

C.2

SEC NEWS DIGEST

Issue 2000-211

November 2, 2000

COMMISSION ANNOUNCEMENTS

CHANGE IN THE MEETING: CANCELLATION

The closed meeting scheduled for Thursday, November 2, 2000, at 11:00 a.m. has been cancelled.

ENFORCEMENT PROCEEDINGS

COMMISSION DENIES PETITION OF MICHAEL MARKOWSKI AND JOSEPH RICCIO FOR RECONSIDERATION

The Commission has denied the petition of Michael J. Markowski and Joseph F. Riccio for reconsideration of its decision sustaining disciplinary action taken against them by the NASD. The NASD censured Markowski and Riccio, barred them from association with any NASD member, and fined Markowski \$300,000 and Riccio \$250,000.

Markowski was chairman, chief executive officer, and majority shareholder of Global America, Inc., a former NASD member firm located in New York City. Riccio was Global's trader. The Commission found that, during the period June 1990 to January 1991, respondents manipulated the market for securities of Mountaintop Corporation and published non-bona fide bids for those securities. The Commission also found that Markowski violated a restriction agreement between his firm and the NASD, and that Markowski refused to submit timely to an NASD investigative interview.

In rejecting respondents' petition for reconsideration, the Commission found that all of respondents' objections to its decision were lacking in merit. (Rel. 34-43503; File No. 3-9671)

COURT ORDERS PERMANENT INJUNCTION AGAINST AMQUEST INTERNATIONAL, LTD., DAVID MORGENSTERN AND FRED MORGENSTERN AND APPOINTS SPECIAL MASTER

The Commission announced today that on October 18, 2000, Judge Patricia A. Seitz entered an order of permanent injunction and other relief against Amquest International, Ltd. (Amquest), a Fort Lauderdale, Florida financial services firm and two affiliated individuals for engaging, throughout 1996, in offering fraud and an attempted pump and dump scheme. The Court ordered that the three defendants pay \$3,750,000 in disgorgement within 30 days and appointed a Special Master to conduct a pro-rata distribution of the funds to investors. Judge Seitz also ordered that the individuals David Morgenstern (D. Morgenstern) and Fred Morgenstern (F. Morgenstern), both aged 51 and of Boca Raton, Florida, each pay a civil penalty of \$20,000 within 30 days. Amquest and the two individuals consented to the entry of the order without admitting or denying the allegations of the Commission's complaint.

The Commission alleged in its complaint that Amquest, D. Morgenstern, F. Morgenstern and defendant Bernadette Stevens (Stevens), engaged in securities fraud in connection with a private offering of common stock by Amquest, which resulted in approximately \$4.1 million in losses to investors. The Court's order did not resolve the relief sought from Stevens. In its complaint, the Commission alleged that, in the offer and sale of Amquest's securities, Amquest, D. Morgenstern, F. Morgenstern and Stevens used fraudulent offering documents calculated to deceive prospective investors through misleading representations and omissions.

The SEC further charged in its suit that the defendants misappropriated the bulk of the Amquest offering proceeds, including approximately \$700,000 in proceeds from a related offering of stock issued by SleepSource International, Ltd. The complaint alleged D. Morgenstern and F. Morgenstern used the offering proceeds to fund an attempted scheme to inflate artificially the price of Amquest stock by engaging in pre-arranged trades in nominee brokerage accounts. [SEC v. David Morgenstern, Fred Morgenstern, Bernadette Stevens, and Amquest International, Ltd., Civil Action No. 98-7044-CIV-Seitz, S.D. Fla.] (LR-16787)

INVESTMENT COMPANY ACT RELEASES

NOTICES OF DEREGISTRATIONS UNDER THE INVESTMENT COMPANY ACT

For the month of October, 2000, a notice has been issued giving interested persons until November 27, 2000, to request a hearing on any of the following applications for an order under Section 8(f) of the Investment Company Act declaring that the applicant has ceased to be an investment company:

Time Horizon Funds [File No. 811-9024]
Morgan Stanley Aggressive Equity Fund, Inc. [File No. 811-8504]
Nationwide Investing Foundation [File No. 811-435]
Nationwide Investing Foundation II [File No. 811-4436]
Financial Horizons Investment Trust [File No. 811-5559]
Merrill Lynch Emerging Tigers Fund, Inc. [File No. 811-7135]
Merrill Lynch Middle East/Africa Fund, Inc. [File No. 811-7155]
The Bradford Funds, Inc. [File No. 811-5682]
MuniHoldings Insured Fund III, Inc. [File No. 811-9285]
MuniHoldings Insured Fund IV, Inc. [File No. 811-9557]
Virginia Daily Municipal Income Fund, Inc. [File No. 811-9006]
Reich & Tang Equity Fund, Inc. [File No. 811-4148]
Fidelity Advisor Korea Fund, Inc. [File No. 811-8608]
Hyperion 1999 Term Trust, Inc. [File No. 811-6483]
Gradison-McDonald Cash Reserves Trust [File No. 811-2618]
Gradison Growth Trust [File No. 811-3760]
Gradison Custodian Trust [File No. 811-5198]
Gradison-McDonald Municipal Custodian Trust [File No. 811-6705]
American Diversified Funds, Inc. [File No. 811-3434]
USAllianz Funds [File No. 811-9489]
CrestFunds, Inc. [File No. 811-4620]
Global Small Cap Fund Inc. [File No. 811-7814]
(Rel. IC-24720 – October 31)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGE

The National Association of Securities Dealers filed a proposed rule change (SR-NASD-00-45) relating to an interpretation regarding ACT risk management charges, and to clarify the ACT risk management function. Publication of the notice in the Federal Register is expected during the week of November 6. (Rel. 34-43501)

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-1 ADEPT TECHNOLOGY INC, 150 ROSE ORCHARD WAY, SAN JOSE, CA 95134
(408) 432-0888 - 2,454,968 (\$92,822,340) COMMON STOCK. (FILE 333-48638
-
OCT. 26) (BR. 5)
- S-8 COMVERSE TECHNOLOGY INC/NY/, 170 CROSSWAYS PARK DR, WOODBURY, NY
11797
(516) 677-7200 - 810,377 (\$1,932,952.18) COMMON STOCK. (FILE 333-48640
-
OCT. 26) (BR. 7)
- S-8 ELASTIC NETWORKS INC, 6120 WINWARD PARKWAY, STE 100, ALPHARETTA, GA
30005 (678) 297-3100 - 7,161,766 (\$46,766,332) COMMON STOCK. (FILE
333-48642 - OCT. 26) (BR. 7)
- S-4 CFW COMMUNICATIONS CO, 401 SPRING LN PO BOX 1990, STE 300,
WAYNESBORO,
VA 22980 (703) 946-3500 - 280,000,000 (\$280,000,000) STRAIGHT BONDS.
(FILE 333-48644 - OCT. 26) (BR. 7)
- S-8 PICK UPS PLUS INC, 3532 IRVIN SIMPSON RD, MASON, OH 45040 (513) 398-
4344
- 1,000,000 (\$255,000) COMMON STOCK. (FILE 333-48646 - OCT. 26) (BR.
9)
- S-4 NTL COMMUNICATIONS CORP, 110 E 59TH ST, 26TH FLOOR, NEW YORK, NY
10022
(212) 906-8440 - 500,000,000 (\$489,360,000) STRAIGHT BONDS. (FILE
333-48648 - OCT. 26) (BR. 7)
- S-8 TUPPERWARE CORP, 14901 S ORANGE BLOSSOM TRAIL, ORLANDO, FL 32802
(407) 826-5050 - 1,000,000 (\$1,000,000) COMMON STOCK. (FILE 333-48650
-
OCT. 26) (BR. 6)
- S-8 PENTASTAR COMMUNICATIONS INC, 1660 WYNKOOP ST SUITE 1010, DENVER, CO
80202 (303) 825-4400 - 1,500,000 (\$34,875,000) COMMON STOCK. (FILE
333-48652 - OCT. 26) (BR. 5)
- S-8 VISION SCIENCES INC /DE/, 9 STRATHMORE ROAD, NATICK, MA 01760
(508) 650-9971 - 4,000,000 (\$3,760,000) COMMON STOCK. (FILE 333-48654
-
OCT. 26) (BR. 3)
- S-8 FOREST LABORATORIES INC, 909 THIRD AVENUE, NEW YORK, NY 10022
(212) 421-7850 - 4,000,000 (\$514,624,000) COMMON STOCK. (FILE 333-
48656 -
OCT. 26) (BR. 1)

SB-2 MATURUS COM INC, 211 EAST GEORGIA STREET, VANCOUVER BC, A1 00000
(604) 688-2271 - 600,000 (\$3,900,000) COMMON STOCK. (FILE 333-48658 -
OCT. 26) (BR. 9 - NEW ISSUE)

SB-2 LEGALOPINION COM, 3855 SOUTH VALLEY VIEW, 106, LAS VEGAS, NV 89103
(206) 652-3390 - 44,174,965 (\$7,509,744.05) COMMON STOCK. (FILE 333-
48660
- OCT. 26) (BR. 8)

S-8 ORASURE TECHNOLOGIES INC, 8505 SW CREEKSIDE PLACE, BEAVERTON, OR
97008
(503) 641-6115 - 440,997 (\$4,237,755) COMMON STOCK. (FILE 333-48662 -
OCT. 26) (BR. 5)

S-3 ADVANCE PARADIGM INC, 5215 N O'CONNOR, STE 1600, IRVING, TX 75039
(214) 830-6199 - 3,499,997 (\$147,765,498) COMMON STOCK. (FILE 333-
48664 -
OCT. 26) (BR. 1)

S-8 ANTEC CORP, 11450 TECHNOLOGY CIRCLE, SUITE 600, DULUTH, GA 30097
(847) 439-4444 - 1,000,000 (\$13,320,000) COMMON STOCK. (FILE 333-48666
-
OCT. 26) (BR. 7)

S-8 COR THERAPEUTICS INC / DE, 256 E GRAND AVE STE 80, SOUTH SAN
FRANCISCO,
CA 94080 (415) 244-6800 - 1,800,000 (\$103,645,009) COMMON STOCK. (FILE
333-48668 - OCT. 26) (BR. 1)

S-8 BOSTON COMMUNICATIONS GROUP INC, 100 SYLVAN RD, STE 100, WOBURN, MA
01801 (617) 476-3570 - 150,000 (\$3,000,000) COMMON STOCK. (FILE 333-
48670
- OCT. 26) (BR. 7)

S-8 BOSTON COMMUNICATIONS GROUP INC, 100 SYLVAN RD, STE 100, WOBURN, MA
01801 (617) 476-3570 - 500,000 (\$10,000,000) COMMON STOCK. (FILE
333-48672 - OCT. 26) (BR. 7)

S-1 TRINAGY INC, 19191 S VERMONT AVENUE, 9TH FLOOR, TORRANCE, CA 90502
(310) 630-1000 - \$75,000,000 COMMON STOCK. (FILE 333-48676 - OCT. 26)
(BR. 3 - NEW ISSUE)

S-8 MOBIUS MANAGEMENT SYSTEMS INC, 120 OLD POST ROAD, RYE, NY 10580
(914) 637-7200 - 707,900 (\$2,001,941) COMMON STOCK. (FILE 333-48678 -
OCT. 26) (BR. 3)

S-3 APHTON CORP, 444 BRICKELL AVE, STE 51-507, MIAMI, FL 33131
(305) 374-7338 - 1,291,509 (\$34,302,479.04) COMMON STOCK. (FILE 333-
48680
- OCT. 26) (BR. 1)

SB-2 ATN GROUP INC, 1661 INTERNATIONAL DRIVE SUITE 400, MEMPHIS, TN 28120
(901) 818-3318 - 2,000,000 (\$25,000,000) COMMON STOCK. (FILE 333-48682
-
OCT. 26) (BR. 9 - NEW ISSUE)

S-8 XO COMMUNICATIONS INC, 1505 FARM CREDIT DRIVE, MCLEAN, VA 22102
(703) 547-2005 - 10,000,000 (\$10,000,000) COMMON STOCK. (FILE 333-
48684 -
OCT. 26) (BR. 7)

S-3 SYSCO CORP, 1390 ENCLAVE PKWY, HOUSTON, TX 77077 (281) 584-1390 -
1,656,418 (\$77,282,252.31) COMMON STOCK. (FILE 333-48686 - OCT. 26)
(BR. 4)

S-3 ART TECHNOLOGY GROUP INC, 25 FIRST STREET, CAMBRIDGE, MA 02141
(617) 859-1212 - 5,433,750 (\$449,479,800) COMMON STOCK. (FILE 333-
48688 -
OCT. 26) (BR. 3)

S-8 PECO II INC, 1376 STATE ROUTE 598, GALION, OH 44833 (419) 468-7600 -
2,500,000 (\$100,625,000) COMMON STOCK. (FILE 333-48690 - OCT. 26) (BR.
6)

S-8 POORE BROTHERS INC, 3500 S LA COMETA DR, GOODYEAR, AZ 85338
(602) 932-6200 - 1,500,000 (\$2,751,265) COMMON STOCK. (FILE 333-48692
-
OCT. 26) (BR. 4)

S-8 TENGASCO INC, 603 MAIN AVE, SUITE 500, KNOXVILLE, TN 37902
(423) 523-1124 - 1,000,000 (\$9,000,000) COMMON STOCK. (FILE 333-48694
-
OCT. 26) (BR. 9)

S-4 BROADBASE SOFTWARE INC, 181 CONSTITUTION DRIVE, MENLO PARK, CA 94025
(650) 614-8300 - 30,668,178 (\$143,336,000) COMMON STOCK. (FILE 333-
48696 -
OCT. 26) (BR. 8)

S-3 DIGITAL RIVER INC /DE, 9625 W 76TH STREET SUITE 150, EDEN PRAIRIE,
MN
55344 (952) 253-1234 - 1,350,000 (\$5,610,937) COMMON STOCK. (FILE
333-48698 - OCT. 26) (BR. 3)

S-4 PLEXUS CORP, 55 JEWELERS PARK DR, NEENAH, WI 54957 (920) 722-3451 -
2,000,000 (\$130,375,000) COMMON STOCK. (FILE 333-48700 - OCT. 26) (BR.
5)

S-8 EQUIFAX INC, 1600 PEACHTREE ST NW, P O BOX 4081, ATLANTA, GA 30302
(404) 885-8000 - 1,500,000 (\$44,580,000) COMMON STOCK. (FILE 333-48702
-
OCT. 26) (BR. 2)

S-3 OSAGE SYSTEMS GROUP INC, 1661 E CAMELBACK RD, STE 245, PHOENIX, AZ
85016
(602) 274-1299 - 7,142,825 (\$4,241,052) COMMON STOCK. (FILE 333-48704
-
OCT. 26) (BR. 3)

S-8 PLC SYSTEMS INC, 10 FORGE PK, FRANKLIN, MA 02038 (508) 541-8800 -
350,000 (\$196,875) COMMON STOCK. (FILE 333-48706 - OCT. 26) (BR. 5)

S-3 NETWORK COMMERCE INC, 411 FIRST AVE S, STE 200 N, SEATTLE, WA 98104
(206) 223-1996 - 11,250,000 (\$31,286,250) COMMON STOCK. (FILE 333-
48708 -
OCT. 26) (BR. 8)

S-3 UNIFAB INTERNATIONAL INC, 5007 PORT RD, NEW IBERIA, LA 70562
(337) 367-8291 - 2,060,000 (\$20,857,500) COMMON STOCK. (FILE 333-48710
-
OCT. 26) (BR. 6)

S-8 CYPRESS SEMICONDUCTOR CORP /DE/, 3901 N FIRST ST, SAN JOSE, CA 95134
(408) 943-2600 - 8,987 (\$26,568) COMMON STOCK. (FILE 333-48712 - OCT.
26)
(BR. 5)

S-8 CYPRESS SEMICONDUCTOR CORP /DE/, 3901 N FIRST ST, SAN JOSE, CA 95134
(408) 943-2600 - \$1,322,347 COMMON STOCK. (FILE 333-48714 - OCT. 26)
(BR. 5)

S-8 CYPRESS SEMICONDUCTOR CORP /DE/, 3901 N FIRST ST, SAN JOSE, CA 95134
(408) 943-2600 - \$29,063 COMMON STOCK. (FILE 333-48716 - OCT. 26) (BR.
5)

S-8 DELTA AIR LINES INC /DE/, HARTSFIELD ATLANTA INTL AIRPORT,
1030 DELTA BLVD, ATLANTA, GA 30320 (404) 715-2600 - 16,000,000
(\$651,040,000) COMMON STOCK. (FILE 333-48718 - OCT. 26) (BR. 5)

S-3 WELLS FARGO ASSET SECURITIES CORP, 7485 NEW HORIZON WAY, FREDERICK,
MD
21703 (301) 846-8881 - 1,000,000 (\$1,000,000)
PASS-THROUGH MORTGAGE-BACKED CERTIFICATE. (FILE 333-48720 - OCT. 26)
(BR. 8)

SB-2 R TEC TECHNOLOGIES INC, 37 IRONICA ROAD, FLANDERS, NJ 07836
(973) 252-5233 - 1,000,000 (\$3,500,000) COMMON STOCK. (FILE 333-48724
-
OCT. 27) (BR. 6)

S-8 SUPPORT COM INC, 575 BROADWAY, REDWOOD, CA 94063 (650) 233-4539 -
8,810,200 (\$152,168,734) COMMON STOCK. (FILE 333-48726 - OCT. 27) (BR.
3)

S-3 LUMINANT WORLDWIDE CORP, 2665 VILLA CREEK DRIVE, SUITE 200, DALLAS,
TX
75234 (972) 488-7202 - 24,800,225 (\$43,400,393) COMMON STOCK. (FILE
333-48728 - OCT. 27) (BR. 3)