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SEC NEWS DIGEST

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ENFORCEMENT PROCEEDINGS

CIVIL COMPLAINT FILED AGAINST DANIEL ZESSINGER

On August 2, the Commission filed a complaint in the United States District Court for the Eastern District of Missouri against defendant Daniel L. Zessinger (Zessinger) seeking an order under Section 21(e) of the Securities Exchange Act of 1934.

On October 8, 1996, the Commission issued an order making final the Initial Decision in the administrative proceeding In the Matter of Daniel L. Zessinger, Administrative Proceeding File No. 3-8838, pursuant to Section 8A of the Securities Act of 1933 and Sections 15(b), 19(h) and 21C of the Exchange Act. The Initial Decision found that Zessinger, a registered representative of Prudential Securities, Inc., violated the antifraud provisions of the federal securities laws by churning the accounts of his customers, and engaging in misconduct regarding the account of an elderly widow. Zessinger was ordered to pay disgorgement of \$19,340 and prejudgment interest of \$7,652, with continued interest accrual. He was also ordered to pay a civil penalty of \$100,000. Zessinger has not paid any of the required payments. The complaint seeks to have an order issued pursuant to Section 21(e) of the Exchange Act, requiring Zessinger to comply with the Commission's order to pay these amounts. [SEC v. Daniel L. Zessinger, Civil Action No. 4:01-CV-01222DJS, E.D.M. August 2, 2001] (LR-17096)

COMPLAINT FILED AGAINST HARRIS BALLOW AND OTHERS ALLEGING MARKET MANIPULATION IN THE STOCK OF EVANS SYSTEMS, INC., A TEXAS CORPORATION

The Commission filed a complaint in the Southern District of Texas seeking an Order of Permanent Injunction and other ancillary relief against Harris Dempsey Ballow, Christopher Harless, Murry Shepherd and Diane L. Johnson in Securities and Exchange Commission v. Harris Dempsey Ballow, Christopher Harless, Murry Shepherd and Diane L. Johnson, [Civil Action No. H-01-2579, S.D. Texas]. The complaint alleges that Ballow, Harless, Shepherd and Johnson manipulated the market for the common stock of Evans Systems, Inc., a Texas corporation, and thereby violated 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 complaint seeks civil penalties and disgorgement against Ballow, and civil penalties against Harless, Shepherd and Johnson.

Specifically, the complaint alleges that the defendants established numerous nominee brokerage accounts in the United States and Canada using the names of shell corporations controlled by the defendants. After acquiring large positions in Evans Systems stock in the nominee accounts, the complaint alleges, the defendants conducted numerous fraudulent "wash sales" and "matched orders" in the stock between the accounts. The complaint further alleges that Ballow personally profited from the scheme by transferring approximately \$1.4 million out of the nominee accounts during the course of the manipulation. [SEC v. Harris Dempsey Ballow, Christopher Harless, Murry Shepherd and Diane L. Johnson, Civil Action No. H-01-2579, Southern District of Texas] (LR-17097)

JOB HOVIK INDICTED

On August 2, the United States Attorney for the Central District of California announced the criminal indictment of Job Kjell Hovik on five counts of mail fraud and aiding and abetting mail fraud, one count of wire fraud and aiding and abetting wire fraud, and two counts of criminal contempt of injunctive orders entered against him in the Commission's prior action SEC v. David A. Colvin, et al., [Civil Action No. SA98-135, AHS, Eex].

The indictment alleges that in or about December 1996, Hovik and others established Medical Advantage, Inc. (also a defendant in SEC v. Colvin) for the purported purpose of opening weight loss clinics throughout the United States, and that in about April 1997, Hovik entered into an arrangement with David Colvin whereby Colvin would provide financing for Medical Advantage through the sale of stock in the company. It is alleged that Hovik aided and abetted the fraudulent solicitation of investors by preparing false and misleading sales and marketing materials, making presentations to the telemarketers and speaking to investors about Medical Advantage. Among other things, Hovik falsely represented to investors that Medical Advantage had thirty operating clinics when it never had more than three clinics; the clinics were profitable and successful; Medical Advantage would complete an IPO of Medical Advantage stock in the near future or had in fact completed the IPO; former United States Surgeon General C. Everett Koop was on the Board of Directors of Medical Advantage; and news anchor Tom Brokaw was a spokesperson for Medical Advantage.

The indictment further alleges that Hovik violated the Temporary Restraining Order issued on February 20, 1998, and the Permanent Injunction entered against him on April 15, 1999, when he made fraudulent representations to induce an investor to invest additional funds in Medical Advantage on March 5, 1998, in violation of the TRO; and offered and sold unregistered securities of Global Medical Informatics, Inc., on September 15, 1998, in violation of the permanent injunction.

Previously, on February 29, 2000, two other defendants in SEC v. Colvin, David A. Colvin and John Larson a/k/a John St. John, and a salesperson were indicted. All three were indicted on fourteen counts of securities fraud and eleven counts of mail fraud. Colvin was also indicted on eight counts of money laundering and one count of making an unlawful monetary transaction and aiding and abetting such a transaction [U.S. v. David A. Colvin, John Larson a.k.a. John St. John and Aldo Tarallo a.k.a. Al Tarall, CR 00-186, C.D. Cal.]. For additional information, see LR-15651 (February 24, 1998), LR-15683 (March 25, 1998), LR-16142 (May 13, 1999); and LR-16255 (August 19, 1999). [U.S.v. Job Kjell Hovik, CR 01-732, C.D. Cal.] (LR-17098)

TRUST INDENTURE ACT RELEASE

ALLIED WASTE NORTH AMERICA, INC.

On August 8, the Commission issued an order under the Trust Indenture Act of 1939 on an application by Allied Waste North America, Inc., pursuant to Section 304(d) of the Act. The Commission's order exempts from Section 314(d) of the Act the indenture dated December 23, 1998, and supplemented by an indenture dated January 30, 2001, between Allied Waste North America, Inc., and U.S. Bank Trust National Association. (Trust Indenture Act Rel. 2392)

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 PEPSICO INC, 700 ANDERSON HILL RD, PURCHASE, NY 10577 (914) 253-2000 - 22,064,200 (\$517,893,230) COMMON STOCK. (FILE 333-66632 - AUG. 03)
(BR. 2)