

SEC NEWS DIGEST

Issue 2001-214

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COMMISSION ANNOUNCEMENTS

SEC SUSPENDS TRADING IN COMPANY CLAIMING "ANTHRAX DISINFECTANT"

The Commission announced today that it has suspended trading in the stock of 2DoTrade, Inc., a company that has issued press releases claiming it is testing and preparing to distribute a disinfectant for anthrax.

The Commission suspended over-the-counter trading in 2DoTrade's stock because of questions regarding the accuracy of the company's claims. There are also questions about the existence and viability of the company's contracts, the status of its business operations and prospects, and the identity and backgrounds of the persons in control of the company's operations and management.

2DoTrade is a Nevada corporation with offices purportedly in White Rock, British Columbia and London, England.

"Investment scams that attempt to prey on fears of terrorism are abhorrent," said SEC Enforcement Division Director Stephen M. Cutler. "We will be vigilant about rooting out and prosecuting those who seek to exploit recent events to defraud investors."

The Commission reminds investors to be particularly skeptical about claims by companies or promoters suggesting that they possess or have access to a financially lucrative product or service that will somehow aid in the war against terrorism. Investors should seek independent verification or corroboration of such claims.

The temporary trading suspension, pursuant to Section 12(k) of the Securities Exchange Act of 1934, will be in effect from 9:30 a.m. on November 6, 2001 until 11:59 p.m. on November 19, 2001. (Press Rel. 2001-130; 34-45022)

COMMISSION MEETINGS

CLOSED MEETING – TUESDAY, NOVEMBER 13, 2001 – 10:00 A.M.

The subject matter of the closed meeting scheduled for Tuesday, November 13, 2001, will be: Institution and settlement of injunctive actions; Institution and settlement of administrative proceedings of an enforcement nature; Formal orders; and An adjudicatory matter.

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

COMMISSION DECLARES DECISION AS TO JEROME WENGER FINAL

The decision of an administrative law judge with respect to Jerome M. Wenger has become final. The law judge found that, in SEC v. Omnigene, the United States District Court enjoined Wenger from violations of Sections 17(a) and 17(b) of the Securities Act of 1933 and Section 10(b) of the Exchange Act of 1934 and Exchange Act Rule 10b-5. Wenger engaged in a fraudulent scheme to promote Omnigene stock by not telling radio listeners that he was paid to promote the stock or that he owned shares, which he sold at a profit before trading was suspended and the price plummeted. The law judge ordered that Wenger be barred from participating in the offering of any penny stock. (Rel. 34-45015; File No. 3-10444)

SEC SETTLES FRAUD ACTION AGAINST TIMOTHY VASKO, FORMER CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF VIP GLOBAL CAPITAL, INC.

The Commission announced that it has settled its civil injunctive action against Timothy S. Vasko, the former chairman and chief executive officer of VIP Global Capital, Inc. The Commission's complaint alleged that Vasko made materially misleading disclosure in VIP's filings with the Commission, particularly with respect to VIP's credit arrangement with its major source of financing; that Vasko, along with Edward B. Williamson, a stock promoter who published an investment newsletter, engaged in a scheme to tout VIP and manipulate the market for VIP's securities; and that Michael J. Schuchard, a former senior vice president and member of VIP's board, who also worked as a registered representative of a broker-dealer, fraudulently sold securities of VIP to his brokerage customers. The SEC settled with Williamson and Schuchard at the time it instituted its civil action. SEC v. Timothy S. Vasko, Edward B. Williamson, and Michael

J. Schuchard, U.S. District Court for the District of Colorado, C.A. No. 00-M-2593 (December 29, 2000) (Litigation Release No. 16855 (January 5, 2001)).

Vasko, without admitting or denying the allegations of the complaint, agreed to a settlement whereby he would be permanently enjoined from violating Sections 10(b) and 13(b)(5) of the Securities Exchange Act of 1934 (Exchange Act), and Rules 10b-5 and 13b2-1 thereunder, and from aiding and abetting violations of Section 13(a) of the Exchange Act and Rule 13a-1 thereunder. Vasko also paid a \$40,000 civil penalty pursuant to Section 21(d)(3) of the Exchange Act. The U.S. District Court for the District of Colorado entered the order of Final Judgment against Vasko on April 17, 2001. [SEC v. Timothy S. Vasko, Edward B. Williamson, and Michael J. Schuchard, USDC for the District of Colorado, C.A. No. 00-M-2593] (LR-17220)

COMMISSION ENJOINS YOSHIKUMI FOR SELLING FRAUDULENT PRIME BANK INVESTMENT

The Commission announced that on October 29, 2001, a Final Judgment by Default was entered against defendant Scott Yoshizumi upon a showing that he had failed to respond to the Commission's complaint. Yoshizumi was permanently enjoined from violating the antifraud provisions of the federal securities laws. Yoshizumi was also ordered to disgorge \$15,068,300 in ill-gotten gains, to pay prejudgment interest thereon in the amount of \$834,457.68, and to pay a civil penalty of \$110,000. The judgment obtained against Yoshizumi concludes the Commission's litigation in this matter.

The Commission's complaint alleges that from November 1999 to November 2000, Concord and Yoshizumi engaged in a fraudulent scheme involving an investment in a Bank Debenture Program. The complaint further alleges that the offering documents distributed by the defendants and their agents represented that client funds would be used solely for participating in the Bank Debenture Program with the "top 200 world banks" and that investors will receive two or four percent profit per month. Investors were further told that their funds would be placed in a "special account" until sufficient funds were accumulated to enter into the program. In fact, the Bank Debenture Program was a fraudulent investment scheme and investor funds were commingled into several Concord accounts and immediately withdrawn for various business expenses and personal uses including the purchase of a \$1.3 million Fullerton home for Ta and the Mercedes Benz automobiles for Pappas. [SEC v. Concord Capital Enterprise, dba Concord Capital Inc. and Concord Capital Enterprises Inc., Scott Yoshizumi, Ann Ta, and Dionisia Pappas, Civil Action No. SA CV 00-1131 AHS (EEX) (C.D. Cal.)] (LR-17222)

JURY FINDS MICHAEL SARGENT AND DENNIS SHEPARD LIABLE FOR INSIDER TRADING IN PUROLATOR PRODUCTS COMPANY STOCK

On November 1, a jury found that defendants Michael G. Sargent and Dennis J. Shepard violated section 14(e) of the Securities Exchange Act of 1934 (Exchange Act) and Exchange Act rule 14e-3 in connection with trading in the common stock of Purolator

Products Company. In its complaint, the Commission had alleged that, in September 1994, Sargent, Shepard, and a third defendant, Robert J. Scharn violated sections 10(b) and 14(e) of the Securities Exchange Act of 1934 and Exchange Act rules 10b-5 and 14e-3 by tipping or trading in Purolator common stock based on material, nonpublic information about a proposed tender offer for Purolator stock by Mark IV Industries, Inc. According to the complaint, Shepard tipped Sargent about the transaction. Sargent then bought Purolator common stock and tipped Scharn, who also bought the stock. In addition to finding that Sargent and Shepard violated section 14(e) and rule 14e-3, the jury found that Sargent violated section 10(b) and rule 10b-5. The jury, however, found that Shepard did not violate section 10(b) or rule 10b-5 and that Scharn did not violate section 10(b) or 14(e) or rule 10b-5 or 14e-3. The Court will hold further proceedings concerning remedies.

Previously, in a related criminal trial, a jury convicted Sargent and Scharn of willfully making false statements in violation of 18 U.S.C. § 1001 to attorneys at the Commission in connection with the Commission's inquiry into possible insider trading in Purolator securities. Thereafter, in the Commission's civil action against Sargent, Shepard, and Scharn, Judge Joseph Tauro of the United States District Court for the District of Massachusetts granted a motion for judgment as a matter of law in favor of the defendants and against the Commission. The United States Court of Appeals for the First Circuit subsequently reversed that decision and remanded the case for a new trial, which resulted in the verdict rendered on November 1, 2001. For further information see also Litigation Releases Nos. 16820, 16373, 15935, and 14854. [SEC v. Michael G. Sargent, et al., Civ. No. 96-10609-NG, D. Mass.] (LR-17223)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGES

A proposed rule change (SR-Phlx-2001-97) has been filed by the Philadelphia Stock Exchange to establish a competing specialist program. Publication of the proposal is expected in the Federal Register during the week of November 5. (Rel. 34-45013)

A proposed rule change (SR-Phlx-2001-98) has been filed by the Philadelphia Stock Exchange to establish a remote specialist program. Publication of the proposal is expected in the Federal Register during the week of November 5. (Rel. 34-45014)

A proposed rule change, Amendment No. 1, and Amendment No. 2 thereto has been filed with the Commission by the National Association of Securities Dealers relating to display requirements when using reserve size in the Nasdaq National Market Execution System (SR-NASD-2001-66). Publication of the proposal is expected in the Federal Register during the week of November 5. (Rel. 34-45016)

A proposed rule change (SR-DTC-2001-04) has been filed by The Depository Trust Company to allow DTC to activate the Global Corporate Action Hub, a new service for transmitting corporate actions information and consolidating related messages between investment managers and their customers. Publication of the proposal is expected in the Federal Register during the week of November 5. (Rel. 34-45025)

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-4 MEDIACOM BROADBAND LLC, C/O MEDIACOM COMMUNICATIONS CORP,
100 CRYSTAL RUN ROAD, MIDDLETOWN, NY 10941 (845) 695-2600 - 400,000,000
(\$400,000,000) STRAIGHT BONDS. (FILE 333-72440 - OCT. 30) (NEW ISSUE)
- S-4 ORCHID BIOSCIENCES INC, 303 COLLEGE RD. EAST, PRINCETON, NJ 08540
(609) 750-2200 - 6,622,951 (\$220,715) COMMON STOCK. (FILE 333-72442 -
OCT. 30) (BR. 1)
- S-8 CALIFORNIA PIZZA KITCHEN INC, 6053 W CENUTRY BLVD, 11TH FL, LOS
ANGELES,
CA 90045 (310) 342-5000 - 1,000,000 (\$17,720,000) COMMON STOCK. (FILE
333-72444 - OCT. 30) (BR. 5)
- S-3 FOCAL COMMUNICATIONS CORP, 200 NORTH LASALLE ST, STE 1100, CHICAGO,
IL
60601 (312) 895-8400 - 9,732,355 (\$22,797,554.96) COMMON STOCK. (FILE
333-72446 - OCT. 30) (BR. 7)
- S-3 ARMOR HOLDINGS INC, 1400 MARSH LANDING PARKWAY, SUITE 112,
JACKSONVILLE,
FL 32250 (904) 741-5600 - 5,750,000 (\$140,932,500) COMMON STOCK. (FILE
333-72448 - OCT. 30) (BR. 8)
- F-1 WILLIS GROUP HOLDINGS LTD, TEN TRINITY SQUARE, LONGON ENGLAND,
(011) 440-2074 - \$460,000,000 COMMON STOCK. (FILE 333-72450 - OCT. 30)
(BR. 1)

S-3 EDUCATION MANAGEMENT CORPORATION, 300 SIXTH AVENUE, PITTSBURGH, PA
15222
(412) 562-0900 - 5,175,000 (\$186,403,500) COMMON STOCK. (FILE 333-
72452 -
OCT. 30) (BR. 8)

S-8 OMI CORP/M I, ONE STATION PLACE, 90 PARK AVE, STAMFORD, CT 60902
(203) 602-6700 - 1,000,000 (\$4,150,000) COMMON STOCK. (FILE 333-72456
-
OCT. 30) (BR. 5)

S-8 OMI CORP/M I, ONE STATION PLACE, 90 PARK AVE, STAMFORD, CT 60902
(203) 602-6700 - 250,000 (\$1,037,500) COMMON STOCK. (FILE 333-72458 -
OCT. 30) (BR. 5)

S-8 OMI CORP/M I, ONE STATION PLACE, 90 PARK AVE, STAMFORD, CT 60902
(203) 602-6700 - 2,000,000 (\$2,000,000)
OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 333-72460 - OCT. 30)
(BR. 5)

S-8 HUMATECH INC, 1718 FRYE ROAD #450, HOUSTON, TX 77084 (800) 729-0898
-
581,000 (\$188,825) COMMON STOCK. (FILE 333-72462 - OCT. 30) (BR. 9)

S-8 WILD OATS MARKETS INC, 3375 MITCHELL LANE, BOULDER, CO 80301
(303) 440-5220 - 409,000 (\$3,149,300) COMMON STOCK. (FILE 333-72466 -
OCT. 30) (BR. 2)

S-8 TEXAS BIOTECHNOLOGY CORP /DE/, 7000 FANNIN, 20TH FLR, HOUSTON, TX
77030
(713) 796-8822 - 2,000,000 (\$10,730,000) COMMON STOCK. (FILE 333-72468
-
OCT. 30) (BR. 1)

S-8 FUTURE CARZ INC, 8930 E RAINTREE, STE 300, SCOTTSDALE, AZ 85260
(619) 699-8900 - 1,350,000 (\$580,500) COMMON STOCK. (FILE 333-72472 -
OCT. 30) (BR. 8)

S-8 CIENA CORP, 1201 WINTERSON ROAD, LINTHICUM, MD 21090 (410) 865-8500
-
27,000,000 (\$469,665,000) COMMON STOCK. (FILE 333-72474 - OCT. 30)
(BR. 7)

S-8 FORD MOTOR CO, ONE AMERICAN ROAD, DEARBORN, MI 48126 (313) 322-3000
-
64,000,000 (\$1,059,520,000) COMMON STOCK. (FILE 333-72476 - OCT. 30)
(BR. 5)

S-8 FORD MOTOR CO, ONE AMERICAN ROAD, DEARBORN, MI 48126 (313) 322-3000
-
23,000,000 (\$380,765,000) COMMON STOCK. (FILE 333-72478 - OCT. 30)
(BR. 5)

- S-8 BROCADE COMMUNICATIONS SYSTEMS INC, 1901 GUADALUPE PARKWAY, SUITE E,
SAN JOSE, CA 95131 - 17,238,654 (\$394,475,406.55) COMMON STOCK. (FILE
333-72480 - OCT. 30) (BR. 3)
- S-3 VISIONICS CORP, 5600 ROWLAND RD, MINNETONKA, MN 55343 (612) 932-0888
-
1,862,836 (\$23,760,473) COMMON STOCK. (FILE 333-72482 - OCT. 30) (BR.
3)
- S-3 COUNTRYWIDE CREDIT INDUSTRIES INC, 4500 PARK GRANADA BLVD,
CALABASAS, CA
91302 (818) 225-3000 - 10,000,000 (\$402,500,000) COMMON STOCK. (FILE
333-72484 - OCT. 30) (BR. 7)
- S-3 CARESIDE INC, C/O CARESIDE INC, 6100 BRISTOL PARKWAY, CULVER CITY,
CA
90230 (310) 338-6767 - 12,894,155 (\$28,947,378) COMMON STOCK. (FILE
333-72486 - OCT. 30) (BR. 5)
- S-4 QWEST CAPITAL FUNDING INC, 1801 CALIFORNIA STREET, DENVER, CO 80202
(303) 992-1400 - 3,750,000,000 (\$3,750,000,000) STRAIGHT BONDS. (FILE
333-72490 - OCT. 30) (BR. 7)
- S-8 RIGEL PHARMACEUTICALS INC, 240 E GRAND AVE, SOUTH SAN FRANCISCO, CA
94080 - 7,000,000 (\$38,971,829) COMMON STOCK. (FILE 333-72492 - OCT.
30)
(BR. 1)
- S-1 WINDSOR INVESTMENTS CORP, 1719 MANNHEIM ROAD, DES PLAINES, IL 60018
(847) 827-5950 - 1,000,000 (\$1,000,000) COMMON STOCK. (FILE 333-72496
-
OCT. 30) (NEW ISSUE)
- S-4 ALLEGHENY ENERGY SUPPLY CO LLC, 4350 NORTHERN PIKE, MONROEVILLE, PA
15146 (412) 858-1600 - 400,000,000 (\$400,000,000) STRAIGHT BONDS.
(FILE
333-72498 - OCT. 30) (NEW ISSUE)