

# SEC NEWS DIGEST

Issue 2001-64

April 3, 2001

---

## COMMISSION ANNOUNCEMENTS

---

### ADDITIONAL PUBLIC APPEARANCES OF SENIOR OFFICIALS – APRIL 2001

The following are additional public appearances of SEC officials for the month of April 2001 including the Chairman, Commissioners and senior staff members. For additional information on events hosted by groups other than the Commission, please call the contact numbers listed. As events are subject to change, please confirm them with the SEC's Office of Public Affairs or the sponsoring organizations.

When: Tuesday, April 17  
Who: Annette Nazareth, Director, Division of Market Regulation  
What: SIA OTC Derivative Products Committee Meeting  
Where: New York City  
Contact: Joan Piccarillo (212) 618-0503

When: Friday, April 20  
Who: Martha Haines, Chief, Office of Municipal Securities  
What: Municipal Analyst Group of New York  
Where: New York City  
Contact: Gerry Lian (212) 392- 6765

When: Monday, April 30  
Who: Richard Walker, Director, Division of Enforcement  
What: Glasser LegalWorks  
Where: New York City  
Contact: Cathy Whalen (973) 890-0008

---

## ENFORCEMENT PROCEEDINGS

---

## **NINE DEFENDANTS TEMPORARILY ENJOINED IN \$64.5 MILLION PRIME BANK SCHEME**

On April 2, Judge Algenon L. Marbley of the United States District Court for the Southern District of Ohio entered a temporary restraining order against Steven E. Thorn (Thorn), Karen A. Estrada (Estrada), Global Investors Group, LLC (Global Investors), First Financial Ventures, LLC (1<sup>st</sup> FV), Second Financial Ventures, LLC (2<sup>nd</sup> FV), Third Financial Ventures, LLC (3<sup>rd</sup> FV), Fund Global, LLC (Fund Global), and Global Equity Group, LLC (Global Equity) for engaging in a fraudulent prime bank securities scheme in violation of federal securities laws. The judge also ordered, among other things, that their assets be frozen and that they produce an accounting of investor funds.

In its complaint, the Commission alleges that Thorn, individually and through Global Investors, and Estrada, individually and through Global Equity and Fund Global, offered and sold investments in a series of purported European bank trading programs that raised at least \$10.5 million since February 1998 (Global Trading Programs). Numerous government agencies including the Commission, the Federal Deposit Insurance Corporation and the Board of Governors of the Federal Reserve System, however, have warned the public that trading programs in prime bank instruments do not exist and are fraudulent. The complaint alleges that Thorn and Estrada misled investors by telling them that investor principal was never at risk in the Global Trading Programs and by promising them specific rates of return ranging from 7% to 100% per month. The complaint alleges that most of the \$10.5 million raised from investors for the Global Trading Programs was not used for any legitimate investment purposes, and that Thorn and Estrada failed to inform investors that they used funds raised in the Global Trading Programs, in Ponzi scheme-like fashion to pay investor returns, to repay principal to investors withdrawing from programs, and for personal expenses.

The complaint also alleges that since at least November 1999, Thorn, Estrada and Craig A. Morgan (Morgan), a resident of Columbus, Ohio, raised approximately \$54 million through the offer and sale of investments in another series of supposed bank trading programs (the Financial Ventures Programs). In these programs, investors were told that their funds would remain on deposit in a U.S. bank, that investors would retain control of their funds, and that investor funds would not be pledged as security or collateral to fund trading. The complaint alleges that Defendants Thorn and Estrada continued to tell investors that their principal was never at risk and promised a return of 50% to 100% per month. Contrary to their representations in the Financial Ventures Program, Defendants Thorn and Morgan allegedly attempted to pledge investor funds as collateral for loans from international banks.

A hearing on the Commission's motion for a preliminary injunction is scheduled for April 24, 2001, at 9:00 a.m. [SEC v. Steven E. Thorn, et al., USDC, SD Ohio, Civil Action No. C2-01-290] (LR-16950)

---

## INVESTMENT COMPANY ACT RELEASES

---

### AMERICAN GENERAL LIFE INSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until April 24 to request a hearing on an application filed by American General Life Insurance Company (American General), American General Life Insurance Company Separate Account D (AGL Separate Account), Ameritas Variable Life Insurance Company (Ameritas), Ameritas Variable Life Insurance Company Separate Account VA-2 (Ameritas VA Separate Account), Ameritas Variable Life Insurance Company Separate Account V (the "Ameritas VUL Separate Account", collectively with the Ameritas VA Separate Account, the "Ameritas Separate Accounts"), Integrity Life Insurance Company (Integrity), Integrity Life Insurance Company Separate Account II (Integrity Separate Account), National Integrity Life Insurance Company (National Integrity, collectively with American General, Ameritas and Integrity, the "Insurance Company Applicants"), National Integrity Life Insurance Company Separate Account II (National Integrity Separate Account, collectively with the AGL Separate Account, the Ameritas Separate Accounts and the Integrity Separate Account, the "Separate Accounts", and collectively with the other Separate Accounts and the Insurance Company Applicants, "Applicants"). Applicants seek an order approving the substitution of securities issued by certain management investment companies and held by the Separate Accounts to support certain variable annuity contracts issued by the Insurance Company Applicants. (Rel. IC-24923 – March 30)

---

## SELF-REGULATORY ORGANIZATIONS

---

### APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change (SR-NYSE-00-60) submitted by the New York Stock Exchange pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 and Rule 19b-4 amending NYSE Rule 416, Questionnaires and Reports. Publication of the order is expected in the Federal Register during the week of April 2. (Rel. 34-44135)

The Commission approved a proposed rule change submitted under Rule 19b-4 by the New York Stock Exchange (SR-NYSE-94-34) amending NYSE Rule 92 to permit limited trading along with customers. (Rel. 34-44139)

The Commission approved, on a pilot basis until September 30, 2001, a proposed rule change submitted under Rule 19b-4 by the New York Stock Exchange (SR-NYSE-00-32) relating to shareholder approval of stock option plans. (Rel. 34-44141)

The Commission approved a proposed rule change (SR-NASD-01-03) submitted under Rule 19b-4 of the Securities Exchange Act of 1934 by the National Association of Securities Dealers, through its subsidiary, the Nasdaq Stock Market, Inc. relating to the elimination of the interval delay between executions for initial public offerings and secondary offerings in the Nasdaq National Market Execution System. Publication of the proposal is expected in the Federal Register during the week of April 2. (Rel. 34-44142)

The Commission approved a proposed rule change submitted under Rule 19b-4 by the National Association of Securities Dealers, through its subsidiary The Nasdaq Stock Market, Inc. (SR-NASD-00-81) relating to computer to computer interface fees for non-NASD members. (Rel. 34-44144)

## IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change (SR-AMEX-01-12) filed by the American Stock Exchange to impose an equity option marketing fee on the transactions of the specialist and registered options traders in Nasdaq 100 Index options (QQQ), and to decrease the separate transaction fee that is imposed on some QQQ transactions, has become immediately effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934. Publication is expected in the Federal Register during the week of April 2. (Rel. 34-44143)

---

## 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      NETCOMMERCE INC, 9901 E VALLEY RANCH PARKWAY, SUITE 2000, IRVING, TX  
75063 (972) 503-8984 - 8,500,000 (\$850,000) COMMON STOCK. (FILE 333-  
57644

- MAR. 27) (BR. 3)

S-1      PET QUARTERS INC, 720 EAST FRONT STREET, LONOKE, AR 72086 (501) 676-  
9222

- 2,500,000 (\$351,500) COMMON STOCK. (FILE 333-57646 - MAR. 27) (BR.  
8)

S-8 KAIRE HOLDINGS INC, 7348 BELLAIRE, NORTH HOLLYWOOD, CA 91605  
(818) 255-4996 - 12,000,000 (\$420,000) COMMON STOCK. (FILE 333-57656 -  
MAR. 27) (BR. 1)

S-8 BARNES GROUP INC, 123 MAIN ST, BRISTOL, CT 06010 (203) 583-7070 -  
135,000 (\$2,544,750) COMMON STOCK. (FILE 333-57658 - MAR. 27) (BR. 6)

S-8 IOMEGA CORP, 1821 W IOMEGA WAY, ROY, UT 84067 (801) 778-1000 -  
250,000 (\$843,750) COMMON STOCK. (FILE 333-57660 - MAR. 27) (BR. 3)

S-8 THIRD WAVE TECHNOLOGIES INC /WI, 502 S ROSA RD, MADISON, WI 53719  
(608) 273- - 11,320,800 (\$41,700,796.54) COMMON STOCK. (FILE  
333-57664 - MAR. 27) (BR. 1)

SB-2 INFOTOPIA INC, 218 TEARALL, RAYNHAM, MA 02767 (508) 884-8173 -  
245,290,955 (\$28,208,460) COMMON STOCK. (FILE 333-57666 - MAR. 27)  
(BR. 1)

S-8 APPLIX INC /MA/, 112 TURNPIKE RD, WESTBORO, MA 01581 (508) 870-0300  
-  
800,000 (\$1,925,040) COMMON STOCK. (FILE 333-57670 - MAR. 27) (BR. 3)

S-8 CONCORD COMMUNICATIONS INC, 600 NICKERSON RD, MARLBORO, MA 01752  
(508) 460-4646 - 1,500,000 (\$10,596,398.44) COMMON STOCK. (FILE 333-  
57672  
- MAR. 27) (BR. 3)

S-2 CHART HOUSE ENTERPRISES INC, 640 N LASALLE ST, STE 295, CHICAGO, IL  
60610 (619) 755-8281 - \$11,390,813 PREFERRED STOCK. (FILE 333-57674 -  
MAR. 27) (BR. 5)

S-3 INVESTORS REAL ESTATE TRUST, 12 S MAIN STREET, SUITE 100, MINOT, ND  
58701 (701) 837-4738 - 500,000 (\$4,160,000)  
CONVERTIBLE PREFERRED SHARE OF BENEFICIAL INTEREST. (FILE 333-57676 -  
MAR. 27) (BR. 8)

S-8 ADVANCED FIBRE COMMUNICATIONS INC, 1465 MCDOWELL BLVD NORTH,  
PETALUMA,  
CA 94954 (707) 794-7700 - 2,421,899 (\$37,388,065.82) COMMON STOCK.  
(FILE  
333-57678 - MAR. 27) (BR. 7)

S-8 FLEXTRONICS INTERNATIONAL LTD, 11 UBI ROAD 1,  
#07 01 02 MEIBAN INDUSTRIAL BLDG, SINGAPORE 408723, UO (065) 449-5255 -  
15,000 (\$269,532) COMMON STOCK. (FILE 333-57680 - MAR. 27) (BR. 5)

S-8 FRANKLIN RESOURCES INC, 777 MARINERS ISLAND BLVD, 6TH FLOOR, SAN  
MATEO,  
CA 94404 (650) 312-2000 - 10,392,599 (\$360,300,000) COMMON STOCK.  
(FILE  
333-57682 - MAR. 27) (BR. 7)

S-1 CHARTER FINANCIAL CORP/GA, 600 THIRD AVENUE, WEST POINT, GA 31833  
(706) 645-1391 - 5,157,750 (\$51,577,500) COMMON STOCK. (FILE 333-57684  
-  
MAR. 27) (BR. 7 - NEW ISSUE)

S-8 PTEK HOLDINGS INC, 3399 PEACHTREE RD NE, LENOX BLDG STE 400,  
ATLANTA, GA  
30326 (404) 262-8400 - 3,500,000 (\$8,925,000) COMMON STOCK. (FILE  
333-57698 - MAR. 27) (BR. 7)

S-3 REEBOK INTERNATIONAL LTD, 1895 J W FOSTER BLVD, CANTON, MA 02021  
(781) 401-5000 - 250,000,000 (\$239,062,500) STRAIGHT BONDS. (FILE  
333-57704 - MAR. 27) (BR. 6)

S-4 AON CORP, 123 N WACKER DR, CHICAGO, IL 60606 (312) 701-3000 -  
3,852,184  
(\$114,624,468) COMMON STOCK. (FILE 333-57706 - MAR. 27) (BR. 1)

S-8 MACROMEDIA INC, 600 TOWNSEND ST, STE 310 W, SAN FRANCISCO, CA 94103  
(415) 252-2000 - 5,054,858 (\$89,654,790) COMMON STOCK. (FILE 333-57708  
-  
MAR. 27) (BR. 3)

S-8 FIRST CHARTER CORP /NC/, 22 UNION ST N CONCORD, PO BOX 228, CONCORD,  
NC  
28026 (704) 786-3300 - 2,000,000 (\$28,250,000) COMMON STOCK. (FILE  
333-57710 - MAR. 27) (BR. 7)

S-3 UNIVISION COMMUNICATIONS INC, 1999 AVENUE OF THE STARS STE 3050,  
LOS ANGELES, CA 90067 (310) 556-7676 - 1,000,000,000 (\$1,000,000,000)  
STRAIGHT BONDS. (FILE 333-57712 - MAR. 27) (BR. 7)

S-3 PROCOM TECHNOLOGY INC, 58 DISCOVERY, IRVINE, CA 92618 (949) 794-4257  
-  
480,000 (\$6,540,000) COMMON STOCK. (FILE 333-57718 - MAR. 28) (BR. 3)