

SEC NEWS DIGEST

Issue 99-111

June 10, 1999

COMMISSION ANNOUNCEMENTS

PRESIDENT'S YEAR 2000 COUNCIL, SEC, NASD, SIA TEAM UP TO EDUCATE INVESTORS ABOUT Y2K PREPARATIONS - KIT PROVIDES RESOURCES TO ADDRESS PUBLIC CONCERNS

The President's Council on Year 2000 Conversion, the Securities and Exchange Commission, the National Association of Securities Dealers, and the Securities Industry Association are teaming up to help investors prepare for the Year 2000. At the core of this effort is a communications kit to help firms, markets, regulators, and the media provide information to the public about the Y2K readiness of the financial services industry. This "Year 2000 Investor Kit" was jointly developed by the NASD, SEC, and SIA.

The public can access the "Year 2000 Investor Kit" through the NASD Web site: www.nasd.com. Printed copies will be available in early July by calling 1-888-227-1330 or sending an e-mail to y2k@nasd.com. The kits will also soon be provided to securities firms for distribution to their clients.

Investors can check on the Y2K preparedness of broker-dealers, mutual funds, and investment advisors on the SEC Web site at: www.sec.gov. (Press Rel. 99-64)

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 - MONDAY, JUNE 14, 1999 - 10:00 A.M.

The subject matter of the open meeting scheduled for Monday, June 14, at 10:00 a.m., will be:

The Commission will hear oral argument on appeal by the Division of Enforcement from an administrative law judge's initial decision. For further information, please contact Joan L. Loizeaux at (202) 942-0950.

CLOSED MEETING - MONDAY, JUNE 14, 1999 - FOLLOWING THE OPEN MEETING

The subject matter of the closed meeting scheduled for Monday, June 14, following the 10:00 a.m. open meeting, will be: Post oral argument discussion.

CLOSED MEETING - THURSDAY, JUNE 17, 1999 - 11:00 A.M.

The subject matter of the closed meeting scheduled for Thursday, June 17, at 11:00 a.m., will be: Institution of injunctive actions; Settlement of injunctive actions; Institution of administrative proceedings of an enforcement nature; and Settlement of administrative proceedings of an enforcement nature.

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.

ENFORCEMENT PROCEEDINGS

SUPPLEMENTAL INITIAL DECISION ISSUED IN D.E. WINE INVESTMENTS, INC., W. RANDAL MILLER, KENNETH KARPF, AND DUNCAN WINE

An Administrative Law Judge has issued a supplemental initial decision in response to a Commission remand order. The Commission had earlier found that an initial decision had erroneously calculated markups and markdowns and directed further factual findings and a revised analysis that conformed to the principles which it enunciated in its remand order. D.E. Wine Investments, Inc., 66 SEC Docket 0763 (Jan. 6, 1998.)

Based on the principles set out in the Commission's order, the judge in this supplemental initial decision found that Respondents charged illegal markups in retail sales of three of the four penny stocks reviewed during a "penny stock sweep" conducted by the Commission's staff. She ordered D.E. Wine Investments, Inc. to cease and desist from any present or future violations of Section 17(a) of the Securities Act of 1933 and Sections 10(b) and 15(c) of the Securities Exchange Act of 1934 and Rules 10b-5 and 15c1-2 thereunder. The judge ordered W. Randal Miller, Kenneth B. Karpf, and Duncan E. Wine, firm owners, officers and head trader, to cease and desist from committing or causing any present or future violations of Sections 17(a) and 10(b) and Rule 10b-5, and from aiding and abetting any present or future violations of Section 15(c) and Rule 15c1-2. In addition, she suspended D.E. Wine's broker-dealer registration for 30 days; she suspended W. Randal Miller, Kenneth B. Karpf, and Duncan E. Wine from association with a broker or dealer for the same length of time; she ordered the firm and the named individuals, jointly and severally, to disgorge \$11,054.94, with prejudgment interest; and she ordered each party to pay a civil money penalty of \$50,000. (Initial Decision No. 143; File No. 3-8543)

DECISION ORDERING THAT JOSEPH REESE CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS OR FUTURE VIOLATIONS OF SECTION 17(a) OF THE SECURITIES ACT IS FINAL

The decision of an administrative law judge ordering that Joseph F. Reese cease and desist from committing or causing any violations or future violations of Section 17(a) of the Securities Act of 1933 has become final.

The law judge found that Joseph F. Reese violated 17(a) of the Securities Act of 1933 by offering for sale unregistered, nonexistent, "prime bank" securities during the period of September 1995 through January 1996. The time for filing a petition for review of the initial decision in this proceeding has expired. Respondent has not petitioned for review and the Commission has not chosen to review the decision on its own initiative. Accordingly, the order has become final. (Rel. 34-41496)

SEC CONCLUDES THAT BRITISH DRUG COMPANY AND OFFICERS MADE MISLEADING STATEMENTS REGARDING CANCER DRUG

On June 10, the Commission instituted and simultaneously settled cease and desist proceedings against British Biotech PLC, Keith McCullagh, Peter Lewis and James Noble. British Biotech is a British pharmaceutical research and development company registered with the Commission pursuant to Section 12(g) of the Securities Exchange Act of 1934 (Exchange Act) as a foreign private issuer. During the relevant period, McCullagh, Lewis and Noble were, respectively, Chief Executive Officer, Director of Research and Development, and Finance Director of British Biotech. As discussed below, McCullagh, Lewis and Noble caused the company to make statements in company press releases which were misleading as to the merits of one of its primary drug products in combating ovarian and other types of

cancerous tumors. All company press releases, incorporated into Commission reports, were reviewed and approved by McCullagh, Lewis, and Noble.

British Biotech, McCullagh, Lewis and Noble consented to the entry of a Cease-and-Desist Order which contained findings that, from November 30, 1995 through October 1996, British Biotech, through the actions of McCullagh, Lewis and Noble, made materially misleading statements in reports it filed with the Commission on Forms 6-K and Form 20-F. The misleading statements concerned the promise that marimastat, a British Biotech pharmaceutical product, had shown in clinical trials involving the treatment of various types of cancer. In these statements, British Biotech claimed positive results in the clinical trials, primarily based upon data indicating that marimastat was reducing the level of cancer antigens, a protein that can be measured in a patient's blood. The company failed to disclose that, from the beginning of the clinical trials, the United States Food and Drug Administration (FDA) had repeatedly informed the company that results showing a reduction in cancer antigen levels could not be used to support a claim of effectiveness sufficient to obtain FDA marketing approval and that, without comparing cancer antigen levels to conventional measurements of effectiveness, for example, X-rays or CT Scans, the interpretation of antigen data would be "unintelligible."

The Order requires British Biotech, McCullagh, Lewis and Noble to cease and desist from committing or causing any violation and any future violation of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1 and 13a-16 thereunder.

The Commission acknowledges the assistance of the FDA in the investigation of this matter. (Rel. 34-41505; File No. 3-9915)

COURT ENTERS FINAL JUDGMENTS BY DEFAULT AGAINST JOHN ROCKETT, LEONARD WAYNE AND ANTHONY LEO

On May 28, final judgments by default were entered against John C. Rockett (Rockett), Leonard D. Wayne (Wayne) and Anthony J. Leo (Leo) imposing a \$100,000 civil penalty against each defendant. In previous actions, orders of permanent injunction and disgorgement were entered by default against Leo on June 1, 1998, and Rockett and Wayne on July 23, 1998. The orders permanently enjoined the defendants from future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933, and Sections 10(b) and 15(a)(1) of the Securities and Exchange Act of 1934 and Rule 10b-5 thereunder, and ordered Rockett to disgorge \$1,217,282, plus prejudgment interest of \$346,544.57; Wayne to disgorge \$143,710, plus prejudgment interest of \$43,724.51, and Leo to disgorge \$631,210, plus prejudgment interest of \$203,071.01.

The Commission's complaint charged that the defendants, through Pro-Tex Pipe and Tubing Corporation, raised approximately \$2.9 million from investors in 31 states for the purported purpose of purchasing oil field equipment and pipe. The equipment was to be

resold, and a portion of the profits be returned to investors. Investors were guaranteed returns of up to 20% per annum, with complete security of principal, and were told there were no risks associated with the investment. In fact, Rockett and Wayne operated an undisclosed "Ponzi" scheme whereby monies contributed by new investors were paid as "profits" to previous investors. The complaint also charged that Rockett and Wayne misappropriated investors' funds, and Wayne and Leo received undisclosed commissions for their efforts in selling the securities. [SEC v. John C. Rockett, et al., H-97-CV-0981, USDC, SD/TX, Houston Division] (LR-16180)

CIVIL ACTION AGAINST MICHAEL RIBANT

The Commission announced that on May 28, 1999, a permanent injunction and other relief was entered against Michael W. Ribant (Ribant), doing business as Trinity Capital, a broker-dealer located in San Diego, California. The Commission filed its complaint against Ribant on November 16, 1998, alleging that Ribant misappropriated approximately \$3.3 million of Trinity's customers' funds and securities.

Without admitting or denying the allegations contained in the complaint, Ribant consented to a permanent injunction against future violations of the antifraud provisions, Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. The judgment against Ribant orders him to disgorge \$3,355,205 plus prejudgment interest and waives payment based upon his demonstrated inability to pay. The judgment does not impose civil penalties based upon Ribant's demonstrated inability to pay.

According to the complaint, Ribant misappropriated his customers' funds and securities by selling customers' securities without the customer's authorization or knowledge, and then wiring the sale proceeds to accounts that Ribant had opened, also without the customers' authorization or knowledge, in the customers' names. To complete the misappropriation, Ribant then, again without the customers' authorization or knowledge, wired the funds to a bank account held in his own name.

Also on November 16, 1998, in order to afford Ribant's customers with the protections provided under the Securities Investor Protection Act, the Securities Investor Protection Corporation intervened in the Commission's action and was appointed trustee over Ribant for the liquidation of Trinity Capital. [SEC v. Michael W. Ribant, Civil Action No. 98-CV 2096 IEG, POR, S.D. Cal.] (LR-16181)

MEHL BIOPHILE INTERNATIONAL CORPORATION ENJOINED

On June 2, the District Court entered a final judgment by default (i) enjoining Mehl Biophile International Corporation (Mehl) from violating Section 13(a) of the Securities Exchange Act of 1934 (Exchange Act) and the rules thereunder; and (ii) compelling Mehl to file its Annual Report on Form 10-K for the fiscal year ended May

31, 1998 and its Quarterly Reports on Form 10-Q for the fiscal quarters ended August 31 and November 30, 1998 and February 28, 1999. The Commission filed on March 2, 1999 a civil action in the United States District Court for the District of Columbia to compel Mehl to file its delinquent periodic reports and to enjoin Mehl from future violations of Section 13(a) of the Exchange Act and Rules 12b-25, 13a-1 and 13a-13 thereunder. [SEC v. Mehl Biophile International Corporation, Civil No. 99-CV-00541, D.D.C.] (LR-16182)

HOLDING COMPANY ACT RELEASES

COLUMBIA ENERGY GROUP, ET AL.

An order has been issued authorizing Columbia Energy Group (Columbia), a registered holding company to increase and extend, through December 31, 2003 (Authorization Period), its long-term financing authority in an amount not to exceed \$6 billion outstanding at any one time and increase through the Authorization Period its guarantee authority to \$5 billion. Columbia's subsidiaries have also been authorized, through the Authorization Period, to acquire, retire and redeem securities that they have issued to an associate company, an affiliate, or an affiliate of an associate company. (Rel. 35-27035)

SELF-REGULATORY ORGANIZATIONS

ACCELERATED APPROVAL OF PROPOSED RULE CHANGES

The Pacific Exchange filed a proposed rule change (SR-PCX-98-35) that will amend PCX Rule 423 to permit electronic confirmation/affirmation of depository eligible COD orders by "qualified vendors." The Commission has approved the proposed rule change on an accelerated basis. Publication of the proposal is expected in the Federal Register during the week of June 14. (Rel. 34-41487)

The American Stock Exchange filed a proposed rule change (SR-AMEX-98-42) that will amend AMEX Rule 423 to permit electronic confirmation/affirmation of depository eligible COD transactions by "qualified vendors." The Commission has approved the proposed rule change on an accelerated basis. Publication of the proposal is expected in the Federal Register during the week of June 14. (Rel. 34-41488)

WITHDRAWALS GRANTED

An order has been issued granting the application of CareMatrix Corporation to withdraw its Common Stock, \$.05 par value per share, from listing and registration on the American Stock Exchange. (Rel.

34-41492)

An order has been issued granting the application of Armor Holdings, Inc. to withdraw its Common Stock, \$.01 par value, from listing and registration on the American Stock Exchange. (Rel. 34-41495)

DELISTING GRANTED

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration Astra AB, Class A American Depositary Shares (each representing one Class A Share). (Rel. 34-41498)

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>. In most cases, this information is also available on the Commission's website: <www.sec.gov>.

- F-1 AUDIOCODES LTD, 4 HAHORESH RD, YEHUD 56470, ISRAEL, L3 - 345,000 (\$4,830,000) FOREIGN COMMON STOCK. (FILE 333-10396 - MAY. 28) (BR. 7)
- F-3 RYANAIR HOLDINGS PLC, C/O RYANAIR LTD CORPORATE HEAD OFFICE, DUBLIN AIRPORT, COUNTY DUBLIN IRELAND, L2 (353) 844-4440 - 28,867,859 (\$272,021,835.35) FOREIGN COMMON STOCK. (FILE 333-10398 - MAY. 28) (BR. 5)
- S-8 FRESH DEL MONTE PRODUCE INC, 800 DOUGLAS RD NORTH TOWER 12TH FLOOR, C/O DEL MONTE FRESH PRODUCE CO, CORAL GABLES, FL 33134 (305) 520-8400 - 2,000,000 (\$28,250,000) FOREIGN COMMON STOCK. (FILE 333-10400 - MAY. 28) (BR. 4)
- S-8 INDIGO NV, LUCHTHAVENWEG 59 VII, 5657 EA EINDHOVEN, NETHERLANDS, P8 (212) 408-5100 - 7,200,000 (\$24,048,000) FOREIGN COMMON STOCK. (FILE 333-10408 - JUN. 01) (BR. 5)
- F-3 DIAGEO PLC, 8 HENRIETTA PL, LONDON WIM 9AG ENGLAND, X0 - 5,000,000,000 (\$5,000,000,000) FOREIGN GOVERNMENT AND AGENCY DEBT. (FILE 333-10410 - JUN. 01) (BR. 2)
- S-3 LAIDLAW INC, 3221 N SERVICE RD, P O BOX 5028, BURLINGTON ONTARIO C, A6 L7R 3 (905) 336-1800 - 150,000,000 (\$150,000,000) STRAIGHT BONDS. (FILE 333-10414 - JUN. 02) (BR. 5)
- S-8 AT HOME CORP, 425 BROADWAY ST, REDWOOD CITY, CA 94063 (650) 569-5000 - 21,782,452 (\$1,471,402,091.52) COMMON STOCK. (FILE 333-79883 - JUN. 03) (BR. 3)

S-3 VION PHARMACEUTICALS INC, 4 SCIENCE PARK, NEW HAVEN, CT 06511
(203) 498-4210 - 893,915 (\$5,112,077) COMMON STOCK. (FILE 333-79939 -
JUN. 04) (BR. 9)

S-3 CISCO SYSTEMS INC, 170 WEST TASMAN DRIVE, SAN JOSE, CA 95134
(408) 526-4000 - 2,682,295 (\$287,174,550) COMMON STOCK. (FILE 333-79941 -
JUN. 04) (BR. 3)

S-3 CYBERCASH INC, 2100 RESTON PARKWAY, 3RD FLOOR, RESTON, VA 20191
(703) 620-4200 (FILE 333-79943 - JUN. 04) (BR. 3)