

SEC NEWS DIGEST

Issue 2000-80

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COMMISSION ANNOUNCEMENTS

CHAIRMAN LEVITT TO TESTIFY

Chairman Levitt will testify on May 8, 2000, before a field hearing in Chicago being held by the Senate Committee on Banking, Housing, and Urban Affairs. The hearing where this testimony is to be delivered is the last in a series by the Committee dealing with "the regulatory and structural environment for the changing financial markets." The hearing will begin at 9:30 a.m. in the 3rd floor conference center of the Federal Reserve Bank of Chicago at 230 South LaSalle Street.

AGENCIES ANNOUNCE WORKING GROUP ON PUBLIC DISCLOSURE

Joint Release

Board of Governors of the Federal Reserve System

Office of the Comptroller of the Currency

U.S. Securities and Exchange Commission

The Federal Reserve Board, the Office of the Comptroller of the Currency (OCC) and the Securities and Exchange Commission (SEC) today announced that the Board has established a private-sector working group to develop options for improving the public disclosure of financial information by banking and securities organizations. The OCC and the SEC will participate with the Board in support of the effort

Walter Shipley, who recently retired as chairman of Chase Manhattan Bank, has agreed to chair the Working Group on Public Disclosure, made up of senior executives of banking and investment organizations. The other members of the working group are

- Clemens Boersig, chief financial officer and member of the board, Deutsche Bank AG, Frankfurt, Germany.
- Dina Dublon, executive vice president and chief financial officer, Chase Manhattan Bank, New York.
- Douglas Flint, finance director, HSBC Holdings PLC, London.

- James Hance, vice chairman and chief financial officer, Bank of America Corp., Charlotte, N.C.
- Peter Hancock, chief financial officer and risk manager, J.P. Morgan & Co. Inc., New York.
- Ross Kari, executive vice president and chief financial officer, Wells Fargo Corp., San Francisco.
- Thomas H. Patrick, executive vice president and chief financial officer, Merrill Lynch and Co., New York.
- Lisa K. Polsky, managing director and chief risk officer, Morgan Stanley Dean Witter, New York.
- Marcel Rohner, member of the group managing board and chief risk manager, UBS AG, Zurich, Switzerland.
- Robert Rosholt, executive vice president and chief financial officer, Bank One Corporation, Chicago.
- Todd S. Thomson, chief financial officer, Citigroup, New York.
- Barry L. Zubrow, managing director and chief administrative officer, Goldman Sachs and Co., New York.

The working group will evaluate the use of enhanced public disclosure as a means of improving the ability of markets to evaluate the risk exposure and risk-management practices of large, complex financial service organizations. It will describe industry best practices on disclosure and develop options for improving disclosure by these entities. A report on the group's recommendations will be released to the public upon completion.

In recent years, market participants, scholars and policymakers all have emphasized the utility of substituting increased market discipline for additional supervision and regulation. This issue will become more pressing as institutions take advantage of the opportunities in the Gramm-Leach-Bliley Act, particularly if the pace of financial industry consolidation continues. Effective market discipline depends on stakeholders of individual banking and securities organizations being provided with the information necessary to make informed judgments about the organizations' risk exposure. Although banking and securities organizations already disclose a considerable volume of information, it would be beneficial to re-examine the content and scope of current practices and to look for further opportunities to improve disclosure and enhance market discipline. (Press Rel. 2000-54)

REPORT ON ADMINISTRATIVE PROCEEDINGS FOR THE PERIOD OCTOBER 1, 1999 THROUGH MARCH 31, 2000

A Report on Administrative Proceedings for the Period October 1, 1999 through March 31, 2000 has been issued giving summary statistical information on the Commission's administrative proceedings caseload. Reports are issued each October and April and are published in the SEC Docket and appear on the Commission's website. (Rel. 34-42722)

RULES AND RELATED MATTERS

NOTICE OF EXTENSION FO COMMENT PERIOD FOR ISSUES RELATING TO MARKET FRAGMENTATION

The Commission has extended for two weeks until May 12, 2000, the comment period for issues related to market fragmentation. Publication of the notice is expected in the Federal Register during the week of May 1. (Rel. 34-42723; Press Rel. 2000-52)

ENFORCEMENT PROCEEDINGS

CHARGES DISMISSED AGAINST HERBERT MOSKOWITZ

Charges against Herbert Moskowitz of Albany, N.Y., were dismissed after a hearing before an administrative law judge. Moskowitz had been charged with failing to make Schedule 13D filings to disclose the purchase and sale of stock in Ferrofluidics Corporation by his son-in-law in 1991.

Williams Act requirements, such as 13D filings, are intended to provide information to investors about takeovers. An investor is required to file a Schedule 13D within ten days of attaining 5% equity ownership in a corporation. Moskowitz, a passive investor in Ferrofluidics, funded his son-in-law's stock purchases in May and June 1991, which, when added to his own investment, totaled 5.9%. When he called in the loan, his son-in-law sold the stock in July and August 1991, and the total declined below 5%. Moskowitz did not disclose these transactions when they occurred or on a Schedule 13D he filed a month later when his own equity exceeded 5%. The law judge concluded that Moskowitz was not the beneficial owner of his son-in-law's shares within the meaning of the 13D disclosure requirements and thus committed no violation.

In the alternative, assuming for the sake of argument that Moskowitz's conduct did violate the 13D requirements, the law judge concluded that the sanction sought, a cease and desist order, should not be imposed in the circumstances of this case.

The violations charged against Moskowitz were not related to wrongdoing committed by Ferrofluidics insiders that was the subject of criminal, civil, and administrative proceedings. These insiders included Moskowitz's brother Ronald Moskowitz, former Ferrofluidics CEO, who was convicted of securities fraud and conspiracy in November 1998 (Initial Decision No 163; File No. 3-9435)

SEC SUES FORMER CEO OF LET'S TALK CELLULAR & WIRELESS, INC. AND FAMILY MEMBER FOR INSIDER TRADING

The Commission announced that on April 26 it filed a complaint and consent to permanent injunction in an insider trading case involving the securities of Let's Talk Cellular & Wireless, Inc. (Let's Talk or the Company), the Company's former CEO, Nicolas Molina (Molina), and Molina's mother, Julia Vasquez (Vasquez). The SEC's complaint arises out of trading in advance of a negative announcement on July 2, 1998 concerning the Company's fourth quarter earnings. Without admitting or denying the SEC's allegations, Molina and Vasquez consented to the entry of a permanent injunction against future violations of the antifraud provisions of the federal securities laws.

The SEC alleges that Molina learned on July 1, 1998 that it was unlikely that Let's Talk would meet analyst earnings expectations for its stock for the Company's fourth fiscal quarter, ending July 31, 1998. The SEC further alleges that Molina provided this inside information to Vasquez. The SEC alleges that Vasquez then traded in Let's Talk stock, which she sold on July 2, 1998 before the Company's negative earnings announcement, and that Vasquez avoided thereby substantial devaluation of her Let's Talk stock.

In her settlement with the SEC, Vasquez agreed to pay disgorgement of \$20,781.25, plus pre-judgment interest, and a civil penalty of \$20,781.25. In his settlement with the SEC, Molina agreed to pay a civil penalty of \$20,781.25. [SEC v. Nicolas Molina and Julia Vasquez, Civil Action No. 00-1479-CIV-MOORE, SD Florida] (LR-16527)

JURY FINDS FORMER SUPERCUTS CEO LIABLE FOR INSIDER TRADING

On April 26, a federal jury in the Northern District of Illinois found David E. Lipson liable for illegal insider trading in the common stock of Supercuts, Inc., (Supercuts), formerly a NASDAQ-listed company located in San Francisco, California. The Commission's lawsuit, filed on April 17, 1997, alleged that Lipson, the former chairman, chief executive officer and largest shareholder of Supercuts, sold 365,000 shares of Supercuts common stock at prices between \$9.50 and \$9.3125 in an account that he controlled in his son's name, while Lipson was in possession of material nonpublic information about Supercuts' disappointing financial performance during the quarter ended March 31, 1995. After the company announced its quarterly results on May 12, 1995, the price of the company's common stock fell from \$9.00 to \$7.625 per share. Lipson breached duties he owed to Supercuts' shareholders and avoided losses of approximately \$621,875 through his insider trading.

After a two-week trial, the jury found that Lipson engaged 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. The court will rule in subsequent proceedings on the Commission's requests for injunctive relief, disgorgement of Lipson's trading losses avoided, prejudgment interest and civil penalties. For more information see LR-15337. [SEC v. David E Lipson, Civil Action No. 97 C. 2661, N.D. Ill.] (LR-16528)

INVESTMENT COMPANY ACT RELEASES

SSgA FUNDS AND STATE STREET BANK AND TRUST COMPANY

A notice has been issued giving interested persons until May 22, 2000, to request a hearing on an application filed by SSgA Funds and State Street Bank and Trust Company for an order under Section 12(d)(1)(J) of the Investment Company Act of 1940 (Act), under Sections 6(c) and 17(b) of the Act, and Rule 17d-1 under the Act to permit certain joint transactions. The order would permit certain registered open-end management investment companies to invest uninvested cash and cash collateral in affiliated money market funds and/or short-term bond funds. (Rel. IC-24403 – April 25)

MARSHALL FUNDS, INC., ET AL.

A notice has been issued giving interested persons until May 17, 2000, to request a hearing on an application filed by Marshall Funds, Inc. for an order under Section 17(d) of the Act and Rule 17d-1 under the Act to permit certain registered management investment companies (a) to pay to an affiliated lending agent, and the lending agent to accept, fees based on a share of the revenues generated from securities lending transactions, and (b) to permit the investment companies to deposit their uninvested cash and cash collateral received from securities lending transactions in one or more joint accounts that invest in short-term investments. (Rel. IC-24404 – April 25)

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-8 AVENTIS, 25 QUAI PAUL DOUMER, 92408 COURBEVOIE CEDEX, FRANCE, IO
(331) 476-8123 - 2,500,000 (\$149,850,000) FOREIGN COMMON STOCK. (FILE
333-11832 - APR. 18) (BR. 2)

- S-8 AVENTIS, 25 QUAI PAUL DOUMER, 92408 COURBEVOIE CEDEX, FRANCE, IO
(331) 476-8123 - 2,500,000 (\$149,850,000) FOREIGN COMMON STOCK. (FILE
333-11834 - APR. 18) (BR. 2)
- S-B INSTITUTO DE CREDITO OFICIAL, CONSULATE GENERAL OF SPAIN,
150 E 58TH ST 30TH FL, NEW YORK, NY 10155 - 1,000,000,000
(\$1,000,000,000) STRAIGHT BONDS. (FILE 333-11844 - APR. 19) (BR. 99)
- F-3 G WILLI FOOD INTERNATIONAL LTD, 24 HAMETSUDA ST INDUSTRIAL ZONE,
AZUR ISRAEL 58001, L3 - 2,880,000 (\$9,273,600) FOREIGN COMMON STOCK.
(FILE 333-11848 - APR. 19) (BR. 4)
- S-8 AMERICAN ENTERPRISE COM CORP, 6800 NORTH DALE MABRY HIGHWAY, SUITE 100,
TAMPA, FL 33514 (813) 661-9501 - 100,000 (\$775,000) COMMON STOCK. (FILE
333-35198 - APR. 20) (BR. 1)
- S-1 WESTERN MULTIPLEX CORP, 1196 BORREGAS AVENUE, SUNNYVALE, CA 94089
(408) 542-5200 - \$115,000,000 COMMON STOCK. (FILE 333-35200 - APR. 20)
(BR. 36 - NEW ISSUE)
- S-3 DISCOVERY LABORATORIES INC /DE/, 350 MAIN STREET SUITE 307, DOYLESTOWN,
PA 18901 (215) 240-4699 - 3,846,694 (\$16,955,307.91) COMMON STOCK. (FILE
333-35206 - APR. 20) (BR. 1)
- S-8 WEST COAST BANCORP /NEW/OR/, 5335 SW MEADOWS RD, SUITE 201, LAKE
OSWEGO,
OR 97035 (503) 684-0884 - 250,000 (\$2,593,750) COMMON STOCK. (FILE
333-35208 - APR. 20) (BR. 7)
- S-1 NCT GROUP INC, 1025 WEST NURSERY RD, STE 120, LINTHICUM, NY 21090
(410) 636-8700 - 37,435,048 (\$28,076,286) COMMON STOCK. (FILE 333-35210 -
APR. 20) (BR. 5)
- S-8 QRS CORP, 1400 MARINA WAY SOUTH, RICHMOND, CA 94804 (510) 215-5000 -
79,790 (\$639,915.80) COMMON STOCK. (FILE 333-35220 - APR. 20) (BR. 3)
- S-8 CISCO SYSTEMS INC, 170 WEST TASMAN DRIVE, SAN JOSE, CA 95134
(408) 526-4000 - 1,614,504 (\$8,213,152) COMMON STOCK. (FILE 333-35246 -
APR. 20) (BR. 3)
- S-3 LILLY ELI & CO, LILLY CORPORATE CTR, DROP CODE 1112, INDIANAPOLIS, IN
46285 (317) 276-2000 - 2,000,000,000 (\$2,000,000,000) COMMON STOCK. (FILE
333-35248 - APR. 20) (BR. 1)
- S-3 EXCHANGE BANCSHARES INC, 237MAIN ST, P O BOX 177, LUCKEY, OH 43443
(419) 833-3401 - 50,000 (\$1,231,500) COMMON STOCK. (FILE 333-35250 -
APR. 20) (BR. 7)
- S-3 SOUTHWEST WATER CO, 225 N BARRANCA AVE STE 200, WEST COVINA, CA 91791
(818) 915-1551 - 158,917 (\$1,698,823) COMMON STOCK. (FILE 333-35252 -
APR. 20) (BR. 2)
- S-8 CAVALRY BANCORP INC, 114 W COLLEGE, MURFREESBORO, TN 37130
(615) 893-1234 - 1,055,355 (\$13,125,978) COMMON STOCK. (FILE 333-35256 -
APR. 20) (BR. 7)

S-1 OMNICELL COM /CA/, 177 JEFFERSON DR, MENLO PARK, CA 94025 - \$57,500,000
COMMON STOCK. (FILE 333-35258 - APR. 20) (BR. 3)

S-1 IDEALAB, 130 W UNION STREET, SUITE 200, PASADENA, CA 91103
(626) 585-6900 - \$300,000,000 COMMON STOCK. (FILE 333-35260 - APR. 20)
(BR. 8)

S-8 GENESIS CAPITAL CORP OF NEVADA, 11701 SOUTH FREEWAY, BURLESON, TX 76028
(817) 293-9334 - 400,000 (\$2,024,000) COMMON STOCK. (FILE 333-35262 -
APR. 20) (BR. 9)

S-3 FOREST OIL CORP, 1600 BROADWAY, 2200 COLORADO STATE BANK BLDG, DENVER,
CO 80202 (303) 812-1400 - \$132,000 COMMON STOCK. (FILE 333-35270 -
APR. 20) (BR. 4)

S-3 GRANT PRIDECO INC, 1450 LAKE ROBBINS DRIVE, SUITE 600, THE WOODLANDS,
TX
77380 (281) 297-8500 - \$500,000,000 COMMON STOCK. (FILE 333-35272 -
APR. 20) (BR. 4)

S-3 TITAN CORP, 3033 SCIENCE PARK RD, SAN DIEGO, CA 92121 (858) 552-9500 -
5,000,000 (\$250,000,000) COMMON STOCK. (FILE 333-35274 - APR. 20) (BR. 3)

S-8 PMC SIERRA INC, 105-8555 BAXTER PLACE, BURNABY,
BRITISH COLUMBIA V5A 4V7 CN, A1 00000 (604) 415-6000 - 282,263
(\$34,971,585.73) COMMON STOCK. (FILE 333-35276 - APR. 20) (BR. 5)

S-1 IASIAWORKS INC, 200 ALAMEDA DC LAS PULGAS SUITE 125, SAN MATEO, CA
94403
(650) 524-1790 - \$230,000,000 COMMON STOCK. (FILE 333-35278 - APR. 20)
(BR. 37 - NEW ISSUE)

S-8 LEGGETT & PLATT INC, NO 1 LEGGETT RD, CARTHAGE, MO 64836 (417) 358-8131
- 40,000 (\$838,750) COMMON STOCK. (FILE 333-35280 - APR. 20) (BR. 6)

S-3 INTERNATIONAL SPORTS WAGERING INC, 201 LOWER NOTCH ROAD, SUITE 2 B,
LITTLE FALLS, NJ 07424 (973) 256-8181 - 5,885,748 (\$7,445,471)
COMMON STOCK. (FILE 333-35284 - APR. 20) (BR. 9)

S-3 SUPERIOR ENERGY SERVICES INC, 1105 PETERS ROAD, HARVEY, LA 70058
(504) 362-4321 - 300,000,000 (\$300,000,000) COMMON STOCK. (FILE 333-35286
- APR. 20) (BR. 4)

S-1 RIGHTNOW TECHNOLOGIES INC, 77 DISCOVERY DR, BOZEMAN, MT 59718 -
\$50,000,000 COMMON STOCK. (FILE 333-35290 - APR. 20) (BR. 3 - NEW ISSUE)

S-8 US AIRWAYS GROUP INC, 2345 CRYSTAL DR, ARLINGTON, VA 22227
(703) 872-5306 - 750,000 (\$21,206,045.31) COMMON STOCK. (FILE 333-35296 -
APR. 20) (BR. 5)

S-8 COCA COLA CO, ONE COCA COLA PLAZA, ATLANTA, GA 30313 (404) 676-2121 -
31,802,600 (\$1,508,635,837.50) COMMON STOCK. (FILE 333-35298 - APR. 20)
(BR. 2)

S-1 SMARTDISK CORP, 3506 MERCANTILE AVE, NAPLES, FL 34104 - \$140,673,750
COMMON STOCK. (FILE 333-35300 - APR. 20) (BR. 3)

- S-3 DBT ONLINE INC, 5550 WEST FLAMINGO RD, STE B-5, LAS VEGAS, NV 89103
(702) 257-1112 - 630,139 (\$10,832,089) COMMON STOCK. (FILE 333-35302 -
APR. 20) (BR. 3)
- S-1 WIRELESS INC, 5452 BETSY ROSS DRIVE, SANTA CLARA, CA 95054
(408) 855-1207 - \$86,250,000 COMMON STOCK. (FILE 333-35304 - APR. 20)
(NEW ISSUE)
- S-4 24/7 MEDIA INC, 1250 BROADWAY, 27TH FLOOR, NEW YORK, NY 10001
(212) 231-7100 - 8,161,530 (\$93,367,903) COMMON STOCK. (FILE 333-35306 -
APR. 20) (BR. 2)
- S-3 GENSTAR THERAPEUTICS CORP, 10835 ALTMAN ROW, STE 150, SAN DIEGO, CA
92121 (619) 450-5949 - 10,695,632 (\$68,323,697) COMMON STOCK. (FILE
333-35308 - APR. 20) (BR. 5)
- S-8 MATRIXONE INC, TWO EXECUTIVE DR, CHEMSFORD, MA 01824 - 19,209,321
(\$95,696,237.90) COMMON STOCK. (FILE 333-35310 - APR. 20) (BR. 3)
- S-3 POLYMEDICA CORP, 11 STATE ST, WOBURN, MA 01801 (617) 933-2020 -
100,000,000 (\$100,000,000) COMMON STOCK. (FILE 333-35312 - APR. 20)
(BR. 1)
- S-1 GENAISSANCE PHARMACEUTICALS INC, FIVE SCIENCE PARK, NEW HAVEN, CT 06511
(203) 773-1450 - \$115,000,000 COMMON STOCK. (FILE 333-35314 - APR. 20)
- S-1 DURECT CORP, 10240 BOBB RD, CUPERTINO, CA 95014 (408) 777-1417 -
\$115,000,000 COMMON STOCK. (FILE 333-35316 - APR. 20)
- S-8 WEST COAST BANCORP /NEW/OR/, 5335 SW MEADOWS RD, SUITE 201, LAKE
OSWEGO,
OR 97035 (503) 684-0884 - 363,000 (\$3,757,050) COMMON STOCK. (FILE
333-35318 - APR. 21) (BR. 7)
- S-1 SIGHTSOUND COM INC, 733 WASHINGTON ROAD, STE 400, MT LEGANON, PA 15228
(412) 341-1001 - \$50,000,000 COMMON STOCK. (FILE 333-35322 - APR. 21)
- SB-2 COLORMAX TECHNOLOGIES INC, 14251 A CHAMBERS ROAD, TUSTIN, CA 92780
(714) 666-2020 - 1,776,471 (\$11,175,005.25) COMMON STOCK. (FILE 333-35326
- APR. 21) (BR. 5)
- S-8 ENCOMPASS SERVICES CORP, 3 E GREENWAY PLAZA, SUITE 1500, HOUSTON, TX
77046 (713) 860-0100 - 450,000 (\$2,362,500) COMMON STOCK. (FILE 333-35328
- APR. 21) (BR. 6)
- S-8 ENCOMPASS SERVICES CORP, 3 E GREENWAY PLAZA, SUITE 1500, HOUSTON, TX
77046 (713) 860-0100 - 1,200,000 (\$6,300,000) COMMON STOCK. (FILE
333-35330 - APR. 21) (BR. 6)
- SB-2 CAMDEN MINES LTD, 400 BURRARD STREET SUITE 1950,
VANCOUVER BRITISH COLUMBIA, CANADA V6C 3A6, A1 00000 (604) 605-0885 -
2,000,000 (\$200,000) COMMON STOCK. (FILE 333-35332 - APR. 21) (NEW ISSUE)
- S-8 ENCOMPASS SERVICES CORP, 3 E GREENWAY PLAZA, SUITE 1500, HOUSTON, TX
77046 (713) 860-0100 - 2,500,000 (\$13,125,000) COMMON STOCK. (FILE
333-35334 - APR. 21) (BR. 6)

S-1 ENTRAVISION COMMUNICATIONS CORP, 2425 OLYMPIC BLVD, STE 6000 WEST,
SANTA MONICA, CA 90404 (310) 447-3870 - \$615,000,000 COMMON STOCK. (FILE
333-35336 - APR. 21) (NEW ISSUE)