

SEC NEWS DIGEST

Issue 99-250

December 30, 1999

ENFORCEMENT ACTIONS

SEC SUES FRED CARTER AND WENDELL CARTER FOR FRAUDULENTLY SELLING SECURITIES OF INTERNET TELEPHONY COMPANY TO WASHINGTON, D.C. AREA RESIDENTS

On October 27, 1999, the Securities and Exchange Commission filed securities fraud charges against Fred Carter, president and chief executive officer of American Telephone and Telecommunications Corporation (ATTC), a District of Columbia corporation purportedly set up to establish a long distance telephone service using Internet telephony technology, and Wendell Carter, ATTC's vice president of corporate sales, in connection with their sale to the public of ATTC stock and joint venture interests in a series of fraudulent offerings targeted mainly to Washington, D.C. area residents.

The complaint alleges that from October 1996 through October 1997, Fred Carter and Wendell Carter, who are unrelated to each other, made material misstatements and omissions in promotional mailings and seminars used to induce people to invest in ATTC. According to the complaint, the defendants falsely claimed, among other things, to have designed a revolutionary technology for routing phone calls using the Internet, that ATTC's stock price would at least triple within one year, and that ATTC had a strategic alliance with an Internet telephony product manufacturer that would help ATTC implement its telephone service. In fact, the complaint alleges, ATTC did not design any technology, but merely purchased Internet telephony products for use in investor demonstrations. In addition, there was no reasonable basis for ATTC's financial projections and there existed no alliance with an Internet telephony product manufacturer.

The complaint further alleges that the defendants failed to disclose to investors, among other things, that, in 1989, Fred Carter was convicted of securities fraud in California for making similar misrepresentations about a computer technology company he owned. Fred Carter has been the subject of an outstanding arrest warrant since 1991 arising from that conviction. In addition, investors were not told that investor funds were largely being disbursed for the personal use of Fred Carter, his family, and Wendell Carter, rather than being spent on bringing the promised telephone service

to market.

It is alleged that by engaging in such conduct Fred and Wendell Carter violated 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. [SEC v. Fred Carter and Wendell Carter, U.S. District Court for the District of Columbia, Civil Action No. 99-02848, D.D.C., October 27, 1999, PLF] (LR-16396)

INVESTMENT COMPANY ACT RELEASES

SALOMON BROTHERS ASSET MANAGEMENT INC., ET AL.

An order has been issued on an application filed by Salomon Brothers Asset Management Inc. (SBAM), et al. granting an exemption from Section 17(a) of the Investment Company Act and permitting certain joint transactions under Section 17(d) of the Act and Rule 17d-1 under the Act. The order permits certain registered closed-end management investment companies advised by SBAM to enter into secured loan transactions with a facility administered by Citicorp North America, Inc., an affiliated person of SBAM. (Rel. IC-24222 - December 28)

JACKSON NATIONAL LIFE INSURANCE COMPANY, ET AL.

An order has been issued pursuant to Section 6(c) of the Investment Company Act exempting Jackson National Life Insurance Company (Jackson National), Jackson National Separate Account V, any other separate account established in the future by Jackson National to support certain deferred variable annuity contracts issued by Jackson National, and Jackson National Life Distributors, Inc. (collectively Applicants) from the provisions of Sections 2(a)(32), 22(c), and 27(i)(2)(A) of the Act and Rule 22c-1 thereunder. The exemptive order permits, under specified circumstances, the recapture of contract enhancements applied to premiums made under certain deferred variable annuity contracts. The order also extends to any other National Association of Securities Dealers, Inc. member broker-dealer controlling or controlled by, or under common control with, Jackson National that serves as a distributor or underwriter for the contracts described in the application. (Rel. IC-24223 - December 28)

THE PAYDEN & RYDEL INVESTMENT GROUP AND PAYDEN & RYDEL

An order has been issued on an application filed by Payden & Rygel Investment Group and Payden & Rygel under Section 12(d)(1)(J) of the Investment Company Act for an exemption from Sections 12(d)(1)(A) and (B) of the Act, under Sections 6(c) and 17(b) of the Act for an exemption from Section 17(a) of the Act, and under Section 17(d) of the Act and Rule 17d-1 under the Act to permit certain joint transactions. The order permits certain management investment

companies to invest uninvested cash and cash collateral in affiliated money market funds. (Rel. IC-24224 - December 29)

HOLDING ACT COMPANY RELEASES

CHEVRON CORPORATION, ET AL.

An order has been issued authorizing Energy Convergence Holding Company (New Dynegy), a company that will be a subsidiary of Chevron U.S.A. Inc. (Chevron USA), to acquire all of the common stock of Illinova Corporation, an Illinois public-utility holding company exempt from registration under Section 3(a)(i) of the Act. New Dynegy will file for the exemption from registration provided in Section 3(a)(1) of the Act under Rule 2 under the Act. Chevron USA intends to apply for an exemption from registration under Section 3(a)(3) of the Act. (Rel. 35-27122)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGE

The Government Securities Clearing Corporation filed a proposed rule change (SR-GSCC-99-05) under Section 19(b)(1) of the Exchange Act. The proposed rule change would allow GSCC to become an initial shareholder and serve on the board of directors of the European Securities Clearing Corporation (ESCC). ESCC will be a United Kingdom company whose purpose will be to oversee the scope and nature of netting services, which will be provided by The London Clearing House, for European sovereign debt buy-sell and repo transactions. Publication of the proposal is expected in the Federal Register during the week of January 3, 2000. (Rel. 34-42279)

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 ACCUMED INTERNATIONAL INC, 900 N FRANKLIN ST, STE 401, CHICAGO, IL 60610
(312) 642-9200 - 11,696,830 (\$927,813.61) COMMON STOCK. (FILE 333-93485 -
DEC. 23) (BR. 1)
- S-1 SNOWBALL COM INC, 250 EXECUTIVE PARK BLVD, SUITE 4000, SAN FRANCISCO, CA
94134 (415) 508-2000 - \$86,250,000 COMMON STOCK. (FILE 333-93487 -
DEC 23) (BR 8 - NEW ISSUE)
- S-4 WACHOVIA CORP/ NC, 100 N MAIN ST, P O BOX 3099, WINSTON SALEM, NC 27150
(336) 770-5000 - 1,623,838 (\$38,222,051.86) COMMON STOCK. (FILE 333-93491
- DEC. 23) (BR. 7)
- S-3 YAHOO INC, 3420 CENTRAL EXPRESSWAY, SUITE 201, SANTA CLARA, CA 95051
(408) 731-3300 - 60,021 (\$20,234,579.63) COMMON STOCK. (FILE 333-93493 -
DEC. 23) (BR. 3)
- S-3 ACUSON CORP, 1220 CHARLESTON RD, PO BOX 7393, MOUNTAIN VIEW, CA 94039
(415) 969-9112 - 1,272,541 (\$15,308,668) COMMON STOCK. (FILE 333-93495
DEC. 23) (BR. 5)
- S-8 YAHOO INC, 3420 CENTRAL EXPRESSWAY, SUITE 201, SANTA CLARA, CA 95051
(408) 731-3300 - 3,933 (\$1,325,912.63) COMMON STOCK. (FILE 333-93497 -
DEC. 23) (BR. 3)
- S-1 ALAMOSA PCS HOLDINGS INC, 4403 BROWNFIELD HIGHWAY, LUBBOCK, TX 79407
(806) 722-1100 - \$156,000,000 STRAIGHT BONDS. (FILE 333-93499 - DEC. 23)
(BR. 7)
- S-8 MERCHANTONLINE COM INC, 1600 S DIXIE HIGHWAY, BOCA RATON, FL 33432
(562) 395-3585 - 500,000 (\$1,335,925) COMMON STOCK (FILE 333-93501 -
DEC. 23) (BR. 9)
- S-8 PHARMACEUTICAL FORMULATIONS INC, 460 PLAINFIELD AVE, EDISON, NJ 08818
(908) 985-7100 - 700,000 (\$154,000) COMMON STOCK. (FILE 333-93503 -
DEC. 23) (BR. 1)
- S-3 EXODUS COMMUNICATIONS INC, 2831 MISSION COLLEGE BLVD, SANTA CLARA, CA
95054 (408) 346-2200 - 6,713,086 (\$525,089,531.22) COMMON STOCK (FILE
333-93505 - DEC. 23) (BR. 8)
- S-4 COMPASS BANCSHARES INC, 15 SOUTH 20TH ST, P O BOX 10566, BIRMINGHAM, AL
35233 (205) 933-3000 - \$73,113,934 COMMON STOCK. (FILE 333-93507 -
DEC. 23) (BR. 7)
- S-1 TXU EASTERN FUNDING CO, CROWN HOUSE 51 ALDWYCH, LONDON,
ENGLAND WC2B 4AX, X0 00000 (011) 441-7142 - 20,000,000 (\$500,000,000)
PREFERRED STOCK. (FILE 333-93509 - DEC. 23) (BR. 2)
- S-8 DEWOLFE COMPANIES INC, 80 HAYDEN AVE, LEXINGTON, MA 02173 (617) 863-5858
- 409,700 (\$2,663,050) COMMON STOCK. (FILE 333-93513 - DEC. 23) (BR. 8)
- S-4 SUMMIT BANCORP/NJ/, 301 CARNEGIE CENTER, P O BOX 2066, PRINCETON, NJ
08543 (609) 987-3200 - 2,948,741 (\$73,695,253) COMMON STOCK (FILE
333-93515 - DEC. 23) (BR. 7)
- S-8 CHIQUITA BRANDS INTERNATIONAL INC, 250 E FIFTH ST, CINCINNATI, OH 45202
(513) 784-8011 - 1,000,000 (\$3,687,500) COMMON STOCK. (FILE 333-93517 -
DEC 23) (BR. 4)
- S-1 PROGOLFTOURNAMENTS COM, 404 SCOTT POINT RD, BC, SALT SPRING ISLAND, AI
00000 - 9,861,300 (\$83,821.05) COMMON STOCK. (FILE 333-93521 - DEC. 23)
(BR. 8 - NEW ISSUE)
- SB-2 STEAKHOUSE PARTNERS INC, 10200 WILLOW CREEK ROAD, SAN DIEGO, CA 92131
(619) 689-2333 - 1,955,000 (\$10,869,800) COMMON STOCK. 170,000 (\$945,200)
WARRANTS, OPTIONS OR RIGHTS. (FILE 333-93523 - DEC. 23) (BR. 9)
- S-8 GERON CORPORATION, 230 CONSTITUTION DRIVE, MENLO PARK, CA 94025

(650) 473-7700 - 850,000 (\$9,826,000) COMMON STOCK. (FILE 333-93527 - DEC. 23) (BR. 1)

S-1 XM SATELLITE RADIO HOLDINGS INC, 1250 23RD STREET NW, SUITE 57, WASHINGTON, DC 20037 (202) 969-7100 - 4,600,000 (\$142,600,000) COMMON STOCK (FILE 333-93529 - DEC. 23) (BR. 7)

S-8 AGWAY INC, 333 BUTTERNUT DR, DEWITT, NY 13214 (315) 449-6431 - 25,000,000 (\$25,000,000) COMMON STOCK. (FILE 333-93531 - DEC 23) (BR 4)

S-1 REGISTER COM INC, 575 EIGHTH AVE, 11TH FLOOR, NEW YORK, NY 10018 - \$80,000,000 COMMON STOCK. (FILE 333-93533 - DEC. 23)

SB-2 TWINVIEW INC, 573 EAST 300 SOUTH, SALT LAKE CITY, UT 84102 (801) 531-1867 - 350,000 (\$350,000) COMMON STOCK. (FILE 333-93535 - DEC 23)

S-8 NORTH BAY BANCORP, 1500 SOSCOL AVE, NAPA, CA 94559 (707) 257-8585 - 337,211 (\$8,369,577.02) COMMON STOCK. (FILE 333-93537 - DEC 23) (BR 7)

S-4 OLD KENT FINANCIAL CORP /MI/, ONE VANDENBERG CTR, 111 LYON ST NW, GRAND RAPIDS, MI 49503 (616) 771-5000 - 10,048,221 (\$306,608,105) COMMON STOCK. 9,250 (\$9,250,000) PREFERRED STOCK. (FILE 333-93539 - DEC 23) (BR. 7)

S-3 SMITH CHARLES E RESIDENTIAL REALTY INC, 2345 CRYSTAL DR, CRYSTAL CITY ARLINGT, VA 22202 (703) 920-8500 - 694,586 (\$21,857,753.19) COMMON STOCK. (FILE 333-93541 - DEC 23) (BR. 8)

S-8 SHIRE PHARMACEUTICALS GROUP PLC, EAST ANTON ANDOVER, HAMPSHIRE ENGLAND, ENGLAND SP10 SRG, X0 (126) 433-3455 - 9,168,475 (\$89,117,577) FOREIGN COMMON STOCK. (FILE 333-93543 - DEC. 23) (BR 1)

S-1 NETPLIANCE INC, 7600A NORTH CAPITAL OF TEXAS HIGHWAY, 512-493-8373, AUSTIN, TX 78731 (512) 493-8300 - \$100,000,000 COMMON STOCK (FILE 333-93545 - DEC. 23)

S-3 FIRST WASHINGTON REALTY TRUST INC, 4350 EAST WEST HWY - STE 400, BETHESDA, MD 20814 (301) 907-7800 - 840,536 (\$15,760,050) COMMON STOCK. (FILE 333-93547 - DEC. 23) (BR. 8)

S-8 COMSHARE INC, 555 BRIARWOOD CIRCLE, P O BOX 1588, ANN ARBOR, MI 48108 (313) 994-4800 - 500,000 (\$1,960,950) COMMON STOCK (FILE 333-93549 - DEC 23) (BR. 3)

S-8 COMSHARE INC, 555 BRIARWOOD CIRCLE, P O BOX 1588, ANN ARBOR, MI 48108 (313) 994-4800 - 500,000 (\$1,960,950) COMMON STOCK. (FILE 333-93551 - DEC. 23) (BR. 3)

S-8 COMSHARE INC, 555 BRIARWOOD CIRCLE, P O BOX 1588, ANN ARBOR, MI 48108 (313) 994-4800 - 50,000 (\$196,095) COMMON STOCK. (FILE 333-93553 - DEC. 23) (BR 3)

S-3 PHILADELPHIA CONSOLIDATED HOLDING CORP, ONE BALA PLAZA, SUITE 100, WYNNWOOD, PA 19004 (610) 642-8400 - 1,037,772 (\$15,826,023) COMMON STOCK. (FILE 333-93557 - DEC. 23) (BR. 1)

SB-2 ESCRUB ENVIRONMENTAL ENTERPRISES INC, 301 SOUTH WEST STREET, ALEXANDRIA, VA 22314 (703) 836-1760 - 800,000 (\$10,000,000) COMMON STOCK. (FILE 333-93559 - DEC 23) (NEW ISSUE)

S-8 PEOPLES COMMUNITY CAPITAL CORP, PO BOX 313, AIKEN, SC 29802 (803) 641-2265 - 249,100 (\$2,500,000) COMMON STOCK (FILE 333-93561 - DEC. 23) (BR. 9)

S-8 WOLVERINE WORLD WIDE INC /DE/, 9341 COURTLAND DR, ROCKFORD, MI 49351 (616) 866-5500 - 2,000,000 (\$20,320,000) COMMON STOCK (FILE 333-93563 - DEC 23) (BR. 2)

S-1 JATO COMMUNICATIONS CORP, 1099 18TH STREET SUITE 2200, SUITE 220, DENVER, CO 80202 (303) 226-8400 - \$125,000,000 COMMON STOCK (FILE 333-93569 - DEC. 23)

- S-8 MICROCHIP TECHNOLOGY INC, 2355 W CHANDLER BLVD, CHANDLER, AZ 85224
(480) 786-7200 - 1,900,000 (\$118,910,000) COMMON STOCK. (FILE 333-93571 -
DEC. 23) (BR. 5)
- S-8 MANOR CARE INC, 333 N. SUMMIT STREET, TOLEDO, OH 43604 (419) 252-5500 -
200,000 (\$2,837,500) COMMON STOCK. (FILE 333-93573 - DEC. 23) (BR. 8)
- S-8 MANOR CARE INC, 333 N. SUMMIT STREET, TOLEDO, OH 43604 (419) 252-5500 -
100,000 (\$1,418,750) COMMON STOCK. (FILE 333-93575 - DEC. 23) (BR. 8)
- S-3 ENDOREX CORP, 28101 BALLARD DR., LAKE FOREST, IL 60045 (847) -57-3-89 -
2,194,184 (\$5,211,187) COMMON STOCK. (FILE 333-93577 - DEC. 23) (BR. 1)
- S-8 CAVION TECHNOLOGIES INC, 7475 DAKIN STREET, SUITE 607, DENVER, CO 80221
(303) 657-8212 - 750,000 (\$4,321,500) COMMON STOCK. (FILE 333-93579 -
DEC. 23) (BR. 9)
- S-1 OTG SOFTWARE INC, 6701 DEMOCRACY BLVD 8TH FLOOR, BETHESDA, MD 20817
(301) 897-1400 - \$69,000,000 COMMON STOCK. (FILE 333-93581 - DEC. 23)
(NEW ISSUE)
- SB-2 TECHNOLOGY SYSTEMS INTERNATIONAL INC /FL/, 2 FIELD COURT, WRIGHTSTOWN,
NJ 08562 (609) 723-3200 - 900,000 (\$900,000) COMMON STOCK. (FILE
333-93583 - DEC. 23) (NEW ISSUE)
- S-1 DIGITAS INC, 800 BOYLSTON STREET, PRUDENTIAL TOWER, BOSTON, MA 02199
(617) 867-1000 - \$200,000,000 COMMON STOCK. (FILE 333-93585 - DEC. 23)
(NEW ISSUE)
- S-1 IOWN HOLDINGS INC, 118 KING STREET, SUITE 226, SAN FRANCISCO, CA 94107
(415) 659-6820 - \$63,250,000 COMMON STOCK. (FILE 333-93587 - DEC. 23)
(NEW ISSUE)
- S-3 RAILWORKS CORP, 1104 KENILWORTH DRIVE, SUITE 301, BALTIMORE, MD 21204
(410) 512-0500 - 7,900,263 (\$82,004,730) COMMON STOCK. (FILE 333-93589 -
DEC. 23) (BR. 5)
- S-8 KANA COMMUNICATIONS INC, 87 ENCINA AVENUE, PALO ALTO, CA 94301
(650) 325-9850 - 101,965 (\$1,147,826.33) COMMON STOCK. (FILE 333-93591 -
DEC. 23) (BR. 8)
- S-8 ROCKWELL INTERNATIONAL CORP, 600 ANTON BLVD STE 700, COSTA MESA, CA
92626 (714) 424-4200 - 272,255 (\$12,872,570) COMMON STOCK (FILE
333-93593 - DEC. 23) (BR. 5)
- S-3 IBS INTERACTIVE INC, 2 RIDGEDALE AVE, STE 350, CEDAR KNOLLS, NJ 07927
(973) 285-2600 - 934,668 (\$10,131,801) COMMON STOCK. (FILE 333-93595 -
DEC. 23) (BR. 9)
- S-4 NORTH VALLEY BANCORP, 880 E CYPRESS AVE, REDDING, CA 96002
(916) 221-8400 - 1,644,238 (\$22,094,448) COMMON STOCK. (FILE 333-93597 -
DEC. 23) (BR. 7)
- S-8 NETZERO INC, 2555 TOWNSLATE RD, WESTLAKE VILLAGE, CA 91361
(805) 418-2000 - 61,473 (\$63,397.10) COMMON STOCK. (FILE 333-93599 -
DEC. 23) (BR. 3)
- S-1 DOLLAR EXPRESS INC, 1700 TOMLINSON RD, PHILADELPHIA, PA 19116
(215) 969-7888 - \$63,000,000 COMMON STOCK. (FILE 333-93601 - DEC. 23)
(NEW ISSUE)
- S-3 PROVIDENT FINANCIAL GROUP INC, ONE E FOURTH ST, CINCINNATI, OH 45202
(513) 579-2000 (FILE 333-93603 - DEC. 23) (BR. 7)
- S-8 ANALOGY INC, 9205 SW GEMINI DR, BEAVERTON, OR 97008 (503) 626-9700 -
75,000 (\$159,375) COMMON STOCK. (FILE 333-93605 - DEC. 23) (BR. 3)

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