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SEC NEWS DIGEST

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COMMISSION ANNOUNCEMENTS

FEE RATE ADVISORY #12

The Congress has passed and we expect the President to sign today, Thursday, December 21, the fiscal 2001 Commerce, Justice, State, and related agencies appropriations bill that will fund the SEC. If signed as expected, effective 12:01 a.m. EST today, the fee rate on filings made pursuant to Section 6(b) of the Securities Act of 1933 will have decreased to \$250 per \$1,000,000, or .00025 of the aggregate offering amount.

Please check our web site, www.sec.gov, for any update.

If you have any questions about the new fee rate, please contact the Filer Support Unit in the Office of Filings and Information Services at (202) 942-8900. (Press Rel. 2000-193)

ENFORCEMENT PROCEEDINGS

COMMISSION SUSTAINS NASD ACTION AGAINST TONY SMITH

The Commission has sustained NASD action against Tony R. Smith, formerly a registered securities representative and principal of L.B. Saks Inc., an NASD member firm. The NASD found that Smith failed to honor a settlement agreement in connection with an arbitration proceeding. The NASD suspended Smith's registration indefinitely until he submits proof that he has satisfied or discharged his obligation or until the settlement has been modified or vacated.

The Commission found unconvincing Smith's contention that the settlement agreement is invalid. It also found that Smith failed to produce any evidence that he is unable to pay his obligation, and that Smith has shown a complete disregard for the settlement agreement and NASD Rules. (Rel. 34-43748; File No. 3-9775)

MARION BASS SECURITIES CORP. AND GERALD CHANDIK SANCTIONED FOR EXCESSIVE MARKUPS

The Commission announced that on December 20 it issued an order making findings, imposing remedial sanctions, and issuing a cease and desist order against Marion Bass Securities Corp. (MBSC), a registered broker-dealer, and against Gerald Chandik (Chandik), MBSC's compliance officer. Both MBSC and Chandik consented, without admitting or denying the allegations against them, to the entry of an order making findings that from March 1991 through March 1994, MBSC willfully violated Sections 17(a)(2) and (3) of the Securities Act of 1933 by charging customers undisclosed, excessive markups ranging from 4.07% to 7.9% in connection with 110 municipal securities transactions and by charging customers undisclosed, excessive markups and markdowns of between 3.45% to 4.41% in connection with 66 Federal National Mortgage Association and Resolution Funding Corporation transactions. Further, the Order finds that from May 1991 through March 1994, Chandik failed reasonably to supervise MBSC's employees who were subject to his supervision with a view to preventing these violations.

Pursuant to the Commission's Order, MBSC is (1) censured; (2) ordered to cease and desist from committing or causing any violations and any future violations of Sections 17(a)(2) and (3) of the Securities Act; (3) ordered to pay disgorgement and prejudgment interest in the amount of \$100,000; and (4) ordered to pay a civil penalty in the amount of \$50,000. In addition, Chandik is censured. (Rels. 33-7929, 34-43754; File No. 3-9471)

COMMISSION INSTITUTES SETTLED ENFORCEMENT PROCEEDINGS AGAINST TUCKER ANTHONY AND VINCENT DEUSCHEL

On December 21, the Commission instituted settled administrative proceedings against Tucker Anthony, Inc., a registered broker-dealer, and Vincent Deuschel, a former trader in the firm's New York office. The Commission issued an Order finding, among other things, that Deuschel, who traded mortgage-backed securities in a Tucker Anthony proprietary account, concealed approximately \$2.6 million in trading losses during 1997 by mismarking, or falsifying the "mark to market" prices of, certain securities held in the proprietary account. The Order further finds that Tucker Anthony failed reasonably to supervise Deuschel with a view toward preventing his fraudulent conduct, that the firm did not have adequate procedures designed to ensure that securities held in proprietary accounts were marked to market accurately, and that, as a result of Deuschel's mismarkings, the firm kept inaccurate books and records and filed inaccurate reports with the Commission.

Based on these findings, the Commission concluded that Deuschel committed securities fraud in violation of Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder; that Tucker Anthony failed reasonably to supervise Deuschel in accordance with Exchange Act Section 15(b)(4)(E); that Tucker Anthony violated the record-keeping and reporting provisions of Exchange Act Section 17(a) and Rules 17a-3 and 17a-5 thereunder; and that Deuschel willfully aided, abetted, and caused Tucker Anthony's record-keeping and reporting violations. Without admitting or denying the Commission's findings, Deuschel and Tucker Anthony consented to the

issuance of the Commission's Order, which censures Deuschel and Tucker Anthony; orders them to cease and desist from their violations; bars Deuschel from associating with any broker or dealer; imposes a \$50,000 civil penalty against Tucker Anthony; and declines to impose a civil penalty against Deuschel based on his demonstrated inability to pay one. [In the Matter of Vincent Deuschel and Tucker Anthony, Inc. - Rels. 33-7930; 34-43760; File No. 3-10396)

SEC OBTAINS EMERGENCY RELIEF AND ASSET FREEZE IN \$2.5 MILLION OFFERING FRAUD

The Commission announced today that a seal has been lifted on an emergency action filed against Sidney A. Johnson, of New York City and Newfane, Vermont, and Leslie H. Fleishman, of Long Beach, California, and against the entities they control, Kultivar, Inc., MedCom Health Products, Inc., and Southport S.D.G., Inc. In its complaint for emergency injunctive relief, the Commission alleged that Johnson and Fleishman engaged in a scheme involving two fraudulent securities offerings that capitalized on the investing public's fascination with start-up companies, alternative medical technologies and the internet. On December 18, 2000, the District Court for the District of Vermont granted the Commission the emergency relief it sought but ordered that the court records be sealed until all defendants were notified of the action and all known bank accounts were frozen.

In its complaint, the Commission alleged that between August 1997 and February 2000, Johnson and Fleishman solicited and sold unregistered shares of stock in Kultivar, a Plainfield, Vermont corporation that claimed to have developed revolutionary herbal medicine products, including a genetically-altered baby food that immunized infants to childhood diseases. Johnson, who created Kultivar, and Fleishman, who sold Kultivar shares through his unregistered broker-dealer Southport, claimed that Kultivar's stock would soon be publicly traded and that the value of its stock would rise because of its valuable medicinal products. These included a product called "Biowipes," a disposable wipe with "proven viral, bacteria and germ elimination," for which Kultivar falsely claimed to have received FDA approval. At least 150 investors purchased approximately \$2.4 million of Kultivar stock.

The Commission further alleged that beginning in the summer of 2000 and continuing to the present, Johnson and Fleishman have been soliciting investments in MedCom Health Products, a California corporation that uses Kultivar's Vermont address. MedCom Health Products is represented to potential investors as an internet business portal that will link users and suppliers of medical products and will acquire other medically-oriented companies. Among other things, investors are falsely told that MedCom Health Products has significant existing business relationships with Fortune 500 companies such as Lockheed Martin, Commerce One, Boeing and Raytheon and that it will soon go public and begin publicly trading. Potential investors have also been falsely told that Lockheed Martin would invest \$60-80 million in MedCom Health Products. In the past five months, defendants have solicited at least \$185,000 of investments in MedCom

Health Products and have induced many of the Kultivar investors to exchange their Kultivar stock for MedCom Health Products stock.

As a result of the conduct described in the complaint, the Commission has charged MedCom Health Products, Kultivar, Southport, Johnson and Fleishman with violations of 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 antifraud provisions of the securities laws); Kultivar, Johnson, Fleishman and Southport with violations of Section 5(a) and 5(c) of the Securities Act (for engaging in offers and sales of unregistered securities); and Fleishman and Southport with violations of Section 15(a) of the Exchange Act (for acting as unlicensed broker-dealers). In addition to the temporary restraining order and asset freezes already obtained, the Commission seeks to permanently enjoin the defendants from continuing to violate these laws. The Commission also seeks disgorgement of fraudulently-obtained investor funds, pre-judgment interest and civil penalties.

The Commission would like to acknowledge the assistance of the California Department of Corporations in this matter. [SEC v. Kultivar, Inc., MedCom Health Products, Inc., Southport S.D.G., Inc., Sidney A. Johnson and Leslie H. Fleishman, Civil Action No. 1:00-CV-466, United States District Court, District of Vermont] (LR-16837)

SEC CHARGES INVESTMENT ADVISER AND ITS FORMER CEO WITH DEFRAUDING INVESTORS IN THREE HEDGE FUNDS

The Commission today filed an enforcement action charging Michael L. Smirlock and LASER Advisers Inc., an investment adviser, with defrauding investors in three hedge funds. Smirlock, 44, of Loveladies, NJ, is the Chairman, majority shareholder and former President and CEO of LASER. LASER is located in Short Hills, N.J. Smirlock and his firm are charged with engaging in a scheme to falsely inflate the value of an investment portfolio that they managed for the three hedge funds. As a result of the scheme, the value of the assets held in the investment portfolio were overstated by \$71 million. According to the complaint, certain of the investors in the hedge funds purchased interests while Smirlock conducted this scheme.

The Commission's complaint alleges as follows:

- Among the investments purchased by Smirlock and LASER for the hedge funds' investment portfolio were options on interest rate swaps, also known as swaptions. Swaptions are thinly traded, and difficult to value.
- LASER and Smirlock were required to obtain on a monthly basis independent price valuations ("third-party prices") from broker-dealers for certain investments, including swaptions, purchased for the hedge funds' portfolio. The third party prices were used to prepare monthly and quarterly reports that were provided to investors in the hedge funds.

- From late 1997 through the first half of 1998, as interest rates declined, so did the value of certain investments held in the hedge funds' portfolio, causing losses in the portfolio.
- In order to conceal those investment losses, Smirlock inflated the values that he reported for certain of the swaptions owned by the hedge funds' portfolio. Smirlock was able to inflate those values by obtaining third party prices for similar, but more valuable, swaptions. He then substituted the prices of the more valuable swaptions for the swaptions actually owned by the hedge fund portfolios. As a result, he caused false and misleading valuations to be reported to the hedge funds investors. By the time that the fraud was discovered, the value of the investment fund portfolio was overstated by \$71 million or 17 percent.
- Smirlock also forged and altered documents in an effort to cover up his fraudulent conduct. For example, Smirlock instructed broker-dealers to return to him pricing sheets with blank bids. Smirlock then entered inflated prices for those investments on the pricing sheets.

The complaint charges that, following the initial revelation of his fraudulent conduct, Smirlock resigned as President and CEO of Laser Advisers; however, he continues to be the majority shareholder and to function as a director and Chairman of the Board.

Smirlock was the subject of a previous SEC enforcement action. In November 1993, he was charged with aiding and abetting violations of the antifraud and recordkeeping provisions of the Investment Advisers Act of 1940, and ordered to cease and desist from future violations and to pay a \$50,000 penalty. Smirlock was also suspended for three months from association with any investment adviser.

According to the complaint filed today, by engaging in the described conduct, Smirlock and LASER Advisers Inc. violated the antifraud provisions of the Securities Exchange Act of 1934 (Section 10(b) and Rule 10b-5 thereunder); LASER Advisers Inc. violated the antifraud provisions of the Investment Advisers Act and Smirlock aided and abetted those violations (Sections 206(1) and 206(2)); and LASER Advisers Inc. violated the recordkeeping provisions of the Investment Advisers Act of 1940 and Smirlock aided and abetted those violations (Section 204 and Rules 204-2(a)(16) and 204-2(e)(3) thereunder). Smirlock is also charged with violating the Commission's November 1993 cease and desist order.

The Commission is seeking permanent injunctions, disgorgement plus prejudgment interest, and civil penalties against both Smirlock and LASER Advisers Inc. [SEC v. Michael L. Smirlock and LASER Advisers Inc., 00 Civ. 9680, RO, SDNY] (LR-16838)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGE

The American Stock Exchange filed a proposed rule change (SR-Amex-00-42) relating to Auto-Ex by-pass provisions. Publication of the notice in the Federal Register is expected during the week of December 25. (Rel. 34-43737)

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change (SR-NASD-00-59) on an accelerated basis and granted accelerated approval to Amendment No. 1 to the proposed rule change submitted by the National Association of Securities Dealers, through its wholly owned subsidiary The Nasdaq Stock Market, Inc., to permit the inclusion of certain Unit Investment Trusts in the Mutual Fund Quotation Service. (Rel. 34-43749)

DELISTING GRANTED

An order has been issued granting the application of the American Stock Exchange to strike from listing and registration the Common Stock, \$.01 par value, of Unapix Entertainment, Inc., effective at the opening of business of December 21, 2000. (Rel. 34-43752)

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 MTR GAMING GROUP INC, ROUTE 2, PO BOX 356, CHESTER, WV 26034
(304) 387-5712 - 2,155,000 (\$5,805,250) COMMON STOCK. (FILE 333-51796

DEC. 14) (BR. 5)

S-8 FIRST BANCORP /NC/, 341 NORTH MAIN ST, PO BOX 508, TROY, NC 27371
(910) 576-6171 - 391,584 (\$3,171,183.57) COMMON STOCK. (FILE 333-51798

DEC. 14) (BR. 7)

S-8 BROKAT AKTIENGESELLSCHAFT, INDUSTRIESTRASSE 3, STUTTGART D-70565 GE,
I9
(011) 497-1178 - 31,382 (\$797,115.73) FOREIGN COMMON STOCK. (FILE
333-51806 - DEC. 14) (BR. 3)

S-8 MEDI HUT CO INC, 1935 SWARTHMORE AVENUE, LAKEWOOD, NJ 08701
(732) 901-0606 - 100,000 (\$300,000) COMMON STOCK. (FILE 333-51810 -
DEC. 14) (BR. 9)

S-8 GENERAL CABLE CORP /DE/, 4 TESSENEER DRIVE, HIGHLAND HEIGHTS, KY
41076
(606) 572-8000 - 700,000 (\$4,025,000) COMMON STOCK. (FILE 333-51812 -
DEC. 14) (BR. 6)

S-8 GENERAL CABLE CORP /DE/, 4 TESSENEER DRIVE, HIGHLAND HEIGHTS, KY
41076
(606) 572-8000 - 125,000 (\$718,750) COMMON STOCK. (FILE 333-51818 -
DEC. 14) (BR. 6)

S-8 SONOSITE INC, 21919 30TH DRIVE S E, 22100 BOTHEL EVERETT HGWY,
BOTHELL,
WA 98021 - 495,000 (\$8,513,918) COMMON STOCK. (FILE 333-51820 - DEC.
14)
(BR. 5)

S-8 GENERAL CABLE CORP /DE/, 4 TESSENEER DRIVE, HIGHLAND HEIGHTS, KY
41076
(606) 572-8000 - 675,000 (\$3,881,250) COMMON STOCK. (FILE 333-51822 -
DEC. 14) (BR. 6)

S-8 SAVE THE WORLD AIR INC, 19 GARDEN GROVE, CARRARO QUEENSLAND
AUSTRALIA,
CARRARA, - 240,000 (\$60,000) COMMON STOCK. (FILE 333-51826 - DEC. 14)
(BR. 9)

F-3 TOWNPAGESNET COM PLC, 11 MARKET SQUARE, ALTON HAMSPHIRE, - 7,833,009
(£5,169,785.94) FOREIGN COMMON STOCK. (FILE 333-51832 - DEC. 14) (BR.
3)

SB-2 ACCESS POWER INC, 10033 SAWGRASS DR W, STE 100, PONTE VEDRA BEACH,
FL
32082 (904) 273-2980 - 44,955,679 (\$6,181,405.87) COMMON STOCK. (FILE
333-51836 - DEC. 14) (BR. 9)

S-8 ALANCO TECHNOLOGIES INC, 15900 N 78TH ST, SUITE 101, SCOTTSDALE, AZ
85260 (480) 607-1010 - 2,335,000 (\$3,173,750) COMMON STOCK. (FILE
333-51842 - DEC. 14) (BR. 6)

S-1 APPROVED FINANCIAL CORP, 3420 HOLLAND ROAD SUITE 107, P O BOX 2179,
VIRGINIA BEACH, VA 23452 (757) 430-1400 - 50,000,000 (\$50,000,000)
COMMON STOCK. (FILE 333-51846 - DEC. 14) (BR. 7)

S-8 ENTRADA NETWORKS INC, 10070 MESA RIM ROAD, SAN DIEGO, CA 92121
(949) 588-2070 - 4,000,000 (\$13,642,808) COMMON STOCK. (FILE 333-51850
-
DEC. 14) (BR. 3)

S-3 CLICK2LEARN COM INC, 110 110TH AVE NE, BELLEVUE, WA 98004 (425) 462-0501
- 1,584,388 (\$19,012,656) COMMON STOCK. (FILE 333-51858 - DEC. 14)
(BR. 3)

SB-2 PIRANHA INC, 6060 N CENTRAL EXPRESSWAY, DALLAS, TX 75206 (312) 664-7852
- 875,862 (\$2,518,103.25) COMMON STOCK. (FILE 333-51860 - DEC. 14)
(BR. 3)

S-3 5B TECHNOLOGIES CORP, ONE JERICHO PLAZA, JERICHO, NY 11753
(916) 938-3400 - 2,046,722 (\$4,885,503.10) COMMON STOCK. (FILE 333-51864 -
DEC. 15) (BR. 3)

S-4 COLORADO BUSINESS BANKSHARES INC, 821- 17TH ST, 303-293-2265,
DENVER, CO
80202 (303) 293-2265 - 2,199,040 (\$27,687,264) COMMON STOCK. (FILE
333-51866 - DEC. 15) (BR. 7)

S-8 GENZYME CORP, ONE KENDALL SQ, CAMBRIDGE, MA 02139 (617) 252-7500 -
1,488,630 (\$37,333,690) COMMON STOCK. (FILE 333-51872 - DEC. 15) (BR.
1)

S-8 CAMBRIDGE TECHNOLOGY PARTNERS MASSACHUSETTS INC, 304 VASSAR ST,
CAMBRIDGE, MA 02139 (617) 374-9800 - 300,000 (\$525,000) COMMON STOCK.
(FILE 333-51874 - DEC. 15) (BR. 3)