

SEC NEWS DIGEST

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COMMISSION ANNOUNCEMENTS

SEC AND U.S. ATTORNEY FILE FRAUD CHARGES AGAINST TWO FORMER UCLA STUDENTS AND ONE OTHER FOR INTERNET STOCK MANIPULATION

The Commission today filed civil fraud charges against three Southern California residents, two of whom are recent UCLA graduates, for manipulating the price of a thinly-traded stock by spreading false information on Internet message boards, allowing them to reap \$364,000 in trading profits. The individuals are: Arash Aziz-Golshani of Beverly Hills, Allen Derzakharian of La Crescenta, and Hootan Melamed of Pomona; the first two are recent UCLA graduates. The Commission was granted a temporary restraining order against the three defendants' future violations of the antifraud provisions of the federal securities laws, as well as a freeze on their assets. Defendants Aziz-Golshani and Melamed also have been arrested and charged by the U.S. Attorney for the Central District of California with one count each of conspiracy to commit securities fraud.

The Commission's civil complaint alleges that, as a result of the defendants' manipulation, the price of NEI Webworld, Inc. (NEIP) common stock rose from \$.13 (thirteen cents) per share at the close of trading on Friday, November 12, 1999 to a peak of more than \$15 per share soon after the opening of the market on Monday, November 15, before declining precipitously.

SEC Enforcement Director Richard H. Walker said, "Let this serve as a warning to con men: if you use the Internet to manipulate our securities markets, we can and will find you. Though the perpetrators in this case went to great lengths to hide from us, we discovered them within a matter of days. And investors who frequent message boards should be warned as well: Internet postings may be informative but many are no more valuable than graffiti."

The Commission's civil complaint alleges that the three defendants bought large blocks of NEIP, a microcap stock traded through the NASD's over-the-counter bulletin board system, between November 9 and 12, 1999. They then drove up the price of the stock over the weekend of November 13-14 by sending to Internet financial message boards, from computer accounts created at a UCLA library, numerous

copies of a fraudulent message predicting the acquisition of all outstanding NEIP common shares by a privately-held San Jose, CA firm. They used multiple pseudonyms to send the fraudulent messages. In fact, no such acquisition was ever planned.

The Commission is also seeking preliminary and permanent injunctions barring the defendants from future violations of the antifraud provisions of the federal securities laws, disgorgement of the defendants' ill-gotten gains, and civil money penalties.

We are grateful to the NASD for its able assistance in this matter.

For further information contact Erich Schwartz at (202) 942-4540. [SEC v. Arash Aziz-Golshani, Hootan Melamed & Allen Derzakharian, USDC, CD Ca., Civ. Action No. 99-13139, CBM, AJWX] (LR-16391; Press Rel. 99-172)

ENFORCEMENT PROCEEDINGS

ORDER PERMITTING ASSOCIATION OF SALVATORE GESWALDO

On December 15, the Commission issued an Order approving the application of the National Association of Securities Dealers, Inc. (NASD) for relief from a statutory disqualification to permit the association of Salvatore F. Geswaldo as a General Securities Representative with Pin Oak Partners, Inc., a member of the NASD. The Order states that, based upon the representations made regarding the supervision of Mr. Geswaldo, and the terms and conditions of his association, the Commission will not institute proceedings pursuant to Sections 15(b) or 19(h) of the Securities Exchange Act of 1934 (Exchange Act) and will not direct the NASD to bar the proposed association pursuant to Section 15A(g)(2). The Order is necessary because Mr. Geswaldo is subject to a 1992 order of the Commission that limited his activities to those of an investment company and variable contracts products representative. (Rel. 34-42236)

INVESTMENT COMPANY ACT RELEASES

AMERICAN CENTURY MUTUAL FUNDS, INC., ET AL.

An order has been issued on an application filed by American Century Mutual Funds, Inc., et al. under Section 6(c) of the Investment Company Act granting an exemption from Sections 18(f) and 21(b) of the Act, under Section 12(d)(1)(J) of the Act granting an exemption from Section 12(d)(1) of the Act, under Sections 6(c) and 17(b) of the Act granting an exemption from Sections 17(a)(1) and 17(a)(3) of the Act, and under Section 17(d) of the Act and Rule 17d-1 under the Act to permit certain joint arrangements. The order permits certain registered open-end management investment companies to participate

in a joint lending and borrowing facility. (Rel. IC-24195 - December 14)

PACIFIC LIFE INSURANCE COMPANY, ET AL.

An amended order has been issued pursuant to Section 6(c) of the Investment Company Act exempting Pacific Life Insurance Company (Pacific Life), Pacific Life & Annuity Company, Pacific Select Separate Account of Pacific Life Insurance Company, Pacific Select Exec Separate Account of Pacific Life Insurance Company, Pacific Select Exec Separate Account of Pacific Life & Annuity Company, and the Pacific Select Fund (the Fund), from the provisions of Sections 9(a), 13(a), 15(a), and 15(b) of the Act, and Rules 6e-2(b)(15) and 6e-3(T)(b)(15) thereunder, to the extent necessary to permit shares of the Fund and shares of any other existing or future investment company that is designed to fund insurance products and for which Pacific Life or any of its affiliates may serve as investment manager, investment adviser, sub-adviser, administrator, manager, principal underwriter or sponsor, or shares of any current or future series of any such investment company or the Fund, to be sold to and held by: (a) separate accounts funding variable annuity contracts and scheduled premium and flexible premium variable life insurance contracts issued by both affiliated and unaffiliated life insurance companies; and (b) qualified pension and retirement plans held outside of the separate account context. (Rel. IC-24196 - December 14)

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>.

S-4 LENNOX INTERNATIONAL INC, 2100 LAKE PARK BLVD, RICHARDSON, TX 75080
(972) 497-5440 - 14,301,943 (\$157,321,373) COMMON STOCK. (FILE 333-92389 -
DEC. 09) (BR. 6)

S-8 VA LINUX SYSTEMS INC, 1382 BORDEAUX DR, SUNNYVALE, CA 94089
(408) 542-8000 - 9,150,226 (\$28,274,199) COMMON STOCK (FILE 333-92391 -
DEC. 09) (BR. 3)

S-4 DIGITAL ISLAND INC, 45 FREMONT STREET SUITE 1200, SAN FRANCISCO, CA
94105 (415) 738-4100 - 24,573,160 (\$7,635 93) COMMON STOCK. (FILE
333-92393 - DEC. 09) (BR. 7)

S-8 KOPIN CORP, 695 MYLES STANDISH BLVD, TAUNTON, MA 02780 (508) 824-6696 - 550,000 (\$33,825,000) COMMON STOCK. (FILE 333-92395 - DEC. 09) (BR. 5)

S-3 ADAM COM INC /DE/, 1600 RIVEREDGE PARKWAY, STE 800, ATLANTA, GA 30328 (770) 980-0888 - 303,063 (\$4,527,003.50) COMMON STOCK. (FILE 333-92397 - DEC. 09) (BR. 3)

S-8 ADAM COM INC /DE/, 1600 RIVEREDGE PARKWAY, STE 800, ATLANTA, GA 30328 (770) 980-0888 - 1,600,000 (\$23,904,000) COMMON STOCK. (FILE 333-92403 - DEC. 09) (BR. 3)

S-4 COMMUNITY NATIONAL BANCORPORATION, 561 E WASHINGTON AVE, P O BOX 2619, ASHBURN, GA 31714 (912) 567-9686 - 248,000 (\$1,907,120) COMMON STOCK. (FILE 333-92407 - DEC. 09) (BR. 7)

S-8 VA LINUX SYSTEMS INC, 1382 BORDEAUX DR, SUNNYVALE, CA 94089 (408) 542-8000 - 15,713,409 (\$471,402,270) COMMON STOCK. (FILE 333-92409 - DEC. 09) (BR. 3)

S-8 FASTCOMM COMMUNICATIONS CORP, 45472 HOLIDAY DR, SUITE 3, STERLING, VA 20166 (703) 318-7750 - 3,309,608 (\$4,550,712) COMMON STOCK. (FILE 333-92411 - DEC. 09) (BR. 7)

S-3 MSI HOLDINGS INC/, 501 WALLER ST , SUITE 400, AUSTIN, TX 78702 (512) 476-6925 - 2,894,720 (\$16,644,640) COMMON STOCK. (FILE 333-92413 - DEC. 09) (BR. 3)

S-8 BRADY CORP, 6555 W GOOD HOPE RD, P O BOX 571, MILWAUKEE, WI 53201 (414) 358-6600 - 5,000,000 (\$5,000,000) COMMON STOCK (FILE 333-92417 - DEC. 09) (BR. 6)

S-8 XCEED INC, 488 MADISON AVENUE, 4TH FLOOR, NEW YORK, NY 10022 (212) 753-5511 - 1,000,000 (\$6,000,000) COMMON STOCK. (FILE 333-92419 - DEC. 09) (BR. 3)

S-8 OGE ENERGY CORP, 321 N HARVEY, P O BOX 321, OKLAHOMA CITY, OK 73101 (405) 553-3000 - 4,000,000 (\$4,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 333-92423 - DEC. 09) (BR. 2)

S-8 NEUROBIOLOGICAL TECHNOLOGIES INC /CA/, 1387 MARINA WAY S, RICHMOND, CA 94804 (510) 215-8000 - 550,000 (\$1,529,000) COMMON STOCK. (FILE 333-92425 - DEC. 09) (BR. 1)

S-8 VSE CORP, 2550 HUNTINGTON AVE, ALEXANDRIA, VA 22303 (703) 960-4600 - 393,750 (\$3,410,860) COMMON STOCK. (FILE 333-92427 - DEC. 09) (BR. 6)

S-1 DIGITALTHINK INC, 1098 HARRISON ST, SAN FRANCISCO, CA 94103 (415) 625-4000 - \$75,000,000 COMMON STOCK. (FILE 333-92429 - DEC. 09) (NEW ISSUE)

S-3 APPLIED MICRO CIRCUITS CORP, 6290 SEQUENCE DR, SAN DIEGO, CA 92121 (619) 450-9333 - 5,175,000 (\$468,337,500) COMMON STOCK (FILE 333-92431 - DEC. 09) (BR. 5)

S-1 PETS COM INC, 435 BRANNAN STREET, SAN FRANCISCO, CA 94107 (415) 222-9999 - \$100,000,000 COMMON STOCK (FILE 333-92433 - DEC. 09) (NEW ISSUE)

S-3 CISCO SYSTEMS INC, 170 WEST TASMAN DRIVE, SAN JOSE, CA 95134 (408) 526-4000 - 19,729 (\$1,823,709.30) COMMON STOCK. (FILE 333-92435 - DEC. 09) (BR. 3)

S-8 CONEXANT SYSTEMS INC, 4311 JAMBOREE RD, NEWPORT BEACH, CA 92660 (949) 221-4600 - 14,892 (\$83,990.88) COMMON STOCK. (FILE 333-92437 - DEC. 09) (BR. 5)

S-3 CISCO SYSTEMS INC, 170 WEST TASMAN DRIVE, SAN JOSE, CA 95134 (408) 526-4000 - 3,975,715 (\$367,507,143.10) COMMON STOCK. (FILE 333-92439 - DEC. 09) (BR. 3)

- S-3 CISCO SYSTEMS INC, 170 WEST TASMAN DRIVE, SAN JOSE, CA 95134
(408) 526-4000 - 345,828 (\$31,967,648.66) COMMON STOCK. (FILE 333-92441 -
DEC. 09) (BR. 3)
- S-8 RUDOLPH TECHNOLOGIES INC, ONE RUDOLPH RD, FLANDERS, NJ 07836
(973) 691-1300 - 2,998,930 (\$50,678,399.64) COMMON STOCK. (FILE 333-92443
- DEC. 09) (BR. 5)
- S-4 SIXTH BUSINESS SERVICE GROUP INC, 2503 WEST GARDNER COURT, TAMPA, FL
33611 (813) 831-9348 - 9,790,000 (\$8,138,744) COMMON STOCK. (FILE
333-92445 - DEC. 09) (BR. 9)
- S-8 CATALYST SEMICONDUCTOR INC, 1250 BORREGAS AVE, SUNNYVALE, CA 94089
(408) 542-1000 - 5,400,000 (\$9,642,160) COMMON STOCK. (FILE 333-92449 -
DEC. 10) (BR. 5)