission acknowledges the assistance of the Ohio Department of Commerce, Division of Securities. [SEC v. Tee To Green Golf Parks, Inc., et al., Civil Action No. 00 CV 0478, WDNY] (LR-16575)

COMMISSION FILES FRAUD ACTION AGAINST FLORIDA RESIDENTS AND COMPANIES IN CONNECTION WITH PROMISSORY NOTE SCHEME NEWS DIGEST

The Securities and Exchange Commission announced that on May 31, 2000, it filed a complaint in the Southern District of Florida alleging that Larry Schwartz of Boca Raton, Florida; Raphael "Ray" Levy of Lake Worth, Florida; First Capital Services, Inc. of Boca Raton, Florida and U.S. Capital Funding, Inc. of Lake Worth, Florida defrauded investors in connection with the sale of promissory notes. The Commission's complaint alleges that Schwartz and Levy, the control persons of First Capital and U.S. Capital Funding, respectively, used a nationwide network of insurance agents to induce more than 600 investors in 27 states to purchase at least \$55 million in unregistered promissory notes. The complaint alleges that Schwartz and Levy falsely represented that investor principal and the payment of interest was insured or guaranteed, and that the investment was risk-free. They also represented that investors' funds would be used by First Capital solely to purchase insured corporate accounts receivable or accounts receivable owed by the federal, state or local governments. According to the complaint, the notes were neither insured nor guaranteed, and the investment was not risk-free. In addition, U.S. Capital and First Capital did not use investor funds solely in the manner represented. Instead, in Ponzi-scheme fashion, they used investor funds to make interest payments and return principal to other investors. The complaint further alleges that First Capital purchased risky receivables that were not insured or backed by the federal, state or local governments, and it extended long-term loans, including to affiliated companies directly or indirectly controlled by Schwartz. To date, U.S. Capital and First Capital have defaulted on the payment of approximately \$37 million in interest and principal to investors.

The complaint alleges that Schwartz, Levy, First Capital and U.S. Capital violated the antifraud provisions of the federal securities laws: Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. The complaint also alleges that Levy and U.S. Capital violated Section 15(a) of the Exchange Act by selling securities without registering with the Commission as broker-dealers or associating with a registered broker-dealer, as appropriate. Finally, the complaint alleges that Schwarz, Levy, First Capital and U.S. Capital violated Section 5 of the Securities Act by offering and selling unregistered securities. The complaint seeks

the entry of an injunction against all defendants prohibiting further violations of the securities laws. The Commission also seeks the entry of an order requiring the defendants to pay civil penalties and to disgorge their ill-gotten gains plus prejudgment interest. Finally, the Commission seeks an accounting and the appointment of a receiver. [SEC v. First Capital Services, Inc., et al., Civil Action No. 00-8445-CIV-MIDDLEBROOKS, SD FL, Miami Division] (LR-16576)

SEC SUES FIVE INDIVIDUALS FOR INVOLVEMENT IN WORLD VISION ENTERTAINMENT, INC. PONZI SCHEME

On June 1, 2000, the Securities and Exchange Commission ("Commission") filed a complaint alleging that Jamie P. Piromalli, Steven Brewer, A. Michael Jaillett, Richard Mann and Seth Miller (collectively, "the Defendants") engaged in a massive Ponzi scheme through the sale of unregistered nine-month promissory notes issued by World Vision Entertainment, Inc. ("World Vision"), a company located in Altamonte Springs, Florida. From June 1996 through July 1999, World Vision, through the Defendants, allegedly raised at least \$64 million from approximately 1,200 investors in 33 states from these notes.

The Complaint alleges that the Defendants failed to register the notes. Moreover, in furtherance of the scheme, the Complaint alleges that the Defendants, through, among other things, offering materials and correspondence, misrepresented that the notes were unconditionally guaranteed and insured and that all of the proceeds of the offering would be used to develop World Vision's products. The Complaint alleges that, in reality, the Defendants used the proceeds of the note offering to pay the personal and business expenses of World Vision officers and directors, interest and principal payments to investors, and substantial, undisclosed commissions to the sales network. Finally, the Complaint alleges that Mann and Miller acted as unregistered broker-dealers. The Complaint seeks the entry of orders of permanent injunction against the Defendants as well as disgorgement of their ill-gotten gains, plus prejudgment interest, and civil penalties.

Defendants used the proceeds of the note offering to pay the personal and business expenses of World Vision officers and directors, interest and principal payments to investors, and substantial, undisclosed commissions to the sales network. Finally, the complaint alleges that Mann and Miller acted as unregistered broker-dealers. The complaint seeks the entry of orders of permanent injunction against the Defendants as well as disgorgement of their ill-gotten gains, plus prejudgment interest, and civil penalties. [SEC v. Jamie P. Piromalli, Steven Brewer, A. Michael Jaillett, Richard Mann and Seth Miller, Case No. C2-00622, S.D. Ohio] (LR-16577)

SEC v. CHARLES RICHARD HOMA, ET AL.

On June 1, 2000, the Securities and Exchange Commission sought to add 16 additional defendants to an ongoing case involving a massive Ponzi Scheme, bringing the total number of defendants charged in the case to 42. The additional defendants are Joseph

Frederick Denson, Jr. of Durham, NC, D. Dean Pearson of Alpharetta, GA, John Telford Snipes of Vero Beach, FL, John Martin Carlson of Greyslake, IL, Carlson National Brokers, Ltd. of Greyslake, IL., Global Management Enterprises, LLC Pearson Enterprise Trust, Paramount Holdings, LLC, Premiere Holdings, LLC, Preferred Returns, Inc., JTP, Inc., Tradewinds Holdings, LCC, Peak Holdings, LLC, Harbor Holdings, LLC, Rolls Royce, Ltd, and Morningstar, Ltd. The defendants allegedly raised approximately \$300 million in total over several years. The SEC is seeking a court order prohibiting future violations of the federal securities laws by the defendants, an order freezing the assets of all of the defendants, and disgorgement and civil penalties against the defendants.

The SEC brought the scheme to a halt when it obtained a Temporary Restraining Order (TRO) against the original 26 defendants, including Michael Gause and Charles R. Homa, on October 15, 1999. Since the TRO, 19 defendants have agreed to the entry of permanent injunctions against them, including Gause and Homa. Gause was arrested for his role in the scheme and has been held in federal custody since October 15, 1999.

The Complaint alleges that Gause and Homa stood at the top of a multi-layered marketing scheme that sold 9-month notes and bonds as part of a massive Ponzi scheme that may have raised as much as \$300 million since its inception. The Complaint further alleges that the new defendants raised at least \$114 million in the scheme and violated the federal securities laws by making false claims that the money they were raising would be used to fund loans to companies engaged in the car title loan industry and the payday loan industry. The Complaint alleges that many of the defendants were told that the funds would be loaned to Cash 4 Titles, a company operated by Homa. The Complaint alleges that only a small fraction of the money was used for its intended purpose. Instead, the defendants, after transferring the money to Cayman Islands accounts, used the money to pay existing investors, pay marketer commissions and pay personal expenses.

The Complaint alleges that all of the defendants violated Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder. The Complaint also alleges that defendants who sold the 9-month notes and bonds, except Carlson and Carlson National Brokers, Ltd., acted as unregistered broker-dealers in violation of Section 15(a) of the Exchange Act and also committed violations of Section 15(c) of the Exchange Act and Rule 15c1-2 thereunder.

The SEC has also moved to include Linda L. Nichols and Lindy L. Gause, the wives of two original defendants, Steven S. Nichols and Michael Gause, and Nichols and Associates, owned by Linda L. Nichols, as relief defendants because they have no legitimate claim to money and assets currently in their possession that were acquired with illegally-obtained investor funds.

Previously, the Court appointed Phillip S. Stenger to be Receiver for the assets of Homa and Gause. He also serves as joint liquidator with Ernst & Young in Cayman Islands proceedings relating to the scheme. [SEC v. Charles Richard Homa, et al., USDC, ND Ill., Civil Action No. 99-Civ-6895] (LR-16578)

COMPLAINT FILED IN PROMISSORY NOTE CASE

Today the Commission announced it filed a complaint against Skyline Group, Inc. ("Skyline"), Robert L. Sheets ("Sheets"), and Mary A. West ("West") of North Oaks, Minnesota alleging that Skyline, Sheets and West misappropriated 1.36 million dollars from the proceeds of a promissory note offering in Skyline. The Skyline offering was purportedly initiated to finance a request by a Native American tribe to the Department of Interior for the return of land in the Chicago area to the tribe for the possible development of a casino. The Complaint further alleges that over a four-year period from August 1995 to at least November 1999, Skyline, through Sheets and West, raised over 3 million dollars by selling unregistered promissory notes to the investing public. The Commission alleges that contrary to disclosures, Sheets and West diverted 1.36 million dollars of the 3 million dollars for their own personal use to, among other things, make the mortgage payments on their home.

The Commission charges that the Defendants' conduct violated the registration and anti-fraud provisions of the federal securities laws. It seeks permanent injunctive relief against the Defendants, as well as disgorgement and civil penalties. However, the Commission does not allege that the Native American tribe engaged in any wrongdoing or was involved in the Defendants' alleged conduct in any way. [SEC v. Skyline Group, Inc., Robert L. Sheets, Mary A. West, U.S.D.C. for the District of Minnesota, Civil Action No. 1355JMR-FLN] (LR-16579).

INVESTMENT COMPANY ACT RELEASES

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION, ET AL.

An order has been issued pursuant to Section 6(c) of the Investment Company Act exempting New York Life Insurance and Annuity Corporation (NYLIAC), NYLIAC Variable Annuity Separate Account - III (SA III), any other separate accounts of NYLIAC (Future Accounts) that support in the future variable annuity policies and certificates that are substantially similar in all material respects to the SA III policies, and NYLife Distributors, Inc. (NYLIFE Distributor) (collectively referred to herein as Applicants) from the provisions of Sections 2(a)(32), 22(c) and 27(i)(2)(A) of the Act, and Rule 22c-1, thereunder, to permit, under specified circumstances, the recapture of credits applied to premium payments made under: (i) certain deferred variable annuity policies and certificates that NYLIAC will issue through SA III (the policies and certificates, including certain certificate data pages and endorsements, are referred to as

“Mainstay Policies” or “LifeStages Policies,” collectively, the “SA III Policies”), and (ii) policies and certificates, including certain certificate data pages and endorsements, that NYLIAC may issue in the future through SA III or any Future Account (collectively, Accounts) which policies and certificates, including certain certificate data pages and endorsements, are substantially similar to the SA III Policies in all material respects (“Future Policies” together with the SA III Policies, “Policies”). The order extends to any National Association of Securities Dealers, Inc. member broker-dealer controlling or controlled by, or under common control with NYLIAC, whether existing or created in the future, that serves as a distributor or principal underwriter of the Policies offered through the Accounts. (Rel. IC-24481 – May 30)

WARBURG, PINCUS BALANCED FUND, INC., ET AL.

An order has been issued on an application filed by Warburg, Pincus Balanced Fund Inc., et al., under Section 17(d) of the Investment Company Act and Rule 17d-1 under the Act to permit certain registered management investment companies to deposit their uninvested cash balances in one or more joint accounts to be used to enter into repurchase agreements. (Rel. IC-24482 – May 30)

HOLDING COMPANY ACT RELEASES

ALLIANT ENERGY CORPORATION, ET AL.

A notice has been issued giving interested persons until June 19 to request a hearing on a proposal by Alliant Energy Corporation, a registered holding company, and its wholly owned nonutility subsidiary company, Alliant Energy Resources, Inc. (AER) and AER's nonutility subsidiary, Heartland Properties, Inc. (together, Applicants). Applicants request that the Commission modify a prior order restricting investments in low-income housing tax credit properties to the Applicants' service territory. (Rel. 35-27179)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change (SR-CBOE-99-10) submitted by the Chicago Board Options Exchange relating to participation rights for firms crossing orders. Publication of the order in the Federal Register is expected during the week of May 29 (Rel. 34-42835)

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission granted accelerated approval to a proposed rule change (SR-CBOE-00-11) filed by the Chicago Board Options Exchange relating to the trading of Index Portfolio Shares. Publication of the proposal is expected in the Federal Register during the week of May 29. (Rel. 34-42833)

SECURITIES ACT REGISTRATIONS

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.gov>. In most cases, this information is also available on the Commission's website: <www.sec.gov>.

S-1 CALIFORNIA PIZZA KITCHEN INC, 6053 WEST CENUTRY BLVD, ELEVENTH FLOOR,
LOS ANGELES, CA 90045 (310) 342-5000 - \$70,000,000 COMMON STOCK. (FILE 333-37778 - MAY. 25) (BR. 5)

S-3 SENETEK PLC /ENG/, 23 PALACE STREET, LONDON SW1E 5HW, UNITED KINGDOM, X0
00000 (011) 441-7122 - 10,012,121 (\$15,643,939.06)
DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 333-37782 - MAY. 25) (BR. 1)

S-3 ACCESS PHARMACEUTICALS INC, 2600 N STEMMONS FRWY, STE 176, DALLAS, TX
75207 (214) 905-5100 - 6,541,418 (\$23,876,176) COMMON STOCK. (FILE 333-37786 - MAY. 25) (BR. 1)

S-8 AUXER GROUP INC, 12 ANDREWS DRIVE, WEST PATERSON, NJ 07424 -
11,765,385
(\$897,110.61) COMMON STOCK. (FILE 333-37788 - MAY. 25) (BR. 9)

S-8 PATINA OIL & GAS CORP, 1625 BROADWAY, STE 2000, DENVER, CO 80202
(303) 592-8500 - 3,000,000 (\$49,125,000) COMMON STOCK. (FILE 333-37790
MAY. 25) (BR. 4)

SB-2 DIMGROUP COM INC, 555 BURNHAMTHORPE ROAD SUITE 304,

TORONTO ONTARIO CANADA, A6 (416) 626-5346 - 1,239,600 (\$123,960)
COMMON STOCK. (FILE 333-37792 - MAY. 25) (BR. 9)

S-3 VERTEX PHARMACEUTICALS INC / MA, 130 WAVERLY STREET, CAMBRIDGE, MA
02139
(616) 577-6000 - 175,000,000 (\$175,000,000)
CONVERTIBLE DEBENTURES AND NOTES. (FILE 333-37794 - MAY. 25) (BR. 1)

S-8 TIME WARNER INC/, TIME & LIFE BLDG ROCKFELLER CENTER,
75 ROCKEFELLER PLAZA, NEW YORK, NY 10019 (212) 484-8000 - 1,200,000
(\$88,350,000) COMMON STOCK. (FILE 333-37796 - MAY. 25) (BR. 5)

S-8 POLICY MANAGEMENT SYSTEMS CORP, ONE PMSC CTR, PO BOX TEN, COLUMBIA,
SC
29202 (803) 735-4000 - 600,000 (\$10,350,000) COMMON STOCK. (FILE
333-37798 - MAY. 25) (BR. 1)

SB-2 XML GLOBAL TECHNOLOGIES INC, 1038 HOMER STREET,
VANCOUVER, BRITISH COLUMBIA, CANADA, A1 V6B2W (800) 201-1848 -
24,335,000
(\$36,502,500) COMMON STOCK. (FILE 333-37802 - MAY. 25) (BR. 9)

S-8 VYVO INC, 20400 STEVENS CREEK BLVD, 8TH FL, CUPERTINO, CA 95014
(408) 863-2300 - 8,408,688 (\$73,866,752) COMMON STOCK. (FILE 333-37804
-
MAY. 25) (BR. 7)

S-8 NATIONAL STANDARD CO, 1618 TERMINAL RD, NILES, MI 49120 (616) 683-
8100
- 1,364,444 (\$2,685,226) COMMON STOCK. (FILE 333-37806 - MAY. 25) (BR.
6)

S-3 MICREL INC, 1849 FORTUNE DR, SAN JOSE, CA 95131 (408) 944-0800 -
76,117
(\$4,919,061) COMMON STOCK. (FILE 333-37808 - MAY. 25) (BR. 5)

S-8 AKAMAI TECHNOLOGIES INC, 500 TECHNOLOGY SQ, CAMBRIDGE, MA 02139
(617) 250-3000 - 9,000,000 (\$585,810,000) COMMON STOCK. (FILE 333-
37810 -
MAY. 25) (BR. 8)

S-2 HARTFORD LIFE INSURANCE CO, 200 HOPMEADOW ST, P O BOX 2999,
SIMSBURY, CT
06089 (860) 843-5445 - \$500,000,000
OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 333-37812 - MAY. 25)
(BR. 20)

S-8 PLC SYSTEMS INC, 10 FORGE PK, FRANKLIN, MA 02038 (508) 541-8800 -
900,000 (\$1,518,750) COMMON STOCK. (FILE 333-37814 - MAY. 25) (BR. 5)

S-8 CHINA PREMIUM FOOD CORP, 11300 US HIGHWAY 1 SUITE 202, NORTH PALM
BEACH,
FL 33408 (561) 625-1411 - 131,314 (\$98,485.50) COMMON STOCK. (FILE
333-37818 - MAY. 25) (BR. 9)

S-1 ANTIGENICS INC /DE/, 630 FIFTH AVENUE SUITE 2170, NEW YORK, NY 10111

(212) 332-4774 - 3,079,858 (\$44,657,941) COMMON STOCK. (FILE 333-37820
-
MAY. 25) (BR. 1)

S-8 OAK BROOK CAPITAL IV INC//, 1250 TURKS HEAD BUILDING, PROVIDENCE, RI
02903 (401) -27-2-58 - 2,105,200 (\$7,999.76) COMMON STOCK. (FILE
333-37822 - MAY. 25) (BR. 9)

S-8 AMPCO PITTSBURGH CORP, 600 GRANT ST STE 4600, PITTSBURGH, PA 15219
(412) 456-4400 - 300,000 (\$3,346,800) COMMON STOCK. (FILE 333-37828 -
MAY. 25) (BR. 5)

S-8 MICREL INC, 1849 FORTUNE DR, SAN JOSE, CA 95131 (408) 944-0800 -
6,583
(\$425,426) COMMON STOCK. (FILE 333-37832 - MAY. 25) (BR. 5)

S-3 USOL HOLDINGS INC, 10300 METRIC BLVD, AUSTIN, TX 78758 (512) 651-
3767 -
1,500,000 (\$11,437,500) WARRANTS, OPTIONS OR RIGHTS. (FILE 333-37836 -
MAY. 25) (BR. 9)

S-8 COR THERAPEUTICS INC / DE, 256 E GRAND AVE STE 80, SOUTH SAN
FRANCISCO,
CA 94080 (415) 244-6800 - 400,000 (\$25,438,393) COMMON STOCK. (FILE
333-37840 - MAY. 25) (BR. 1)

SB-2 MOUNTAIN OIL INC, P O BOX 1574, ROOSEVELT, UT 84066 (435) 722-2992 -
1,000,000 (\$2,250,000) COMMON STOCK. (FILE 333-37842 - MAY. 25)

S-8 LIBERTY CORP, P O BOX 789, 2000 WADE HAMPTON BLVD, GREENVILLE, SC
29615
(864) -60-9-82 - 700,000 (\$21,987,000) COMMON STOCK. (FILE 333-37844 -
MAY. 25) (BR. 1)

S-8 CAREER EDUCATION CORP, 2895 GREENSPPOINT, SUITE 600, HOFFMAN ESTATES,
IL
60195 (847) 781-3600 - 750,000 (\$29,250,000) COMMON STOCK. (FILE
333-37848 - MAY. 25) (BR. 8)

S-8 COOPER CAMERON CORP, 515 POST OAK BLVD, STE 1200, HOUSTON, TX 77027
(713) 513-3322 - 2,000,000 (\$146,880,000) COMMON STOCK. (FILE 333-
37850 -
MAY. 25) (BR. 4)

S-8 CHESHIRE DISTRIBUTORS INC, 1599 POST RD, EAST WESTPORT, CT 06880
(915) 682-1761 - 1,000,000 (\$5,000,000) COMMON STOCK. (FILE 333-37852
-
MAY. 25) (BR. 5)

S-8 EGLOBE INC, 1250 24TH STREET NW, SUITE 725, WASHINGTON, DC 20037
(303) 691-2115 - 3,750,000 (\$15,832,125) COMMON STOCK. (FILE 333-37854
-
MAY. 25) (BR. 8)

S-8 LAMAR ADVERTISING CO/NEW, C/O LAMAR ADVERTISING COMPANY,
5551 CORPORATE BOULEVARD, BATON ROUGE, LA 70808 (225) 926-1000 -
1,000,000

(\$39,562,500) COMMON STOCK. (FILE 333-37858 - MAY. 25) (BR. 2)

S-3 NETLOJIX COMMUNICATIONS INC, 501 BATH STREET, SANTA BARBARA, CA
93101
(805) 884-6300 - 450,000 (\$1,331,250) COMMON STOCK. (FILE 333-37860 -
MAY. 25) (BR. 7)

S-4 WELLS FARGO & CO/MN, 420 MONTGOMERY STREET, SIXTH & MARQUETTE,
SAN FRANCISCO, CA 94163 (612) 667-1234 - 90,000,000 (\$3,091,500,000)
COMMON STOCK. (FILE 333-37862 - MAY. 25) (BR. 7)

S-8 HORIZON ORGANIC HOLDING CORP, 6311 HORIZON LN, SUITE 201, LONGMONT,
CO
80308 (303) 530-2711 - 750,000 (\$7,500,000) COMMON STOCK. (FILE 333-
37864
- MAY. 25) (BR. 4)

S-1 CURON MEDICAL INC, 735 PALOMAR AVENUE, SUNNYVALE, CA 94086
(408) 733-9910 - \$60,000,000 COMMON STOCK. (FILE 333-37866 - MAY. 25)
(NEW ISSUE)

S-8 PURE RESOURCES INC, 2141 ROSECRANS AVENUE, SUITE 4000, EL SEGUNDON,
CA
90245 (310) 726-7768 - 500,000 (\$6,682,450) COMMON STOCK. (FILE 333-
37868
- MAY. 25) (BR. 4)

S-8 PURE RESOURCES INC, 2141 ROSECRANS AVENUE, SUITE 4000, EL SEGUNDON,
CA
90245 (310) 726-7768 - 200,000 (\$2,672,980) COMMON STOCK. (FILE 333-
37870
- MAY. 25) (BR. 4)

S-3 CYBERIAN OUTPOST INC, 23 NORTH STREET, P O BOX 636, KENT, CT 06757
(860) 927-2050 - 4,702,900 (\$20,207,891) COMMON STOCK. (FILE 333-37872
-
MAY. 25) (BR. 2)

S-8 FIRST NORTHERN COMMUNITY BANCORP, 195 N FIRST STREET, DIXON, CA
95620
(707) 678-4422 - 1,325,066 (\$18,882,190.50) COMMON STOCK. (FILE 333-
37874
- MAY. 25) (BR. 7)

S-3 PLANTRONICS INC /CA/, 345 ENCINAL STREET, PO BOX 1802, SANTA CRUZ,
CA
95061 (831) 426-5858 - 1,150,000 (\$102,278,125) COMMON STOCK. (FILE
333-37876 - MAY. 25) (BR. 7)

S-8 TOR MINERALS INTERNATIONAL INC, 722 BURLESON, CORPUS CHRISTI, TX
78402
(361) 882-5175 - 750,000 (\$1,920,000) COMMON STOCK. (FILE 333-37878 -
MAY. 25) (BR. 2)

S-8 OAK BROOK CAPITAL III INC, 1250 TURKS HEAD BUILDING, PROVIDENCE, RI
02903 (401) -27-2-58 - 2,105,200 (\$7,999.76) COMMON STOCK. (FILE
333-37880 - MAY. 25) (BR. 9)

S-3 DAIMLERCHRYSLER WHOLESALE RECEIVABLES LLC, 27777 FRANKLIN ROAD,
SOUTHFIELD, MI 48034 (248) 948-3067 - 1,000,000 (\$1,000,000)
EQUIPMENT TRUST CERTIFICATES. (FILE 333-37882 - MAY. 25) (NEW ISSUE)

S-8 RED HAT INC, 2600 MERIDIAN PARKWAY, DURHAM, NC 27713 (919) 547-0012
-
9,474,287 (\$12,493,631.12) COMMON STOCK. (FILE 333-37884 - MAY. 25)
(BR. 3)

S-8 MARTIN MARIETTA MATERIALS INC, 2710 WYCLIFF RD, RALEIGH, NC 27607
(919) 781-4550 - 35,000 (\$1,791,563) COMMON STOCK. (FILE 333-37886 -
MAY. 25) (BR. 4)

S-8 MERISTAR HOSPITALITY CORP, 1010 WISCONSIN AVENUE N W, WASHINGTON, DC
20007 (972) 550-6800 - 500,000 (\$9,470,000) COMMON STOCK. (FILE 333-
37888
- MAY. 25) (BR. 8)

S-3 INFOCURE CORP, 1765 THE EXCHANGE, STE 450, ATLANTA, GA 30339
(770) 221-9990 - 745,213 (\$4,284,974.75) COMMON STOCK. (FILE 333-37890
-
MAY. 25) (BR. 3)

S-8 E TRADE GROUP INC, 4500 BOHANNON DRIVE, MENLO PARK, CA 94025
(650) 842-2500 - 950,389 (\$5,898,678.82) COMMON STOCK. (FILE 333-37892
-
MAY. 25) (BR. 7)

S-8 VERTEX INDUSTRIES INC, 23 CAROL ST, PO BOX 996, CLIFTON, NJ 07014
(973) 777-3500 - 2,066,691 (\$13,820,996.06) COMMON STOCK. (FILE 333-
37894
- MAY. 25) (BR. 3)

S-1 MILLENNIUM CELL INC, INDUSTRIAL WAY WEST, EATONTOWN, NJ 07724
(732) 542-4000 - \$40,000,000 COMMON STOCK. (FILE 333-37896 - MAY. 25)
(NEW ISSUE)

S-8 ADC TELECOMMUNICATIONS INC, 12501 WHITEWATER DR, MINNETONKA, MN
55343
(952) 946-2324 - 601,200 (\$34,268,400) COMMON STOCK. (FILE 333-37898 -
MAY. 25) (BR. 7)

S-3 ADC TELECOMMUNICATIONS INC, 12501 WHITEWATER DR, MINNETONKA, MN
55343
(952) 946-2324 - 13,800,940 (\$786,653,580) COMMON STOCK. (FILE 333-
37900 -
MAY. 25) (BR. 7)

S-8 DATRON SYSTEMS INC/DE, 3030 ENTERPRISE CT, VISTA, CA 92083
(760) 734-5454 - 200,000 (\$2,312,600) COMMON STOCK. (FILE 333-37902 -
MAY. 25) (BR. 7)