

SEC NEWS DIGEST

Issue 99-182

September 21, 1999

ENFORCEMENT PROCEEDINGS

WILLIAM MCNAMARA, SALES AGENT, IS BARRED FROM THE SECURITIES INDUSTRY

On September 20, the Commission instituted and simultaneously settled administrative proceedings, pursuant to Sections 15(b) and 19(h) of the Securities Exchange Act of 1934 (Exchange Act), against William McNamara (McNamara) a resident of Tampa, Florida. McNamara consented to a bar from association with any broker or dealer without admitting or denying the Commission's allegations, except for its jurisdiction and the entry of a civil injunction against him.

In its related civil lawsuit, SEC v. Shane Vaessen, William McNamara, et al., Case No. 98-1964-CIV-T-26F (M.D. Fla.), the Commission alleged that McNamara engaged in securities fraud in connection with sales of unregistered investment contracts issued by International Capital Corporation 2000 (ICC 2000). According to the Commission's complaint, ICC 2000 ran a Ponzi scheme that resulted in approximately \$3.3 million in losses to over 100 investors residing in several states, including Florida. ICC 2000 and McNamara misrepresented to the investors that their monies would be invested in Guaranteed Investment Contracts, which would provide periodic interest and principal payments. On January 19, 1999, the U.S. District Court for the Southern District of Florida permanently enjoined McNamara, who consented, without admitting or denying the Commission's allegations, to the injunction from further violations of the antifraud, securities registration and broker-dealer registration provisions of the federal securities laws. (Rel. 34-41885; File No. 3-10016)

PROCEEDINGS INSTITUTED AGAINST BRIAN O'TOOLE, DORTHY CHIKLY, STEVEN PIRRONE AND SPECTRUM SECURITIES INC.

On September 20, the Commission instituted proceedings against Brian D. O'Toole, a registered investment adviser located in Cheyenne, Wyoming for, among other things, using his wife's registration at the California-based brokerage firm of Spectrum Securities Inc. (Spectrum) to effect securities transactions. Accordingly, the Commission also announced proceedings against O'Toole's former spouse, Dorthy A. Chikly; her supervisor at Spectrum, Steven D. Pirrone; and Spectrum.

The Division of Enforcement (Division) alleges that, at a time when O'Toole was experiencing difficulty finding employment with a brokerage firm due to his disciplinary history, he held himself out to investors as a registered representative associated with Spectrum. According to the Division, O'Toole used Chikly's association with Spectrum from approximately August 1996 through April 1997 to transfer over forty-nine customers and forty accounts to Spectrum, and to effect forty-eight trades for those customers totaling over \$200,000. None of these customers ever spoke to Chikly concerning any aspect of their accounts or trades, and O'Toole failed to disclose to customers that Chikly was their Spectrum representative. The Division also claims that Chikly knew O'Toole was using and allowed him to use her registration at Spectrum; that Pirrone was responsible for supervising Chikly but never even spoke with her; and that Spectrum's records identified Chikly as the Spectrum representative for O'Toole's customers. The Division contends that O'Toole's conduct violated Sections 10(b) and 15(a)(1) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder, and Sections 206(1) and (2) of the Investment Adviser's Act. It further alleges that Chikly aided and abetted O'Toole's violations; that Pirrone failed reasonably to supervise Chikly; and that Spectrum violated certain Exchange Act recordkeeping provisions.

The Division also alleges that, after he experienced difficulties becoming associated with a brokerage firm as a registered representative, O'Toole registered with the Commission as an investment adviser, and that he violated numerous provisions of the Advisers Act. The Division claims that O'Toole solicited and renegotiated personal loans from advisory clients which were unsuitable investments without adequately disclosing the risks involved. It further alleges that brochures which O'Toole provided to clients and the registration form he provided to the Commission contained misrepresentations; that O'Toole failed to provide clients with the information form required by the Commission or an equivalent form; and that he improperly charged unqualified clients performance-based fees. The Division further alleges that O'Toole failed to disclose to investors that his precarious financial condition (including negative net worth and negative cash flow) was reasonably likely to impair his ability to meet contractual commitments to clients; and failed to disclose prior disciplinary events, including an NASD order suspending him, requiring him to pay a \$12,500 fine and restitution of almost \$60,000, as well as a Colorado court order permanently enjoining him for six years from acting as or associating with any broker-dealer, issuer or investment adviser while in Colorado or for any person in Colorado. The Division contends that O'Toole's conduct violated Sections 204, 205(a)(1), 206(1), (2) and (4), and 207 of the Advisers Act and Rules 204-3, 206(4)-1, 206(4)-4(a)(1), 206(4)-4(a)(2) thereunder.

In a separate proceedings, Chikly consented to an Order Making Findings and Imposing a Cease and Desist Order and Remedial Sanctions, without admitting or denying the Commission's findings, and consented to a bar from association with any broker, dealer, or

investment adviser, with a right to reapply for association after eighteen months. (Administrative Proceedings in the Matter of Dorthy A. Chikly - Rels. 34-41887, IA-1827, File No. 3-10017; Administrative Proceedings in the Matter of Brian D. O'Toole, d/b/a O'Toole Capital Management, Spectrum Securities Inc. and Steven D. Pirrone - Rels. 34-41888, IA-1828, File No. 3-10018)

INVESTMENT COMPANY ACT RELEASES

PACIFIC SELECT FUND, ET AL.

A notice has been issued giving interested persons until October 12, 1999, to request a hearing on an application filed by Pacific Select Fund, et al. for an order exempting applicants from Section 15(a) of the Investment Company Act and Rule 18f-2 under the Act. The order would permit applicants to enter into and materially amend investment subadvisory agreements without obtaining shareholder approval. (Rel. IC-24017 - September 17)

TEMPLETON VARIABLE PRODUCTS SERIES FUND, ET AL.

A notice has been issued giving interested persons until October 12, 1999, to request a hearing on an application filed by Templeton Variable Products Series Fund (Templeton Trust), Franklin Templeton Variable Insurance Products Trust (VIP Trust, and together with the Templeton Trust, the Funds), Templeton Funds Annuity Company (TFAC) or any successor to TFAC, and any future open-end investment company for which TFAC or any affiliate is the administrator, sub-administrator, investment manager, adviser, principal underwriter, or sponsor (Future Funds, collectively Applicants). The Applicants seek an order under Section 6(c) of the Investment Company Act to amend a prior order of the Commission under Section 6(c) of the Act which granted exemptions from the provisions of Sections 9(a), 13(a), 15(a) and 15(b) of the Act, and Rules 6e-2(b)(15) and 6e-3(T)(b)(15) thereunder, to the extent necessary to permit shares of the Templeton Trust to be sold to and held by variable annuity and variable life insurance separate accounts of both affiliated and unaffiliated life insurance companies. The amended order would (i) add the VIP Trust and Future Funds as parties, and (ii) permit shares of the Funds and Future Funds to be issued to and held by qualified pension and retirement plans outside the separate account context. (Rel. IC-24018 - September 17)

HOLDING COMPANY ACT RELEASES

COLUMBIA ENERGY GROUP, ET AL.

A notice has been issued giving interested persons until October 12, 1999, to request a hearing on a proposal by Columbia Energy Group, a registered holding company, and its nonutility subsidiaries, to

reorganize its nonutility interests from time to time, without the need to apply for or receive additional Commission approval, if certain conditions are met. (Rel. 35-27076)

SELF-REGULATORY ORGANIZATIONS

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change filed by the American Stock Exchange amending MOC and LOC order entry and cancellation procedures during regulatory halts (SR-Amex-99-32) 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 September 20. (Rel. 34-41877)

DELISTING GRANTED

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration Sega Petroleum ASA, American Depositary Shares (each representing one Ordinary Share). (Rel. 34-41880)

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>. In most cases, this information is also available on the Commission's website: <www.sec.gov>.

F-7 GEOMAQUE EXPLORATIONS LTD, 181 UNIVERSITY AVE, SUITE 1210,
TORONTO ONTARIO CANADA M5H 3M7, A6 00000 (416) 956-7470 - 1,707,931
(\$456,971.62) FOREIGN COMMON STOCK. (FILE 333-10788 - SEP. 09) (BR. 4
- NEW ISSUE)

F-6 TOYOTA MOTOR CORP, 2 RECTOR ST,
C/O SECURITY PACIFIC NATIONAL TRUST CO N, NEW YORK, NY 10006 (212) 978-5009
- 100,000,000 (\$5,000,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE
333-10790 - SEP. 09) (BR. 99)

F-3 QSOUND LABS INC, 2748 37TH AVE, SUITE 500,
CALGARY ALBERTA CANADA T1Y 5L3, A0 - 4,500,000 (\$11,180,250)
FOREIGN COMMON STOCK. (FILE 333-10822 - SEP. 10) (BR. 4)

S-8 STAKE TECHNOLOGY LTD, 2838 HWY 7, NORVAL ONTARIO, L0P 1K0, A6
(905) 455-1990 - 800,000 (\$975,000) FOREIGN COMMON STOCK. (FILE 333-10824
- SEP. 10) (BR. 6)

S-8 USV TELEMAGEMENT INC, 100 SHORELINE HIGHWAY, STE 386B, MILL VALLEY,
CA 94941 - 1,900,000 (\$566,971) FOREIGN COMMON STOCK (FILE 333-10826 -
SEP. 10) (BR. 7)

F-9 ALBERTA ENERGY CO LTD, 3900 421-7 AVE SW, CALGARY ALBERTA T2P,
(403) 266-8111 - 172,500,000 (\$172,500,000) STRAIGHT BONDS (FILE
333-10830 - SEP. 14) (BR 4)

S-8 MAXTOR CORP, 510 COTTONWOOD DR, MILPITAS, CA 95035 (408) 432-1700 -
5,051,981 (\$30,113,276) COMMON STOCK (FILE 333-87041 - SEP. 14) (BR 3)

S-1 INTELLESALE COM INC, 510 RYERSON ROAD, LINCOLN PARK, NJ 07035
(973) 686-9100 - \$57,500,000 COMMON STOCK. (FILE 333-87043 - SEP. 14)
(NEW ISSUE)

S-3 MAVERICK TUBE CORPORATION, 16401 SWINGLEY RIDGE ROAD, SUITE 700,
CHESTERFIELD, MO 63017 (636) 733-1619 - \$50,600,000 COMMON STOCK. (FILE
333-87045 - SEP. 14) (BR. 6)

S-8 MITCHELL ENERGY & DEVELOPMENT CORP, 2001 TIMBERLOCH PL, THE WOODLANDS,
TX 77380 (713) 377-5500 - 1,750,000 (\$34,398,437.50) COMMON STOCK (FILE
333-87047 - SEP. 14) (BR. 4)

S-8 OPTA FOOD INGREDIENTS INC /DE, 25 WIGGINS AVE, BEDFORD, MA 01730
(617) 276-5100 - 250,000 (\$753,750) COMMON STOCK. (FILE 333-87049 -
SEP. 14) (BR. 4)

S-3 SOURCINGLINK NET INC, 650 CASTRO STREET SUITE 210,
C/O RICHARD S LANE ESQ, MOUNTAIN VIEW, CA 94041 (650) 966-1214 - 1,250,064
(\$9,375,480) COMMON STOCK. (FILE 333-87051 - SEP 14) (BR. 3)

S-3 ANALOG DEVICES INC, ONE TECHNOLOGY WAY, NORWOOD, MA 02062 (617) 329-4700
- 2,000,000 (\$110,375,000) COMMON STOCK. (FILE 333-87053 - SEP 14)
(BR. 5)

S-8 ANALOG DEVICES INC, ONE TECHNOLOGY WAY, NORWOOD, MA 02062 (617) 329-4700
- 75,000,000 (\$75,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE
333-87055 - SEP. 14) (BR. 5)

S-3 WEATHERFORD INTERNATIONAL INC /NEW/, 515 POST OAK BLVD, SUITE 600,
HOUSTON, TX 77027 (713) 297-8400 - 3,830,209 (\$140,161,710.59)
COMMON STOCK. (FILE 333-87057 - SEP. 14) (BR. 4)

S-3 GRAND TOYS INTERNATIONAL INC, 1710 RTE TRANSCANADIENNE,
DORVAL QUEBEC CANADA, A8 (914) 666-3200 - 180,478 (\$2,202,976.70)
COMMON STOCK. (FILE 333-87059 - SEP. 14) (BR. 2)

S-8 HOLLYWOOD ENTERTAINMENT CORP, 9275 SW PEYTON LANE, WILSONVILLE, OR 97070
(503) 570-1600 - 1,000,000 (\$13,250,000) COMMON STOCK (FILE 333-87061 -
SEP. 14) (BR. 5)

S-3 AVALONBAY COMMUNITIES INC, 2900 EISENHOWER AVENUE, SUITE 300,
ALEXANDRIA, VA 22314 (703) 329-6300 - 2,780,519 (\$98,360,859.62)
COMMON STOCK. (FILE 333-87063 - SEP 14) (BR. 8)

S-3 QUADRAMED CORP, 1003 WEST CUTTING BLVD, 2ND FLOOR, RICHMOND, CA 94804
(510) 620-2340 - 590,525 (\$4,908,739.06) COMMON STOCK. (FILE 333-87067 -
SEP. 14) (BR. 3)

S-8 NABORS INDUSTRIES INC, 515 W GREEN RD STE 1200, HOUSTON, TX 77067
(281) 874-0035 - 14,310,000 (\$255,115,595.68) COMMON STOCK. (FILE
333-87069 - SEP. 14) (BR. 4)

S-8 CHEMED CORP, 2600 CHEMED CTR, 255 EAST FIFTH ST, CINCINNATI, OH 45202
(513) 762-6900 - 250,000 (\$7,932,805) COMMON STOCK (FILE 333-87071 -
SEP. 14) (BR. 2)

S-8 CHEMED CORP, 2600 CHEMED CTR, 255 EAST FIFTH ST, CINCINNATI, OH 45202
(513) 762-6900 - 450,000 (\$14,228,987) COMMON STOCK. (FILE 333-87073 -
SEP 14) (BR. 2)

SB-2 MDI ENTERTAINMENT INC, 201 ANN ST, SUITE 210, HARTFORD, CT 06103
(860) 527-5359 - 2,027,000 (\$2,913,813) COMMON STOCK. (FILE 333-87075 -
SEP. 14) (BR. 9)

S-8 SCHERING PLOUGH CORP, ONE GIRALDA FARMS, MADISON, NJ 07940
(973) 822-7000 - 2,000,000 (\$105,500,000) COMMON STOCK (FILE 333-87077 -
SEP 14) (BR. 1)

S-8 CHICAGO BRIDGE & IRON CO N V, P O BOX 74658, 1075 AD AMSTERDAM, P8 00000
- 1,130,000 (\$15,149,062.50) COMMON STOCK. (FILE 333-87081 - SEP. 14)
(BR. 6)

S-1 INVITROGEN CORP, 1600 FARADAY AVE, CARLSBAD, CA 92008 (760) 603-7200 -
5,750,000 (\$143,031,250) COMMON STOCK. (FILE 333-87085 - SEP 14) (BR. 1)

S-4 RELIASTAR FINANCIAL CORP, 20 WASHINGTON AVE S, MINNEAPOLIS, MN 55401
(612) 372-5432 - 2,544,039 (\$96,368,178) COMMON STOCK. (FILE 333-87087 -
SEP 14) (BR. 1)

S-1 NETZEE INC, 2410 PACES FERRY RD, 150 PACES SUMMIT, ATLANTA, GA 30339
(770) 805-2116 - \$55,000,000 COMMON STOCK. (FILE 333-87089 - SEP. 14)
(NEW ISSUE)

S-3 GUILFORD PHARMACEUTICALS INC, 6611 TRIBUTARY ST, BALTIMORE, MD 21224
(410) 631-6300 - 3,360,000 (\$48,090,000) COMMON STOCK. (FILE 333-87091 -
SEP 14) (BR. 1)

S-8 WADE COOK FINANCIAL CORP, 14675 INTERURBAN AVE S, SEATTLE, WA 98168
(206) 901-3000 - 5,000,000 (\$1,925,000) COMMON STOCK. (FILE 333-87093 -
SEP 14) (BR. 8)

S-8 IMRGLOBAL CORP, 100 SOUTH MISSOURI AVENUE, CLEARWATER, FL 33756
(727) 467-8000 - 3,750,000 (\$37,852,500) COMMON STOCK. (FILE 333-87095 -
SEP. 14) (BR 3)

S-8 MATHSOFT INC, 101 MAIN ST, CAMBRIDGE, MA 02142 (617) 577-1017 -
1,240,000 (\$3,255,000) COMMON STOCK. (FILE 333-87097 - SEP 14) (BR. 3)

S-4 DUANE READE INC, 440 NINTH AVE, NEW YORK, NY 10001 (212) 273-5700 -
506,329 (\$14,999,996.62) COMMON STOCK. (FILE 333-87101 - SEP 14) (BR. 1)

S-3 DAOU SYSTEMS INC, 5120 SHOREHAM PL, SAN DIEGO, CA 92122 (619) 452-2221
- 2,750,000 (\$13,502,500) COMMON STOCK. (FILE 333-87103 - SEP. 14)
(BR. 9)

S-3 RAMTRON INTERNATIONAL CORP, 1850 RAMTRON DR, COLORADO SPRINGS, CO 80921
(719) 481-7000 - 2,985,659 (\$7,323,821) COMMON STOCK. (FILE 333-87107 -
SEP. 14) (BR 5)