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SEC NEWS DIGEST

Issue 2000-214

November 7, 2000

COMMISSION ANNOUNCEMENTS

COMMISSION MEETINGS

Following is a schedule of Commission meetings which will be conducted under provisions of the Government in the Sunshine Act. Meetings will be scheduled according to the requirements of agenda items under consideration.

Meetings will be held in the Commission Meeting Room, Room 1C30, at the Commission's headquarters building, 450 Fifth Street, N.W., Washington, D.C. Visitors are welcome at all open meetings, insofar as space is available. Persons wishing to photograph or videotape Commission meetings must obtain permission in advance from the Secretary of the Commission. Persons wishing to tape record a Commission meeting should notify the Secretary's office 48 hours in advance of the meeting.

Any member of the public who requires auxiliary aids such as a sign language interpreter or material on tape to attend a public meeting should contact Rochelle Franks, Office of Administrative and Personnel Management, to make arrangements. Ms. Franks can be reached at TTY number (202) 942-9558. If you are calling from a non-TTY number, please call the Relay Service at 1-800-877-8339.

OPEN MEETING - WEDNESDAY, NOVEMBER 15, 2000 - 10:00 A.M.

An open meeting will be held on Wednesday, November 15, 2000, at 10:00 a.m. in Room 6600. The subject matter of the open meeting scheduled for Wednesday, November 15, 2000 will be:

The Commission will consider adopting rule amendments to its auditor independence requirements. The rule amendments are intended to modernize the Commission's regulations regarding:

- (1) investments by auditors and members of their families;
- (2) auditors' employment relationship; and

- (3) the scope of services provided by audit firms to their audit clients.

In addition, the rules would require companies to disclose in their annual proxy statements certain information about non-audit services provided by their auditors during the last fiscal year.

For further information, contact: John Morrissey or Sam Burke, Office of the Chief Accountant at (202) 942-4400.

ADDITIONAL AGENDA FOR NOVEMBER 15, 2000 OPEN MEETING – 10:00 A.M.

- (1) The Commission will consider adopting two rules that would require greater disclosure of order execution and order routing practices by market centers and brokers. For further information, contact: Susie Cho, Division of Market Regulation at (202) 942-0748; and
- (2) Consideration will be given to adopting rules regarding the quotation obligations of options exchanges and market makers, and disclosure by broker-dealers of executions of customer options orders at prices inferior to the best available quote. For further information contact: Heather Traeger, Division of Market Regulation at (202) 942-0763.

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.

COMMISSION TO CONSIDER ADOPTION OF RULES GOVERNING AUDITOR INDEPENDENCE AT OPEN MEETING ON NOVEMBER 15, 2000

On November 6, Chairman Arthur Levitt announced that the Commission will consider adoption of rules governing auditor independence at an open meeting on November 15, 2000 at 10 a.m. EST. Chairman Levitt issued the following statement:

The Commission will hold an open meeting on November 15, 2000 to consider adoption of rules governing auditor independence. After four days of public hearings, almost 3,000 comment letters, and months of discussions with those in the accounting profession, the time has come for the Commission to act.

In recent weeks, much progress has been made. The rhetoric has died down and honest ideas have been exchanged. The Commission's staff has heard the specific concerns of all of the Big 5 firms and the AICPA. I believe the final rule will reflect, to a great extent, those concerns. And we are still talking with those who continue to have reservations.

I know some would prefer that the Commission postpone consideration of this issue for six months. While I respect the views of those in Congress and in the

profession who believe the SEC should defer its rulemaking, I believe delay will not serve the interests of America's investors. Delay will not add to areas of agreement or resolve areas of difference.

I am hopeful all of the profession will join the Commission in ensuring that public confidence in the numbers continues to be the wellspring of healthy, vibrant markets. (Press Rel. 2000-167)

ESTEE LEVINE NAMED DIRECTOR OF THE OFFICE OF CONGRESSIONAL AND INTERGOVERNMENTAL AFFAIRS

Chairman Arthur Levitt today named Estee S. Levine Director of the Office of Congressional and Intergovernmental Affairs. Ms. Levine, currently Counsel to Chairman Levitt, succeeds Tracey E. Aronson, who was recently named Chief of Staff to the Chairman.

Chairman Levitt said, "Estee is an integral part of my management team. As Counsel she has played an important role in the various policy issues facing the Commission these past seven months. I look forward to Estee's continued wise counsel as she begins this new critical role."

As Director of the Office of Congressional and Intergovernmental Affairs, Ms. Levine will serve as the principal counsel to Chairman Levitt and the Commission on legislative and intergovernmental matters. Prior to becoming Counsel to Chairman Levitt in March 2000, Ms. Levine served as Senior Special Counsel in the SEC's Office of the General Counsel, specializing in issues involving corporation finance, accounting, and international affairs. Prior to joining the Commission in 1997, Ms. Levine practiced corporate and securities law at the law firm of Baker & Botts, LLP in Washington, DC.

Ms. Levine, 34, earned both her J.D. and B.A. degrees from Duke University. (Press Rel. 2000-168)

ENFORCEMENT PROCEEDINGS

COMMISSION DISMISSES APPEAL OF JOSEPH DILLON & CO., INC.

The Commission has dismissed the appeal of Joseph Dillon & Co., Inc., an NASD member, from the decision of the NASD denying Dillon an exemption from NASD Conduct Rule 3010(b)(2). That rule requires any NASD member firm that employs a specified number of registered persons who were, within the prior three years, associated with any "disciplined firms," as that term is defined in the rule, to implement special supervisory procedures, including the tape-recording of all telephone conversations with customers. In denying Dillon's exemption request, the NASD found that Dillon had not

proposed "any heightened supervisory procedures or provide[d] for additional training for the registered persons."

The Commission concluded that the NASD's action did not fall within any of the categories set forth in Section 19(d) of the Securities Exchange Act of 1934 authorizing Commission review of self-regulatory organization action. (Rel. 34-43523; File No. 3-10190)

JEROME NELL AND JACQUELINE NELL ENJOINED AND FINED FOR INSIDER TRADING

On November 3, the Commission filed a civil complaint in the Eastern District of Michigan against Jerome J. Nell (Nell) and Jacqueline Nell (J. Nell). The complaint alleges that in October 1999, Nell and J. Nell engaged in insider trading when they purchased and/or tipped others to purchase the stock of MCN Energy Group Inc., a Michigan corporation, while in possession of material, non-public information about the impending merger between MCN and DTE Energy Co., which was announced on October 5, 1999. As a result, Nell realized approximately \$76,500 in trading profits from his purchase of MCN stock. Nell and J. Nell consented, without admitting or denying the allegations in the complaint, to an order enjoining them from future violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and ordering them to pay a total of \$76,500 in disgorgement, \$3,018 in prejudgment interest, and \$76,500 in civil penalties. The settlements are subject to approval by the Court. [SEC v. Jerome J. Nell and Jacqueline Nell, USDC, ED Michigan, Civil Action No. 00-C-74850] (LR-16790)

SEC SUES FORMER NATIONSBANK OFFICER AND FRIEND IN \$1.2 MILLION, THREE YEAR, SERIAL INSIDER TRADING SCHEME; CRIMINAL INDICTMENT FOR RELATED CHARGES UNSEALED

The Commission today filed an insider trading complaint in the U.S. District Court for the Southern District of New York against Richard A. Svoboda, a former NationsBank, N.A. employee, and his long-time friend Michael A. Robles, a self-employed certified public accountant.

According to the complaint, Svoboda, a Credit Policy officer in the Dallas, Texas office of NationsBank, was responsible for evaluating existing and proposed credit arrangements with NationsBank corporate clients. In that context, Svoboda often obtained material nonpublic information concerning NationsBank's corporate clients or entities engaged in negotiations with NationsBank corporate clients, including advance notice of mergers, tender offers, quarterly results and other confidential material positive and negative developments. For more than three years, from June 1994 through December 1997, Svoboda misappropriated material nonpublic information from NationsBank concerning nineteen of NationsBank's corporate clients. On twelve occasions Svoboda traded securities while in possession of material nonpublic information. On seventeen occasions Svoboda tipped Robles who then traded while in

possession of material nonpublic information. The two defendants made more than \$1.2 million in illegal profits.

The Commission's complaint seeks to permanently enjoin Svoboda and Robles from violating Section 17(a) of the Securities Act of 1933, Sections 10(b) and 14(e) of the Securities Exchange Act of 1934, and Rules 10b-5 and 14e-3 thereunder. The complaint also seeks disgorgement of all ill-gotten gains, prejudgment interest, and civil monetary penalties.

In a related action, the United States Attorney for the Southern District of New York announced today the return of a twenty-count indictment charging Svoboda and Robles with conspiracy to commit securities fraud, securities fraud and fraud in connection with tender offers. [SEC v. Richard A. Svoboda and Michael A. Robles, 00 Civ. No., SDNY] (LR-16791)

INVESTMENT COMPANY ACT RELEASES

THE LATIN AMERICA INVESTMENT FUND, INC., ET AL.

An order has been issued on an application filed by the Latin America Investment Fund Inc., The Latin America Equity Fund, Inc. and Credit Suisse Asset Management, LLC 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-24726 – November 3)

FIRSTAR FUNDS, INC., ET AL.

A notice has been issued giving interested persons until November 24 to request a hearing on an application filed by Firstar Funds, Inc., et al. for an exemption from Section 17(a) of the Investment Company Act. The order would permit certain series of Firstar Funds, Inc. to acquire all of the assets and liabilities of all of the series of Firstar Stellar Funds, Mercantile Mutual Funds, Inc., and Firstar Select Funds. Because of certain affiliations, applicants may not rely on Rule 17a-8 under the Act. (Rel. IC-24727 – November 3)

NATIONAL LIFE INSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until November 24 to request a hearing on an application filed by National Life Insurance Company (NLIC), National Variable Annuity Account II (Annuity Account), and National Variable Life Insurance Account (Life Account) (collectively, Applicants). Applicants seek an order approving the substitution of securities issued by certain management investment companies and held by either the Annuity Account or the Life Account to support variable annuity

contracts or variable life insurance contracts issued by NLIC. Applicants also seek an order of the Commission pursuant to Section 17(b) of the Investment Company Act exempting them, Market Street Fund, Inc. (MSF) and Sentinel Variable Products Trust (SVPT), and certain investment portfolios of each, from Section 17(a) of the Act to the extent necessary to permit NLIC to carry out certain of the above-referenced substitutions of securities by redeeming shares issued by MSF in kind and using the proceeds to purchase shares issued by SVPT. (Rel. IC-24728 – November 3)

HOLDING COMPANY ACT RELEASES

GPU, INC.

An order has been issued authorizing GPU, Inc. (GPU), a registered holding company, to solicit proxies from its shareholders regarding transactions related to the merger of GPU with FirstEnergy Corp, a public utility holding company claiming exemption from the Public Utility Holding Company Act under Section 3(a)(1) of the Act. (Rel. 35-27267)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGES

A proposed rule change (SR-BSE-00-12) filed by the Boston Stock Exchange relating to the time period for filing claims against specialists has been filed, as amended, under Section 19(b)(2) of the Securities Exchange Act of 1934. Publication of the notice is expected in the Federal Register during the week of November 6. (Rel. 34-43506)

The International Securities Exchange has filed a proposed rule change (SR-ISE-00-09), which amends ISE Rule 810 regarding “Chinese Wall” procedures. Publication of the proposal is expected in the Federal Register during the week of November 6. (Rel. 34-43508)

APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change (SR-PCX-00-12) filed by the Pacific Exchange pursuant to Rule 19b-4 which expands the disciplinary jurisdiction of the Ethics and Business Conduct Committee. Publication of the order is expected in the Federal Register during the week of November 6. (Rel. 34-43509)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change filed by the Pacific Exchange changing its schedule of rates and charges (SR-PCX-00-41) 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 November 6. (Rel. 34-43510)

DELISTINGS GRANTED

An order has been issued granting the application of the Pacific Exchange to strike from listing and registration the Common Stock, \$.01 par value, of Netter Digital Entertainment, Inc. (Rel. 34-43511)

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 Envision Development Corporation. (Rel. 34-43512)

WITHDRAWAL GRANTED

An order has been issued granting 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- 43513)

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>.

SB-2 USA TECHNOLOGIES INC, 200 PLANT AVENUE, WAYNE, PA 19087 (610) 989-0340
- 2,500,000 (\$3,313,000) COMMON STOCK. (FILE 333-48972 - OCT. 30) (BR. 8)

S-1 METAWAVE COMMUNICATIONS CORP, 10735 WILLOWS ROAD NE, P O BOX 97069, REDMOND, WA 98073 (425) 702-5648 - 5,361,803 (\$52,974,613.64) COMMON STOCK.
(FILE 333-48976 - OCT. 31) (BR. 7)

S-8 METAWAVE COMMUNICATIONS CORP, 10735 WILLOWS ROAD NE, P O BOX 97069,

REDMOND, WA 98073 (425) 702-5648 - 124,377 (\$2,448,983.13) COMMON
 STOCK.
 (FILE 333-48978 - OCT. 31) (BR. 7)

S-8 THOR VENTURES CORP, 24843 DEL PRADO, STE 318, DANA POINT, CA 92629
 (949) 248-1765 - 150,000 (\$45,000) COMMON STOCK. (FILE 333-48982 -
 OCT. 31) (BR. 9)

S-11 WELLS REAL ESTATE FUND XIII L P, 3885 HOLCOMB BRIDGE RD, NORCROSS,
 GA
 30092 (404) 449-7800 - 4,500,000 (\$45,000,000) PREFERRED STOCK. (FILE
 333-48984 - OCT. 31) (BR. 8 - NEW ISSUE)

S-3 GREATER COMMUNITY BANCORP, 55 UNION BLVD, TOTOWA, NJ 07512
 (973) 942-1111 - 300,000 (\$2,550,000) COMMON STOCK. (FILE 333-48986 -
 OCT. 31) (BR. 7)

S-3 HOMESEEKERS COM INC, 6490 SOUTH MCCARRAN BLVD, SUITE 28, RENO, NV
 89509
 (775) 827-6886 - 1,157,537 (\$759,691.53) COMMON STOCK. (FILE 333-48990
 -
 OCT. 31) (BR. 9)

S-8 EDIETS COM INC, 3467 W HILLSBORO BLVD., DEERFIELD BEACH, FL 33442
 (954) 360-9022 - 900,000 (\$1,350,000) COMMON STOCK. (FILE 333-48996 -
 OCT. 31) (BR. 9)

S-8 LOUISIANA PACIFIC CORP, 111 SW FIFTH AVE, SUITE 4200, PORTLAND, OR
 97204
 (503) 221-0800 - 1,500,000 (\$13,365,000) COMMON STOCK. (FILE 333-48998
 -
 OCT. 31) (BR. 6)

S-8 ATLAS AIR INC, 538 COMMONS DR, GOLDEN, CO 80401 (303) 526-5050 -
 3,200,000 (\$113,440,000) COMMON STOCK. (FILE 333-49002 - OCT. 31) (BR.
 5)

S-8 RURAL METRO CORP /DE/, 8401 EAST INDIAN SCHOOL RD, SCOTTSDALE, AZ
 85251
 (480) 994-3886 - 2,000,000 (\$3,157,822.50) COMMON STOCK. (FILE 333-
 49004 -
 OCT. 31) (BR. 5)

S-8 HARRIS CORP /DE/, 1025 W NASA BLVD, MELBOURNE, FL 32919 (321) 727-
 9100
 - 10,000,000 (\$247,500,000) COMMON STOCK. (FILE 333-49006 - OCT. 31)
 (BR. 7)

S-8 MERIDIAN GOLD INC, 9670 GATEWAY DR, #200, RENO, NV 89511 (702) 827-
 3777
 - 3,551,793 (\$18,433,805) COMMON STOCK. (FILE 333-49008 - OCT. 31)
 (BR. 4)

S-1 CHORUM TECHNOLOGIES INC, 1303 E ARAPAHO RD, RICHARDSON, TX 75081 -
 \$150,000,000 COMMON STOCK. (FILE 333-49010 - OCT. 31) (BR. 36)

S-8 DELL COMPUTER CORP, ONE DELL WAY, STED, ROUND ROCK, TX 78682

(512) 728-4737 - 100,000,000 (\$2,650,000,000) COMMON STOCK. (FILE 333-49014 - OCT. 31) (BR. 3)

S-8 DELL COMPUTER CORP, ONE DELL WAY, STED, ROUND ROCK, TX 78682
 (512) 728-4737 - 5,000,000 (\$132,500,000) COMMON STOCK. (FILE 333-49016 - OCT. 31) (BR. 3)

S-3 ENCHIRA BIOTECHNOLOGY CORP, 4200 RESEARACH FOREST DR, THE WOODLANDS, TX
 77381 (281) 364-6142 - 2,631,375 (\$19,406,390.62) COMMON STOCK. (FILE 333-49018 - OCT. 31) (BR. 1)

S-3 CYGNUS INC /DE/, 400 PENOBSCOT DR, REDWOOD CITY, CA 94063 (650) 369-4300
 - \$36,000,000 COMMON STOCK. (FILE 333-49020 - OCT. 31) (BR. 1)

S-8 ALLSTATE CORP, 2775 SANDERS ROAD, NORTHBROOK, IL 60062 (847) 402-5000 -
 40,000,000 (\$40,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 333-49022 - OCT. 31) (BR. 1)

S-3 TEJON RANCH CO, 4436 LEBEC ROAD, PO BOX 1000, LEBEC, CA 93243
 (661) 248-3000 - \$30,000,000 COMMON STOCK. (FILE 333-49024 - OCT. 31) (BR. 4)

S-8 CV THERAPEUTICS INC, 3172 PORTER DR, PALO ALTO, CA 94304 (650) 812-0585
 - 250,000 (\$18,994,934) COMMON STOCK. (FILE 333-49026 - OCT. 31) (BR. 1)

S-8 SUSTAINABLE DEVELOPMENT INTERNATIONAL INC, 10240 124 ST, SUITE 208, EDMONSTON ALBERTA T5, A0 00000 (403) 488-9221 - 550,000 (\$286,000) COMMON STOCK. (FILE 333-49028 - OCT. 31) (BR. 9)

S-3 RAVENSWOOD WINERY INC, 18701 GEHRICKE RD, SUITE 308, SONOMA, CA 95476 -
 300,000 (\$4,256,250) COMMON STOCK. (FILE 333-49030 - OCT. 31) (BR. 9)

S-8 CHORDIANT SOFTWARE INC, 20400 STEVENS CREEK BLVD, SUITE 400, CUPERTINO, CA 95014 (408) 517-6100 - 3,813,234 (\$27,552,781.84) COMMON STOCK. (FILE 333-49032 - OCT. 31) (BR. 3)

S-3 ATLANTIC TECHNOLOGY VENTURES INC, 1017 MAIN CAMPUS DRIVE, SUITE 3900, RALEIGH, NC 27606 (919) 513-7020 - 1,647,312 (\$3,603,495) COMMON STOCK. (FILE 333-49036 - OCT. 31) (BR. 1)

S-1 ADVANCED VIRAL RESEARCH CORP, 1250 E HALLANDALE BEACH BLVD, STE 501, HALLANDALE, FL 33009 (954) 458-7636 - 10,000,000 (\$30,000,000) COMMON STOCK. (FILE 333-49038 - OCT. 31) (BR. 1)

SB-2 REMOTE UTILITIES NETWORK INC, 955 S VIRGINIA ST, SUITE 116, RENO, NV

89502 (775) 322-7552 - 100,000 (\$10,000) COMMON STOCK. (FILE 333-49042
-
NOV. 01) (BR. 9)

SB-2 SANGUINE CORP, 101 EAST GREEN ST, #11, PASADENA, CA 91105 (818) 405-
0079
- 17,498,701 (\$7,655,681) COMMON STOCK. (FILE 333-49044 - NOV. 01)
(BR. 1)

S-8 FORTEL INC /CA/, 46328 LAKEVIEW BLVD, FREMONT, CA 94538 (510) 440-
9600
- 1,018,000 (\$2,927,700.94) COMMON STOCK. (FILE 333-49046 - NOV. 01)
(BR. 4)

F-3 DESWELL INDUSTRIES INC, UNIT 516-517 HONG LEONG INDUSTRIAL,
COMPLEX #4 WANG KWONG RD, KOWLOON BAY KOWLOON, K3 (212) 732-0030 -
500,000
(\$8,000,000) COMMON STOCK. (FILE 333-49050 - NOV. 01) (BR. 6)