

SEC NEWS DIGEST

Issue 2001-132

July 10, 2001

COMMISSION ANNOUNCEMENTS

RICHARD WALKER, DIRECTOR OF ENFORCEMENT, TO LEAVE THE SEC

Ten-Year Tenure at Commission Also Includes Service as General Counsel and Director of Northeast Regional Office

Richard H. Walker, Director of the Securities and Exchange Commission's Division of Enforcement, announced today that after 10 years of service, he will be leaving the Commission and will return to the private sector. He has not yet accepted a new position and will remain at the Commission for a short period to assist with the transition to a new Chairman.

Acting Chairman Laura Unger said, "America's investors have benefited greatly from Dick Walker's presence at the SEC. He has served the Commission masterfully in three demanding positions, bringing enormous intellect, judgment and grace to each. He has been a leader of the staff, an ambassador of the agency, and a respected colleague and friend."

Mr. Walker said, "It has been a privilege to spend 10 years at this great agency and to work with colleagues who are the best in government. I am extremely proud to have had a hand in the Commission's work and to have contributed to its mission of protecting investors. The opportunity to serve under three distinguished Chairmen and nine outstanding Commissioners, working side by side with countless members of the staff who inspire me daily with their talent and dedication, has been the highlight of my legal career."

Mr. Walker became Director of Enforcement in 1998 after serving as the Commission's General Counsel from 1996 to 1998 and Regional Director of the Commission's Northeast Regional Office in New York from 1991 to 1996. As Director of Enforcement, Mr. Walker headed the Commission's largest Division and directed the Commission's nationwide enforcement effort. He spearheaded the Division's attack against earnings management and other financial reporting abuses, established the Commission's Internet enforcement program, and led the Commission's efforts to secure more criminal prosecutions for violations of the federal securities laws.

- Mr. Walker was the driving force behind some of the most significant financial fraud cases ever brought by the Commission, including those involving W.R. Grace, Livent, Cendant, McKesson HBOC, Microstrategy, Sunbeam, and Arthur Andersen, and the 1999 landmark auditor independence case against PricewaterhouseCoopers.
- In the Internet arena, Mr. Walker created the Division's Office of Internet Enforcement and led the Commission's attack against Internet securities fraud. Those efforts have resulted in approximately 250 cases to date, including successful prosecutions relating to manipulations of PairGain, Emulex and Lucent.
- Mr. Walker forged strong partnerships with federal, state and local prosecutors and the F.B.I., resulting in record numbers of criminal prosecutions of securities violations. He aggressively attacked microcap fraud and organized crime involvement in securities activities through coordinated civil and criminal prosecutions. He also orchestrated the Commission's participation in major undercover sting operations, including Operation Thorcon (resulting in multiple successful prosecutions and civil cases arising out of bribes by corrupt promoters) and Operation Uptick (involving the largest number of people ever charged with securities fraud -- over 100 -- including organized crime affiliates).

Mr. Walker received numerous awards during his tenure at the Commission, including the Chairman's Award for Excellence under both Chairman Levitt and Chairman Breeden, the Commission's Distinguished Service Award, the Presidential Rank Distinguished Service Award and the Commission's Law and Policy Award, awarded for his participation in the government's successful appeal in U.S. v. O'Hagan, which upheld the misappropriation theory of insider trading.

Before joining the Commission, Mr. Walker was a partner at Cadwalader, Wickersham & Taft in New York City. He began his legal career as a law clerk to Chief Judge Collins J. Seitz of the U.S. Court of Appeals for the Third Circuit.

Mr. Walker received his B.A. from Trinity College in 1972 where he was a member of Phi Beta Kappa. He received his J.D., cum laude, from Temple Law School, where he was Editor-in-Chief of the Temple Law Quarterly. (Press Rel. 2001-68)

ENFORCEMENT PROCEEDINGS

FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF ENTERED AGAINST WILLIAM CARRAWAY

The Commission announced that on March 26, 2001, Judge Patrick Michael Duffy of the United States District Court for the District of South Carolina entered a Final Judgment of Permanent Injunction and Other Relief as to Defendant William D. Carraway (Carraway) restraining and enjoining him from future violations of Sections 5(a), 5(c), 17(a) and of the Securities Act of 1933 (Securities Act) and Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder. Carraway consented to the entry of the Final Judgment of Permanent Injunction and Other Relief without admitting or denying the allegations of the Commission's complaint. Further, the Final Judgment ordered Carraway pay disgorgement in the amount of \$771,992, with pre-judgment interest thereon in the amount of \$229,085, but waived payment based upon Carraway's demonstrated inability to pay. The Final Judgment did not impose a civil penalty based upon Carraway's demonstrated inability to pay. The Final Judgment barred Carraway for a period of five years from serving as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act.

Also on March 26, 2001, the Court entered Final Judgment as to Relief Defendant Mary Ann Carraway, which ordered her to pay disgorgement in the amount of \$633,926, but waived payment of disgorgement based upon her inability to pay. Mary Ann Carraway consented to the entry of the Final Judgment without admitting or denying the facts alleged in the Commission's complaint.

The Commission's complaint, filed on July 1, 1998, alleged that Green Oasis Environmental, Inc. (Green Oasis) and Carraway, and Raymond C. O'Brien published false and misleading press releases prepared by the public relations firm the company retained. The complaint alleged that Carraway paid others to publish purportedly objective descriptions about the company and to encourage positive discussion about the company in Internet news groups. According to the complaint, Carraway used these false press releases to increase investor interest in the company.

The complaint sought a permanent injunction against Carraway and other defendants to prevent future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act and Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder, disgorgement of the defendants' gains from their sales of Green Oasis stock and civil penalties. The Commission's complaint also sought disgorgement from Mary Ann Carraway of the alleged gains she received from her sales of Green Oasis securities. Previously, Judge Duffy entered Orders of Permanent Injunction against Green Oasis in August 1998, and against other defendants in December 1998 and in May 1999.

Investors are advised to read the SEC's "Cyberspace" Alert before purchasing any investment promoted on the Internet. The free publication, which alerts investors to the telltale signs of online investment fraud, is available on the Investor Assistance and Complaints link of the SEC's Home Page on the World Wide Web <www.sec.gov>. For more information about Internet fraud, visit <http://www.sec.gov/divisions/enforce/internetenforce.htm>. To report suspicious activity

involving possible Internet fraud, visit <http://www.sec.gov/complaint.shtml>. Investors can also mail a report to the SEC's Enforcement Complaint Center, Mail Stop 8-4, 450 Fifth Street, Washington, D.C. 20549.

For further information, see LR-15864 (September 1, 1998); LR-15876 (September 9, 1998); LR-16032 (January 20, 1999); and LR-16174 (June 4, 1999). [SEC v. Green Oasis Environmental, Inc., William D. Carraway, Raymond C. O'Brien and Ronald V. Reece, Defendants, Mary Ann Carraway, Relief Defendant, Civil Action No. 2:98-1913-23, D. S.C.] (LR-17064)

SEC SUES STEVEN RISTAU AND PACKETSWITCH.COM FOR SECURITIES FRAUD

The Commission announced today that it filed securities fraud charges against PacketSwitch.Com, Inc., a California corporation purportedly set up to develop a wireless internet technology by which movies could be viewed through the Internet, and its former president and chief executive officer, Steven A. Ristau. In its complaint, filed in the United States District Court in the Northern District of California, the SEC alleges that the defendants sold \$3.7 million of stock in PacketSwitch.Com to between 700 and 900 investors, many of whom included individuals that Ristau knew through his relationships with large churches in the San Jose area, in an unregistered offering and made numerous misrepresentations in soliciting investors.

The Commission's complaint alleges that the defendants' numerous misrepresentations included representing that the Company had a new technology that allowed it to broadcast movies wirelessly over the Internet; either had or was in the process of obtaining patents for its purported Internet technology; had substantial operations in Africa and Asia, including a billion dollar contract with the Republic of Korea; and had strategic partnerships and alliances with various large, publicly traded telecommunications companies. According to the complaint, contrary to these representations, PacketSwitch.Com was a start-up with no revenue and no real product; its technology was an off-the-shelf commercial product that did not have the capability of transmitting movies wirelessly from over ten miles away. The complaint states that the Company did not have and was not in the process of obtaining patents for its purported Internet technology and that the Company did not have substantial overseas operations, and it did not have any significant contracts, strategic partnerships or alliances with any governments or large companies.

The complaint further alleges that the defendants failed to disclose that a significant portion of the funds the Company raised went to Ristau for his own personal use, including purchasing a \$1.8 million home in San Jose, paying for the Ristaus' family vacation to Hawaii, \$66,000 of Ristau's delinquent child support, payments for Ristau's Lexis automobile, a camper/trailer for Ristau's wife and various other personal items. The complaint also alleges that Ristau received sales commissions based on a percentage

of proceeds raised by the company and that Ristau didn't disclose to investors that any of the funds raised would go to pay for sales commissions.

The Commission's complaint alleges violations of Sections 5 and 17(a) of the Securities Act of 1933 (Securities Act) and Sections 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder against Ristau and PacketSwitch.Com, as well as violations of the broker-dealer registration provisions as set forth in Section 15(a) of the Exchange Act against Ristau. The Commission's complaint seeks an injunction against defendants' future violations of the registration, antifraud and broker-dealer registration provisions of the federal securities laws, disgorgement of all ill-gotten gains and an order prohibiting Ristau from acting as a director or officer of a public company and civil money penalties. [SEC v. PacketSwitch.Com and Steven A. Ristau, USDC, NDCA, Civil Action No. C-01-20626-RS] (LR-17065)

INVESTMENT COMPANY ACT RELEASES

FIRST ALLMERICA FINANCIAL LIFE INSURANCE COMPANY, ET AL.

An order has been issued pursuant to Section 6(c) of the Investment Company Act to First Allmerica Financial Life Insurance Company (First Allmerica) together with certain of its separate accounts, and Allmerica Investments, Inc. granting exemptions from Sections 2(a)(32), 22(c), and 27(i)(2)(A) of the Act and Rule 22c-1 thereunder. The order permits the recapture of credits applied to contributions made under certain deferred variable annuity contracts that First Allmerica will issue. In addition, the order extends to any other National Association of Securities Dealers, Inc. member broker-dealer controlling or controlled by, or under common control with, First Allmerica, whether existing or created in the future, that serves as a distributor or principal underwriter for the contracts. (Rel. IC-25059 – July 9)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change and Amendment Nos. 1 and 2, and granted accelerated approval to Amendment No. 3 to the proposed rule change submitted by the National Association of Securities Dealers (SR-NASD-00-39) amending Schedule A of the NASD By-Laws for the Timely Filing of Reports, and Amendments to IM-9216, Minor Rule Violation Plan. (Rel. 34-44512)

The Commission approved a proposed rule change submitted by the National Association of Securities Dealers (SR-NASD-00-30) to include UTP Exchanges in the Nasdaq National Market Execution System. (Rel. 34-44526)

The Commission approved a proposed rule change (SR-Phlx-2001-19) by the Philadelphia Stock Exchange to institute an Antitrust Compliance Policy. (Rel. 34-44527)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change submitted by the Philadelphia Stock Exchange relating to PACE delivery of certain orders without agency execution guarantees (SR-Phlx-2001-53) has become 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 July 9. (Rel. 34-44514)

JOINT INDUSTRY PLANS

The Commission approved a proposed options listing procedures plan submitted pursuant to Rule 11Aa3-2 under the Securities Exchange Act of 1934 by the American Stock Exchange, Chicago Board Options Exchange, International Securities Exchange, The Options Clearing Corporation, Pacific Exchange, and Philadelphia Stock Exchange. Publication of the proposal is expected in the Federal Register during the week of July 9. (Rel. 34-44521, File No. 4-443)

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission granted accelerated approval of a proposed rule change submitted by the National Association of Securities Dealers (SR-NASD-2001-36) to eliminate the Service Desk feature of the Automated Confirmation Transaction service. (Rel. 34-44522)

ABROGATED RULE CHANGE

The Commission has issued an order of summary abrogation with respect to a proposed rule change submitted by the Chicago Board Options Exchange (SR-CBOE-2001-31) relating to a fee applied to each contract sent by a clearing firm to the Exchange's Public Automated Routing (PAR) system in a given month, if the total number of contracts cancelled by the firm on the PAR system that month exceeds 40% of the total number of contracts that the firm sent to PAR in the same month. The fee would not apply to any clearing firm that sends fewer than 4,000 contracts to the PAR system in a given month. Publication of the abrogation order is expected in the Federal Register during the week of July 10. (Rel. 34-44528)

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-8 CHEESECAKE FACTORY INCORPORATED, 26950 AGOURA RD, CALABASAS HILLS,
CA
91301 (818) 880-9323 - 1,492,873 (\$40,232,927.35) COMMON STOCK. (FILE
333-64464 - JUL. 03) (BR. 5)

S-8 STANDEX INTERNATIONAL CORP/DE/, 6 MANOR PKWY, SALEM, NH 03079
(603) 893-9701 - 43,011 (\$1,000,005.75) COMMON STOCK. (FILE 333-64466
JUL. 03) (BR. 6)

S-8 VECTOR ENERGY CORP /TEXAS/, 5599 SAN FELIPE, SUITE 620, HOUSTON, TX
77056 (713) 850-9993 - 6,000,000 (\$1,320,000) COMMON STOCK. (FILE
333-64468 - JUL. 03) (BR. 4)

S-8 DATAKEY INC, 407 W TRAVELERS TRAIL, BURNSVILLE, MN 55337 (612) 890-
6850
- 300,000 (\$927,000) COMMON STOCK. (FILE 333-64470 - JUL. 03) (BR. 5)

S-8 J P MORGAN CHASE & CO, 270 PARK AVE, 39TH FL, NEW YORK, NY 10017
(212) 270-6000 - 45,000,000 (\$1,999,125,000) COMMON STOCK. (FILE
333-64476 - JUL. 03) (BR. 7)

S-3 ORASURE TECHNOLOGIES INC, 150 WEBSTER ST, BETHLEHEM, PA 18015
64486
(503) 641-6115 - 4,049,882 (\$47,181,125.30) COMMON STOCK. (FILE 333-
- JUL. 03) (BR. 5)

S-8 BARNEYS NEW YORK INC, 575 FIFTH AVE, NEW YORK, NY 10017 (212) 339-
3300
- 1,096,000 (\$10,549,000) COMMON STOCK. (FILE 333-64488 - JUL. 03)
(BR. 2)

S-3 BRIGGS & STRATTON CORP, 12301 W WIRTH ST, WAUWATOSA, WI 53222
(414) 259-5333 - 140,000,000 (\$140,000,000)
CONVERTIBLE DEBENTURES AND NOTES. (FILE 333-64490 - JUL. 03) (BR. 5)

SB-2 DETOUR MEDIA GROUP INC, 7060 HOLLYWOOD BLVD., SUITE 1150, LOS
ANGELES,
CA 90028 (213) 469-9444 - 14,505,260 (\$1,123,504) COMMON STOCK. (FILE
333-64492 - JUL. 03) (BR. 5)

S-8 BED BATH & BEYOND INC, 650 LIBERTY AVENUE, UNION, NJ 07083
(201) 379-1520 - 22,000,000 (\$651,750,000) COMMON STOCK. (FILE 333-
64494 -
JUL. 03) (BR. 2)

S-8 ALLIANT TECHSYSTEMS INC, 600 2ND ST NE, HOPKINS, MN 55343 (612) 931-
6000
- 440,000 (\$37,972,000) COMMON STOCK. (FILE 333-64498 - JUL. 03) (BR.
6)

S-3 BILLSERV COM INC, 211 N LOOP 1604, SUITE 100, SAN ANTONIO, TX 78232
(210) 402-5000 - 1,758,240 (\$3,868,128) COMMON STOCK. (FILE 333-64508
-
JUL. 03) (BR. 7)

S-3 DB DEPOSITOR INC, 1209 ORANGE ST, WILMINGTON, DE 19801 (212) 839-
5643 -
500,000,000 (\$500,000,000) EQUIPMENT TRUST CERTIFICATES. (FILE 333-
64512 -
JUL. 03) (NEW ISSUE)

S-8 WINMAX TRADING GROUP INC, 429 SEABREEZE BLVD STE 227, FT LAUDERDALE,
FL
33316 (954) 523-4500 - 65,000 (\$178,750) COMMON STOCK. (FILE 333-64514
-
JUL. 03) (BR. 9)

S-8 FUSION MEDICAL TECHNOLOGIES INC, 1615 PLYMOUTH STREET, MOUNTAIN
VIEW, CA
94043 (415) 903-4000 - 710,000 (\$4,856,400) COMMON STOCK. (FILE 333-
64522
- JUL. 03) (BR. 5)

S-3 ARCHER DANIELS MIDLAND CO, 4666 FARIES PKWY, DECATUR, IL 62526
(217) 424-4798 - 272,006 (\$3,663,921) COMMON STOCK. (FILE 333-64524 -
JUL. 03) (BR. 4)

S-8 SOVEREIGN BANCORP INC, 2000 MARKET ST, PHILADELPHIA, PA 19103
(215) 557-4630 - 10,000,000 (\$129,700,000) COMMON STOCK. (FILE 333-
64530 -
JUL. 03) (BR. 7)

S-8 SUPERIOR FINANCIAL CORP /AR/, 16101 LAGRANDE DRIVE, SUITE 103,
LITTLE ROCK, AR 72223 (501) 324-7255 - 1,008,050 (\$14,616,725)
COMMON STOCK. (FILE 333-64548 - JUL. 03) (BR. 7)

S-8 TBX RESOURCES INC, 12300 FORD RD SUITE 265, DALLAS, TX 75234
(972) 243-2610 - 310,000 (\$691,300) COMMON STOCK. (FILE 333-64550 -
JUL. 03) (BR. 9)

S-8 KANA COMMUNICATIONS INC, 740 BAY RD, REDWOOD CITY, CA 94063
(650) 325-9850 - 45,828,248 (\$77,836,276) COMMON STOCK. (FILE 333-
64552 -
JUL. 03) (BR. 8)

S-8 TELESERVICES INTERNET GROUP INC, 100 SECOND AVE SOUTH, STE 1000,
ST PETERSBURG, FL 33701 (727) 895-4410 - 15,000,000 (\$1,500,000)
COMMON STOCK. (FILE 333-64586 - JUL. 03) (BR. 8)

S-8 WORLD HOMES INC, 4505 W HACIENDA AVE, UNIT I 1, LAS VEGAS, NV 89118
(702) 579-4888 - 150,000 (\$69,000) COMMON STOCK. (FILE 333-64590 -
JUL. 03) (BR. 6)