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SEC NEWS DIGEST

Issue 2001-196

October 11, 2001

COMMISSION ANNOUNCEMENTS

ADOPTION OF UPDATED EDGAR FILER MANUAL

On September 24, 2001, the Commission issued a release adopting an updated version of the EDGAR Filer Manual, Release 8.0, Volume I-Modernized EDGARLink. Whenever we make changes to EDGARLink, the filer assistance software, the manual must reflect those changes.

EDGAR Release 8.0 was the most recent step in the Commission's modernization project. The Internet Forms Viewer and the Java Runtime Environment software packages, which are incorporated into EDGARLink were updated. The templates within EDGARLink have also been updated to include additional screens and fields to report fee information. Multiple offsets for a single submission are now allowed. There is also a new fee-estimating function which automatically calculates the fee, based on filer data. The calculations will be kept current by the Fee Rate Table file, which will be updated by the SEC and downloaded by the filer.

For further information about the update to the Filer Manual, please contact Peggy Favor, (202) 942-8900, in the Office of Filings and Information Services. (Refs. 33-8007; 34-44834; and IC-25168)

RULES AND RELATED MATTERS

ORDER REGARDING GOVERNMENT SECURITIES RECONCILIATIONS

On October 10, 2001, the Commission issued an order that broker-dealers need not consider the days October 6, 2001 through October 19, 2001, inclusive, as business or calendar days for purposes of taking deductions, when computing net capital under Rule 15c3-1 or for purposes of determining the amount of cash and/or qualified securities required to be maintained in a "Special Reserve Bank Account for the Exclusive Benefit of Customers" in accordance with the formula set forth in Exhibit A to Rule 15c3-3, arising from aged fail transactions in government securities and unresolved reconciliation

differences with accounts or clearing corporations or depositories involving government securities. This order does not extend any relief previously provided by the Commission concerning Exchange Act Rule 10b-18 or pooling-of-interests provisions with regard to purchases by registrants of their own securities. (Rel. 34-44916)

SEMIANNUAL REGULATORY AGENDA

The Commission has authorized the publication of its October 2001 Regulatory Flexibility Act Agenda. The agenda is a general announcement to the public intended to provide advance notice of rulemaking actions. The agenda, which will not be available to the public until its publication, has been submitted by the Commission to the Regulatory Information Service Center for inclusion in the Unified Agenda of Federal Regulations scheduled for publication in the Federal Register in October 2001. Public comments regarding the agenda and the individual agenda entries are due by December 31, 2001. (Rels. 33-8022, 34-44904, 35-27450, 39-2394, IC-25204, IA-1989; File No. S7-19-01)

ENFORCEMENT PROCEEDINGS

SEC CHARGES 44 DEFENDANTS IN FOUR STOCK MANIPULATIONS THAT CAUSED OVER \$30 MILLION IN INVESTOR LOSSES

The Securities and Exchange Commission announced today that it filed four complaints in the United States District Court for the Southern District of New York alleging that in 1999 and 2000, Edward A. Durante and other defendants manipulated the trading and generated artificial price rises in the stocks of four companies: U.N. Dollars Corp., WAMEX Holdings, Inc., Ramoil Management, Ltd., and AbsoluteFuture.com. Defendants reaped more than \$30 million in illegal profits by secretly controlling the trading in these stocks through a network of promoters, brokers and market makers, and then by dumping the stocks at artificially inflated prices to unsuspecting investors.

The filing of these complaints today comes as part of coordinated investigations by the staff in the Commission's Washington headquarters, New York and Boston offices, and the United States Attorney's Office for the Southern District of New York, which previously filed criminal charges concerning these schemes.

The complaints allege that Edward Durante, using the name "Ed Simmons," established an offshore finance company, Carib Securities Ltd., in 1999 to hide his personal involvement in the manipulation schemes. Additionally, Durante and others controlled several other entities, which they used to receive stock, engage in patterns of manipulative trading, and eventually to dump stock at artificially inflated prices.

In particular, the complaints allege the following:

- Durante manipulated the market for U.N. Dollars Corp. ("UNDR"), driving the stock price from one penny to over \$1.25 before the Commission suspended trading in UNDR securities in March 2000. He contracted with UNDR's former executives to "stimulate" the company's stock price and trading volume, and in return, received 10 million newly-issued shares, which gave him control of UNDR's public float. He used brokerage accounts opened in the names of his offshore entities to purchase over 3 million additional shares, creating the false impression of a rising market for the stock, and later dumped the stock into the market for profits of approximately \$100,000.
- Durante and Roger DeTrano, a New York-based stock promoter, gained control of over 19 million shares of WAMEX Holdings, Inc. ("WAMX") with the assistance of the company's executives. Durante drove the price for WAMX stock from \$1.375 per share to an all-time high of \$19.50, and dumped 6.9 million WAMX shares into the market for a \$24 million profit, before the Commission suspended trading in WAMX securities in June 2000. Durante also engaged in illegal block trades, and hired an unregistered broker-dealer to push WAMX stock on unsuspecting investors.
- Durante entered into an illegal funding scheme with Ramoil Management, Ltd. ("RAMO"), in which RAMO provided a million shares of its stock to Durante's offshore entities pursuant to sham consulting agreements. Durante had his broker for the offshore accounts execute a series of manipulative public trades in RAMO stock that moved RAMO's price from \$7.0625 per share to an all-time high of \$20.00. Durante dumped 1.8 million shares of RAMO into the market, making approximately \$3.3 million.
- Durante and DeTrano entered into an illegal funding scheme with Absolutefuture.com ("AFTI") pursuant to which AFTI provided 4.1 million shares of its stock to entities controlled by Durante and DeTrano, pursuant to sham consulting agreements. Durante used those shares, along with an additional 3.3 million shares which he purchased on the market, to engage in manipulative trading activities, including matched orders and illegal block trades, which increased AFTI's stock price from \$0.21 per share in December 1999 to \$6.00 per share in March 2000, an increase of more than 2,700 percent.

As a result of the conduct alleged in the complaints, Durante and his offshore entities, Carib Securities Ltd., Berkshire Capital Partners, Inc., Galton Scott & Golett Inc., Dottenhoff Financial Ltd., Zimenn Importing And Exporting Inc., Prudential Overseas Company, Ltd., Renaissance Gallery Inc., Fairmont Consulting, Ltd., Provident Partners Ltd., and Commonwealth Associates, Ltd. (all corporations controlled by Durante) are alleged to have violated the antifraud and registration provisions of the securities laws, and the Commission seeks permanent injunctions, disgorgement of proceeds, prejudgment interest thereon, civil money penalties, and officer and director bars against Durante and others involved in the schemes. The complaints also allege that Durante stashed profits from his illegal stock trading with relief defendants Exchange Bank & Trust, Inc., a Nevis-based offshore private bank, and VJV Inc., a Nevada-based corporation owned by Durante.

The Commission acknowledges the assistance of the United States Attorney's Office for the Southern District of New York, the Federal Bureau of Investigation, and the British Columbia Securities Commission in these matters.

For more detailed information, see LR-17177 (SEC v. U.N. Dollars Corp., et al), LR-17178 (SEC v. WAMEX Holdings Inc., et al.), LR-17179 (SEC v. Ramoil Management Ltd., et al.), and LR-17180 (SEC v. AbsoluteFuture.com, et al.). [SEC v. U.N. Dollars Corp., et al., SDNY, 01 CV 9059; SEC v. WAMEX Holdings, Inc., et al., SDNY, 01 CV 9056; SEC v. Ramoil Management Ltd., et al., SDNY, 01 CV 9057; SEC v. Absolutefuture.com, et al., SDNY, 01 CV 9058] (Press Rel. 2001-110)

CORRECTION

An announcement in yesterday's Digest concerning the agenda of the Commission's closed meeting on October 10, 2001, should have read as follows:

CLOSED MEETING – WEDNESDAY, OCTOBER 10, 2001 – 2:00 P.M.

The subject matter of the closed meeting to be held on Wednesday, October 10, is a regulatory matter regarding financial institutions; and continuation of matters discussed at previous meeting.

SELF-REGULATORY ORGANIZATIONS

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

A proposed rule change filed by the National Association of Securities Dealers (SR-NASD-2001-65) under Section 19(b)(1) of the Exchange Act extending the pilot term of the Nasdaq International Service and the rules that are unique to the Nasdaq International Service has been noticed and granted accelerated approval under Section 19(b)(2) of the Act. Publication of the proposal is expected in the Federal Register during the week of October 8. (Rel. 34-44915)

PROPOSED RULE CHANGE

The National Association of Securities Dealers through its subsidiary The Nasdaq Stock Market, Inc., has filed a proposed rule change (SR-NASD-2001-68) to raise the per share

charge for use of SuperSOES by non-NASD members. Publication of the proposal is expected in the Federal Register during the week of October 8, 2001. (Rel. 34-44914)