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SEC NEWS DIGEST

Issue 2001-99

May 22, 2001

COMMISSION ANNOUNCEMENTS

HOUSE APPROPRIATION HEARING TO BE HELD

The House Appropriations Hearing will be held May 22, 2001, at 2:00 p.m. The hearing will be held in Room 2359 of the Rayburn House Office Building.

ENFORCEMENT PROCEEDINGS

COMMISSION UPHOLDS NASD DISCIPLINE OF A.S. GOLDMEN & CO., INC. AND STUART WINKLER

The Commission has sustained the NASD's disciplinary action against A.S. Goldmen & Co., Inc. and Stuart E. Winkler. The NASD found that Goldmen and Winkler: (1) charged fraudulently excessive markups on warrants of Innovative Tech Systems, Inc., an Illinois corporation, in violation of NASD Conduct Rules 2110, 2120, and 2440; (2) engaged in manipulative trading practices in violation of NASD Conduct Rules 2110 and 2120, Section 10(b) of the Securities Exchange Act of 1934, and Exchange Act Rule 10b-6; and (3) failed to establish, maintain, and enforce an adequate supervisory system in violation of NASD Conduct Rule 3010. The NASD censured Goldmen, fined it \$150,000, jointly and severally with the firm's president, ordered Goldmen to pay restitution in the amount of \$549,903 plus interest, and required the firm to retain an independent consultant to review the firm's policies. The NASD censured Winkler, fined him \$36,000, and suspended him for two years.

The Commission found that Goldmen dominated and controlled the market for the warrants and, therefore, that the prevailing market price of the warrants was the firm's contemporaneous cost. In 500 retail trades, Goldmen charged markups in excess of five percent of the prevailing market price. In 309 trades, the markups exceeded 10% and ranged as high as 140% of the prevailing market price. The Commission also found that Goldmen and Winkler bid for and purchased warrants while engaged in a distribution. Finally, the Commission determined that Goldmen and Winkler failed to establish

adequate written procedures regarding pricing and manipulation and failed reasonably to supervise the firm's head trader. The Commission sustained the sanctions imposed by the NASD. (Rel. 34-44328)

COMMISSION REVIEWS AMEX DISCIPLINARY ACTION AGAINST PASQUALE SCHETTINO AND SUSTAINS SANCTIONS IMPOSED

The Commission has sustained in part and set aside in part findings of violation made by the American Stock Exchange, Inc. (AMEX) in disciplinary action against Pasquale Schettino, a former managing director, partner, and specialist at Spear Leads & Kellogg (SLK), an AMEX member organization. The Commission found that Schettino committed multiple violations of the AMEX's Constitution, its rules, and the federal securities laws in connection with his activities on behalf of Bullseye Securities, Inc., a former AMEX member organization. The Commission found, among other things, that Schettino engaged in fictitious trades and converted customer funds; permitted two AMEX members to trade in Bullseye accounts, contrary to AMEX rules and, in one case, SLK procedures; hid his conduct from the AMEX and SLK; and attempted to frustrate the AMEX's investigation by making false statements to AMEX staff.

The AMEX censured Schettino, permanently barred him from regular, options principal, associate or allied membership, from approved person or limited trading permit holder status, and from employment or association in any capacity with an Exchange member or member organization, and fined him \$100,000. The Commission found that these sanctions were neither excessive nor oppressive. (Rel. 34-44329; File No. 3-9921)

HOLDING COMPANY ACT RELEASES

CINERGY CORP., ET AL.

A supplemental order has been issued authorizing a proposal by Cinergy Corp. (Cinergy), a registered holding company under the Act, and its nonutility subsidiaries, Cinergy Global Resources, Inc., and Cinergy Capital & Trading, Inc. The supplemental order increases the amount that Cinergy may invest in exempt wholesale generators and foreign utility companies to the sum of 100% of Cinergy's consolidated retained earnings plus \$2 billion. (Rel. 35-27400)

GPU, INC., ET AL.

A supplemental order has been issued authorizing a proposal by GPU, Inc., a registered public utility holding company, and its electric public utility subsidiaries, Jersey Central Power & Light, Metropolitan Edison Company (Met-Ed) and Pennsylvania Electric Company (Penelec) (collectively, Applicants). Applicants' request for the release of jurisdiction over the proposal for Met-Ed and Penelec to issue, sell and renew unsecured

short-term debt to GPU from time to time through December 31, 2003 has been authorized. (Rel. 35-27401)

SELF-REGULATORY ORGANIZATIONS

ACCELERATED APPROVAL OF PROPOSED RULE CHANGES

The Commission granted accelerated approval to a proposed rule change and Amendment No. 1 thereto submitted by the American Stock Exchange (SR-Amex-2001-04) relating to the listing and trading of trust issued receipts. Publication of the proposal is expected in the Federal Register during the week of May 21. (Rel. 34-44309)

The Commission granted accelerated approval to a proposed rule change (NASD-2001-31) filed by the National Association of Securities Dealers, through its subsidiary, the Nasdaq Stock Market, Inc., under Rule 19b-4 of the Exchange Act relating to SelectNet fees. Publication of the order is expected in the Federal Register during the week of May 21. (Rel. 34-44321)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGES

A proposed rule change (SR-Phlx-2001-52) filed by the Philadelphia Stock Exchange establishing an interim linkage plan on a pilot basis, has become effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934. Publication of the notice in the Federal Register is expected during the week of May 21. (Rel. 34-44311)

A proposed rule change (SR-BSE-2001-02) by the Boston Stock Exchange to lease Exchange memberships for a monthly fee based on one percent of the last consummated sale of an Exchange seat has become effective under Section 19(b)(3)(A)(ii) of the Securities Exchange Act of 1934. Publication of the proposal is expected in the Federal Register during the week of May 21. (Rel. 34-44296)

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 ALLSTATE CORP, 2775 SANDERS ROAD, NORTHBROOK, IL 60062 (847) 402-5000 - 37,000,000 (\$1,542,160,000) COMMON STOCK. (FILE 333-60916 - MAY. 15) (BR. 1)
- S-3 ROYALE ENERGY INC, 7676 HAZARD CENTER DR, SUITE 1500, SAN DIEGO, CA 92108 (619) 297-8505 - 1,515,491 (\$17,125,048.30) COMMON STOCK. (FILE 333-60918 - MAY. 15) (BR. 4)
- S-8 STOCKGROUP COM HOLDINGS INC, 500-750 W PENDER STREET, VANCOUVER BRITISH COLUMBIA, CANADA V6C 2T7, A2 (604) 331-0995 - 500,000 (\$200,000) COMMON STOCK. (FILE 333-60920 - MAY. 15) (BR. 8)
- S-8 TRIAD HOSPITALS INC, 13455 NOEL RD SUITE 2000, DALLAS, TX 75240 (972) 789-2732 - 970,000 (\$23,886,250) COMMON STOCK. (FILE 333-60922 - MAY. 15) (BR. 1)
- S-8 FAB INDUSTRIES INC, 200 MADISON AVE, NEW YORK, NY 10016 (212) 279-9000 - 200,000 (\$2,716,000) COMMON STOCK. (FILE 333-60926 - MAY. 15) (BR. 2)
- S-8 INTRUSION COM INC, 1101 ARAPAHO ROAD, RICHARDSON, TX 75081 (972) 234-6400 - 850,000 (\$3,221,500) COMMON STOCK. (FILE 333-60928 - MAY. 15) (BR. 3)
- S-8 DELTA WOODSIDE INDUSTRIES INC /SC/, P O BOX 6126, GREENVILLE, SC 29606 (864) 255-4100 - 2,334,000 (\$2,742,611.30) COMMON STOCK. (FILE 333-60930 - MAY. 15) (BR. 2)
- S-8 GLOBAL TELESYSTEMS INC, 4121 WILSON BLVD, 8TH FLOOR, ARLINGTON, VA 22203 (703) 236-3100 - 15,000,000 (\$9,900,000) COMMON STOCK. (FILE 333-60932 - MAY. 15) (BR. 7)
- S-8 AMERICAN IR TECHNOLOGIES INC, 3080 W POST ROAD, LAS VEGAS, NV 89118 (702) 368-4571 - 300,000 (\$60,000) COMMON STOCK. (FILE 333-60936 - MAY. 15) (BR. 1)
- SB-2 ENDOVASC LTD INC, 15001 WALDEN RD STE 201, MONTGOMERY, TX 77356 (409) 448-2222 - 67,990,857 (\$8,158,902.84) COMMON STOCK. (FILE 333-60938 - MAY. 15) (BR. 1)
- S-8 SEROLOGICALS CORP, 780 PARK NORTH BLVD, STE 110, CLARKSTON, GA 30021

(404) 296-5595 - 2,184,673 (\$45,484,892) COMMON STOCK. (FILE 333-60942
MAY. 15) (BR. 1)

S-3 HARTFORD LIFE INC, HARTFORD LIFE INC, 200 HOPMEADOW STREET,
SIMSBURY, CT
06089 (860) 843-7716 (FILE 333-60944 - MAY. 15) (BR. 1)

S-8 LINEAR TECHNOLOGY CORP /CA/, 1630 MCCARTHY BLVD, MILPITAS, CA 95035
(408) 432-1900 - 15,000,000 (\$716,681,910) COMMON STOCK. (FILE 333-
60946 -
MAY. 15) (BR. 5)

S-3 US ONCOLOGY INC, 16825 NORTHCHASE DR, STE 1300, HOUSTON, TX 77060
(281) 873-2674 - 2,200,000 (\$18,436,000) COMMON STOCK. (FILE 333-60948
MAY. 15) (BR. 1)

S-8 INPUT OUTPUT INC, 12300 C E SELECMAN DR, STAFFORD, TX 77477
(281) 933-3339 - 100,000 (\$1,233,500) COMMON STOCK. (FILE 333-60950 -
MAY. 15) (BR. 5)

S-8 SHIRE PHARMACEUTICALS GROUP PLC, HAMPSHIRE INTL BUSINESS PARK,
CHINEHAM BASINGSTOKE, HAMPSHIRE ENGLAND RG24 8EP, X0 (126) 433-3455 -
14,822,713 (\$115,913,616) FOREIGN COMMON STOCK. 2,644,873 (\$2,644,873)
OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 333-60952 - MAY. 15)
(BR. 1)

S-8 CONE MILLS CORP, 3101 N ELM ST, PO BOX 26540, GREENSBORO, NC 27408
(336) 379-0220 - 2,000,000 (\$2,780,000) COMMON STOCK. (FILE 333-60954
MAY. 15) (BR. 2)

SB-2 AMICI VENTURES INC, 770 KING STREET, NEW YORK, NY 10573 (914) 937-
6001
- 2,000,000 (\$60,000) COMMON STOCK. (FILE 333-60958 - MAY. 15)

SB-2 TRANSMERIDIAN EXPLORATION INC, 11811 NORTH EREEWAY SUITE 500,
HOUSTON,
TX 77060 (281) -59-1-47 - 24,000,000 (\$48,000,000) COMMON STOCK. (FILE
333-60960 - MAY. 15)

S-3 CYGNUS INC /DE/, 400 PENOBSCOT DR, REDWOOD CITY, CA 94063 (650) 369-
4300
- 50,000,000 (\$50,000,000) PREFERRED STOCK. (FILE 333-60962 - MAY. 15)
(BR. 1)

S-3 SCIOS INC, 820 W MAUDE AVE, SUNNYVALE, CA 94086 (415) 966-1550 -
\$50,000,000 COMMON STOCK. (FILE 333-60964 - MAY. 15) (BR. 1)

S-3 NEOTHERAPEUTICS INC, 157 TECHNOLOGY DR, STE J-821, IRVINE, CA 92618
(949) 788-6700 - 900,000 (\$4,365,000) COMMON STOCK. (FILE 333-60966 -
MAY. 15) (BR. 1)

S-3 FLEXTRONICS INTERNATIONAL LTD, 11 UBI ROAD 1,

- #07 01 02 MEIBAN INDUSTRIAL BLDG, SINGAPORE 408723, UO (065) 449-5255 -
1,515,922 (\$38,405,883.87) COMMON STOCK. (FILE 333-60968 - MAY. 15)
(BR. 5)
- S-3 SWIFT TRANSPORTATION CO INC, 1455 HUDA WAY, SPARKS, NV 89431
(602) 269-9700 - 1,320,000 (\$22,387,200) COMMON STOCK. (FILE 333-60970
MAY. 15) (BR. 5)
- S-8 MLM WORLD NEWS TODAY INC, 3633 CAMINO DEL RIO SOUTH, SUITE 107,
SAN DIEGO, CA 92108 (619) 584-3100 - 1,800,000 (\$216,000) COMMON STOCK.
(FILE 333-60972 - MAY. 15) (BR. 8)
- S-8 SIMPLEX SOLUTIONS INC, 521 ALMANOR AVENUE, SUNNYVALE, CA 94085
(408) 617-6100 - 500,000 (\$10,140,000) COMMON STOCK. (FILE 333-60974 -
MAY. 15) (BR. 3)
- S-4 MOTOROLA INC, 1303 E ALGONQUIN RD, SCHAUMBURG, IL 60196 (847) 576-
5000
- 16,760,722 (\$115,481,377) COMMON STOCK. (FILE 333-60976 - MAY. 15)
(BR. 7)
- N-2 UBS PW TAMARACK INTERNATIONAL FUND LLC, 1285 AVENUE OF THE AMERICAS,
NEW YORK, NY 10019 (212) 713-2000 - \$305,000,000
LIMITED PARTNERSHIP CERTIFICATE. (FILE 333-60978 - MAY. 15) (BR. 16)
- S-4 KINGTHOMASON GROUP INC, 1205 TEDFORD, OALAHOMA CITY, OK 73116
(405) 848-1581 - 1,213 (\$1.21) COMMON STOCK. (FILE 333-60980 - MAY.
15)
(BR. 9)
- F-1 WILLIS GROUP HOLDINGS LTD, TEN TRINITY SQUARE, LONGON ENGLAND,
(011) 440-2074 - 23,000,000 (\$276,000,000) FOREIGN COMMON STOCK. (FILE
333-60982 - MAY. 15) (NEW ISSUE)
- S-8 ULTRALIFE BATTERIES INC, 2000 TECHNOLOGY PARKWAY, NEWARK, NY 14513
(315) 332-7100 - 500,000 (\$2,800,000) COMMON STOCK. (FILE 333-60984 -
MAY. 15) (BR. 5)
- S-8 US ONCOLOGY INC, 16825 NORTHCHASE DR, STE 1300, HOUSTON, TX 77060
(281) 873-2674 - 1,000,000 (\$8,380,000) COMMON STOCK. (FILE 333-60986
MAY. 16) (BR. 1)
- S-8 WINK COMMUNICATIONS INC, 1001 MARINA VILLAGE PARKWAY, ALAMEDA, CA
94501
(510) 337-2950 - 1,075,000 (\$6,053,000) COMMON STOCK. (FILE 333-60988
MAY. 16) (BR. 7)

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