

SEC NEWS DIGEST

Issue 2000-143

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RULES AND RELATED MATTERS

EXEMPTION FROM SECTION 101(c)(1) OF THE ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT FOR REGISTERED INVESTMENT COMPANIES

The Commission adopted interim final Rule 160 under the Securities Act of 1933 to exempt from the consumer consent requirements of the Electronic Signatures in Global and National Commerce Act (Electronic Signatures Act) prospectuses of registered investment companies that are used for the sole purpose of permitting sales literature to be provided to prospective investors. The rule implements a provision of the Electronic Signatures Act, which directs the Commission to provide this exemption within 30 days after the date of enactment. Consistent with Commission interpretations of existing law, the rule permits a registered investment company to provide its prospectus and supplemental sales literature on its web site or by other electronic means without first obtaining investor consent to the electronic format of the prospectus. The Commission also clarified its interpretation on the responsibility of registered investment companies for hyperlinks to third-party web sites from their advertisements or sales literature. Rule 160 is effective on October 1, 2000, the effective date for the consumer consent requirements of the Electronic Signatures Act. Although the Commission dispensed with prior notice of proposed rulemaking in adopting Rule 160 as an interim final rule, the Commission will consider any comments received within 30 days after publication in the Federal Register and will revise Rule 160 if necessary. FOR FURTHER INFORMATION, CONTACT: Maura S. McNulty, Division of Investment Management, at (202) 942-0721. (Rels. 33-7877; IC-24582; File No. S7-14-00)

ENFORCEMENT PROCEEDINGS

LESLIE DANISH, CPA REINSTATED TO PRACTICE AS AN ACCOUNTANT BEFORE THE COMMISSION

Pursuant to Rule 102(e)(5)(i) of the Commission's Rules of Practice, Leslie A. Danish, CPA has applied for and been granted reinstatement of his privilege to appear and

practice before the Commission as an accountant. Mr. Danish, who was suspended from Commission practice on April 30, 1998, pursuant to a settled proceeding, has represented that he has complied and will continue to comply with the terms of the order that suspended him from appearing or practicing before the Commission as an accountant. Mr. Danish's reinstatement is effective immediately. (Rel. 34-43071; AAE Rel. 1289; File No. 3-9594)

SEC OBTAINS ASSET FREEZE AGAINST TWO-TIME FELON IN AUTO RECEIVABLES FRAUD

The Commission announced that on July 26 it filed a complaint and motion for emergency relief in federal court in South Bend, Indiana, charging Gary Van Waeyenberghe, a Mishawaka, Indiana resident, and First Choice Management Services, Inc., (First Choice) with an ongoing nationwide investment fraud featuring so-called "Enhanced Automobile Receivables." In response to the Commission's motion, Judge Robert Miller imposed a temporary restraining order, an asset freeze, and other emergency relief.

According to the Commission's complaint, Van Waeyenberghe and First Choice persuaded at least 200 investors in 29 states to invest more than \$21 million in the investment program from November 1999 to the present. Investors were allegedly told that their investments would be used to buy high-interest automobile loans for their own accounts, that the investments were guaranteed to yield 11%, that the loans were guaranteed against default by Lloyd's of London, that if an automobile loan defaulted, it would be replaced in the investor's account with another loan, and that the program was managed by "a highly successful and seasoned management team, most of whom have maintained senior level positions with top-level corporations for almost 20 years."

The complaint alleges that the head of the "management team", Van Waeyenberghe was enjoined for his role in a securities fraud in 1984, has twice been convicted of felonies including mail fraud, conspiracy to defraud the United States, and preparing false tax returns, and is now under indictment for bank fraud and bankruptcy fraud. The complaint further alleges that Van Waeyenberghe and First Choice have misappropriated millions of dollars from the amounts invested, that the automobile loans were not purchased as promised, that the investments were not insured against default by Lloyd's of London, and that First Choice could not guarantee an 11% return as promised.

The complaint alleges that Van Waeyenberghe and First Choice violated 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. In addition to emergency relief, it seeks a preliminary injunction, a permanent injunction, disgorgement of profits, civil penalties, and other relief. A hearing on the Commission's motion for a preliminary injunction is set for August 1, 2000.

The Commission thanks the South Bend, Indiana, office of the Federal Bureau of Investigation for its cooperation and assistance in this matter. [SEC v. First Choice

SEC ALLEGES FRAUD IN THE OFFERING OF UNREGISTERED SECURITIES IN DEATH CARE INDUSTRY START-UP

The Commission filed a complaint today in the United States District Court for the Southern District of New York against Phillip Herman (Herman), Marc Wein (M. Wein), Millennium Services Corp. (Millennium), and Branin Investments, Inc. (Branin). The complaint charges the defendants with making false and misleading statements in offering and selling unregistered securities of Millennium, a start-up company formed by Branin purportedly to acquire and operate funeral homes. The Commission alleges that the defendants raised \$4.8 million from fifty-six individual investors and one institutional investor and misappropriated at least half of those funds.

The Commission's complaint names the following defendants:

1. **Millennium** was incorporated in Delaware on May 20, 1997 and has its principal offices in New York, New York. Millennium was formed purportedly to acquire, own, and operate primarily minority-owned funeral homes throughout the United States. In November 1997, Millennium merged with MSC Development Corp., an entity formed to conduct the securities offering at issue in the complaint. Neither Millennium nor its securities are registered with the Commission.
2. **Branin** was incorporated in Delaware on May 22, 1994 and shares its principal offices with Millennium in New York, New York. Branin is not registered with the Commission. Branin describes itself as a merchant banker that creates, acquires and manages companies as a service to other companies in exchange for an advisory fee.
3. **Herman**, age 53, resides in Medford, New Jersey. Herman has been Millennium's chairman since the company's inception and sole shareholder of Branin since 1994.
4. **M. Wein**, age 41, resides in New York, New York. M. Wein was a registered representative with FAB Securities of America, Inc. (FAB), a registered broker-dealer f/k/a RAS Securities, Inc., until he resigned in June 1999.

The complaint alleges that Herman, M. Wein, Millennium, and Branin conducted a purported Regulation D offering of Millennium preferred stock between April 1997 and August 1997, raising more than \$4.3 million from fifty-six investors. M. Wein sold much of the preferred stock to individual unaccredited investors and received more than \$430,000 for his role in the offering. Herman, the chairman of Millennium and the sole shareholder of Branin, solicited several individual investors as well as a \$500,000 investment from an institutional investor. The proposed defendants, either directly or through others, made material misrepresentations and omissions to Millennium investors. First, the proposed defendants falsely represented that investor proceeds would fund Millennium's purchase of funeral homes when at least half of the proceeds went to other Branin-related businesses,

commissions for M. Wein, and other improper uses. Second, the proposed defendants falsely represented that Millennium already had acquired several funeral homes prior to completion of the offering, even though it had not acquired any homes by that point. Third, the proposed defendants falsely represented the identity and sophistication of other Millennium investors. Specifically, Herman falsely told an institutional investor that the other investors were members of either the management team or the Bacardi rum family and M. Wein told potential investors that he had invested his own money in Millennium. Fourth, M. Wein falsely represented the investment in Millennium as "risk-free." M. Wein failed to disclose that Millennium stock was not appropriate for unaccredited investors and forged at least fifteen investor signatures on subscription agreements that were supposed to establish that the investors were accredited.

As a result of the foregoing, the Commission alleges that **Herman, M. Wein, Millennium, and Branin** violated 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 thereunder. The Commission seeks a Final Judgment against the defendants, among other things: (i) enjoining them from future violations of the above-cited provisions; (ii) requiring the disgorgement of all of their ill-gotten gains, plus pre-judgment interest; and (iii) assessing civil penalties against them. The Commission's suit remains pending. [SEC v. Phillip Herman, et al., Marc Wein, Millennium Services Corp., and Branin Investments, Inc., 00 Civ. 5575, BSJ, SDNY] (LR-16636)

CORRECTION

The July 25th issue of the Digest inadvertently included a summary entitled "UNDERWRITER CHARGED WITH MANIPULATING TWO MICROCAP IPOS", which was previously published. The following summary should have appeared instead.

LAWRENCE PRINCIPATO, TODD ROBERTI AND LT LAWRENCE & CO., INC. SETTLE ADMINISTRATIVE PROCEEDING

The Commission on July 24th entered an Order Making Findings and Imposing Remedial Sanctions (Order), by consent, barring Lawrence Principato and Todd Roberti from association with any broker-dealer, ordering Roberti and Principato to pay more than \$748,000 in disgorgement and penalties, revoking the broker-dealer registration of L.T. Lawrence & Co, Inc. (LTL) and ordering Roberti, Principato and LTL to cease and desist from future violations of the antifraud and anti-manipulation provisions of the federal securities laws. The Order resolves the administrative proceeding brought in June 1999, which charged that Principato, Roberti and LTL engaged in the manipulation of the initial public offering of two microcap companies, Bigmar, Inc. and Ecotyre Technologies, Inc. between December 1995 and June 1996. The Division of Enforcement alleged in the administrative proceeding that Roberti and Principato, through LTL, artificially inflated the price of Bigmar and Ecotyre securities by controlling the distribution of both IPOs and then dominating and controlling the first day of aftermarket trading in both Ecotyre and Bigmar securities. Roberti, Principato and LTL consented to the Order without admitting or denying the

findings of the Order, except for the Commission's jurisdiction. (Rel. 33-7876; 34-43067; File No. 3-9923)

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>.

- F-1 SMART LINK LTD, 7 GIBOREI ISRAEL ST SOUTHERN INDUSTRIAL,
ZONE 972-9-863-8000, NETANYA 42504 ISRAEL, L3 00000 - 4,025,000
(\$64,400,000) FOREIGN COMMON STOCK. (FILE 333-12306 - JUL. 18) (BR. 7
- NEW ISSUE)
- F-6 GKN PLC /ADR/, 16 WALL ST, NEW YORK, NY 10015 (212) 250-2500 -
20,000,000 (\$1,000,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE
333-12320 - JUL. 19) (BR. 99)
- F-3 QIAGEN NV, JOHANNES VERMEERPLEIN 9-1, 1071 DV AMSTERDAM,
NETHERLANDS, P8
- 2,392,432 (\$118,497,156.96) FOREIGN COMMON STOCK. (FILE 333-12324 -
JUL. 19) (BR. 1)
- S-1 ADESSO HEALTHCARE TECHNOLOGY SERVICES INC, 2835 ZANKER RD, SAN JOSE,
CA
95134 (408) 894-7700 - \$50,000,000 COMMON STOCK. (FILE 333-41794 -
JUL. 20) (BR. 3)
- S-1 SONIC SOLUTIONS/CA/, 101 ROWLAND WAY STE 110, NOVATO, CA 94945
(415) 893-8000 - 2,500,000 (\$10,078,125) COMMON STOCK. (FILE 333-41796
-
JUL. 20) (BR. 3)
- S-8 ATLANTIC COAST AIRLINES HOLDINGS INC, 515 A SHAW ROAD, DULLES, VA
20166
(703) 925-6000 - 3,200,000 (\$104,288,000) COMMON STOCK. (FILE 333-
41800 -
JUL. 20) (BR. 5)
- S-1 COORSTEK INC, 16000 TABLE MOUNTAIN PARKWAY, GOLDEN, CO 80403
(303) 271-7000 - 450,000 (\$18,000,000) COMMON STOCK. (FILE 333-41802 -
JUL. 20) (BR. 6)

S-8 MARKETCENTRAL NET CORP, 300 MERCER ST SUITE 26J, STE 46, NEW YORK,
 NY
 10003 (949) 248-9561 - 10,000 (\$20,000) COMMON STOCK. (FILE 333-41804
 -
 JUL. 20) (BR. 9)

S-8 ITT INDUSTRIES INC, FOUR W RED OAK LANE, WHITE PLAINS, NY 10604
 (914) 641-2058 - 6,500,000 (\$210,210,000) COMMON STOCK. (FILE 333-
 41806 -
 JUL. 20) (BR. 6)

S-8 ITT INDUSTRIES INC, FOUR W RED OAK LANE, WHITE PLAINS, NY 10604
 (914) 641-2058 - 12,000,000 (\$388,080,000) COMMON STOCK. (FILE 333-
 41808 -
 JUL. 20) (BR. 6)

S-8 SYBASE INC, 6475 CHRISTIE AVE, EMERYVILLE, CA 94608 (510) 922-3500 -
 5,000,000 (\$105,937,500) COMMON STOCK. (FILE 333-41810 - JUL. 20) (BR.
 3)

S-8 BUSH INDUSTRIES INC, ONE MASON DR, P O BOX 460, JAMESTOWN, NY 14702
 (716) 665-2000 - 875,000 (\$11,921,875) COMMON STOCK. (FILE 333-41812 -
 JUL. 20) (BR. 6)

SB-2 AQUACELL TECHNOLOGIES INC, 10410 TRADEMARK ST, RANCHO CUCAMONGA, CA
 91730 (909) 987-0456 - 2,012,500 (\$10,062,500) COMMON STOCK. (FILE
 333-41826 - JUL. 20) (NEW ISSUE)

S-8 MARSH & MCLENNAN COMPANIES INC, 2 LIBERTY SQU, BOSTON, MA 02109
 (800) 225-1581 - 20,000,000 (\$2,186,250,000) COMMON STOCK. (FILE
 333-41828 - JUL. 20) (BR. 1)

S-8 MARSH & MCLENNAN COMPANIES INC, 2 LIBERTY SQU, BOSTON, MA 02109
 (800) 225-1581 - 4,000,000 (\$437,250,000) COMMON STOCK. (FILE 333-
 41830 -
 JUL. 20) (BR. 1)

S-8 MARSH & MCLENNAN COMPANIES INC, 2 LIBERTY SQU, BOSTON, MA 02109
 (800) 225-1581 - 40,000,000 (\$4,372,500,000) COMMON STOCK. (FILE
 333-41832 - JUL. 20) (BR. 1)

S-3 CAL DIVE INTERNATIONAL INC, 400 N SAM HOUSTON PKWYE, SUITE 400,
 HOUSTON,
 TX 77060 (713) 690-1818 - 4,300,000 (\$212,850,000) COMMON STOCK. (FILE
 333-41834 - JUL. 20) (BR. 4)

S-4 COMMERCE ONE INC, 4440 ROSEWOOD DR, PLEASANTON, CA 94588 (925) 520-
 6000
 - 35,500,000 (\$1,588,500,000) COMMON STOCK. (FILE 333-41836 - JUL. 20).
 (BR. 3)

S-8 VIRTUALSELLERS COM INC, 120 N LASALLE DR, SUITE 1000, CHICAGO, IL
 60602
 (312) 920-9999 - 25,000 (\$44,125) COMMON STOCK. (FILE 333-41838 - JUL.
 20)
 (BR. 37)

S-8 WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORP, 1001 AIR BRAKE AVE,
WILMERDING, PA 15148 (412) 825-1000 - 3,300,000 (\$34,551,000) COMMON
STOCK.
(FILE 333-41840 - JUL. 20) (BR. 5)

S-3 REUNION INDUSTRIES INC, 300 WEYMAN PLAZA, SUITE 340, PITTSBURGH, PA
15236 (203) 324-8858 - 3,245,515 (\$5,983,918.28) COMMON STOCK. (FILE
333-41842 - JUL. 20) (BR. 6)

S-4 MARATHON FINANCIAL CORP, 4095 VALLEY PIKE, WINCHESTER, VA 22602
(540) 869-6600 - 2,512,105 (\$12,520,777) COMMON STOCK. (FILE 333-41844
-
JUL. 20) (BR. 7)

S-8 AMERICA ONLINE INC, AMERICA ONLINE, INC., 22000 AOL WAY, DULLES, VA
20166 (703) 265-1000 - 1,718,201 (\$32,903,549) COMMON STOCK. (FILE
333-41846 - JUL. 20) (BR. 3)

S-3 EFFICIENT NETWORKS INC, 4849 ALPHA RD, SUITE 1200, DALLAS, TX 75244
(972) 991-3884 - 400,000,000 (\$400,000,000)
CONVERTIBLE DEBENTURES AND NOTES. (FILE 333-41848 - JUL. 20) (BR. 7)

S-8 OSTECH INTERNATIONAL INC /WA/, 2203 AIRPORT WY S, STE 400, SEATTLE,
WA
98134 (206) 292-8082 - 1,000,000 (\$2,094,000) COMMON STOCK. (FILE
333-41850 - JUL. 20) (BR. 1)

S-3 EFFICIENT NETWORKS INC, 4849 ALPHA RD, SUITE 1200, DALLAS, TX 75244
(972) 991-3884 - 11,478,099 (\$977,304,590.84) COMMON STOCK. (FILE
333-41852 - JUL. 20) (BR. 7)

S-3 DUKE ENERGY FIELD SERVICES LLC, 370 SEVENTEENTH STREET, DENVER, CO
80202
(303) 595-331 - 2,000,000,000 (\$2,000,000,000) STRAIGHT BONDS. (FILE
333-41854 - JUL. 20)

S-3 INTERPUBLIC GROUP OF COMPANIES INC, 1271 AVE OF THE AMERICAS, NEW
YORK,
NY 10020 (212) 399-8000 - 3,217,582 (\$140,576,157.60) COMMON STOCK.
(FILE
333-41856 - JUL. 20) (BR. 2)

S-8 GOLDEN EAGLE INTERNATIONAL INC, 12401 SOUTH 450 EAST, BLDG D2 SUITE
A,
SALT LAKE CITY, UT 84020 (801) 619-9320 - 20,000,000 (\$1,800,000)
COMMON STOCK. (FILE 333-41858 - JUL. 20) (BR. 4)

S-8 EL SITIO INC, AVENIDA BELGRANO 846, 1092 BUENOS AIRES, ARGENTINA, -
1,572,700 (\$9,731,081) COMMON STOCK. (FILE 333-41862 - JUL. 20) (BR.
3)

S-3 UNITED THERAPEUTICS CORP, 1110 SPRING ST, SILVER SPRING, MD 20910
(301) 608-9292 - 1,300,000 (\$150,800,000) COMMON STOCK. (FILE 333-
41866 -
JUL. 20) (BR. 1)

S-3 TITAN MOTORCYCLE CO OF AMERICA INC, 2222 WEST PEORIA AVE, PHOENIX,
AZ
85029 (602) 861-6977 - 4,752,632 (\$3,992,210.80) COMMON STOCK. (FILE
333-41868 - JUL. 20) (BR. 9)

S-3 ASSOCIATES CORPORATION OF NORTH AMERICA, 250 E CARPENTER FWY,
IRVING, TX
75062 (972) 652-4000 (FILE 333-41872 - JUL. 20) (BR. 7)

S-8 RHYTHMS NET CONNECTIONS INC, 7337 S REVERE PKWY SUITE 100,
ENGLEWOOD, CO
80112 (303) 476-4200 - 1,800,000 (\$29,643,750) COMMON STOCK. (FILE
333-41874 - JUL. 20) (BR. 7)

S-3 KNIGHT TRADING GROUP INC, NEWPORT TOWER 29TH FL, 525 WASHINGTON
BLVD,
JERSEY CITY, NJ 07310 (201) 222-9400 - 2,500,000 (\$84,687,500)
COMMON STOCK. (FILE 333-41876 - JUL. 20) (BR. 7)

S-4 PMC SIERRA INC, 105-8555 BAXTER PLACE, BURNABY,
BRITISH COLUMBIA V5A 4V7 CN, A1 00000 (604) 415-6000 - 12,534,675
(\$2,658,980,607.75) COMMON STOCK. (FILE 333-41878 - JUL. 20) (BR. 5)

S-8 NETSCOUT SYSTEMS INC, 4 TECHNOLOGY PARK DR, WESTFORD, MA 01886
(978) 614-4000 - 273,901 (\$1,066,290.12) COMMON STOCK. (FILE 333-41880
-
JUL. 21) (BR. 3)

SB-2 FAMOUS FIXINS INC, 250 WEST 57TH ST, STE 2501, NEW YORK, NY 10107
(212) 245-7773 - 5,000,000 (\$950,000) COMMON STOCK. (FILE 333-41884 -
JUL. 20) (BR. 9)

S-3 SUNRISE TECHNOLOGIES INTERNATIONAL INC, 3400 WEST WARREN AVENUE,
FREMONT, CA 94538 (510) 623-9001 - 842,500 (\$6,266,093.75) COMMON
STOCK.
(FILE 333-41888 - JUL. 21) (BR. 5)

S-1 TELEDYNE TECHNOLOGIES INC, 2049 CENTURY PARK E, LOS ANGELES, CA
90067
(310) 277-3311 - 4,715,000 (\$81,628,438) COMMON STOCK. (FILE 333-41892
-
JUL. 21) (BR. 6)