

SEC NEWS DIGEST

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COMMISSION ANNOUNCEMENTS

PAUL GERLACH, ASSOCIATE DIRECTOR OF THE DIVISION OF ENFORCEMENT, TO LEAVE SEC

Paul V. Gerlach, Associate Director of the Securities and Exchange Commission's Division of Enforcement, today announced that he will leave the Commission in April to become a partner at the law firm of Sidley & Austin. Mr. Gerlach will focus in the areas of securities counseling, litigation and enforcement defense in the firm's Washington, DC office. A successor has not yet been named.

SEC Chairman Arthur Levitt said, "Paul has been a dedicated member of the SEC's enforcement team for the past twelve years. During that time, Paul has been responsible for some of the most important cases the Commission has brought. His contributions to the SEC's mission of investor protection have been significant and invaluable."

SEC Enforcement Division Director Richard H. Walker said, "Paul is one of the Enforcement Division's most dedicated and effective attorneys. He has worked tirelessly to enforce our securities laws and punish those who break the law. Paul's wisdom and expertise will be greatly missed."

As Associate Director, Mr. Gerlach was responsible for supervising a broad range of enforcement activities, including investigations involving issuer accounting fraud, insider trading, market manipulation, and broker-dealer misconduct. As a senior enforcement staff member, Mr. Gerlach has been responsible for a number of major enforcement initiatives, including the Commission's enforcement action against NASD member firms involving quote manipulation in the over-the-counter market and against NationsBank/NationsSecurities for fraudulent sales practices.

Mr. Gerlach received several awards during his tenure at the Commission, including the Chairman's Award for Excellence in 1996 and the Stanley Sporkin Award in 1998, which is awarded by the Chairman of the Securities and Exchange Commission in recognition of outstanding contributions to the SEC's Enforcement program. Mr. Gerlach also received the Presidential Distinguished Executive Award in 1999.

Mr Gerlach said, "During my time with the Enforcement Division, I have been blessed with the opportunity to work with some of the best and brightest people in government service. The staff's talent and dedication to protecting investors and safeguarding our capital markets makes the SEC a unique and professionally rewarding place to practice law. I also want to express my deep gratitude to Chairman Levitt for providing me the opportunity to serve as an Associate Director and for his enthusiastic support for the SEC's enforcement program."

Mr Gerlach became Associate Director in June 1995 after serving in various capacities in the Enforcement Division since 1988. Prior to his tenure at the SEC, Mr Gerlach was an associate at the law firms of Jenner & Block and Akin, Gump, Strauss, Hauer & Feld.

Mr Gerlach, 45, graduated from Washington & Lee University School of Law and Boise State University. (Press Rel 2000-35)

RULES AND RELATED MATTERS

PROPOSED MUTUAL FUND AFTER-TAX RETURN DISCLOSURE REQUIREMENTS

The Commission proposed rules that would improve disclosure to investors of the effect of taxes on the performance of mutual funds. The proposal would amend Form N-1A under the Investment Company Act and the Securities Act of 1933 to require mutual funds to disclose standardized after-tax returns in prospectuses and annual reports. The proposal also would amend Rule 482 under the Securities Act and Rule 34b-1 under the Investment Company Act to require mutual funds that choose to include after-tax returns in advertisements and other sales materials to include standardized after-tax returns. FOR FURTHER INFORMATION, CONTACT Maura S McNulty, Division of Investment Management, at (202) 942-0721 (Rels 33-7809, 34-42528, IC-24339, File No S7-09-00)

ENFORCEMENT PROCEEDINGS

COMMISSION INSTITUTES AND SIMULTANEOUSLY SETTLES PUBLIC ADMINISTRATIVE PROCEEDINGS AGAINST STEVEN ERLICH

The Commission announced that it has instituted and simultaneously settled public administrative proceedings, pursuant to Section 15(b) of the Securities Exchange Act of 1934 (Exchange Act), against Steven P Erlich. The order instituting the proceedings (Order) bars Erlich from association with any broker or dealer, with the right to reapply for association after three (3) years to the appropriate self-regulatory organization, or if there is none, to the Commission.

The Commission's Order finds that Erlich was associated as an officer and director of LGS, Inc., an unregistered broker-dealer, and was associated with Rich Management Corp., another unregistered broker-dealer. The Order further finds that on March 8 the U.S. District Court for the Southern District of Florida permanently enjoined Erlich, by consent, from further violations of antifraud and securities and broker-dealer registration provisions of the federal securities laws.

The permanent injunction followed a civil action initiated by a complaint filed by the Commission on September 29, 1999, alleging that between November 1997 and July 1998, Erlich made material misrepresentations and omissions in connection with the offer and sale of unregistered securities in Friendly Power Company (Friendly Power) (SEC v Jeffrey S Richman, et al., No. 99-2620-CIV-KING, S.D. Fla.) Erlich's misrepresentations concerned, among other things, the potential profitability of an investment in Friendly Power securities, the availability of the securities (in a manner designed to create a false sense of urgency in the investor), and the risk of an investment in the Friendly Power securities. The Commission's complaint also alleged that Erlich received ill-gotten gains in the form of commission payments from his sale of Friendly Power securities (Rel 34-42530; File No 3-10156)

COMMISSION INSTITUTES AND SETTLES PROCEEDING AGAINST PAUL BARRIOS FOR FRAUD IN CONNECTION WITH UNREGISTERED STOCK OFFERINGS

On March 15, the Commission instituted and settled a public administrative and cease and desist proceeding against Paul A Barrios (Barrios), finding that Barrios committed fraud. Barrios was the sales manager and lead salesman at Face to Face Financial Inc., dba FTF Financial Corp. (FTF), a video conferencing company formerly headquartered in Orange County, California. From December 1995 to March 1998, FTF conducted four unregistered stock offerings, raising over \$4.3 million from approximately 400 investors nationwide.

In its order, the Commission found that Barrios, who sold over \$1 million of FTF's stock, orally misrepresented FTF's business prospects to potential investors. The order also found that Barrios supervised FTF's other salespeople, who cold-called potential investors nationwide.

The Commission found that Barrios violated the antifraud provisions of Section 17(a) of the Securities Act of 1933 (Securities Act) and Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder, the broker-dealer registration provisions of Section 15(a) of the Exchange Act and the securities registration provisions of Sections 5(a) and 5(c) of the Securities Act. Barrios, without admitting or denying the Commission's findings, consented to an order that ordered him to cease and desist from committing or causing any violation and any future violation of those provisions and that suspended him from association with any broker or dealer for a period of twelve months (Rel 33-7810, 34-42531, File No 3-10157)

COMMISSION INSTITUTES AND SETTLES PROCEEDING AGAINST JOSEPH LAFERTY IN CONNECTION WITH UNREGISTERED STOCK OFFERINGS

On March 15, the Commission instituted and settled a public cease and desist proceeding against Joseph J. Laferty (Laferty), finding that Laferty committed securities registration violations. Laferty was an officer and director of Face to Face Financial Inc., dba FTF Financial Corp. (FTF), a video conferencing company formerly headquartered in Orange County, California. From December 1995 to March 1998, FTF conducted four unregistered stock offerings, raising over \$4.3 million from approximately 400 investors nationwide. In its order, the Commission found that Laferty reviewed and had final approval of FTF's offering documents and authorized payment for lead lists that FTF's salespeople used to cold-call potential investors.

The Commission found that Laferty violated the securities registration provisions of Sections 5(a) and 5(c) of the Securities Act of 1933. Laferty, without admitting or denying the Commission's findings, consented to an order that ordered him to cease and desist from committing or causing any violation and any future violation of those securities registration provisions. (Rel. 33-7811, File No. 3-10158)

COMMISSION ISSUES CEASE AND DESIST ORDER AGAINST ALAN BURTON AND J. EDWARDS COX

On March 15, the Commission entered a cease and desist order in a proceeding involving Alan K. Burton (Burton) and J. Edwards Cox (Cox), finding that Burton and Cox, among other things, made false and misleading statements to the public pertaining to the valuation of Dynamic American Corp.'s mineral properties and its operations. The Order alleged, among other things, that between June 1995 and November 1996, the respondents failed to disclose the people who actually controlled the company and falsely stated that its Bolivian mineral properties had a value of \$40 million, U.S. mineral assets had a value of \$4.3 million, and mining operations in Bolivia and the U.S. were profitable. Burton and Cox consented, without admitting or denying the allegations therein, to the entry of the Order, which prohibits them from violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 and Sections 10(b) and 13(a) of the Securities Exchange Act of 1934 and Rules 10b-5, 13a-1, 13a-10, 13a-11, 13a-13, 12b-20, and 12b-25 thereunder. (Rel. 33-7812, 34-42532, File No. 3-9952)

HOLDING COMPANY ACT RELEASES

THE NATIONAL GRID GROUP PLC, ET AL.

The Commission has issued an order (1) authorizing The National Grid Group plc (National Grid), a U.K. public limited company and a public-utility holding company exempt from registration by Rule 5, and certain National Grid subsidiaries (Intermediate Holding Companies) formed for purposes of the transaction, to acquire New England Electric System (NEES), a registered public-utility holding company, and (2) approving other related requests and proposed intrasystem service transactions. Following the

consummation of the merger, National Grid and each of the Intermediate Holding Companies will register under Section 5 of the Act. The order also (1) authorizes National Grid, the Intermediate Holding Companies, NEES and its subsidiaries to engage in various external and intrasystem financing transactions through May 31, 2003 (Authorization Period) following the merger and (2) extends the existing financing authority of NEES and its subsidiaries through the Authorization Period. (Rel. 35-27154, International Series Rel. 1217)

SELF-REGULATORY ORGANIZATIONS

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission granted accelerated approval to a proposed rule change submitted by the American Stock Exchange (SR-Amex-00-08) relating to establishing a fee structure to provide daily share volume and other reports via AmexTrader.com. (Rel. 34-42526)

WITHDRAWAL SOUGHT

A notice has been issued giving interested persons until April 5, 2000, to comment on the application of Ancor Communications, Incorporated to withdraw its Common Stock, par value \$ 01 per share, from listing and registration on the Pacific Exchange. (Rel. 34-42529)

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 VALEO S.A./ADR/, 111 WALL ST, NEW YORK, NY 10043 (212) 657-7691 -
50,000,000 (\$2,500,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE
333-11612 - MAR. 07)

S-3 GENENTECH INC, 1 DNA WAY, SOUTH SAN FRANCISCO, CA 94080 (415) 225-1000
- 19,000,000 (\$4,061,250,000) COMMON STOCK. (FILE 333-32014 - MAR. 09)
(BR. 1)

S-8 BROOKSTONE INC, 17 RIVERSIDE STREET, NASHUA, NH 03062 (603) 880-9500 -
425,000 (\$6,987,000) COMMON STOCK. (FILE 333-32018 - MAR. 09) (BR. 2)

S-8 NATCO GROUP INC, BROOKHOLLOW CENTRAL III, 2950 NORTH LOOP WEST STE
750,
HOUSTON, TX 77092 (713) 683-9292 - 1,841,863 (\$18,347,230) COMMON STOCK.
(FILE 333-32020 - MAR. 09) (BR. 6)

S-8 YOUTH STREAM MEDIA NETWORKS INC, 529 FIFTH AVENUE, NEW YORK, NY 10017
(212) 622-7300 - 5,000,000 (\$91,900,000) COMMON STOCK. (FILE 333-32022 -
MAR. 09) (BR. 7)

S-8 MAINE PUBLIC SERVICE CO, 209 STATE ST, PRESQUE ISLE, ME 04769
(207) 768-5811 - 20,000 (\$345,630) COMMON STOCK. (FILE 333-32026 -
MAR. 09) (BR. 2)

S-8 TMBR SHARP DRILLING INC, 4607 W INDUSTRIAL, MIDLAND, TX 79703
(915) 699-5050 - 750,000 (\$7,289,250) COMMON STOCK. (FILE 333-32028 -
MAR. 09) (BR. 4)

S-8 TELTONE CORP, 22121 20TH AVE SE, BOTHELL, WA 98021 (206) 487-1515 -
600,000 (\$1,884,360) COMMON STOCK. (FILE 333-32030 - MAR. 09) (BR. 7)

S-8 SMARTERKIDS COM INC, 200 HIGHLAND AVE, NEEDHAM, MA 02194 (617) 447-
7567
- 6,323,259 (\$29,079,653) COMMON STOCK. (FILE 333-32032 - MAR. 09)
(BR. 8)

F-1 INTERSHOP COMMUNICATIONS AKTIENGESELLSCHAFT, 600 TOWNSEND ST, STE 500,
SAN FRANCISCO, CA 94103 (415) 229-0100 - 550,000 (\$353,056,000)
FOREIGN COMMON STOCK. (FILE 333-32034 - MAR. 09) (BR. 3 - NEW ISSUE)

S-3 DYNEGY INC /IL/, 1000 LOUISIANA, STE 5800, HOUSTON, TX 77002
(713) 367-7600 - 5,000,000 (\$243,750,000) COMMON STOCK. (FILE 333-32036
-
MAR. 09) (BR. 4)

S-3 NETWORK PLUS CORP, 234 COPELAND ST, QUINCY, MA 02169 (617) 786-4000 -
\$287,500,000 COMMON STOCK. (FILE 333-32040 - MAR. 09) (BR. 7)

S-3 NETWORK PLUS CORP, 234 COPELAND ST, QUINCY, MA 02169 (617) 786-4000 -
2,875,000 (\$143,750,000) PREFERRED STOCK. 600,000 (\$33,712,500)
COMMON STOCK. (FILE 333-32042 - MAR. 09) (BR. 7)

S-8 PERCEPTRONICS INC, 21010 ERWIN STREET, WOODLAND HILLS, CA 91367
(818) 884-7470 - 750,000 (\$1,828,500) COMMON STOCK. (FILE 333-32044 -
MAR. 09) (BR. 5)

S-8 TRICON GLOBAL RESTAURANTS INC, 1441 GARDINER LANE, LOUISVILLE, KY
40213
-
(502) 874-8300 - 500,000 (\$13,359,375) PREFERRED STOCK. (FILE 333-32046
-
MAP. 09) (BR. 5)

S-8 TRICON GLOBAL RESTAURANTS INC, 1441 GARDINER LANE, LOUISVILLE, KY
40213
(502) 874-8300 - 1,500,000 (\$40,078,125) COMMON STOCK. (FILE 333-32048 -
MAR. 09) (BR. 5)

S-8 TRICON GLOBAL RESTAURANTS INC, 1441 GARDINER LANE, LOUISVILLE, KY
40213
(502) 874-8300 - 7,200,000 (\$7,200,000)
OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 333-32050 - MAR. 09)
(BR. 5)

S-8 TRICON GLOBAL RESTAURANTS INC, 1441 GARDINER LANE, LOUISVILLE, KY
40213
(502) 874-8300 - 7,600,000 (\$203,062,500) COMMON STOCK. (FILE 333-32052
-
MAR. 09) (BR. 5)

S-8 PACIFIC CART SERVICES LTD, 2501 LANSDOWNE AVE, SASKATOON,
SASKATCHEWAN,
CANADA S7J 1H3, NV 89503 (306) 343-5799 - 1,220,000 (\$610,000)
COMMON STOCK. (FILE 333-32056 - MAR. 09) (BR. 9)

S-8 SCHWAB CHARLES CORP, 120 KEARNEY STREET, SAN FRANCISCO, CA 94108
(415) 627-7000 - 2,051,043 (\$92,104,649.72) COMMON STOCK. (FILE 333-
32058
- MAR. 09) (BR. 7)

S-3 FRANKLIN TELECOMMUNICATIONS CORP, 733 LAKEFIELD RD, WESTLAKE VILLAGE,
CA
91361 (805) 373-8688 - 1,683,030 (\$3,366,060) COMMON STOCK. (FILE
333-32060 - MAR. 09) (BR. 3)

S-8 LEARNING TREE INTERNATIONAL INC, 6053 W CENTURY BLVD, LOS ANGELES, CA
90045 (310) 417-9700 - 1,500,000 (\$39,135,000) COMMON STOCK. (FILE
333-32062 - MAR. 09) (BR. 8)

S-1 IPCS INC, 121 WEST FIRST STREET, GENESCO, IL 61254 (309) 945-1650 -
\$143,750,000 COMMON STOCK. (FILE 333-32064 - MAR. 09) (NEW ISSUE)

S-1 ACCRUE SOFTWARE INC, 48634 MILMONT DRIVE, FREMONT, CA 94538
(510) 580-4500 - 3,225,261 (\$175,575,145.70) COMMON STOCK. (FILE
333-32066 - MAR. 09) (BR. 3)

S-3 SDL INC, 80 ROSE ORCHARD WAY, SAN JOSE, CA 95134 (408) 943-9411 -
4,337,961 (\$946,282,813) COMMON STOCK. (FILE 333-32068 - MAR. 09) (BR.
5)

S-1 SUNRISE TELECOM INC, 22 GREAT OAKS BLVD, STE 203, SAN JOSE, CA 95119
(408) 363-8000 - \$57,500,000 COMMON STOCK. (FILE 333-32070 - MAR. 09)

S-8 KING PHARMACEUTICALS INC, 501 FIFTH ST, BRISTOL, TN 37620 (423) 989-
8000
- 695,164 (\$20,131,949.44) COMMON STOCK. (FILE 333-32072 - MAR. 09);
(BR. 1)

S-1 METLIFE INC, ONE MADISON AVENUE, NEW YORK, NY 10010 (212) 578-2211 - \$1,150,000,000 COMMON STOCK. (FILE 333-32074 - MAR. 09) (BR. 1)

S-4 ASSET INVESTORS CORP, 3410 SOUTH GALENA ST SUITE 210, DENVER, CO 80231 (303) 614-9400 - 4,224,972 (\$54,544,389) COMMON STOCK. (FILE 333-32076 - MAR. 09) (BR. 8)

S-1 MERCATA INC, 110 110TH AVE N E SUITE 390, BELLEVUE, WA 98004 (425) 468-9800 - \$100,000,000 COMMON STOCK. (FILE 333-32078 - MAR. 09) (BR. 1)

S-8 LOEWS CINEPLEX ENTERTAINMENT CORP, 711 FIFTH AVE 11TH FLOOR, NEW YORK, NY 10022 (212) 833-6200 - 1,342,265 (\$5,452,951.56) COMMON STOCK. (FILE 333-32080 - MAR. 10) (BR. 5)

S-8 LOEWS CINEPLEX ENTERTAINMENT CORP, 711 FIFTH AVE 11TH FLOOR, NEW YORK, NY 10022 (212) 833-6200 - 2,365,000 (\$2,365,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 333-32082 - MAR. 10) (BR. 5)

S-3 SCHWAB CHARLES CORP, 120 KEARNEY STREET, SAN FRANCISCO, CA 94108 (415) 627-7000 - 11,713,465 (\$526,007,788) COMMON STOCK. (FILE 333-32084 - MAR. 09) (BR. 7)

SB-2 OMEGA MED CORP, 4907 MORENA BLVD., STE. 1402, SAN DIEGO, CA 92110 (858) 270-0801 - 1,200,000 (\$6,000,000) COMMON STOCK. (FILE 333-32086 - MAR. 10) (NEW ISSUE)

SB-2 NEW GENERATION PLASTIC INC /DE/, 455 EASST 400 SOUTH SUITE 100, 801-463-9700, SALT LAKE CITY, UT 84111 (801) 355-6524 - 7,709,426 (\$57,820,695) COMMON STOCK. (FILE 333-32088 - MAR. 10) (BR. 9)

S-1 MCK COMMUNICATIONS INC, 313 WASHINGTON ST, NEWTON, MA 02458 (617) 454-6100 - \$234,168,750 COMMON STOCK. (FILE 333-32090 - MAR. 10) (BR. 37)

S-8 HANOVER COMPRESSION INC, 12001 N HOUSTON ROSSLYN, HOUSTON, TX 77086 (281) 447-8787 - 650,000 (\$18,959,287.18) COMMON STOCK. (FILE 333-32092 - MAR. 10) (BR. 6)

S-1 ARBINET HOLDINGS INC, 33 WHITEHALL STREET, 19TH FL, NEW YORK, NY 10004 (212) 797-9060 - \$115,000,000 COMMON STOCK. (FILE 333-32094 - MAR. 10) (NEW ISSUE)

S-8 HANOVER COMPRESSION INC, 12001 N HOUSTON ROSSLYN, HOUSTON, TX 77086 (281) 447-8787 - 1,456,763 (\$69,385,621.69) COMMON STOCK. (FILE 333-32096 - MAR. 10) (BR. 6)

S-8 ULTRADATA SYSTEMS INC, 9375 DIELMAN INDUSTRIAL DR, ST LOUIS, MO 63132 (314) 997-2250 - 450,000 (\$2,092,949) COMMON STOCK. (FILE 333-32098 - MAR. 10) (BR. 3)

S-3 AXYS PHARMECUEICALS INC, 180 KIMBALL WAY, SOUTH SAN FRANCISCO, CA
94080
(650) 829-1000 - 3,497,778 (\$54,762,086.81) COMMON STOCK. (FILE 333-
32100
- MAR. 10) (BR. 1)