

SEC NEWS DIGEST

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ENFORCEMENT PROCEEDINGS

SEC FILES CONTEMPT MOTION AGAINST LAW FIRM THAT TRANSFERRED DEFENDANT'S FROZEN FUNDS IN VIOLATION OF COURT ORDERS

The Commission announced that on July 13 it filed a Motion for an Order to Show Cause why the Cincinnati law firm of Brown Cummins & Brown Co., L.P.A. should not be held in contempt for violating the Order of Permanent Injunction and Order Appointing a Receiver entered by the United States District Court for the Southern District of Ohio in SEC v. Donahue and Donahue Securities Inc. The Commission's Motion alleges that after entry of the Court's Order of Permanent Injunction on February 26, 2001, Brown Cummins transferred at least \$148,000 belonging to Defendant Stephen G. Donahue into its general operating account to pay Donahue's legal fees in violation of the asset freeze imposed by the Order of Permanent Injunction. The Motion also alleges that Brown Cummins failed to turn over funds belonging to Donahue to the court-appointed Receiver as required by the Court's Order Appointing a Receiver entered on March 6, 2001. In its Motion, the Commission is seeking an order finding Brown Cummins in civil contempt and requiring Brown Cummins to deliver the funds it transferred in violation of the Court's Orders to the court-appointed Receiver.

The Court's Order of Permanent Injunction permanently enjoined Donahue from further violating the antifraud provisions of the federal securities laws, froze all funds belonging to Donahue or in which he held a beneficial interest and ordered Donahue to pay disgorgement and civil penalties in an amount to be determined in a separate hearing. The Court's Order Appointing a Receiver ordered all persons to turn over to the receiver any property owned by Donahue or in which Donahue had an interest. The Orders were entered based on the Commission's complaint which alleged that Donahue engaged in a 12-year scheme to misappropriate at least \$6 million from at least 200 of his brokerage clients. For further information see LR-16909 (February 28, 2001). [SEC v. Donahue and Donahue Securities, Inc., S.D. Ohio, Western Division at Cincinnati, Civil Action No. C-1-01-116] (LR-17075)

BANK OF BERMUDA AGREES TO \$67.5 MILLION PROPOSED SETTLEMENT IN LAWSUITS ARISING FROM SEC ACTION SHUTTING DOWN CASH 4 TITLES PONZI SCHEME

The Commission today reported a proposed \$67.5 million joint settlement of two actions filed against the Bank of Bermuda relating to the Commission's action in October 1999 in SEC v. Charles R. Homa, et al., 99 C 6895 (N.D. IL) shutting down a massive Ponzi scheme operated through C4T Management, Inc. (C4T) (a/k/a Cash 4 Titles). The Bank of Bermuda's proposed offer will settle both a case brought by Phillip S. Stenger (Stenger v. Bank of Bermuda, Ltd., 00 C 5740, N.D. IL), the court appointed receiver in SEC v. Homa, and a class action lawsuit filed in Florida (Wolf v. Cash 4 Titles, et al., 00 0542 CIV, S.D. FL). The Bank of Bermuda has agreed to pay 50% of verified net investor claims, attorneys' fees and costs up to a maximum of \$67.5 million. The proposed settlement will be considered in a hearing in the class action lawsuit on October 12, 2001, in federal district court in Miami, Florida. On June 28, 2001, Judge Guzman, who is presiding over SEC v. Homa, authorized Mr. Stenger to enter into the proposed settlement.

On October 15, 1999, the Securities and Exchange Commission filed an action and obtained, among other things, a temporary restraining order and asset freeze against Cash 4 Titles (C4T), Charles Richard Homa (Homa), Michael Gause (Gause) and 23 others individual and entity defendants. On June 1, 2000, the Commission added 16 defendants to its action, bringing the total number of defendants charged in the case to 42. The Commission alleged that the 42 defendants, led by Homa and Gause, engaged in a massive Ponzi scheme through the sale of notes and bonds and raised approximately \$300 million dollars from approximately 2,000 investors. Investors were told that the money would be loaned to C4T, for use in its car title and payday loan business. The Commission alleged that only a small fraction of the money was used for its intended purpose, and instead, the funds were transferred to the Cayman Islands and used to pay existing investors, commissions to marketers and personal expenses. The Commission has obtained permanent injunctions against all but two of the individual defendants and the entities they control. The Bank of Bermuda was not named as a defendant in the Commission's action. Additionally, Homa and Gause have pled guilty to securities fraud, wire fraud and money laundering charges brought by the U.S. Attorney's Office for the Southern District of New York.

On November 2, 1999, Judge Guzman in SEC v. Homa appointed Mr. Stenger as receiver to locate, protect and liquidate the assets of the Defendants and to pursue other legal claims for the benefit of investors. On September 18, 2000, Mr. Stenger filed an action against the Bank of Bermuda (Stenger v. Bank of Bermuda, Ltd.) alleging that high ranking employees of the Bank's Cayman Islands subsidiary touted the C4T investment and were instrumental in setting up the bank accounts and fund transfers that were integral to the scheme. Moreover, the complaint alleged that Bank employees received commissions for marketing the C4T investments. Additionally, on August 2, 2000, a class action was filed against the Bank of Bermuda and others (Wolf v. Cash 4 Titles, et

al.) alleging that the Bank, through certain officers, assisted Homa, Gause and others in a massive scheme to misappropriate investor funds. The class action complaint alleges that the Bank of Bermuda served as a conduit for many offshore C4T financial transactions and certain Bank officers vouched for the credibility of Homa and Gause and the legitimacy of the C4T investment. As part of the proposed settlement of the Stenger and class actions, the Bank of Bermuda has denied liability and no court has entered a finding with respect to the legal claims.

Mary Keefe, Director of the Midwest Regional Office of the Commission, commented on the proposed settlement, "In many Ponzi schemes, investors recover less than twenty-five cents on the dollar, and sometimes receive nothing; the proposed settlement appears to be an excellent result for investors."

In addition to the money obtained in settlement from the Bank of Bermuda, Mr. Stenger and the Commission are pursuing other assets of the defendants from which to repay investors. Mr. Stenger has also been appointed joint liquidator in Cayman Islands proceedings relating to the C4T scheme. Investors seeking more information regarding the receiver's lawsuits and activities should review Mr. Stenger's website at www.cash4titles.com or the SEC's website at www.sec.gov/division/enforce/claims/cash4.

Previous related Litigation Releases: Lit. Rel. No. 16994 (May 10, 2001); Lit. Rel. No. 16931 (March 13, 2001); Lit. Rel. No. 16578 (June 1, 2000); and Lit. Rel. No. 16336 (October 15, 1999). [SEC. v. Charles Richard Homa, et al., 99 C 6895, N.D. IL] (LR-17076); (Press Rel. 2001-75)

INVESTMENT COMPANY ACT RELEASES

JNL SERIES TRUST, ET AL.

A notice has been issued giving interested persons until August 14, 2001, to request a hearing on an application filed by JNL Series Trust, et al. for an order under Section 12(d)(1)(J) of the Investment Company Act for an exemption from Sections 12(d)(1)(A) and (B) of the Act, under Sections 6(c) and 17(b) of the Act for an exemption from Section 17(a) of the Act, and under Section 17(d) of the Act and Rule 17d-1 under the Act to permit certain joint transactions. The requested order would permit certain registered management investment companies to invest uninvested cash and cash collateral in one or more affiliated money market funds. (Rel. IC-25071 – July 20)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGE

The Stock Clearing Corporation of Philadelphia filed a proposed rule change (SR-SCCP-2001-06) to establish the margin financing threshold rate of 25 percent for specialist and alternate specialist margin members in certain Nasdaq National Market securities. Publication of the proposal is expected in the Federal Register during the week of July 23. (Rel. 34-44582)

WITHDRAWAL SOUGHT

A notice has been issued giving interested persons until August 10, 2001, to comment on the application of Opinion Research Corporation to withdraw its common stock, \$.01 par value, from listing and registration on the American Stock Exchange. (Rel. 34-44583)

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 NYCOMED AMERSHAM PLC, AMERSHAM PLACE, LITTLE CHAIFONT, BUCKINGHAMSHIRE ENGLAND, X0 - 9,976,839 (\$71,933,009.18) FOREIGN COMMON STOCK. (FILE 333-13712 - JUL. 11) (BR. 1)
- S-8 DELTA GALIL INDUSTRIES LTD, 2 KAUFMAN ST, TEL AVIV 68012 ISRAEL, L5 39,929 (\$382,320.18) FOREIGN COMMON STOCK. (FILE 333-13716 - JUL. 13) (BR. 2)
- S-8 COGNICASE INC, 1080 BEAVER HALL HILL STE 2000, QUEBEC, E6 00000 (514) 866-6161 - 1,000,000 (\$4,970,000) FOREIGN COMMON STOCK. (FILE 333-13720 - JUL. 13) (BR. 3)
- F-6 JOHNNIC HOLDINGS LTD, 28 HARRISON STREET, JOHANNESBURG, T3 00000 - 20,000,000 (\$1,000,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 333-13722 - JUL. 16) (NEW ISSUE)

S-8 CCBT FINANCIAL COMPANIES INC, 495 STATION AVENUE, SOUTH YARMOUTH, MA
02601 (508) 760-8323 - 220,000 (\$6,144,950) COMMON STOCK. (FILE 333-
65222
- JUL. 17) (BR. 7)

S-8 CNET NETWORKS INC, 150 CHESTNUT ST, SAN FRANCISCO, CA 94111
(415) 364-8000 - 23,205 (\$673,409.10) COMMON STOCK. (FILE 333-65224 -
JUL. 17) (BR. 5)

S-1 ARAMARK WORLDWIDE CORP, ARAMARK TOWER, 1101 MARKET STREET,
PHILADELPHIA,
PA 19107 (215) 238-3000 - 600,000,000 (\$600,000,000) COMMON STOCK.
(FILE
333-65226 - JUL. 17) (BR. 5 - NEW ISSUE)

S-4 ARAMARK WORLDWIDE CORP, ARAMARK TOWER, 1101 MARKET STREET,
PHILADELPHIA,
PA 19107 (215) 238-3000 - 154,081,000 (\$154,081,000) COMMON STOCK.
(FILE
333-65228 - JUL. 17) (BR. 5)

S-8 GLOBAL INDUSTRIAL SERVICES INC, 200-1311 HOWE ST, VANCOUVER BC
CANADA,
V6Z 2 (509) 891-8373 - 120,000 (\$25,200) COMMON STOCK. (FILE 333-65234
-
JUL. 17) (BR. 9)

SB-2 TARI INC, 1102 WOLFE AVE, VANCOUVER BRITISH COLUMBIA, CANADA V6H
1V8, A1
00000 - 2,500,000 (\$125,000) COMMON STOCK. (FILE 333-65238 - JUL. 17)
(BR. 9 - NEW ISSUE)

S-3 ELECTRONICS BOUTIQUE HOLDINGS COPP, 103 FOULK ROAD, STE 202,
WILMINGTON,
DE 19803 (302) 778-4778 - 4,600,000 (\$161,966,000) COMMON STOCK. (FILE
333-65248 - JUL. 17) (BR. 2)

S-8 GOLD RESERVE INC, 926 W SPRAGUE AVENUE, SUITE 200, SPOKANE, WA 99201
(509) 623-1500 - 300,000 (\$310,500) COMMON STOCK. (FILE 333-65250 -
JUL. 17) (BR. 4)

S-8 AMERICAN STANDARD COMPANIES INC, ONE CENTENNIAL AVENUE, P O BOX
6820,
PISCATAWAY, NJ 08855 (732) 980-6000 - 6,900,000 (\$399,579,000)
COMMON STOCK. (FILE 333-65252 - JUL. 17) (BR. 6)

S-8 TRANS ENERGY INC, 210 SECOND ST, PO BOX 393, ST MARYS, WV 26170
(304) 684-7053 - 1,000,000 (\$27,000) COMMON STOCK. (FILE 333-65254 -
JUL. 17) (BR. 4)

S-8 DIGIMARC CORP, 19801 SW 72ND AVENUE, STE 100, TUALATIN, OR 97062
(503) 968-2908 - 1,687,330 (\$37,509 346) COMMON STOCK. (FILE 333-65256
-
JUL. 17) (BR. 3)

S-8 MICROSTRATEGY INC, 8000 TOWERS CRESCENT DR, VIENNA, VA 22182
(703) 848-8600 - 200,000 (\$634,000) COMMON STOCK. (FILE 333-65258 -
JUL. 17) (BR. 3)

S-8 HTE INC, 1000 BUSINESS CENTER DR LAKE MARY, FL 32746 (407) 304-3235
-
400,000 (\$1,020,000) COMMON STOCK. (FILE 333-65260 - JUL. 17) (BR. 3)

S-8 MICROSTRATEGY INC, 8000 TOWERS CRESCENT DR, VIENNA, VA 22182
(703) 848-8600 - 12,500,000 (\$39,625,000) COMMON STOCK. (FILE 333-
65264 -
JUL. 17) (BR. 3)

S-4 HALLIBURTON CO, 3600 LINCOLN PLZ, 500 N AKARD ST, DALLAS, TX 75201
(214) 978-2600 - 3,289,474 (\$22,793,000) COMMON STOCK. (FILE 333-65266
-
JUL. 17) (BR. 6)

S-8 HIBERNIA CORP, 313 CARONDELET ST, NEW ORLEANS, LA 70130 (504) 533-
5333
- 250,000 (\$3,460,937.50) COMMON STOCK. (FILE 333-65268 - JUL. 17)
(BR. 7)

S-8 AMERIQUEST TECHNOLOGIES INC, 425 PRIVET RD, HORSHAM, PA 19044
(215) 675-9300 - 2,000,000 (\$220,940) COMMON STOCK. (FILE 333-65270 -
JUL. 17) (BR. 3)

S-1 RESOURCES CONNECTION INC, 695 TOWN CTR DR, STE 600, COSTA MESA, CA
92626
(800) 900-1131 - 4,162,480 (\$108,640,728) COMMON STOCK. (FILE 333-
65272 -
JUL. 17) (BR. 8)

S-3 ADELPHIA COMMUNICATIONS CORP, 1 NORTH MAIN STREET, COUDERSPORT, PA
16915
(814) 274-9830 - 9,500,000 (\$384,940,000) COMMON STOCK. (FILE 333-
65274 -
JUL. 17) (BR. 7)

S-8 HIBERNIA CORP, 313 CARONDELET ST, NEW ORLEANS, LA 70130 (504) 533-
5333
- 4,770,810 (\$80,507,418.75) COMMON STOCK. (FILE 333-65276 - JUL. 17)
(BR. 7)

S-1 XCARE NET INC, 6400 S FIDLERS GREEN CR, STE 540, ENGLEWOOD, CO 80111
(303) 488-9028 - 1,942,453 (\$23,202,601) COMMON STOCK. (FILE 333-65280
-
JUL. 17) (BR. 8)

S-8 EORLD TRAVEL CORP, 34700 PACIFIC COAST HIGHWAY, SUITE 303,
CAPISTRANO BEACH, CA 92624 (949) 248-9561 - 10,000,000 (\$14,100,000)
COMMON STOCK. (FILE 333-65282 - JUL. 17) (BR. 5)

S-8 AMERIQUEST TECHNOLOGIES INC, 425 PRIVET RD, HORSHAM, PA 19044
(215) 675-9300 - 4,700,000 (\$850,821) COMMON STOCK. (FILE 333-65284 -
JUL. 17) (BR. 3)

S-8 DP CHARTERS INC/CA, 24843 DEL PRADO SUITE 318, 949-248-8933, DANA
POINT,
CA 92629 (949) 248-9561 - 20,000,000 (\$1,860,000) COMMON STOCK. (FILE
333-65286 - JUL. 18) (BR. 9)

S-8 KNOWLEDGE NETWORKS INC, 24843 DEL PRADO, SUITE 318, DANA POINT, CA
92629
(949) 248-9561 - 20,000,000 (\$9,600,000) COMMON STOCK. (FILE 333-65288
-
JUL. 18) (BR. 3)

S-3 COVANTA ENERGY CORP, 40 LANE ROAD, FAIRFIELD, NJ 07004 (212) 868-
6100 -
350,000,000 (\$350,000,000) STRAIGHT BONDS. (FILE 333-65290 - JUL. 17)
(BR. 5)

S-3 MEDIA GENERAL INC, 333 E GRACE ST, RICHMOND, VA 23219 (804) 649-6000
-
600,000,000 (\$600,000,000) STRAIGHT BONDS. (FILE 333-65292 - JUL. 18)
(BR. 5)