

# SEC NEWS DIGEST

Issue 2001-3

January 4, 2001

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## COMMISSION ANNOUNCEMENTS

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### COMMISSION MEETINGS

Following is a schedule of Commission meetings which will be conducted under provisions of the Government in the Sunshine Act. Meetings will be scheduled according to the requirements of agenda items under consideration.

Meetings will be held in the Commission Meeting Room, Room 1C30, at the Commission's headquarters building, 450 Fifth Street, N W, Washington, D C. Visitors are welcome at all open meetings, insofar as space is available. Persons wishing to photograph or videotape Commission meetings must obtain permission in advance from the Secretary of the Commission. Persons wishing to tape record a Commission meeting should notify the Secretary's office 48 hours in advance of the meeting.

Any member of the public who requires auxiliary aids such as a sign language interpreter or material on tape to attend a public meeting should contact Rochelle Franks, Office of Administrative and Personnel Management, to make arrangements. Ms Franks can be reached at TTY number (202) 942-9558. If you are calling from a non-TTY number, please call the Relay Service at 1-800-877-8339.

### OPEN MEETING – WEDNESDAY, JANUARY 10, 2001 – 2:30 P.M.

The subject matter of the open meeting will be:

- (1) The Commission will consider approving a proposed rule change by the National Association of Securities Dealers, Inc. to establish the Nasdaq Order Display Facility and the Order Collector Facility and to modify its primary trading platform, the Nasdaq National Market System, collectively referred to as the SuperMontage proposal.

For further information contact Jennifer Colihan, Division of Market Regulation at (202) 942- 0735.

- (2) The Commission will consider proposing new Exchange Act Rule 19b-6, which would replace current Exchange Act Rule 19b-4. Proposed Rule 19b-6 would streamline the self-regulatory organization rule filing process.

For further information contact Sonia Patton, Division of Market Regulation at (202) 942-0753

**CLOSED MEETING – THURSDAY, JANUARY 11, 2001 – 11:00 A.M.**

The subject matter of the closed meeting will be Institution and settlement of injunctive actions, Institution and settlement of administrative proceedings of an enforcement nature, and Opinion

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

**LEVITT TO CONDUCT FINAL INVESTORS TOWN MEETING IN PHILADELPHIA ON JANUARY 16, 2001**

**Major address will focus on individual investor rights and responsibilities**

Securities and Exchange Commission Chairman Arthur Levitt will deliver a major address on individual investor rights and responsibilities when he conducts his final Investors Town Meeting on January 16, 2001 at 7:00 p.m. EST in Philadelphia, PA

The town meeting will take place at the Arch Street Meeting House in the heart of Philadelphia's historic district, and is free and open to the public. The 200-year-old Meeting House, located at 320 Arch Street, provides an appropriate backdrop for Levitt's speech because of its location near Independence Hall and other cherished symbols of individual empowerment.

Since taking office in the summer of 1993, the ranks of American investors have swelled to include nearly half of U.S. households. In that time, Levitt has conducted 41 town meetings in cities across the country to help Americans of every age and income learn how to invest wisely and avoid financial fraud. But he considers his upcoming meeting the most important.

"We have witnessed one of the most powerful and striking developments in the history of our capital markets — the rise of the individual investor," Levitt said. "I will remind individual investors that they are entitled to fundamental rights of fairness in our markets, and like those set forth by America's founding fathers, these rights are enduring."

Investor protection has been Levitt's top priority at the SEC, where he has championed numerous initiatives to educate and empower individual investors. In addition to creating the SEC's Office of Investor Education and Assistance, other achievements have included reforming financial accounting and requiring that companies disclose important information to all investors at the same time.

Levitt, who is the longest-serving Chairman in SEC history, last month announced his intention to leave the agency in February.

Admission is free, but reservations are recommended because seating is limited. To reserve a seat, call (877) 404-3222 or send an e-mail to [rsvp@sec.gov](mailto:rsvp@sec.gov). Auxiliary aids to attend the town meeting, such as a sign language interpreter, should be requested at the time of reservation.

For further information contact John J. Nester, Office of Investor Education and Assistance, at (202) 942-7083 (Press Rel 2001-2).

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## **ENFORCEMENT PROCEEDINGS**

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### **ADMINISTRATIVE PROCEEDINGS SETTLED TO REVOKE REGISTRATION OF COUNTRYLAND WELLNESS RESORTS, INC.**

On January 3, the Commission settled a public administrative proceeding, pursuant to Section 12(j) of the Securities Exchange Act of 1934 (Exchange Act) to determine whether to revoke the registration with the Commission of the common stock of Countryland Wellness Resorts, Inc. (Countryland).

Countryland, a Delaware corporation, maintains its offices in Las Vegas, Nevada. Countryland's common stock was registered with the Commission pursuant to Section 12(j) of the Exchange Act. Countryland, as found in the order revoking its registration, materially misrepresented its financial position in each of its annual reports and quarterly reports filed with the Commission in 1996 through the present and in a registration statement (Rel 34-43788, File No 3-10314).

### **FOUR WISCONSIN RESIDENTS SETTLE INSIDER TRADING CHARGES FOR \$463,782.90**

The Commission announced that on December 21, 2000, the United States District Court for the Eastern District of Wisconsin entered a Final Judgment and Order of Permanent Injunction, Civil Penalties and other Equitable Relief against Timothy J. Sullivan, James G. Appleton, Lance P. Lins, and James A. Budzinski in an insider trading action. The Commission's Complaint, filed on September 28, 2000, alleged that Sullivan, the President, Chief Financial Officer and a director of Sullivan Dental Products, Inc., tipped Appleton, Lins and Budzinski about an impending merger between Sullivan Dental and

Henry Schein, Inc Appleton, Lins and Budzinski all purchased Sullivan Dental stock and in turn, tipped certain members of their families and friends, all of whom also purchased Sullivan Dental stock

The Final Judgment, entered pursuant to Sullivan, Appleton, Lins and Budzinski's consents and without admitting or denying the allegations contained in the Commission's Complaint, enjoins Sullivan, Appleton, Lins and Budzinski from future violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. In addition, the Final Judgment requires Sullivan, Appleton, Lins and Budzinski to pay disgorgement plus prejudgment interest totaling \$226,519.02 and civil penalties under Section 21A of the Exchange Act totaling \$237,263.88 For further information see LR-16737 [SEC v Timothy J Sullivan, James G Appleton, Lance P Lins and James A Budzinski, USDC, EDWis, Civil Action No 00-C-1299] (LR-16851)

### **SEC v. IN SHIG AHN**

The Commission announced that on December 29, 2000, Internet stock trader In Shig Ahn was permanently enjoined from violating the antifraud provisions of the federal securities laws by Judge Richard Conway Casey of the United States District Court for the Southern District of New York According to the Commission's complaint, in early June 2000 Ahn fraudulently obtained over \$180,000 by cross-trading between two on-line accounts he maintained at two different Internet brokers, Terra Nova Trading and Interactive Brokers Ahn funded his Terra Nova account with \$351,950 in bad checks, and in the several days before the checks bounced, he traded stocks with himself over an electronic communications network to intentionally create losses in his Terra Nova account and corresponding gains in his Interactive Brokers account Interactive Brokers froze his account before he could withdraw the illegal proceeds

The SEC filed this action on June 15, 2000 At the same time, and for the same conduct, the U S Attorney's Office for the Southern District of New York indicted Ahn on criminal charges In July Ahn pled guilty to securities fraud and wire fraud In November he was sentenced to a year and a day of incarceration and ordered to pay \$12,500 in restitution

To resolve the SEC action, Ahn consented to a final judgment permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934, and Exchange Act Rule 10b-5 He had already disgorged \$186,401 -- all of his ill-gotten gains -- to the victim of his fraud, Terra Nova Trading The Court did not impose civil money penalties based on Ahn's showing that he lacked the financial resources to pay [SEC v In Shig Ahn, Case No 00 Civ 4416, RCC, SDNY] (LR-16852)

### **STEVEN EICHENHOLZ SETTLES INSIDER TRADING CASE**

On January 3, the Commission filed a complaint in the United States District Court for the Southern District of New York against Steven Eichenholz (Eichenholz) of North

Babylon, New York The complaint alleges the following Eichenholz received tips containing material, nonpublic information concerning the securities of four companies from Jeffrey Streich, who had received them from Marisa Baridis, a former compliance employee at two Wall Street investment firms, who had access to confidential information concerning the firms' clients Eichenholz recommended the securities to a second person. Eichenholz, trading in securities of two of the companies, realized illegal profits of \$6,825 The second person traded three of the securities that Eichenholz had recommended and realized \$10,663 in profits

Eichenholz consented, without admitting or denying the allegations in the complaint, to the entry of a Final Judgment enjoining him from future violations of Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 and Rules 10b-5 and 14e-3 thereunder, and requiring him to disgorge illegal trading profits of \$17,488, plus prejudgment interest Based on his demonstrated inability to pay, disgorgement and a civil penalty were waived

For further information, see Lit Rel No 15741 (May 15, 1998), Lit Rel No 15990 (Dec. 3, 1998), Securities Exchange Act Rel No 40787 (Dec 14, 1998), Securities Exchange Act Rel No 40788 (Dec 14, 1998), Lit Rel No 16090 (Mar 18, 1999), Securities Exchange Act Rel No 41182 (Mar 18, 1999), Securities Exchange Act Rel No 41220 (Mar 29, 1999), Lit Rel No 16227 (Aug 2, 1999), Lit Rel No 16326 (Oct 4, 1999), Lit Rel No 16458 (Feb 29, 2000), and Lit Rel No 16746 (Oct 3, 2000) [SEC v. Steven Eichenholz, 01 Civ 0034, SDNY] (LR-16853)

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## INVESTMENT COMPANY ACT RELEASES

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### TELCO FINANCE N.V.

An order has been issued on an application filed by Telco Finance N V under Section 6(c) of the Investment Company Act for an exemption from all provisions of the Act The order permits Telco Finance N V to sell certain debt securities and use the proceeds to finance the business activities of Telsim Mobile Telekomunikasyon Hizmetleri A S (Rel IC-24817, International Series Rel 1242 – January 3)

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## SELF-REGULATORY ORGANIZATIONS

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### APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change filed by the Pacific Exchange (SR-PCX-99-44) relating to PCX Rule 6, Options Trading, Trading Practices and Procedures (Rel 34-43779)

The Commission approved a proposed rule change (SR-CHX-00-28) submitted by the Chicago Stock Exchange relating to automatic execution of agency limit orders for dual trading system issues. Publication of the order in the Federal Register is expected during the week of January 2 (Rel 34-43787)

### **PROPOSED RULE CHANGE**

The Options Clearing Corporation filed a proposed rule change (SR-OCC-00-04) to amend OCC's price determination rules by conforming the definition of "marking price" to the definition of "closing price". The rule change would also revise both definitions to clarify that OCC will normally determine underlying stock prices based on the last reported sale price during regular business hours. Publication of the order in the Federal Register is expected during the week of January 2 (Rel 34-43782)

### **DELISTING GRANTED**

An order has been issued granting the application of the American Stock Exchange to strike from listing and registration the Common Stock, \$01 par value, of PMCC Financial Corp., effective at the opening of business on January 4, 2001 (Rel 34-43796)

### **WITHDRAWAL SOUGHT**

A notice has been issued giving interested persons until January 25, 2001, to comment on the application of Interchange Financial Services Corporation to withdraw its Common Stock, no par value, from listing and registration on the American Stock Exchange (Rel 34-43797)

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### **SECURITIES ACT REGISTRATIONS**

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

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

F-8 SHAW COMMUNICATIONS INC, STE 900, 630 3RD AVE SW, CALGARY ALBERTA  
CANA,  
A0 (403) 750-4500 - 2,216,441 (\$41,525,022.13) WARRANTS, OPTIONS OR  
RIGHTS.  
(FILE 333-13014 - DEC. 26) (BR. 7)

F-8 CGI GROUP INC, 1130 SHERBROOKE ST WEST, 5TH FL, MONTREAL QUEBEC  
CANA, E6  
(514) 841-3200 - 1,235,000 (\$3,618,550) FOREIGN COMMON STOCK. (FILE  
333-13028 - DEC. 11) (BR. 8)

S-8 CONOLOG CORP, 5 COLUMBIA RD, SOMERVILLE, NJ 08876 (908) 722-8081 -  
300,000 (\$168,750) COMMON STOCK. (FILE 333-52830 - DEC. 28) (BR. 5)

S-3 WAVERIDER COMMUNICATIONS INC, 255 CONSUMERS ROAD SUITE 500, TORONTO,  
ONTARIO, A6 00000 (416) 502-3200 - 1,525,000 (\$18,787,500) COMMON  
STOCK.  
(FILE 333-52834 - DEC. 28) (BR. 7)

S-4 K HOVNIANIAN ENTERPRISES INC, 10 HIGHWAY 35, P O BOX 500, RED BANK,  
NJ  
07701 (732) 747-7800 - 150,000,000 (\$150,000,000) STRAIGHT BONDS.  
(FILE  
333-52836 - DEC. 28)

S-8 MEDTRONIC INC, 7000 CENTRAL AVE NE, MS 316, MINNEAPOLIS, MN 55432  
(612) 574-4000 - 446,533 (\$24,447,681) COMMON STOCK. (FILE 333-52840 -  
DEC. 28) (BR. 5)

S-8 EMULEX CORP /DE/, 3535 HARBOR BLVD, COSTA MESA, CA 92626 (714) 662-  
5600  
- 11,330,000 (\$458,401,411) COMMON STOCK. (FILE 333-52842 - DEC 28)  
(BR. 3)

S-8 MICROS SYSTEMS INC, 12000 BALTIMORE AVE, BELTSVILLE, MD 20705  
(301) 201-6000 - 150,000 (\$2,446,500) COMMON STOCK. (FILE 333-52844 -  
DEC. 28) (BR. 3)

SB-2 FLASHPRES INC, 47 MALL DRIVE UNIT 5, COMMACK, NY 11725 631) 864-  
1515 -  
2,248,637 (\$5,059,433.20) COMMON STOCK. (FILE 333-52848 - DEC. 28  
(NEW ISSUE)

S-8 GLOBUS INTERNATIONAL RESOURCES CORP, 2 WORLD TRADE CENTER, SUITE  
2400,  
NEW YORK, NY 10048 - 200,000 (\$26,000) COMMON STOCK. (FILE 333-52850 -  
DEC. 28) (BR. 9)

S-8 BOYDS COLLECTION LTD, 350 S ST, MCSHERRYSTOWN, PA 17344 (717) 633-  
9898  
- 2,246,033 (\$20,977,948.22) COMMON STOCK. (FILE 333-52854 - DEC. 28  
(BR. 2)

S-8 ALEXION PHARMACEUTICALS INC, 25 SCIENCE PARK, STE 360, NEW HAVEN, CT  
06511 (203) 776-1790 - 44,292 (\$2,134,874.40) COMMON STOCK FILE  
333-52856 - DEC. 28) (BR. 1)

S-8 SEAGATE SOFTWARE INFORMATION MANAGEMENT GROUP HOLDINGS INC,  
 915 DISC DRIVE, SCOTTS VALLEY, CA 95066 (831) 438-6550 - 22,407,736  
 (\$89,630,944) COMMON STOCK. (FILE 333-52860 - DEC. 28) (BR. 3)

S-8 MERCURY COMPUTER SYSTEMS INC, 199 RIVERNECK RD, CHELMSFORD, MA 01824  
 (978) 256-1300 - 79,530 (\$1,055,974) COMMON STOCK. (FILE 333-52864 -  
 DEC. 28) (BR. 5)

S-8 TIMKEN CO, 1835 DUEBER AVE SW, CANTON, OH 44706 (330) 438-3000 -  
 350,000 (\$5,043,500) COMMON STOCK. (FILE 333-52866 - DEC. 28) (BR. 6)

S-8 GENESIS MICROCHIP INC, 200 TOWN CENTER BLVD, STE 400,  
 MARKHAM ONTARIO CANA, A6 (905) 470-2742 - 450,000 (\$3,814,000)  
 COMMON STOCK. (FILE 333-52868 - DEC. 28) (BR. 5)

S-3 DIAL THRU INTERNATIONAL CORP, 8100 JETSTAR DRIVE, SUITE 100, IRVING,  
 TX  
 75063 (972) 929-1920 - 2,254,285 (\$2,253,158) COMMON STOCK. (FILE  
 333-52870 - DEC. 28) (BR. 7)

S-3 WINN DIXIE STORES INC, 5050 EDGEWOOD CT, JACKSONVILLE, FL 32224  
 (904) 783-5000 - 1,000,000,000 (\$1,000,000,000) STRAIGHT BONDS. (FILE  
 333-52874 - DEC. 28) (BR. 2)

S-8 COAST DISTRIBUTION SYSTEM INC, 1982 ZANKER RD, SAN JOSE, CA 95112  
 (408) 436-8611 - 300,000 (\$225,000) COMMON STOCK. (FILE 333-52876 -  
 DEC. 28) (BR. 5)

S-8 CARESCIENCE INC, 3600 MARKET ST 6TH FL, PHILADELPHIA, PA 19101  
 (215) 387-9401 - \$4,929,705.66 COMMON STOCK. 656,748 (\$1,352,507.64)  
 WARRANTS, OPTIONS OR RIGHTS. (FILE 333-52880 - DEC. 28) (BR. 6)

S-8 SDC INTERNATIONAL INC \DE\, 2065 MONTGOMERY ST, FORT WORTH, TX 76107  
 (561) 882-9300 - 500,000 (\$320,250) COMMON STOCK. (FILE 333-52882 -  
 DEC. 28) (BR. 9)

S-8 CELLPOINT INC, 3000 HILLSWOOD DR, HILLSWOOD BUSINESS PARK,  
 CHERTSEY SURREY ENGLAND, (011) 468-5449 - 2,000,000 (\$13,268,109.38)  
 COMMON STOCK. (FILE 333-52884 - DEC. 28) (BR. 9)

S-3 ALEXION PHARMACEUTICALS INC, 25 SCIENCE PARK, STE 360, NEW HAVEN, CT  
 06511 (203) 776-1790 - 151,898 (\$9,123,373.63) COMMON STOCK. (FILE  
 333-52886 - DEC. 28) (BR. 1)

S-8 EQUITY TECHNOLOGIES & RESOURCES INC, 1050 CHINOE ROAD SUITE 304,  
 LEXINGTON, KY 40502 (817) 497-3624 - 1,500,000 (\$1,500) COMMON STOCK.  
 (FILE 333-52888 - DEC. 28) (BR. 4)

S-2 ECOS GROUP INC, 99 S E FIFTH STREET FOURTH FLOOR, SUITE 200, MIAMI,  
 FL  
 33131 (305) 374-8300 - 1,000,000 (\$39,000) COMMON STOCK. (FILE 333-  
 52892 -  
 DEC. 28) (BR. 6)

S-4 AOL TIME WARNER INC, 75 ROCKEFELLER PLAZA, NEW YORK, NY 10019 -  
 94,790,746 (\$2,901,570,000) COMMON STOCK. (FILE 333-52894 - DEC. 28)  
 (BR. 3)



S-3 INVITROGEN CORP, 1600 FARADAY AVE, CARLSBAD, CA 92008 (760) 603-7200  
 -  
 1,500,000 (\$115,265,625) COMMON STOCK. (FILE 333-52896 - DEC. 28 BR  
 1)

S-3 BEAR STEARNS COMPANIES INC, 245 PARK AVE, NEW YORK, NY 10167  
 (212) 272-2000 - 8,000,000,000 (\$8,000,000,000) STRAIGHT BONDS. (FILE  
 333-52902 - DEC. 28) (BR. 7)

S-8 CHAMPION ENTERPRISES INC, 2701 UNIVERSITY DR, STE 300, AUBURN HILLS,  
 MI  
 48326 (248) 340-9090 - 1,750,000 (\$4,427,500) COMMON STOCK. (FILE  
 333-52904 - DEC. 29) (BR. 6)

S-8 CHAMPION ENTERPRISES INC, 2701 UNIVERSITY DR, STE 300, AUBURN HILLS,  
 MI  
 48326 (248) 340-9090 - 1,800,000 (\$4,554,000) COMMON STOCK. (FILE  
 333-52906 - DEC. 29) (BR. 6)

S-8 CHAMPION ENTERPRISES INC, 2701 UNIVERSITY DR, STE 300, AUBURN HILLS,  
 MI  
 48326 (248) 340-9090 - 1,200,000 (\$3,036,000) COMMON STOCK. (FILE  
 333-52908 - DEC. 29) (BR. 6)

S-8 CHAMPION ENTERPRISES INC, 2701 UNIVERSITY DR, STE 300, AUBURN HILLS,  
 MI  
 48326 (248) 340-9090 - 200,000 (\$506,000) COMMON STOCK. (FILE 333-  
 52912 -  
 DEC. 29) (BR. 6)

S-8 UTI ENERGY CORP, 16800 GREENSPOINT PARK, SUITE 225N, HOUSTON, TX  
 77060  
 (281) 873-4111 - 800,000 (\$23,550,000) COMMON STOCK. (FILE 333-52916 -  
 DEC. 29) (BR. 4)

S-8 SUNRISE TECHNOLOGIES INTERNATIONAL INC, 3400 WEST WARREN AVENUE,  
 FREMONT, CA 94538 (510) 623-9001 - 2,340,000 (\$12,938,325) COMMON  
 STOCK.  
 (FILE 333-52922 - DEC. 29) (BR. 5)

S-8 SUNRISE TECHNOLOGIES INTERNATIONAL INC, 3400 WEST WARREN AVENUE,  
 FREMONT, CA 94538 (510) 623-9001 - 300,000 (\$558,000) COMMON STOCK.  
 (FILE  
 333-52924 - DEC. 29) (BR. 5)