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SEC NEWS DIGEST

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COMMISSION ANNOUNCEMENTS

SEC ACTING CHAIRMAN LAURA S. UNGER LAUNCHES ONLINE INVESTOR SURVEY

U.S. Securities and Exchange Commission Acting Chairman Laura S. Unger today announced the SEC's launch of a web-based survey to learn more about how investors are using electronic media, including the Internet, in making investment decisions.

The SEC survey will also explore investor knowledge and experience, investor expectations of brokerage firms, trading frequencies, and how investors analyze risk.

"As technology continues to transform the securities markets, I'm asking investors to share their experience and expectations with us," Chairman Unger said. "The survey results will give us valuable insights as we continue to develop programs and policies to help investors profit from technology while avoiding potential pitfalls."

Since joining the Commission in 1997, Chairman Unger has focused on the impact of technology on the securities industry and how the Commission can optimize the benefits of technology for capital markets and investors.

The survey, which takes about 10 minutes to complete, will be available on the SEC website at www.sec.gov <<http://www.sec.gov>> until July 1, 2001. The survey will also be available on the websites of more than a dozen leading government, investor education, and financial services industry organizations to ensure the survey's widest possible distribution among investors.

The SEC retained InfoQUEST, an independent research firm, to conduct the survey and to tabulate the responses for SEC analysis. Information from investors will be strictly confidential and anonymous, and will not be used for any other purpose. Investors will not be asked to provide their names, addresses or any brokerage account information.

Investors who want to fill out a paper copy of the survey can request one by calling the SEC toll-free at 1-800-732-0330.

The SEC will issue a report on the survey's findings. (Press Rel. 2001-41)

COMMISSION MEETINGS

CLOSED MEETING – THURSDAY, MAY 10, 2001 – 11:00 A.M.

The subject matter of the closed meeting scheduled for Thursday, May 10, at 11:00 a.m. will be: Institution and settlement of injunctive actions; and Institution and settlement of administrative proceedings of an enforcement nature.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 942-7070.

ENFORCEMENT PROCEEDINGS

JOSEPH BEVACQUA, CPA, REINSTATED TO PRACTICE AS AN ACCOUNTANT RESPONSIBLE FOR THE PREPARATION OR REVIEW OF FINANCIAL STATEMENTS OF A PUBLIC COMPANY TO BE FILED WITH THE COMMISSION

Pursuant to Rule 102(e)(5) of the Commission's Rules of Practice, Joseph Bevacqua, CPA has applied for and been granted reinstatement of his privilege to appear and practice before the Commission as an accountant responsible for the preparation or review of financial statements of a public company to be filed with the Commission. Mr. Bevacqua, who was suspended from Commission practice on October 2, 1996, pursuant to a settled proceeding, has represented that he has complied and will continue to comply with the terms of the order that suspended him from appearing or practicing before the Commission as an accountant. Mr. Bevacqua's reinstatement is effective immediately. (Rel. 34-44240; AAE Rel. 1387; File No. 3-9138)

SEC CHARGES STEVIN HOOVER AND HCOVER CAPITAL MANAGEMENT, INC. WITH MISAPPROPRIATING OVER \$475,000 OF CLIENT FUNDS

On May 2, the Commission filed a civil fraud action against money manager Stevin R. Hoover and his investment advisory firm, Hoover Capital Management, Inc. (HCM), in the United States District Court for the District of Massachusetts alleging that they misappropriated over \$475,000 from their clients. During the period 1995 through 1999, when the fraudulent conduct occurred, Hoover resided and HCM was located in Boston, Massachusetts. Hoover, who was featured in 1998, 1999 and 2000 in *Worth* magazine's

annual article describing selected money managers' stock picks, currently lives in Kansas City, Missouri.

The complaint alleges that Hoover and HCM misappropriated client funds by making \$404,000 of unauthorized transfers from client accounts. The Commission alleges that Hoover misappropriated the money by forging clients' signatures and causing checks to be issued without the knowledge or approval of his clients. Hoover also overbilled clients more than \$70,000 in management fees. The Commission alleges that Hoover used some of the client monies to support his lifestyle by purchasing a car valued at more than \$40,000 and by paying off a personal credit card bill of approximately \$60,000. The complaint also alleges that one of the targets of Hoover and HCM's scheme was a 72-year old Bedford, Massachusetts widow whom Hoover victimized by forging her signature on a document authorizing \$50,000 to be transferred to the HCM operating account less than one month before she died. In addition, the Commission alleges that during 1998 and 1999 Hoover breached his fiduciary duty to his clients by obtaining more than \$1 million in personal loans from them by making misrepresentations about the purpose of the loans; a substantial portion of the personal loans remains outstanding. Further, the Commission alleges that HCM provided materials which contained significant misrepresentations regarding the firm's assets under management to clients, the media and information services which rank investment advisers. The complaint also alleges that HCM failed to disclose material information in forms filed with the Commission pursuant to the Investment Advisers Act and that HCM failed to maintain accurate books and records.

According to the complaint, Hoover and HCM violated Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 204, 206(1), 206(2), 206(4), and 207 of the Investment Advisers Act and Rules 204-2(a)(5), (6),(7),(9), and (10), 204-2(e)(1) and 206(4)-1(a)(5) thereunder. The Commission seeks disgorgement of Hoover and HCM's ill-gotten gains, plus prejudgment interest, and civil penalties. [SEC v. Stevin R. Hoover and Hoover Capital Management, Inc., Civil Action No. 01 CV 10751, RGS, USDC, D. MA] (LR-16983)

SEC BRINGS LIMIT ORDER DISPLAY MANIPULATION CASE AGAINST ROBERT MONSKI

On May 3, the Commission entered a settled cease and desist order against Robert J. Monski, a self-employed investor living in Birmingham, Alabama. The order finds that between early October and mid-November 1997, Monski placed hundreds of small buy and sell limit orders (typically the one-hundred share minimum necessary to trigger the display requirement) to affect the National Best Bid or Offer (NBBO) of thinly traded stocks. Monski used the change in the NBBO that resulted from his limit order, as required by the Limit Order Display Rule, Rule 11Ac-4, to trigger execution of pre-existing, significantly larger "all or none" limit orders he had placed on the *other* side of the market. Monski intended to use small limit orders to move the NBBO quote to meet

the execution price of larger "all or none" limit orders which were purposefully placed with one of the many brokers that guarantee execution of customer orders of 1000 to 3000 shares at the NBBO regardless of the size of the NBBO quote. After moving the bid or offer quote to the desired price, Monski immediately attempted to cancel the small order. In this manner, Monski manipulated the public quote to obtain better execution prices for hundreds of orders.

The order finds that Monski's conduct, known in the industry as "spoofing", violated the antifraud provisions, 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. Without admitting or denying the allegations, Monski consented to the entry of an order requiring him to cease and desist from violating these provisions, and requiring him to pay disgorgement and pre-judgment interest totaling \$15,000. At the same time, Monski consented to the entry of a final judgment in federal court requiring him to pay a \$10,000 civil penalty. [SEC v. Robert J. Monski, Civ. Action No. 1:01CV00943, D.D.C.] (LR-16986); (Administrative Proceedings Rels. - 33-7975; 34-44250; File No. 3-10465)

SEC FILES SETTLED INSIDER TRADING ACTION AGAINST DANIEL DUGAN

On May 2, the Commission filed civil fraud charges in the United States District Court for the District of Columbia against Daniel R. Dugan, alleging insider trading in the securities of Acuson Corporation prior to the September 27, 2000 announcement that Siemens Medical Engineering Group would make a tender offer for all of Acuson's outstanding common stock at \$23.00 per share. Dugan was the President of Acuson from November 1997 through February 2000.

The Commission's complaint alleges that, prior to the public announcement of the tender offer, Dugan learned that Acuson was about to be acquired by Siemens Medical. According to the complaint, Dugan, while in possession of this material, non-public information, purchased a total of 88,800 shares of Acuson common stock on September 26. Of these shares, 40,000 were acquired even though Dugan had made a bona fide attempt to cancel the trades that same day. Following the public announcement on September 27, Acuson shares closed at \$22.55, up 43% from the previous trading day. Dugan sold all of his Acuson shares on September 27, making a profit of \$648,101.60, consisting of \$360,848.85 from the intended purchases and \$287,252.75 from the unintended purchases.

Dugan, without admitting or denying the allegations in the Commission's complaint, consented to the entry of a final judgment permanently enjoining him from violating Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 and Rules 10b-5 and 14e-3 thereunder, and ordering him to pay \$648,101.60 in disgorgement, prejudgment interest of \$4,860.76, and a civil penalty of \$360,848.85. The Commission acknowledges the assistance provided by the New York Stock Exchange in connection with this matter. [SEC v. Daniel R. Dugan, USDC for the District of Columbia, Civil Action No. 1:01CV00940] (LR-16987)

INVESTMENT COMPANY ACT RELEASES

NATIONWIDE LIFE INSURANCE COMPANY, ET AL.

An order has been issued pursuant to Section 8(f) of the Investment Company Act declaring that NACo Variable Account and Nationwide DC Variable Account have ceased to be investment companies. NACo Variable Account and Nationwide DC Variable Account were established by Nationwide Life Insurance Company for the purpose of funding public sector deferred compensation plans established pursuant to Section 457 of the Internal Revenue Code. (Rel. IC-24971 – May 1)

USAA LIFE INSURANCE COMPANY, ET AL.

An order has been issued pursuant to Section 26(b) of the Investment Company Act to USAA Life Insurance Company, USAA Life Insurance Company Variable Annuity Separate Account (VA Separate Account) and USAA Life Variable Universal Life Insurance Separate Account (collectively, with VA Separate Account, “Accounts”) approving the substitution of (1) shares of Vanguard Variable Investment Trust (Vanguard VIT) Equity Index Portfolio for shares of Deutsche VIT Funds (Deutsche VIT) Equity 500 Index; (2) shares of Vanguard VIT Small Company Growth Portfolio for shares of Deutsche VIT Small Cap Index; (3) shares of Vanguard VIT International Portfolio for shares of USAA Life Investment Trust (LIT) International Fund and shares of Deutsche VIT EAFE® Equity Index; and (4) shares of Vanguard VIT Money Market Portfolio for shares of LIT Money Market Fund. (Rel. IC-24972 – May 1)

HOLDING COMPANY ACT RELEASES

ALLIANT ENERGY CORPORATION

A notice has been issued giving interested persons until May 25 to request a hearing on a proposal by Alliant Energy Corporation, a registered holding company, and its subsidiaries, Alliant Energy Resources, Inc. and Heartland Properties, Inc., to make tax-advantaged investments of up to \$50 million in low-income housing projects anywhere in the United States. (Rel. 35-27389)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGE

The Pacific Exchange filed Amendment No. 3 to a proposed rule change (SR-PCX-00-25) relating to the Archipelago Exchange. Publication of the order is expected in the Federal Register during the week of May 7. (Rel. 34-44233)

PARTIAL APPROVAL, ON AN ACCELERATED BASIS, OF PROPOSED RULE CHANGE

The Commission partially approved, on an accelerated basis, a proposed rule change (SR-NASD-2001-14) filed by National Association of Securities Dealers, through its subsidiary, The Nasdaq Stock Market, Inc., to modify certain initial and continued listing standards on Nasdaq. (Rel. 34-44243)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGES

A proposed rule change (SR-PHLX-2001-43) filed by the Philadelphia Stock Exchange on March 30, 2001, to revise its list of the Top 120 Options by adding options on Units of Beneficial Interest in the Nasdaq-100 Trust, Series 1, which are widely known as and traded under the symbol "QQQ," has become immediately 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 7. (Rel. 34-44237)

A proposed rule change (SR-CBOE-2001-12) filed by the Chicago Board Options Exchange to amend its rules governing split-price executions on its Retail Automatic Execution System, 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 7. (Rel. 34-44244)

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>.

- F-6 BANCO ITAU SA /ADR/, TIMOTHY F KEANEY BANK OF NEW YORK,
101 BARCLAY ST 22W, NEW YORK, NY 10286 (212) 815-2129 - 50,000,000
(\$2,500,000) DEPOSITARY RECEIPTS FOR PREFERRED STOCK. (FILE 333-13394
-
APR. 20) (BR. 99 - NEW ISSUE)
- F-10 AIR CANADA /QUEBEC/, PO BOX 14000, QUEBEC H4Y 1H4 CANADA, A8 -
400,000,000 (\$382,240,560) FOREIGN GOVERNMENT AND AGENCY DEBT. (FILE
333-13398 - APR. 23) (BR. 5)
- F-6 SCOTTISH POWER PLC /ADR, 101 BARCLAY ST, C/O BANK OF NEW YORK, NEW
YORK,
NY 10286 (212) 495-1784 - 200,000,000 (\$10,000,000)
DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 333-13404 - APR. 24) (BR.
99)
- F-8 BAYTEX ENERGY LTD, 2200 101 6TH AVE SW, CALGARY ALBERTA, A0
(403) 269-4282 - 1,500,000 (\$3,554,023.50) FOREIGN COMMON STOCK. (FILE
333-13406 - APR. 24) (BR. 4)
- F-3 IIS INTELLIGENT INFORMATION SYSTEMS LTD, 33 JABOTINSKY ST,
RAMAF GAN ISREAL, YOKNEAM 20692 ISRAEL, L3 (972) 489-2077 - 1,479,999
(\$2,908,198.04) FOREIGN COMMON STOCK. (FILE 333-59548 - APR. 26) (BR.
3)
- S-3 NTELOS INC, 401 SPRING LN PO BOX 1990, STE 300, WAYNESBORO, VA 22980
(540) 946-3500 - 504,000 (\$9,208,080) COMMON STOCK. (FILE 333-59554 -
APR. 26) (BR. 7)
- S-3 NTELOS INC, 401 SPRING LN PO BOX 1990, STE 300, WAYNESBORO, VA 22980
(540) 946-3500 - 280,000 (\$210,000) COMMON STOCK. (FILE 333-59556 -
APR. 26) (BR. 7)
- S-3 ATLANTIC CITY ELECTRIC TRANSITION FUNDING LLC, 800 KING STREET,
WILMINGTON, DE 19899 (302) 429-3114 - 1,000,000 (\$1,000,000)
STRAIGHT BONDS. (FILE 333-59558 - APR. 26) (BR. 7 - NEW ISSUE)
- S-8 AMERICAN COMMUNICATIONS ENTERPRISES INC, 7103 PINE BLUFFS TRAIL,
AUSTIN,
TX 78729 (512) 249-2344 - 15,973,451 (\$361,000) COMMON STOCK. (FILE
333-59560 - APR. 26) (BR. 9)
- S-8 II GROUP INC, 7000 W PALMETTO PARK RD, SUITE 501, BOCA RATON, FL
33433
(561) 620-9202 - 1,100,000 (\$176,000) COMMON STOCK. (FILE 333-59562 -
APR. 26) (BR. 9)
- S-8 POWER INTEGRATIONS INC, 477 NORTH MATHILDA AVENUE, SUNNYVALE, CA
94086
(408) 523-9210 - 1,371,518 (\$27,457,790) COMMON STOCK. (FILE 333-59564
-
APR. 26) (BR. 6)

S-8 FRIEDMANS INC, 4 WEST STATE ST, SAVANNAH, GA 31401 (912) 233-9333 -
575,000 (\$3,780,625) COMMON STOCK. (FILE 333-59566 - APR. 26) (BR. 2)

S-8 O REILLY AUTOMOTIVE INC, 233 S PATTERSON, SPRINGFIELD, MO 65802
(417) 862-2674 - 1,000,000 (\$21,040,000) COMMON STOCK. (FILE 333-59568
- APR. 26) (BR. 2)

S-8 TRANSACT TECHNOLOGIES INC, 7 LASER LANE, WALLINGFORD, CT 06492
(203) 269-1198 - 150,000 (\$829,500) COMMON STOCK. (FILE 333-59570 -
APR. 26) (BR. 3)

S-8 VIAVID BROADCASTING INC, 3955 GRAVELEY ST., V5C 3T4, BURNABY BC, A1
00000 (604) 669-0047 - 200,000 (\$62,000) COMMON STOCK. (FILE 333-59574
- APR. 26) (BR. 8)

S-8 LITEWAVE CORP, 11300 W. OLYMPIC BOULEVARD, SUITE 800, LOS ANGELES,
CA
90064 (305) 805-0344 - 850,000 (\$305,500) COMMON STOCK. (FILE 333-
59576 - APR. 26) (BR. 7)

S-8 OCCUPATIONAL HEALTH & REHABILITATION INC, 175 DERBY STREET, SUITE
36,
HINGHAM, MA 02043 (781) 741-5175 - 154,000 (\$383,075) COMMON STOCK.
(FILE 333-59578 - APR. 26) (BR. 1)

S-8 PARADYNE NETWORKS INC, 8545 126TH AVE N, PO BOX 2826, LARGO, FL
33773
(727) 530-2000 - 8,000,000 (\$16,400,000) COMMON STOCK. (FILE 333-59580
- APR. 26) (BR. 36)

S-8 LIQUID AUDIO INC, 810 WINSLOW STREET, REDWOOD CITY, CA 94063
(650) 549-2000 - 3,553,374 (\$6,371,644) COMMON STOCK. (FILE 333-59582
- APR. 26) (BR. 3)

S-8 JAWZ INC, 12 CONCORDE GATE, SUITE 900 M3G 3N6, TORONTO ONTARIO, A0
T2T 0
(416) 444-2526 - 1,020,000 (\$969,000) COMMON STOCK. (FILE 333-59586 -
APR. 26) (BR. 3)

S-8 SILICON VALLEY BANCSHARES, 3003 TASMAN DR, M/S NC820, SANTA CLARA,
CA
95054 (408) 654-7400 - 2,000,000 (\$48,660,000) COMMON STOCK. (FILE
333-59590 - APR. 26) (BR. 7)

S-3 OPEN MARKET INC, ONE WAYSIDE ROAD, BURLINGTON, MA 01803 (781) 359-
3000
- 9,369,113 (\$9,509,650) COMMON STOCK. (FILE 333-59592 - APR. 26)
(BR. 3)

S-3 JOHNSON CONTROLS INC, 5757 N GREEN BAY AVENUE, P O BOX 591,
MILWAUKEE,
WI 53201 (414) 228-1200 - 2,000,000 (\$145,730,000) COMMON STOCK. (FILE
333-59594 - APR. 26) (BR. 6)

S-8 EXCO RESOURCES INC, 5735 PINELAND DR, STE 235, DALLAS, TX 75231
(214) 368-2084 - 600,000 (\$11,556,000) COMMON STOCK. (FILE 333-59596 -
APR. 26) (BR. 4)

S-8 VENCOR INC /NEW/, ONE VENCOR PLACE, 680 S FOURTH ST, LOUISVILLE, KY
40202 (502) 596-7300 - 1,200,000 (\$35,196,000) COMMON STOCK. (FILE
333-59598 - APR. 26) (BR. 8)

S-3 EL PASO CORP/DE, 1001 LOUISIANA ST, EL PASCO ENERGY BLDG, HOUSTON,
TX
77002 (713) 420-2131 - 12,190,000 (\$819,777,500) COMMON STOCK. (FILE
333-59604 - APR. 26) (BR. 2)

S-8 CENTERSPAN COMMUNICATIONS CORP, 7175 NW EVERGREEN PARKWAY, #400,
HILLSBORO, OR 97124 (503) 615-3200 - 3,335,000 (\$48,601,125) COMMON
STOCK.
(FILE 333-59610 - APR. 26) (BR. 3)

S-8 MFN FINANCIAL CORP, 100 FIELD DR, STE 340, LAKE FOREST, IL 60045
(847) 295-8600 - 500,000 (\$2,482,500) COMMON STOCK. (FILE 333-59612 -
APR. 26) (BR. 7)

S-4 FIRST UNION CORP, ONE FIRST UNION CTR, CHARLOTTE, NC 28288
(704) 374-6565 - 230,584,500 (\$4,344,661,745) COMMON STOCK. (FILE
333-59616 - APR. 26) (BR. 7)

S-3 VANS INC, 15700 SHOEMAKER AVENUE, SANTA FE SPRINGS, CA 90670
(562) 565-8267 - 2,875,000 (\$51,491,250) COMMON STOCK. (FILE 333-59620
-
APR. 27) (BR. 6)

S-4 CSC HOLDINGS INC, 1111 STEWART AVENUE, BETHPAGE, NY 11714 (513) 803-
2300
- 1,000,000,000 (\$1,000,000,000) STRAIGHT BONDS. (FILE 333-59626 -
APR. 27) (BR. 7)