

SEC NEWS DIGEST

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COMMISSION ANNOUNCEMENTS

SEC CHAIRMAN ARTHUR LEVITT PRAISES PARTNERSHIP BETWEEN ICI EDUCATION FOUNDATION AND NATIONAL URBAN LEAGUE

Securities and Exchange Commission Chairman Arthur Levitt today praised the Investment Company Institute Education Foundation and the National Urban League, Inc. for their joint efforts in creating the "Investing for Success" Campaign. The Campaign, which was announced today, is designed to increase awareness of sound investing principles among minorities through a series of brochures, articles, videos, and seminars.

Chairman Levitt said, "I commend the ICI Education Foundation and the National Urban League for jointly providing investors with easily accessible and useful information about investing. The Investing for Success Campaign complements the Commission's efforts to educate investors and I applaud this significant development."

The Commission has an extensive investor education campaign designed to improve the financial literacy of investors. Both the Commission and the ICI are major sponsors of the Facts on Savings Campaign, a joint effort among government agencies, financial industry associations, and consumer organizations to help Americans get the facts they need to invest wisely. In addition, the Commission has posted on its website <www.sec.gov> information and tools to educate investors and help them meet their financial goals. For example, the website contains a brochure about investing in mutual funds <www.sec.gov/consumer/mperf.htm>, as well as a Mutual Fund Cost Calculator <www.sec.gov/mfcc>, which is a tool investors can use to calculate and compare the costs of mutual funds with different fee structures. (Press Rel. 2000-68)

ENFORCEMENT PROCEEDINGS

GARY DAVENPORT AND RICHARD RUSSELL SENTENCED

The Commission announced that on May 12 Judge Jerry Buchmeyer, United States District Judge for the Northern District of Texas, sentenced Gary Landon Davenport and Richard

Earl Russell for securities and mail fraud in an investment scheme targeting senior citizens that had been ongoing since 1992. Under a statute which allows for enhanced penalties for targeting the elderly, the Court, on its own motion, upwardly departed from the federal sentencing guidelines and sentenced Davenport, the scheme's ringleader, to the maximum of 15 years on one count of mail fraud and five years on one count of securities fraud. Noting the egregious nature of the offense and its effect on the elderly victims, Judge Buchmeyer announced that Davenport's sentence would be served consecutively for a total of 20 years. The Court, noting Russell's assistance in the criminal and civil investigations, sentenced him to 52 months for his part in the fraud. In addition, the Court ordered the defendants to pay \$2,605,938 in restitution to the victims of the fraud.

Previously, on September 9, 1999, Judge Buchmeyer granted the Commission's request for a preliminary injunction in its civil action against Davenport, Russell and their two other co-Defendants (*SEC v. Gary Landon Davenport, dba Southwest Family Trust Service, Financial Marketing Service and Liberty Marketing Service, Russell Reeves, dba Enterra Marketing Service, Richard Earl Russell and Gregory Monroe Roberts*, Case No. 7:99-CV-185-R, USDC, NDTX, Wichita Falls Division). The Commission's complaint alleged that approximately 100 elderly individuals were defrauded of over \$2.5 million in Davenport's scheme. The indictments of the four defendants followed on October 20, 1999. Under the guise of providing estate and financial planning services, the defendants solicited information about the senior citizens' assets and investments. Upon obtaining this information, the defendants encouraged the senior citizens to liquidate their retirement investments and to invest the proceeds in phony promissory notes offering higher rates of return. In fact, according to the Commission's complaint, the issuers of the notes had no real business or did not exist and the defendants misappropriated, or stole, most of the elderly investors' funds. [U.S. v. Gary Landon Davenport and Richard Earl Russell, Case Nos 7:99-CR-013R and 7:99-CR-014R] (LR-16557)

BRENT WAGMAN ENTERS INTO PLEA AGREEMENT

On May 12, Brent A. Wagman entered into a plea agreement with the United States Attorney for the Northern District of Texas (Dallas Division) for one count of securities fraud and one count of criminal contempt. Wagman and two of his colleagues, Warren T. Donohue and Margaret F. Swinney, were each indicted by a grand jury in the U.S. District Court for the Northern District of Texas for two counts of securities fraud on March 21, 2000. Wagman, age 42, was a resident of Celina, Texas during the course of the scheme.

The indictments against Wagman alleged that he made material misrepresentations and omissions to the public to encourage investments in Redbank Petroleum, Inc. and AmeriTech Petroleum, Inc. In addition, he was charged with criminal contempt for leaving the continental United States in violation of a Court Order entered in the Commission's civil action against him. Wagman, the former president of Redbank and AmeriTech, is presently in the custody of federal authorities. On March 10, 2000 he was arrested in Panama and brought back to the United States to face criminal charges. He and his family had fled to Panama last summer after the Commission filed its lawsuit against him.

The Commission filed its civil lawsuit against Wagman on June 3, 1999, seeking a temporary restraining order, asset freeze and other emergency relief (SEC v. Redbank Petroleum, Inc., et al., #3-99CV1267-T, USDC, NDTX, Dallas Division). The Commission's Complaint alleged that Redbank and Ameritech, at Wagman's direction, offered and sold approximately \$30 million in so-called high interest corporate notes to investors in numerous states. The corporate notes were offered to retirees and others as risk-free investments with above market rates of return, and backed by an unconditional guarantee by an independent insurance company. In fact, no such guarantee existed. Rather than using investors' monies for the stated purposes, funds were diverted to fund the operations of several other entities under Wagman's control, and for personal expenses of Wagman. The defendants also used investors' funds as "Ponzi" payments to lull existing investors and to lure new ones. The Complaint further alleged certain Wagman-controlled companies received proceeds diverted from Redbank and AmeriTech, including Lyric International, Inc., a publicly-traded company. In addition, the Complaint alleged that Lyric issued numerous false and misleading public statements and failed to disclose Wagman's control over the company.

On March 24, 2000, Judge Barbara M.G. Lynn granted the Commission's Motion for Summary Judgment against Wagman. Judge Lynn permanently enjoined Wagman from future violations of the antifraud and registration provisions of the federal securities laws. Judge Lynn further ordered Wagman to disgorge approximately \$24 million and pay the maximum civil penalty of \$110,000. [U.S. v. Brent A. Wagman, 3:00-CR-108-1] (LR-16558)

INVESTMENT COMPANY ACT RELEASES

NORTHBROOK LIFE INSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until June 7, 2000, to request a hearing on an application filed by Northbrook Life Insurance Company, Northbrook Life Insurance Company Variable Annuity Account II, and Dean Witter Reynolds Inc. (together, Applicants). Applicants seek an order pursuant to Section 11(a) of the Investment Company Act approving the terms of a proposed offer to owners of certain variable annuity contracts of a Longevity Reward Rider that (a) upon death of a contract's owner, gives any surviving spouse the option of continuing the contract with a value equal to the death benefit then payable, (b) reduces or waives certain charges, and (c) imposes a new withdrawal charge on purchase payments made before or after the rider's issue date. (Rel. IC-24456 – May 16)

SELF-REGULATORY ORGANIZATIONS

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change filed by the Chicago Stock Exchange relating to membership dues and fees during the E-Session (SR-CHX-00-12) has become effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934. Publication of the proposal is expected in the Federal Register during the week of May 15. (Rel. 34-42784)

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission granted accelerated approval to a proposed rule change (SR-NYSE-00-23) filed by the New York Stock Exchange to interpret the NYSE's Listed Company Manual to accommodate the trading of ordinary shares of UBS AG. Publication of the notice and order is expected in the Federal Register during the week of May 15. (Rel. 34-42785; International Series Rel.1223)

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-1 UNITY EMERGING TECHNOLOGY VENTURE ONE LTD, 245 FIFTH AVENUE, SUITE
1500,
NEW YORK, NY 10016 (212) 696-4282 - 5,612,500 (\$33,195,750) COMMON STOCK.
(FILE 333-36754 - MAY. 11) (NEW ISSUE)

S-8 EUPHONIX INC \CA\, 220 PORTAGE AVE, PALO ALTO, CA 94306 (650) 846-1138
- 665,093 (\$999,522.49) COMMON STOCK. (FILE 333-36756 - MAY. 11) (BR. 2)

S-3 GREENWICH CAPITAL COMMERCIAL FUNDING CORP, 600 STEAMBOAT RD, GREENWICH,
CT 06830 (203) 625-2756 - 1,000,000,000 (\$1,000,000,000)
EQUIPMENT TRUST CERTIFICATES. (FILE 333-36760 - MAY. 11) (NEW ISSUE)

S-8 AUDIOVOX CORP, 150 MARCUS BLVD, PO BOX 18000, HAUPPAUGE, NY 11788
(631) 231-7750 - 2,500,000 (\$70,234,375) COMMON STOCK. (FILE 333-36762 -
MAY. 11) (BR. 5)

S-8 ONEIDA FINANCIAL CORP, 182 MAIN STREET, ONEIDA, NY 13421 (315) 363-2000
- 251,713 (\$2,653,201) COMMON STOCK. (FILE 333-36764 - MAY. 11) (BR. 7)

S-8 SCANSOURCE INC, 6 LOGUE COURT STE G, GREENVILLE, SC 29615 (803) 288-
2432
- 300,000 (\$10,576,250) COMMON STOCK. (FILE 333-36766 - MAY. 11) (BR. 3)

S-8 FIRST ENTERTAINMENT HOLDING CORP, 7887 E BELLVIEW 11TH FLOOR SUITE 14,
DENVER, CO 80111 (303) 228-1650 - 1,300,000 (\$650,000) COMMON STOCK.
(FILE 333-36768 - MAY. 11) (BR. 5)

S-8 ESSEX CORPORATION, 9150 GILFORD RD, COLUMBIA, MD 21046 (301) 953-7797 -
900,000 (\$787,500) COMMON STOCK. (FILE 333-36770 - MAY. 11) (BR. 6)

S-8 PARKS AMERICA INC, PO BOX 1400, EAGLE, ID 83616 (208) 463-1300 -
750,000 (\$4,500,000) COMMON STOCK. (FILE 333-36774 - MAY. 11) (BR. 4)

S-8 MCDONALDS CORP, ONE MCDONALD'S PLZ, OAK BROOK, IL 60523 (630) 623-3000
- 200,000 (\$7,118,750) COMMON STOCK. (FILE 333-36776 - MAY. 11) (BR. 5)

S-8 MCDONALDS CORP, ONE MCDONALD'S PLZ, OAK BROOK, IL 60523 (630) 623-3000
- 28,900,000 (\$996,625,000) COMMON STOCK. (FILE 333-36778 - MAY. 11)
(BR. 5)

S-8 TRICORD SYSTEMS INC /DE/, 2905 NORTHWEST BLVD, PLYMOUTH, MN 55441
(612) 557-9005 - 7,450,000 (\$77,336,000) COMMON STOCK. (FILE 333-36780 -
MAY. 11) (BR. 3)

S-8 3 D SYSTEMS CORP, 26081 AVENUE HALL, VALENCIA, CA 91355 (805) 295-5600
- 425,000 (\$2,652,158) COMMON STOCK. (FILE 333-36782 - MAY. 11) (BR. 3)

S-8 ENVIRO CLEAN OF AMERICA INC, 211 PARK AVENUE, HICKSVILLE, NY 11810
(516) 931-4455 - 1,500,000 (\$9,375,000) COMMON STOCK. (FILE 333-36784 -
MAY. 11) (BR. 9)

S-4 NINTH ENTERPRISE SERVICE GROUP INC, 2503 W. GARDNER CT., TAMPA, FL
33611
(813) 831-9348 - 6,800,000 COMMON STOCK. (FILE 333-36786 - MAY. 11)
(NEW ISSUE)

S-3 THEGLOBE COM INC, 120 BROADWAY, NEW YORK, NY 10271 (212) 894-3600 -
1,635,968 (\$4,920,659) COMMON STOCK. (FILE 333-36788 - MAY. 11) (BR. 2)

S-3 AFFYMETRIX INC, 3380 CENTRAL EXPRESSWAY, SANTA CLARA, CA 95051
(408) 522-6000 - 225,000,000 (\$225,000,000) STRAIGHT BONDS. (FILE
333-36790 - MAY. 11) (BR. 1)

S-3 LIBERTY DIGITAL INC, 67 IRVING PLACE NORTH 4TH FLOOR, NEW YORK, NY
10003
(212) 387-7700 - 1,836,491 (\$50,962,625) COMMON STOCK. (FILE 333-36792 -
MAY. 11) (BR. 7)

S-8 HEARME, 685 CLYDE AVENUE, MOUNTAIN VIEW, CA 94043 (650) 429-3611 - 278,421 (\$2,189,021.31) COMMON STOCK. (FILE 333-36794 - MAY. 11) (BR. 2)

S-3 CAMBRIDGE HEART INC, ONE OAK PARK DR, BEDFORD, MA 01730 (781) 271-1200 - 3,235,930 (\$10,322,616) COMMON STOCK. (FILE 333-36798 - MAY. 11) (BR. 5)

S-8 MAREX COM INC, 2701 SOUTH BAYSHORE DR STE 403, MIAMI, FL 33133 (305) 285-2003 - 4,900,000 (\$77,787,500) COMMON STOCK. (FILE 333-36800 - MAY. 11) (BR. 9)

S-8 BRIO TECHNOLOGY INC, 3430 WEST BAYSHORE RD, PALO ALTO, CA 94303 (650) 856-8000 - 1,592,009 (\$36,329,645.38) COMMON STOCK. (FILE 333-36802 - MAY. 11) (BR. 3)

S-4 MADISON RIVER CAPITAL LLC, POST OFFICE BOX 1167, 103 S FIFTH ST, MEBANE, NC 27302 (919) 563-1500 - 200,000,000 (\$200,000,000) STRAIGHT BONDS. (FILE 333-36804 - MAY. 11) (NEW ISSUE)

S-8 SCIENT CORP, ONE FRONT STREET, 28TH FLOOR, SAN FRANCISCO, CA 94111 (415) 733-8200 - 11,095,867 (\$544,390,974.81) COMMON STOCK. (FILE 333-36806 - MAY. 11) (BR. 3)

S-8 COMSTOCK RESOURCES INC, 5300 TOWN AND COUNTRY BLVD., SUITE 500, FRISCO, TX 75034 (972) -66-8-88 - 250,000 (\$1,515,625) COMMON STOCK. (FILE 333-36808 - MAY. 11) (BR. 4)

S-1 FAIRPOINT COMMUNICATIONS INC, 521 EAST MOREHEAD ST, STE 250, CHARLOTTE, NC 28202 (704) 344-8150 - \$230,000,000 COMMON STOCK. (FILE 333-36810 - MAY. 11) (BR. 7)

S-8 INTERLOGIX INC, 12345 SW LEVETON DRIVE, TUALATIN, OR 97062 (503) 691-7243 - 2,258,532 (\$49,264,230) COMMON STOCK. (FILE 333-36812 - MAY. 11) (BR. 7)

S-8 CENTURA BANKS INC, 134 N CHURCH ST, ROCKY MOUNT, NC 27804 (252) 454-4400 - 671,419 (\$27,821,924.81) COMMON STOCK. (FILE 333-36816 - MAY. 11) (BR. 7)

N-2 AMERICAN CAPITAL STRATEGIES LTD, 3 BETHESDA METRO CENTER, SUITE 860, BETHESDA, MD 20814 (301) 951-6122 - \$195,285,000 COMMON STOCK. (FILE 333-36818 - MAY. 12) (BR. 22)

S-1 CH2M HILL COMPANIES LTD, 6060 S. WILLOW DR, GREENWOOD, CO 80111 (303) 771-0900 - 1,535,661 (\$9,736,090.74) COMMON STOCK. (FILE 333-36822 - MAY. 11) (BR. 6)

S-1 NETTAXI INC, 1696 DELL AVE, CAMPBELL, CA 95008 (408) 879-9880 - 32,630,849 (\$106,285,593.45) COMMON STOCK. (FILE 333-36826 - MAY. 12) (BR. 8)

S-1 KEY3MEDIA GROUP INC, 300 FIRST AVE, NEEDHAM, MA 02494 (781) 449-6600 - \$360,000,000 COMMON STOCK. (FILE 333-36828 - MAY. 12) (NEW ISSUE)