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SEC NEWS DIGEST

Issue 2000-198

October 16, 2000

COMMISSION ANNOUNCEMENTS

FEE RATE ADVISORY #4

An extension of the current continuing resolution through October 20, 2000, has been passed by Congress and was signed by the President on October 13. Therefore the fee rate on filings made pursuant to Section 6(b) of the Securities Act of 1933 will remain at the current rate of \$264 per \$1,000,000. Please note that when an appropriations bill is enacted, the fee rate will decrease to \$250 per \$1,000,000.

We will issue further notices as appropriate to keep filers and registrants informed of developments affecting the Section 6(b) fee rate. This information will be posted at the SEC's Internet website at <http://www.sec.gov>.

Please contact the Filer Support Unit in the Office of Filings and Information Services at (202) 942-8900 if you have any questions. (Press Rel. 2000-156)

SEC CHAIRMAN LEVITT TO CONDUCT INVESTORS TOWN MEETING IN ATLANTA

Free program will offer area residents practical tips for saving and investing

If you've ever wondered where you're going to find the money to send your kids to college, take care of an aging relative, or retire from work, you're not alone. Numerous surveys suggest that most Americans lack the basic information they need to save and invest wisely and avoid costly mistakes.

That's why Securities and Exchange Commission Chairman Arthur Levitt for the past six years has been barnstorming across the country conducting "Investors Town Meetings" to preach the timeless principles of successful investing.

Chairman Levitt's next town meeting, his 41st, will take place at the Atlanta Marriott Century Center on Wednesday, November 1st. Joined by Georgia Secretary of State

Cathy Cox, the SEC chief will offer practical tips and answer audience questions about the stock market during a general session from 6:00 to 7:15 p.m.

“My best investment advice comes down to two simple words: ask questions. When investing your money, there’s no such thing as a dumb question,” Levitt said, noting that through the growth of 401(k)s and other self-directed retirement accounts, Americans are more responsible for their own financial security than ever before. Today nearly half of U.S. households have money in the markets.

The town meeting, sponsored by the *Atlanta Journal-Constitution*, will also feature seminars on stocks, bonds, mutual funds, and other financial topics starting at 7:30 p.m.

Admission is free, but reservations are recommended because seating is limited. To reserve a seat, call (404) 842-7629 or send an e-mail to rsvp@sec.gov. Auxiliary aids to attend the town meeting, such as a sign language interpreter, should be requested at the time of reservation.

Contact: John J. Nester (202) 942-7083 (Press Rel. 2000-157)

ENFORCEMENT PROCEEDINGS

SEC CHARGES FORMER SALOMON SMITH BARNEY INVESTMENT BANKING ANALYST WITH INSIDER TRADING

On October 13, the Commission filed a civil complaint in the United States District Court for the Southern District of New York alleging that Michael A. Petrescu-Comnene, an analyst in the investment banking division of Salomon Smith Barney, engaged in repeated acts of insider trading over a nine-month period. The Commission’s complaint alleges that Petrescu-Comnene illegally tipped at least two of his friends about several potential merger and acquisition transactions that he learned about while working at Salomon. The Commission’s complaint further alleges that Petrescu-Comnene’s tippees agreed to make trades in their own accounts and share the profits resulting from Petrescu-Comnene’s tips. Petrescu-Comnene tipped one or more persons in connection with no fewer than eight Salomon deals, including the September 2000 acquisition of Associates First Capital Corp. (AFS) by Citigroup, Inc., Salomon’s parent.

The Commission’s complaint specifically alleges that Petrescu-Comnene, who started working at Salomon in July 1999, began to tip his friends by no later than December 1999. That month, he tipped at least one of his friends prior to the December 20, 1999 public announcement that MMI Companies, Inc., a Salomon client, would be acquired by The St. Paul Companies. Petrescu-Comnene’s tippee purchased 1500 shares of MMI stock on December 17, one business day prior to the announcement, and quickly sold his position, making a profit of \$7,125.

Petrescu-Comnene and his friends made their largest profits by purchasing AFS call options the day before the September 6, 2000 announcement that Citigroup had agreed to purchase AFS in an all-stock transaction valued at \$31.1 billion. At least two of his tippees purchased a total of fifty AFS Sept 30 call option contracts in two different brokerage accounts. The public announcement resulted in a 38 percent increase in the underlying price of AFS stock and resulted in profits to Petrescu-Comnene and his friends totaling \$40,875.

The Commission's complaint alleges that Petrescu-Comnene violated his fiduciary obligations to Salomon and its clients by engaging in insider trading based on information he obtained through his employment. The complaint alleges that, as a result, Petrescu-Comnene violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. The Commission's complaint seeks a permanent injunction against future violations of the federal securities laws, disgorgement of profits and prejudgment interest thereon, plus a civil monetary penalty.

Also on October 13, 2000, the U.S. Attorney for the Southern District of New York arrested Petrescu-Comnene and filed a criminal complaint charging him with securities fraud and conspiracy to commit securities fraud. The Commission wishes to thank the U.S. Attorney's office for its cooperation in this matter.

The Commission is continuing its investigation in this matter. [SEC v. Michael Andrew Petrescu-Comnene, Civil Action No. 00CIV. 7825, SDNY] (LR-16765)

PROMOTERS OF OIL AND GAS INVESTMENTS CONVICTED OF RUNNING A \$40 MILLION PONZI SCHEME

On October 5, a federal jury convicted three promoters of fraudulent oil and gas limited partnership investments after a 3½ week trial in Los Angeles prosecuted by the United States Attorney for the Central District of California. The defendants convicted were Betty Ann Rubin, president of Lazar Frederick & Company, a now defunct broker-dealer, Mark D. Seigel, Vice-President and Director of Weststar Exploration, Inc., the purported oil and gas well operator, and John J. Judd, Jr., President of KS Resources, the general partner of the investor limited partnerships.

The evidence presented to the jury showed that the defendants orchestrated a Ponzi scheme by paying a significant portion of the promised 10-12% annual returns to investors using other investors' funds. More than 1,500 individuals invested over \$42 million from 1991 to December 1995, when the Securities and Exchange Commission obtained a temporary restraining order and appointment of a receiver over the companies' assets.

Each of the defendants was found guilty of conspiracy, securities fraud, mail fraud, and money laundering. Sentencing is scheduled for December 18, 2000.

The defendants had previously resolved the Commission's action. For additional information see Litigation Release Nos. 14766, 14866, 15331, 15668, 15713, 16191. [U.S. v. Mark D. Seigel, et al., CR 99-507-ER] (LR-16766)

INVESTMENT COMPANY ACT RELEASES

THE PENN MUTUAL LIFE INSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until November 6, 2000, to request a hearing on an application filed by The Penn Mutual Life Insurance Company (Penn Mutual), Penn Mutual Variable Annuity Account III (Variable Account III), The Penn Insurance and Annuity Company (Penn Insurance), and Hornor, Townsend & Kent, Inc. Applicants seek an order under Section 6(c) of the Investment Company Act granting exemptions from the provisions of Sections 2(a)(32), 22(c), and 27(i)(2)(A) of the Act, and Rule 22c-1 thereunder, to permit the recapture of Purchase Payment Enhancements (i) made by Penn Mutual under certain individual deferred variable annuity contracts that Penn Mutual will issue and fund through Variable Account III; and (ii) made under similar contracts that Penn Mutual or Penn Insurance may issue and fund in the future through Variable Account III or other current or future separate accounts established by Penn Mutual or Penn Insurance. In addition, Applicants request that the order extend to any other National Association of Securities Dealers, Inc. member broker-dealer controlling, controlled by, or under common control with Penn Mutual, whether existing or created in the future, that serves as a principal underwriter of the contracts or any future contracts. (Rel. IC-24685 – October 11)

LATIN AMERICA INVESTMENT FUND, INC., ET AL.

A notice has been issued giving interested persons until November 2, 2000, to request a hearing on an application filed by Latin America Investment Fund, Inc., et al. for an order exempting applicants from Section 17(a) of the Investment Company Act to permit the proposed merger of Latin America Equity Fund, Inc., with and into the Latin America Investment Fund, Inc., each a closed-end management investment company. Because of certain affiliations, applicants may not rely on Rule 17a-8 under the Act. (Rel. IC-24686 – October 12)

AMERICAN WATER CAPITAL CORP.

A notice has been issued giving interested persons until November 6, 2000, to request a hearing on an application filed by American Water Capital Corp. for an order under the Investment Company Act exempting it from all provisions of the Act in connection with the offer and sale of its securities to raise funds for the business operations of its parent and certain subsidiaries thereof. (Rel. IC-24687 – October 12)

AMERICAN SKANDIA LIFE ASSURANCE CORPORATION, ET AL.

A notice has been issued giving interested persons until November 3, 2000, to request a hearing on an application filed by the American Skandia Life Assurance Corporation, American Skandia Life Assurance Corporation Variable Account B (Class 1), American Skandia Life Assurance Corporation Variable Account B (Class 2), American Skandia Life Assurance Corporation Variable Account B (Class 3), American Skandia Variable Account F, and American Skandia Marketing, Inc. (collectively, Applicants). The Applicants seek an order pursuant to Section 26(b) of the Investment Company Act approving the substitution of shares of the AST Alger Growth Portfolio and AST Alger Mid-Cap Growth Portfolio for shares of the Alger American Growth Portfolio and Alger American Mid-Cap Growth Portfolio, respectively. The Applicants also request an order pursuant to Section 17(b) and Section 6(c) of the Act exempting them from Section 17(a) of the Act to the extent necessary to permit certain in-kind redemptions of portfolio securities in connection with the substitution. (Rel. IC-24688 – October 13)

HOLDING COMPANY ACT RELEASES

THE SOUTHERN COMPANY

An order has been issued authorizing the Southern Company, through February 17, 2007, to grant incentive stock options, nonqualified stock options, stock appreciation rights and restricted stock, and to issue up to 40 million shares of its common stock, par value \$5.00 per share, under the Southern Company Performance Stock Plan. (Rel. 35-27246)

POWERGEN US HOLDINGS LIMITED, ET AL.

A notice has been issued giving interested persons until November 6, 2000, to request a hearing on a proposal by PowerGen US Holdings Limited (US Holdings) and PowerGen UK plc (PGUK), both subsidiaries of PowerGen plc, a public limited company organized under the laws of England and Wales that intends to register under the Act. US Holdings proposes to borrow funds from PGUK out of the proceeds of asset sales or borrowings made by PGUK. (Rel. 35-27247)

SELF-REGULATORY ORGANIZATIONS

WITHDRAWAL SOUGHT

A notice has been issued giving interested persons until November 2, 2000, to comment on the application of DuraSwitch Industries, Inc. to withdraw its Common Stock, \$.001 par value, from listing and registration on the American Stock Exchange. (Rel. 34-43438)

DELISTINGS GRANTED

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration Furr's Restaurant Group, Inc., Common Stock, \$.01 par value, and Cafeteria Operations, L.P. (its subsidiary), 12% Senior Secured Notes, due December 31, 2001. (Rel. 34-43439)

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration Heilig-Meyers Company, Common Stock, \$2.00 par value. (Rel. 34-43440)

RECENT 8K FILINGS

Form 8-K is used by companies to file current reports on the following events:

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Bankruptcy or Receivership.
- Item 4. Changes in Registrant's Certifying Accountant.
- Item 5. Other Materially Important Events.
- Item 6. Resignations of Registrant's Directors.
- Item 7. Financial Statements and Exhibits.
- Item 8. Change in Fiscal Year.
- Item 9. Regulation S Offerings.

The following companies have filed 8-K reports for the date indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. 8-K reports 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>.

NAME OF ISSUER	STATE CODE	8K ITEM NO.									DATE	COMMENT
		1	2	3	4	5	6	7	8	9		
AFFILIATED RESOURCES CORP	CO					X					09/26/00	
AFFORDABLE HOMES OF AMERICA INC	NV					X	X	X			06/30/99	
AMERICAN TAX EXEMPT BOND TRUST	DE		X								09/27/00	
AMERIGAS PARTNERS LP	DE					X		X			09/30/00	
APPLE HOMES CORP INC	DE	X	X					X			09/30/00	
ARC WIRELESS SOLUTIONS INC	UT		X			X		X			09/27/00	
ARS NETWORKS INC	NH							X			07/31/00	AMEND
ARS NETWORKS INC	NH							X			07/31/00	AMEND
BANK OF AMERICA MORTGAGE SEC MORT P ASS THROU CERT SER 2000 5	DE					X		X			09/26/00	
CAPCO ENERGY INC	CO					X					10/07/00	
CHARTER MUNICIPAL MORTGAGE ACCEPTAN CE CO	DE		X								09/27/00	
CHASE FUNDING INC	NY					X		X			09/28/00	
CHILDRENS WONDERLAND INC	CA					X		X			01/03/00	
CHINA BROADBAND CORP	NV		X					X			09/29/00	

NAME OF ISSUER	STATE CODE	8K ITEM NO.									DATE	COMMENT
		1	2	3	4	5	6	7	8	9		
CHIRON CORP	DE				X	X					10/10/00	
CITY NATIONAL CORP	DE				X	X					10/12/00	
CLARION COMMERCIAL HOLDINGS INC	MD				X	X					10/12/00	
CMS ENERGY CORP	MI				X						10/13/00	
COLLEGE BOUND STUDENT ALLIANCE INC	CO		X			X					07/31/00	AMEND
COMMERCIAL CONCEPTS INC					X	X					10/10/00	
COMMERCIAL MORTGAGE PASS-THROUGH CE RTIFICATES SERIES 2000-C4	DE				X	X					09/28/00	
COMPASS KNOWLEDGE HOLDINGS INC	NV		X								08/15/00	AMEND
COMPUTERIZED THERMAL IMAGING INC	NV				X	X					10/11/00	
COMSAT CORP	DC				X	X					10/12/00	
CONSOLIDATED EDISON CO OF NEW YORK INC	NY				X						10/10/00	
CONSOLIDATED EDISON INC	NY				X						10/10/00	
CORECOMM LTD /DE/	DE		X			X					09/29/00	
CORNING INC /NY	NY		X								06/30/00	
CORPORATE ASSET BACKED CORP	DE					X					10/02/00	
COSTILLA ENERGY INC	DE			X		X					10/01/00	
CRIIMI MAE FINANCIAL CORP	MD				X						10/13/00	
CT HOLDINGS INC	DE					X	X				09/28/00	
DAN RIVER INC /GA/	GA				X	X					10/12/00	
DIGEX INC/DE	DE				X	X					10/02/00	
DIGI INTERNATIONAL INC	DE		X			X					10/02/00	
DLJ COMMERCIAL MORT COMM MOR PASS T HR CERT SER 2000-CF1	DE					X					10/11/00	
DLJ MORTGAGE ACCEPTANCE CORP	DE					X					09/29/00	
EA ENGINEERING SCIENCE & TECHNOLOGY INC	DE				X						10/13/00	
EA ENGINEERING SCIENCE & TECHNOLOGY INC	DE				X						10/13/00	
ELECTRONIC BUSINESS SERVICES INC	DE					X					10/13/00	
ELITE LOGISTICS INC	ID			X		X					10/09/00	
EMMIS COMMUNICATIONS CORP	IN		X		X	X					10/02/00	
ENDOCARDIAL SOLUTIONS INC	DE				X	X					10/13/00	
ENTRADA NETWORKS INC	DE		X								10/13/00	
ENVIRO CLEAN OF AMERICA INC	NV		X			X					09/29/00	
EXODUS COMMUNICATIONS INC	DE				X	X					09/28/00	
FACTORY CARD OUTLET CORP	DE				X	X					10/11/00	
FARMER MAC MORTGAGE SECURITIES CORP	DE		X								10/13/00	
FARMLAND INDUSTRIES INC	KS		X			X					10/13/00	
FILM ROMAN INC	DE				X						09/27/00	
FIRST HORIZON ASSET SECURITIES INC	DE				X	X					10/13/00	
FLEET CREDIT CARD MASTER TRUST II	NY		X								10/16/00	
FOODARAMA SUPERMARKETS INC	NJ		X								10/04/00	
FORD CREDIT AUTO LOAN MASTER TRUST	DE				X	X					09/30/00	
FORD CREDIT AUTO LOAN MASTER TRUST	DE				X	X					09/30/00	AMEND
FORD CREDIT AUTO RECEIVABLES TWO L P	DE				X	X					09/30/00	AMEND
GALAGEN INC	DE				X	X					10/11/00	
GREAT AMERICAN GOLF WORKS INC	DE				X						07/19/00	
GUARDIAN TECHNOLOGIES INTERNATIONAL INC	DE				X						09/30/00	
HEALTHY PLANET PRODUCTS INC	DE				X						10/12/00	

NAME OF ISSUER	STATE CODE	8K ITEM NO.									DATE	COMMENT
		1	2	3	4	5	6	7	8	9		
HERCULES INC	DE	X						X			09/28/00	
HEXCEL CORP /DE/	DE					X		X			10/13/00	
HILLENBRAND INDUSTRIES INC	IN					X		X			10/11/00	
HNC SOFTWARE INC/DE	DE	X						X			09/29/00	
HOMESERVICES COM INC	DE	X									10/13/00	
HOST AMERICA CORP	DE							X			07/31/00	AMEND
HOUSEHOLD DIRECT COM INC	CO	X									09/22/00	
IMMERSION CORP	DE	X						X			09/29/00	
IMP INC	DE					X					09/14/00	
INHALE THERAPEUTIC SYSTEMS INC	DE					X		X			10/12/00	
INSYNQ INC	UT					X					10/11/00	
INTERMEDIA COMMUNICATIONS INC	DE					X		X			10/02/00	
INTERNET COMMERCE CORP	DE							X			10/13/00	
INTERNET VENTURE GROUP INC	FL	X						X			09/28/00	
INTERSTATE HOTELS CORP	MD					X		X			10/13/00	
ITXC CORP		X						X			10/12/00	
JACKSONVILLE BANCORP INC	TX					X		X			10/11/00	
JUNO ONLINE SERVICES INC	DE					X		X			10/06/00	
KEYCORP /NEW/	OH					X					10/13/00	
LODGIAN INC	DE					X		X			10/13/00	
MACROVISION CORP	DE					X		X			10/05/00	
MBNA AMERICA BANK NATIONAL ASSOCIAT ION	DE					X		X			09/30/00	
MBNA AMERICA BK NAT ASSOC MBNA MAST ER CREDIT CARD TRUST II						X		X			09/30/00	
MBNA CORP	MD					X					09/30/00	
MCLEODUSA INC	DE					X		X			10/02/00	
MEDIAPLEX INC								X			07/21/00	AMEND
MEDICAL DYNAMICS INC	CO					X		X			10/11/00	
MENTOR CORP /MN/	MN							X			10/13/00	
ML EQ REAL ESTATE PORTFOLIO L P	DE	X						X			10/28/99	
MOHAWK INDUSTRIES INC	DE					X		X			10/12/00	
MORGAN STANLEY AIRCRAFT FINANCE	DE					X					10/12/00	
MOSLER INC	DE					X					10/13/00	
NATIONAL DISCOUNT BROKERS GROUP INC	DE	X						X			10/11/00	
NATIONAL INFORMATION CONSORTIUM	CO					X		X			10/06/00	
NEW HORIZON KIDS QUEST INC	WI					X					10/10/00	
ORASURE TECHNOLOGIES INC	DE	X				X		X			09/29/00	
PACKARD BIOSCIENCE CO	DE					X					12/31/00	
PENFORD CORP	WA	X						X			09/29/00	
PEOPLES BANCORP INC	OH	X									10/11/00	
PINNACLE ENTERTAINMENT INC	DE					X		X			10/10/00	
PLEXUS CORP	WI					X		X			10/13/00	
PMC SIERRA INC	DE	X						X			08/24/00	AMEND
PNC MORT ACCEPT CORP COMMERC MORT P ASS THR CERT SER 1999 CM1	MO					X		X			10/11/00	
POTOMAC ENERGY CORP	OK							X			07/28/00	AMEND
QUANTUM CORP /DE/	DE					X		X			10/03/00	
REDBACK NETWORKS INC	DE	X						X			10/13/00	
REGAL BELOIT CORP	DE	X						X			09/29/00	
RELIANCE GROUP HOLDINGS INC	DE	X						X			10/02/00	
SEAIR GROUP INC	NV					X					09/28/00	
SERVICE SYSTEMS INTERNATIONAL LTD	NV					X					10/04/00	

NAME OF ISSUER	STATE	8K ITEM NO.									DATE	COMMENT	
	CODE	1	2	3	4	5	6	7	8	9			
SHAW GROUP INC	LA					X	X					10/13/00	
SHORELINE FINANCIAL CORP	MI					X	X					10/13/00	
SILICON VALLEY GROUP INC	DE					X	X					10/01/00	
SIMULA INC	AZ					X	X					10/13/00	
SONUS NETWORKS INC	DE					X	X					10/13/00	
SPORTING MAGIC INC	DE	X	X		X	X	X					10/06/00	
STAMPS COM INC	DE					X	X					10/09/00	
SUNRISE ASSISTED LIVING INC	DE		X					X				09/30/00	
TOUCHSTONE SOFTWARE CORP /CA/	DE					X						10/13/00	
TRISM INC /DE/	DE				X			X				10/13/00	
U S PAWN INC	CO		X					X				09/29/00	
UPROAR INC	DE		X					X				08/11/00	
VICON FIBER OPTICS CORP	DE	X										10/11/00	
VISTEON CORP	DE					X	X					10/13/00	
VITRO DIAGNOSTICS INC	NV				X			X				10/09/00	
VULCAN MATERIALS CO	NJ		X									10/03/00	
WEBMD CORP	DE					X	X					10/12/00	
WELLS FARGO & CO/MN	DE							X				10/12/00	
WELLS FARGO ASSET SEC CORP MORT PAS S THROUGH CERT SER 2000 8	DE					X	X					09/28/00	
WIN GATE EQUITY GROUP INC	FL	X				X	X					09/27/00	
WORKSAFE INDUSTRIES INC	NY					X						10/12/00	
ZINDART LTD						X						07/31/00	