

# SEC NEWS DIGEST

Issue 99-190

October 1, 1999

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## ENFORCEMENT PROCEEDINGS

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### PHILADELPHIA STOCKBROKERS SANCTIONED

Richard Feinberg, Alan Feinberg, and their firm Richardt-Alyn & Co., a broker-dealer at the Philadelphia Stock Exchange, have been sanctioned for violations of the antifraud provisions of the securities laws. The sanctions were imposed after a hearing before an administrative law judge. The violations occurred in connection with five customer transactions in an over-the-counter security. The law judge found that the Feinbergs accepted limit orders from a customer, that is, orders to buy the security at the limit price he specified or a better price. They charged the customer his limit price, but executed the trades with market makers at better prices. They did not inform him of the trading profits, which they retained. (They also charged him a fee for the executions.) The law judge concluded that this practice violated their duty to provide the customer with the best execution of his trades and, thus, violated the antifraud provisions.

The law judge found that the Feinbergs engaged in a similar course of dealing with other broker-dealers. However, the law judge concluded that this did not violate the antifraud provisions because the duty of best execution owed to retail customers does not apply to a broker-dealer dealing with another broker-dealer.

The law judge ordered Richardt-Alyn to disgorge \$1375, the amount of undisclosed profits it obtained from the customer trades. Richard Feinberg and Alan Feinberg were each fined \$5000. All three respondents were censured and ordered to cease and desist from further violations of the antifraud provisions. The law judge concluded that this combination of sanctions was appropriate for the violations and would serve to deter future violations. (Initial Decision No. 151; File No. 3-9099)

### SEC SETTLES FRAUD CHARGES AGAINST INVESTMENT ADVISER

The Commission announced today that it has issued a cease and desist order (Order) against Rupay-Barrington Investment Advisory Services, Inc. (Rupay-Barrington), formerly known as Valley Forge Barrington, LTD, a registered investment adviser. The Order stems from an administrative proceeding the Commission instituted in September

1998 against Southfield, Michigan-based Rupay-Barrington and Frederick A. Wolf, its former President.

The Order finds that Rupay-Barrington violated Sections 206(1) and 206(2), the antifraud provisions of the Investment Advisers Act of 1940 (Advisers Act). Specifically the Order finds that between January 1994 and July 1996 Rupay-Barrington: (i) made false representations and omissions to advisory clients relating to the purchase of more than \$1 million in high risk securities issued by Rupay-Barrington's parent company, Valley Forge Capital Holdings, Inc. (VFCH); (ii) arranged for "lulling" interest payments to clients for their investment in a defunct company, to avoid losing one or more of Rupay-Barrington's clients; (iii) charged and collected advisory fees on improperly overvalued securities; and (iv) improperly used proceeds from the sale VFCH securities to new investors to pay off a prior disgruntled investor. Rupay-Barrington failed to disclose to the new investors that their funds would be used to pay off a prior investor.

Based on these findings, the Order censures Rupay-Barrington, imposes a civil penalty of \$45,000, and orders Rupay-Barrington to cease and desist from future violations of Sections 206(1) and (2) of the Advisers Act. Rupay-Barrington, which is now under new management, without admitting or denying the Commission's findings, consented to the issuance of the Order. The administrative proceeding against Frederick Wolf, Rupay-Barrington's former President who is no longer employed at Rupay-Barrington, is continuing. (Rel. IA-1839; IC-24061; File No. 3-9734)

#### **SETTLEMENT REACHED IN INTERNET SWEEP CASE**

The Commission yesterday issued an order settling administrative proceedings previously instituted against Bobby L. Rodgers of Germantown, Tennessee. Rodgers consented to the issuance of the order against him, without admitting or denying the findings contained therein. The order finds that Rodgers was the promoter of certain "high-yield" investment programs involving the use of so-called "prime bank guarantees" or the trading of putative bank instruments on overseas markets. After an undercover Arizona state investigator contacted an individual who maintained a website advertising certain "prime bank" investments, the investigator was referred to other individuals who offered him the opportunity to invest in the "high-yield" investment programs promoted by Rodgers. The order further finds that the investment programs promoted by Rodgers did not exist, and that Rodgers offered or encouraged others to offer investments in these fictitious programs using false and misleading statements. No investor funds were lost as a result of Rodgers' conduct. The order finds that Rodgers violated and caused violation of Sections 17(a)(1) and 17(a)(3) of the Securities Act. The Commission ordered Rodgers to cease and desist from current and future violations of these antifraud provisions of the Securities Act. (Rel. 33-7747; File No. 3-9896)

## **CEASE AND DESIST ORDER IMPOSED AGAINST DERRICK JOHNSON**

The Commission announced that it had accepted Derrick C. Johnson's Offer of Settlement in which, without admitting or denying the Order's findings, he consented to the entry of findings and a cease and desist order by the Commission. The Commission's Order Making Findings and Imposing Cease and Desist Order (Order) found that Johnson made material misrepresentations in connection with the offer of "prime bank" securities through the use of the Internet and ordered him to cease and desist from further violations.

Specifically, the Commission found that from approximately May 1998 through February 1999, Johnson offered securities to potential investors through three websites on the Internet. In each case, Johnson established the website under the d.b.a. Global Financial Group (Global). On the Global websites, Johnson made several misrepresentations of material facts regarding Global and the securities it was offering. The Commission found that Johnson misrepresented the returns available (from 50% to 1600% in 3 to 120 plus days) on the investments and the existence of the securities themselves. Johnson also misrepresented that the securities would be "100% insured" and "guaranteed in writing." Finally, the Commission found that Johnson falsely represented that Global had clients in over twenty countries when, in fact, Global had no clients and no operations aside from the three websites Johnson created.

Johnson consented to the entry of an Order requiring him to cease and desist from violating Sections 17(a)(1) and (3) of the Securities Act of 1933, which prohibit fraudulent conduct in connection with the offer or sale of securities. (Rel. 33-7749; File No. 3-9893)

## **JENO KOCH SUSPENDED FROM ASSOCIATION WITH BROKER OR DEALER AND BARRED FROM PARTICIPATING IN ANY OFFERING OF PENNY STOCK**

On September 30, the Commission instituted administrative proceedings against Jeno K. Koch (Koch). The Commission simultaneously accepted Koch's Offer of Settlement, providing for an Order suspending him from association with a broker or dealer for one year. The Order alleges that on April 26, 1999, a final judgment of permanent injunction was entered, by consent, against Koch, permanently enjoining him from violations of Sections 5(a) and 5(c) of the Securities Act of 1933 and Section 15(a) of the Securities Exchange Act of 1934. *Securities and Exchange Commission v. James T. Staples, et al.*, Civil Action No. 98-1061-CIV-22C (M.D. Fla.). According to the Order, the Commission's civil complaint alleged that Koch violated the registration and broker-dealer registration provisions of the federal securities laws in 1995 and 1996 when he sold securities in the form of promissory notes and penny stock issued by LSI Holdings Inc. and its subsidiary, Legend Sports, Inc. (Legend Sports). The civil complaint charged Legend Sports, a company formerly based in Altamonte Springs, Florida, with operating a Ponzi scheme by using proceeds from the sale of the promissory notes and penny stock to pay interest and dividends to investors,

commissions to its salesmen and the expenses of company officers and other parties unrelated to its business. (Rel. 34-41949; File No. 3-10054)

#### **SEC INSTITUTES ADMINISTRATIVE PROCEEDINGS AGAINST J. SCOTT ESKIND**

On September 30, the Commission issued an Order Instituting Proceedings (Order) against J. Scott Eskind (Eskind) of Atlanta, Georgia. In the Order, the Division of Enforcement (Division) alleges that the Commission filed a civil injunctive action entitled S.E.C. v. J. Scott Eskind, civil action No. 1:97-CV-1790-CAM (N.D.Ga.) against Eskind in June 1997, alleging violations of the federal securities laws. The Division further alleges that Eskind was enjoined from future violations by a court order issued in January 1998. The Order seeks to determine whether these allegations are true and what, if any, administrative remedies are appropriate. (Rel. IA-1838; File No. 3-10053)

#### **COMMISSION INSTITUTES PROCEEDINGS AGAINST TWO SALES AGENTS IN CONNECTION WITH THE OFFERING AND SALE OF FRIENDLY POWER SECURITIES**

The Commission announced that it has instituted a public administrative and cease and desist proceeding against two sales agents, Madlyn L. Ferro (Ferro) and Dwight H. Stephens (Stephens), in connection with the offering and sale of securities of Friendly Power Company (Friendly Power). The administrative and cease and desist proceeding is based upon allegations that Ferro and Stephens were associated with unregistered broker-dealers when they engaged in the unlawful sale of unregistered securities of Friendly Power Company (Friendly Power). The unregistered securities took the form of partnership units in various franchises in Friendly Power.

The Order alleges that between November 1997 and July 1998, Ferro offered and sold Friendly Power partnership units on behalf of Rich Management through unsolicited telephone solicitations to investors located nationwide. The Order alleges that Ferro had worked with the principals of Friendly Power and Rich Management for several years, previously sold partnership units in at least one other venture started by the principals of Friendly Power and Rich Management, and that she sold approximately 20 of the Friendly Power partnership units in return for commissions from Rich Management of over - 50,000.

The Order against Stephens is based on a previously filed injunctive action against him in the case of SEC v. Friendly Power Company LLC et al., 98-2902-CIV-KING (S.D. Fla.). In that action, the United States District Court for the Southern District of Florida entered a final judgment of permanent injunction and other relief, by default, enjoining Stephens from violating the antifraud and securities and broker-dealer registration provisions of the federal securities laws. The Court found that Stephens had failed to appear, answer or otherwise plead to the complaint filed by the Commission against him. The Commission's complaint alleged, among other things, that between November 1997 and July 1998, Respondent made, or

directed his employees to make, material misrepresentations and omissions in connection with the offer and sale of unregistered securities in Friendly Power Company concerning: the potential profitability of an investment in a Friendly Power partnership unit; the availability of the securities (in a manner designed to create a false sense of urgency in the investor); Friendly Power's unilateral right to revoke a franchise's right of exclusivity to the franchise area; and the risk of an investment in a Friendly Power partnership unit.

A hearing will be held before an administrative law judge to determine whether the staffs allegations are true, and if so, what sanctions, if any, are appropriate against Ferro and Stephens. (Rel. 33-7748; 34-41950)

#### **COMMISSION ENTERS ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS AGAINST RONALD KNITTLE AND GREGORY VERNON**

On September 30, the Commission entered an Order Instituting Administrative Proceedings against Ronald A. Knittle (Knittle) and Gregory G. Vernon (Vernon) pursuant to Section 15(b)(6)(A) of the Securities Exchange Act of 1934. That Section authorizes the Commission to sanction persons who have participated in an offering of penny stock. In the Order, the Division of Enforcement alleges that both Knittle and Vernon, who are residents of the Denver, Colorado area, were previously enjoined from violations of various provisions of the federal securities laws in connection with a penny stock, Golden Eagle International, Inc. [SEC v. Golden Eagle International, Inc., et al., Civil Action No. 98-Z-1020, U.S.D.C. Colo.] A hearing will be held before an Administrative Law Judge to determine if the allegations in the Order are true, and if so, to determine what sanctions are in the public interest. (Rel. 34-41951; File No. 3-10056)

#### **COMMISSION ISSUES ORDER INSTITUTING PROCEEDINGS AND IMPOSING A SANCTION AGAINST MICHAEL GOLDBERG**

On September 30, the Commission instituted, and simultaneously settled, public proceedings pursuant to Rule 102(e) of the Commission's Rules of Practice.

Goldberg consented to the entry of an Order Instituting Proceedings and Imposing A Sanction (Order) that finds that Goldberg is a certified public accountant and has been licensed by the State of New York since 1988. The Order also finds that from September 1993 until May 1996, Goldberg served as Senior Vice President and Chief Financial Officer of Happiness Express, Inc. (HappinessExpress). As Chief; Financial Officer, Goldberg: (a) was responsible for preparing quarterly and annual financial statements; (b) was responsible for preparing all reports filed with the Commission; (c) signed the quarterly and annual financial statements; and (d) served as the primary contact with the accounting firm that served as Happiness Express's independent auditor.

On May 27, 1999, the Commission filed a complaint (Complaint) against Goldberg and others (SEC v. Sutton, et al., 99 civ. 3889) in the United States District Court for the Southern District of New York (Court). The Order finds that on June 7, 1999, the Court entered a Final Judgment Of Permanent Injunction And Other Relief Against Defendant Michael Goldberg By Consent (Final Judgment) that, among other things, permanently enjoins Goldberg from violating Sections 10(b) and 13(b) (5) of the Securities Exchange Act of 1934 and Rules 10b-5, 13b2-1 and 13b2-2. Goldberg consented to the entry of the Final Judgment without admitting or denying the allegations in the Complaint, except as to jurisdiction. By reason of the foregoing, Goldberg has been permanently enjoined from further violations of the federal securities laws. The Order sanctions Goldberg by denying him the privilege of appearing or practicing before the Commission as an accountant. (Rel. 34-41952; AAE Rel. 1189; File No. 3-10057)

**COMMISSION ISSUES ORDER REVOKING BROKER-DEALER REGISTRATION OF AMERIVEST FINANCIAL GROUP, INC.**

The Commission announced that it issued an Order Instituting Public Administrative Proceeding, Making Findings And Imposing Remedial Sanctions (Order) against a Commission registered broker-dealer, Amerivest Financial Group, Inc. The Commission's Order finds that on September 28, 1999, Amerivest was enjoined by the United States District Court for the Central District of California from future violations of the antifraud provisions of the Securities Act and the Exchange Act. The Commission's Complaint alleged that from at least 1992 until September 1997, Amerivest participated in a fraudulent Ponzi-like scheme, raising over \$16 million from over 500 mostly elderly investors through the offer and sale of interests in oil and gas joint ventures and limited partnerships.

Amerivest, which is under the control of a Court-appointed Receiver, consented to issuance of the Order by the Commission revoking its registration as a broker-dealer. (Rel. 34-41953; File No. 3-10058)

**WILLIAM BRAMBLE, JR. BARRED**

On September 30, the Commission issued an order barring William J. Bramble (Bramble), a registered representative of Seasingood & Mayer of Cincinnati, Ohio, from associating with any broker, dealer or municipal securities dealer. Bramble misappropriated approximately \$2 million in municipal bearer bonds from his customers. In the Order, the Commission found that Between 1990 and August 1996, Bramble engaged in a scheme to defraud in which he misappropriated six customers' municipal bearer bonds. In furtherance of his scheme, Bramble misrepresented to his customers that he would purchase, sell, or safekeep bearer bonds for their accounts. Instead, Bramble misappropriated these bearer bonds and converted them to cash. Bramble used the proceeds from the bonds to purchase personal assets such as homes, automobiles, an apartment building, and an airplane. Bramble perpetuated and concealed his fraud by, among other things, opening accounts at Seasingood to sell certain

misappropriated bearer bonds to his customers. Bramble also changed the addresses on his defrauded customer's accounts to that of a post office box that he controlled. By doing so, Bramble was able to intercept legitimate account statements and trade confirmations that would have exposed his fraud. Bramble then created false account statements, trade confirmations, tax forms, and receipts using authentic looking materials he obtained from Seasongood's back office, and sent those false documents to his customers. Those documents misstated his customers' portfolios and misrepresented to them the activity in their accounts. The Order further finds that, based on this conduct, Bramble willfully violated Sections 17(a) of the Securities Act of 1933 and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. Moreover, on February 20, 1997, Bramble pleaded guilty in federal court to one count of interstate transportation of stolen securities, arising from this same conduct. On June 2, 1997, Bramble was sentenced to 46 months imprisonment. Bramble is currently serving his term of imprisonment at the federal correctional institute in Eglin, Florida. Bramble was also ordered to pay restitution in the amount of \$1,500,812.96. Bramble consented to the entry of the Order against him, admitting the Commission's findings. (Rel. 34-41954; File No. 3-10059)

**SEASONGOOD & MAYER AND RICHARD REIS SANCTIONED AND ORDERED TO PAY CIVIL PENALTIES FOR FAILING TO SUPERVISE WILLIAM BRAMBLE, JR.**

On September 30, the Commission issued an order sanctioning Seasongood & Mayer (Seasongood), a registered broker-dealer and municipal securities dealer located in Cincinnati, Ohio, and Richard D. Reis (Reis), a general partner of the firm, for failing to supervise William J. Bramble, Jr. (Bramble), a registered representative associated with the firm. Bramble misappropriated approximately \$2 million in municipal bearer bonds from his customers. In the Order, the Commission found that Between 1990 and August 1996, Bramble engaged in a scheme to defraud in which he misappropriated six customers' municipal bearer bonds. Bramble perpetuated and concealed his fraud by, among other things, opening accounts at Seasongood to sell certain misappropriated bearer bonds to his customers. Bramble also changed the addresses on his defrauded customer's accounts to that of a post office box that he controlled. By doing so, Bramble was able to intercept legitimate account statements and trade confirmations that would have exposed his fraud. Bramble then created false account statements, trade confirmations, tax forms, and receipts using authentic looking materials he obtained from Seasongood's back office, and sent those false documents to his customers. Those documents misstated his customers' portfolios and misrepresented to them the activity in their accounts. As a result of this conduct, Bramble willfully violated the antifraud provisions of the federal securities laws. Moreover, on February 20, 1997, Bramble pleaded guilty in federal court to one count of interstate transportation of stolen securities, arising from this same conduct. On June 2, 1997, Bramble was sentenced to 46 months imprisonment. The Order further finds that Seasongood failed to supervise Bramble in that it failed to develop and implement adequate procedures regarding, among other things, back office operations, sales practices, receipt and

delivery of bearer bonds, address changes, access to sensitive customer documents, customer complaints and review of outgoing mail. Reis, Bramble's direct supervisor, failed to supervise Bramble in that he, among other things, failed to adequately train Bramble, oversee Bramble's day-to-day activities or review Bramble's accounts and ignored or failed to recognize red flags regarding Bramble's conduct. Seasongood and Reis consented to the Commission's Order without admitting or denying the findings contained in the order, except jurisdictional findings, which were admitted. Seasongood was censured and ordered to commence remedial undertakings and to pay a fine of \$50,000. Reis was suspended for six months, barred in a supervisory capacity for an additional two years and ordered to pay a civil penalty of \$20,000. (Rel. 34-41956; File No. 3-10061)

**FRANK GRILLO IS BARRED FROM ASSOCIATION WITH ANY BROKER OR DEALER IN CONNECTION WITH HIS CONVICTION FOR PARTICIPATING IN A SECURITIES MANIPULATION SCHEME**

The Commission announced that on September 30 it instituted and simultaneously settled administrative proceedings against Frank Grillo of New York, New York. Grillo consented, without admitting or denying the Commission's findings, except as to the fact of his criminal conviction, to an order barring him from association with any broker or dealer. The proceedings were based on Grillo's previous conviction for his participation in a securities manipulation scheme.

The Commission found that on December 24, 1996, the United States District Court for the District of New Jersey entered a judgment of conviction against Grillo based upon his prior guilty plea to one felony count for conspiracy to commit securities fraud in connection with his participation in the manipulation of the prices of two penny stocks. Grillo participated in the manipulation scheme while associated as a registered representative with Corporate Securities Group, Inc., a registered broker-dealer, from May through June 1988, and while associated as a principal with Allegiance Securities, Inc., a now-defunct registered broker-dealer, from July 1988 through September 1989. In connection with Grillo's role in the scheme, the District Court sentenced him to three years probation, six months of home confinement, and 200 hours of community service, and ordered him to pay a \$25,000 fine and a special assessment of \$50. (Rel. 34-41956; File No. 3-10061)

**CIVIL INJUNCTIVE ACTION SETTLED, AND PUBLIC ADMINISTRATIVE PROCEEDINGS INSTITUTED AND SETTLED AGAINST JEFFREY BROMMER**

The Commission today announced that Jeffrey Brommer (Brommer) agreed to settle the civil action against him by consenting to the entry of an order of permanent injunction enjoining him from violations of the antifraud provisions of the federal securities laws. The Commission also announced the institution and simultaneous settlement of public administrative proceedings against Brommer. The Commission's complaint alleged that in February 1998, and in July 1998, Brommer, a registered investment adviser, published



glowing reports in Market Savvy, his investment newsletter, about Great White Marine and Recreation, Inc. (Great White) encouraging investors to purchase the company's stock. During this same time period, Brommer received Great White common stock as compensation for performing investor relations functions for the company. While recommending the purchase of Great White to investors in Market Savvy, Brommer was selling his Great White stock into the market, a practice known as "scalping." Without admitting or denying the Commission's findings, Brommer has agreed to the entry of an Order barring from him from association with any investment adviser, with the right to reapply for association after 18 months, and to withdraw his registration as an investment adviser. (Rel. IA-1840; File No. 3-10062)

#### **COMMISSION CENSURES BRIANT PATTERSON, INC. AND BRIANT PATTERSON**

The Commission instituted a cease and desist proceeding pursuant to Section 21C of the Securities Exchange Act of 1934 (Exchange Act) and a public administrative proceeding against Briant C. Patterson, Inc. and Briant Patterson (Respondents) pursuant to Sections 15(b) and 19(h) of the Exchange Act. Simultaneous with the institution of the proceedings, Respondents submitted an Offer of Settlement in which, while neither admitting nor denying the Commission's findings, they consented to the entry of an Order to cease and desist from committing or causing any violation and any future violation of Section 15(a) of the Exchange Act, operating as an unregistered broker or dealer, and payment of a civil money penalty of \$10,000. (Rel. 34-41957; File No. 3-10063)

#### **ADMINISTRATIVE PROCEEDINGS IN THE MATTER OF FRANK GAINES AND TAFT WOMACK**

The Commission announced today that it has instituted public administrative proceedings, pursuant to Section 15(b) of the Securities Exchange Act of 1934 (Exchange Act), against Frank Gaines (Gaines) of Lebanon, Indiana and Taft Womack (Womack) of St. Petersburg, Florida. The administrative proceedings are based upon allegations that both Gaines and Womack have been enjoined, by default, by the United States District Court for the Middle District of Florida, against violating the securities registration, antifraud, and broker-dealer registration provisions of the federal securities laws.

The injunction is based upon a complaint filed by the Commission alleging that from at least 1994 through 1997, Gaines, Womack, and others fraudulently offered and sold \$3.3 million of unregistered securities offered by International Capital Corporation 2000 (ICC 2000). According to the Commission's complaint, Gaines, Womack, and others misrepresented that the ICC 2000 securities were secure and risk-free. In fact, investor funds were not secure and risk free because investor funds were withdrawn from the bank accounts in which they had been deposited and used to pay off earlier investors, to pay sales commissions, and to pay for personal expenditures of other individuals involved in the sale of ICC 2000 investment contracts. The Commission's complaint also alleges that Gaines and Womack acted as brokers or dealers while not registered with the

Commission:

A hearing will be held before an administrative law judge to determine whether the staff's allegations are true, and if so, what sanctions, if any, are appropriate against Gaines and Womack. (Rel. 34-41958; File No. 3-10064)

#### **SEC INSTITUTES ADMINISTRATIVE PROCEEDINGS AGAINST RALPH LEBLANC**

On September 30, the Commission issued an Order Instituting Proceedings (Order) against Ralph W. LeBlanc (LeBlanc) of Atlanta, Georgia. In the Order, the Division of Enforcement (Division) alleges that the Commission filed a civil injunctive action entitled SEC v. Alpha Diversified Industries, Inc., et al., Civil Action No. 97-2814 "B" (ED La.), against LeBlanc in June 1997, alleging violations of the federal securities laws. The Division further alleges that LeBlanc was enjoined from future violations by a court order issued in March 1999. The Order seeks to determine whether these allegations are true and what, if any, administrative remedies are appropriate. (Rel. 34-41959; File No. 3-10065)

#### **COMMISSION SETTLES MATTER AGAINST TWO SALES AGENTS IN CONNECTION WITH THE OFFERING AND SALE OF FRIENDLY POWER SECURITIES**

The Commission announced that it has instituted public administrative proceedings against two sales agents, Howard Zalkin (Zalkin) and Barry E. Adelson (Adelson), in connection with the offering and sale of securities of Friendly Power Company (Friendly Power). The Commission simultaneously settled the public administrative proceedings against Zalkin and Adelson, both of whom consented to the entry of an Order without admitting or denying the Commission's allegations.

The Order against Zalkin and Adelson suspends them from association with any broker or dealer for twelve months, orders each of them to cease and desist from committing or causing any violation and any future violation of the securities and broker-dealer registration provisions of the federal securities laws, orders Adelson to pay a civil penalty of \$5,500, and does not impose a civil penalty on Zalkin based on his financial inability to pay. The Order is based on findings that Zalkin was associated as an officer and director of Packard Energy Group, Inc. (Packard Energy), an unregistered broker-dealer; and that between approximately January 1998 and July 1998, Adelson was associated as an unregistered representative of Packard Energy. The Order further finds that between November 1997 and July 1998, Friendly Power offered and sold securities to the general public in the form of partnership units in various Friendly Power franchises, that Friendly Power sold the securities through a network of telemarketers, including Packard Energy, and that no registration statement was ever filed or was in effect with the Commission in connection with the securities offered and sold by Friendly Power. (Rel. 33-7750; 34-41960; File No. 3-10066)

## **BROKER-DEALER BAR ENTERED AGAINST JERALD ALBIN**

The Commission today entered an Order Instituting Proceedings, Making Findings and Imposing Remedial Sanctions (Order), by consent, against Jerald F. Albin barring him from association with any broker or dealer. Albin neither admitted nor denied the findings of the Order, except as to the Commission's jurisdiction, the entry of an Order of Permanent Injunction against him in the case captioned, SEC v. Jerald F. Albin, et al., Case No. 98-0977-CV-W-8 (W.D. Mo.), and Albin's conviction for one count of mail fraud in the case captioned, U.S. v. Jerald F. Albin, Case No. 99-00069-01-CR-W-2 (W.D. Mo.). The injunction and conviction both stemmed from Albin's role in defrauding individuals who invested in the promissory notes that he sold through the Balanced Plan Accumulation Trust (Trust). Albin, among other things, fraudulently misrepresented to Trust note investors the use of investor proceeds and the safety, liquidity and rate of return of an investment in the Trust notes. Albin is currently serving a 36 month prison term for his fraud on the Trust note investors (SEC v. Jerald F. Albin, et al., W.D. Mo., Case No. 98-0977-CV-W-8). (Rel. 34-41962; File No. 3-10067)

## **PUBLIC PROCEEDINGS INSTITUTED AGAINST LEGG MASON WOOD WALKER, INC., THOMAS DALY, AND JOSEPH SULLIVAN**

The Commission announces the institution of public administrative proceedings against Legg Mason Wood Walker, Inc. (Legg Mason), Thomas A. Daly (Daly) and Joseph Sullivan (Sullivan), pursuant to Sections 15(b), 15B(c), 19(h) and 21C of the Securities Exchange Act of 1934 (Exchange Act).

The Commission's Order Instituting Public Proceedings (Order) alleges that, from 1994 through 1998, in connection with Legg Mason's participation in initial offerings, including advance refundings, of municipal securities during the relevant period, Legg Mason willfully violated MSRB Rules G-36(b)(i) and (ii) in that it failed to file, or filed delinquent, final official statements and advance refunding documents required to be filed under those rules. The Order further alleges that Daly, who managed both Legg Mason's municipal securities sales and trading and public finance functions from approximately 1983 through April 18, 1997, willfully aided and abetted and/or was a cause of Legg Mason's violations of MSRB Rules G-36(b)(i) and (ii) in that he knew, should have known and/or was reckless in not knowing of Legg Mason's Rule G-36 violations yet he did not cure those violations or otherwise ensure that Legg Mason complied with Rule G-36. The Order alleges that Sullivan, who has managed Legg Mason's municipal securities sales and trading since at least April 18, 1997, was a cause of Legg Mason's violations of MSRB Rules G-36(b)(i) and (ii) in that he knew or should have known of Legg Mason's Rule G-36 violations yet he did not cure those violations or otherwise ensure that Legg Mason complied with Rule G-36.

Finally, the Order alleges that Legg Mason, Daly and Sullivan willfully violated MSRB Rules G-27(a) - (d) in that they failed to effectively supervise the conduct of Legg Mason's municipal

securities business and staff failed to designate principals to be responsible for such supervision, failed to codify an adequate supervisory system for ensuring compliance with, at least, MSRB Rule G-36(b)(i) and (ii), and failed to adequately update and review written procedures.

A public hearing will be scheduled to determine whether the Commission's allegations are true, and if so, whether any remedial sanctions, including the issuance of a cease and desist order, are appropriate and in the public interest and whether respondents should be ordered to pay civil penalties. (Rel. 34-41963; File No. 3-10068)

#### **ORDER APPROVING PLAN FOR THE DISTRIBUTION OF DISGORGED FUNDS AND APPOINTING ADMINISTRATOR IN THE MATTER OF ROBERT SMITH**

The Commission announced that on September 29 it approved a plan for the distribution of disgorged funds (Distribution Plan) in the Matter of Robert J. Smith and has appointed Joseph A. Zangri, Esq., a Staff Attorney in the Northeast Regional Office, Administrator of the Distribution Plan.

On November 25, 1998, the Commission found that Robert Smith, an investment advisor, had collected \$34,865 in unlawful performance based fees from his investment advisory clients. The Commission issued an Order Instituting Public Proceedings, Making Findings, Imposing Sanctions, and Issuing Cease And Desist Order against Robert J. Smith. In that order, Smith was ordered to disgorge \$34,865 and pay prejudgment interest of \$16,788.73, which was placed in the U.S. Treasury pending the approval of the Distribution Plan. On March 10, 1999, the Commission issued an order approving publication of a notice of a plan for the distribution of disgorged funds. After notice and an opportunity to hear objections, the Commission approved the plan to distribute disgorged funds pursuant to Rule 613 of the Rules of Practice of the Securities and Exchange Commission, 17 C.F.R. Section 201.613, and appointed an administrator pursuant to Rule 614 of the Rules of Practice of the Securities and Exchange Commission, 17 C.F.R. Section 201.614. The Distribution Plan provides that the unlawful performance-based fees paid to Smith will be repaid to the clients who paid those fees. The Distribution Plan further provides that a proportionate share of the prejudgment interest paid by Smith will be paid to those clients who provide a valid social security number or tax identification number. (Rel. IA-1837; File No. 3-9782)

#### **JEFFREY PARKER SANCTIONED FOR VIOLATING ANTIFRAUD PROVISIONS**

The Commission issued an Order Instituting Public Proceedings, Making Findings and Imposing Remedial Sanctions and Cease and Desist Order against Jeffrey A. Parker. He was a registered representative who worked at Bodnar & Associates, the Akron, Ohio branch office of Delta Equity Services Corporation, a broker-dealer registered with the Commission. He was directly supervised by Andrew P. Bodnar, their branch manager and an attorney. Parker

consented to the entry of the Commission's Order without admitting or denying the findings contained therein.

The Commission, in its Order, found that from November 1996 through July 1997, Bodnar and another individual directed a fraudulent scheme through which they, together with other sales representatives, raised approximately \$6.4 million from the sale of unregistered securities in CBT Holding Corporation and CBT-Ohio Ltd. to at least 148 public investors. The investors were told that their funds would be used to purchase low-risk financial instruments yielding approximately 12 percent annually. However, Bodnar misappropriated most of the funds to pay for his business and personal expenses. He also diverted money into Prime Bank schemes and used the remaining funds to make payments to prior investors.

By July 1997, Parker sold over \$800,000 of CBT and CBT-Ohio securities to investors. As part of his sales efforts, he initially told investors that the securities were low-risk investments involving certificates of deposit issued by an off-shore bank. Later, he told investors that the securities were backed by certificates of deposit issued by banks in the United States. However, he conducted no due diligence of CBT and CBT-Ohio and had no reasonable basis for his recommendation to customers to purchase the securities. Instead, he relied solely upon Bodnar's unsupported verbal representations about the nature of these securities.

On the basis of its findings and Parker's Offer of Settlement, the Commission ordered that Parker: (i) cease and desist from committing or causing violations of, among other things, the registration and antifraud provisions of the federal securities laws; (ii) be barred from association with any broker or dealer, and (iii) pay disgorgement of \$21,000, but that payment of all but \$10,000 of that amount be waived based upon his demonstrated financial inability to pay. (Rel. 33-7751; 34-41964; File No. 3-10069)

#### **COMMISSION BARS REGISTERED REPRESENTATIVE IN IBM/LOTUS INSIDER TRADING CASE**

On September 30, the Commission issued an order barring Michael Paul Green, of Edison, New Jersey from associating with any broker or dealer for his committing insider trading concerning International Business Machines Corporation's takeover of Lotus Development Corporation. Green had previously agreed to an injunction in the Commission's enforcement action. See Securities and Exchange Commission v. Cassano, et al., 99CV3822 (LAK) (S.D.N.Y. May 26, 1999). In that matter the Commission alleged that Green engaged in insider trading in the stock and options of Lotus, while possessing material nonpublic information relating to a plan by IBM to commence a tender offer for Lotus. The Commission also alleged in the civil action that Green and another individual he caused to purchase Lotus common stock realized an aggregate illegal profit of \$17,935, when IBM's takeover plan was announced the next trading day. (Rel. 34-41965; File No. 3-10070)

**ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS ENTERED AGAINST DAVID HOUGE**

The Commission announced that on September 30 it instituted and simultaneously settled administrative proceedings against David E. Houge. Houge consented, without admitting or denying the Commission's findings, to an order barring him from association with any broker or dealer and from participating in any offering of penny stock. The order was based upon a partial final consent judgment against Houge filed on June 16, 1999 in the United States District Court for the Eastern District of New York. SEC v. David E. Houge, 99 Civ. 3378 (NG).

According to the Commission's Complaint, from May 1995 through November 1997, Houge and others orchestrated the manipulations of three publicly traded micro-cap stocks, Auxer Industries, Inc. (Auxer), Legend Sports, Inc. (Legend), and Orlando Super Card, Inc. (Orlando) and participated in the fraudulent sale of a private placement for City Services, Inc. (City Services). For each of Auxer, Legend and Orlando, Houge controlled the supply of the stocks; raised the price through orchestrated trades; and paid undisclosed cash compensation to retail salespeople. For City Services, Houge similarly paid undisclosed compensation to retail salespeople. In the scheme related to Auxer, Houge also violated the registration provisions by using nominees for a purported offering under Rule 504 of Regulation D. Houge also acted as an undisclosed control person of First National Equity Corp. (First National), a now-defunct registered broker-dealer, and as an officer of City Services. The partial final consent judgment entered against Houge permanently enjoined him from future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder, and, as a controlling person of First National, against violations of Section 15(c) of the Exchange Act and Rules 10b-3 and 15c1-2 thereunder, and barred him from serving as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act. (Rel. 34-41966; File No. 3-10071)

**INVESTMENT ADVISER PAYS \$976,980 TO SETTLE SOFT DOLLAR ADMINISTRATIVE PROCEEDING**

The Commission today instituted administrative and cease-and-desist proceedings against Marvin & Palmer Associates, Inc. (M&P), a registered investment adviser, David F. Marvin, its chief executive officer and 50 percent owner, MacThom Associates, Inc. (MacThom) and Thomas E. Dubis. M&P is located in Wilmington, Delaware and Marvin resides in Delaware. MacThom is located in Kent, Ohio and Dubis resides there.

The Commission's Order Instituting Public Proceedings, Making Findings, Imposing Remedial Sanctions, and Issuing Cease and Desist Order (Order) finds that M&P failed to disclose to its clients its

use of at least \$920,000 in soft dollars derived from an arrangement with a registered broker-dealer, in violation of provisions of the Investment Advisers Act of 1940 (Advisers Act). The term "soft dollars" generally describes an arrangement whereby an investment adviser uses commission credits generated by securities trades executed in advisory client accounts to pay for research, brokerage, or other products, services, or expenses. From approximately February 1996 through August 1998, M&P, through its principal Marvin, directed the broker-dealer to make payments to MacThom, ostensibly for research performed by MacThom for M&P. In fact, MacThom conducted only a small amount of research, with a total value of \$63,000 during the relevant time period. Most of the soft dollar payments were used by MacThom to compensate Dubis, MacThom's principal and a close friend of Marvin, as well as the family of a deceased business associate and friend of Marvin, for their efforts in making introductions and referrals to M&P in its early years. From February 1996 through August 1998, the broker-dealer paid \$920,000 to MacThom, and MacThom and Dubis paid \$635,000 of this amount to this family. With the exception of the research valued at \$63,000, the payments to MacThom provided no benefit to the clients of M&P whose commissions generated the soft dollars used to make the payments.

The Commission's Order finds that M&P willfully violated Sections 206(1) and 206(2) of the Advisers Act, that Marvin willfully aided and abetted and caused M&P's violations, and that MacThom and Dubis caused M&P's violations. The Order also finds that M&P and Marvin willfully violated Section 207 of the Advisers Act.

The Respondents each consented to the issuance of the Order without admitting or denying the findings contained therein. Pursuant to their Offers of Settlement, M&P and Marvin were censured and ordered to cease and desist from committing or causing violations of Sections 206(1), 206(2) and 207 of the Advisers Act; M&P and MacThom, jointly and severally, were ordered to pay disgorgement and prejudgment interest in the amount of \$976,980; M&P was ordered to pay a civil penalty in the amount of \$50,000; and Marvin was ordered to pay a civil penalty in the amount of \$25,000. In addition, M&P was ordered to comply with certain undertakings, and MacThom and Dubis were ordered to cease and desist from causing violations of Sections 206(1) and 206(2) of the Advisers Act. (Rel. IA-1841; File No. 3-10072)

#### **COMMISSION SUES ROBERT DALTON, JAMES MASINI AND GEORGE BODLAK**

On September 27, the Commission sued Robert J. Dalton, James L. Masini and George J. Bodlak for fraudulently selling securities. From March 1995 until June 1998, the defendants raised approximately \$8.5 million from the sale of investment contracts to over 250 investors nationwide. The Complaint alleges that the defendants told investors that investor funds would be used to purchase and raise worms and sell the worms and their castings for a profit. Instead, approximately 52% of the money raised was used to pay sales commissions, overrides, and administrative expenses. The Complaint also alleges that investor returns were paid with investor funds.

The Complaint seeks permanent injunctions, disgorgement and penalties against the defendants for variously violating the securities registration, antifraud, and broker-dealer registration provisions: Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 and Sections 10(b) and 15(a) of the Securities Exchange Act of 1934 and Rule 10b-5. Without admitting or denying the allegations in the complaint, Bodlak consented to the entry of a permanent injunction and to pay disgorgement, prejudgment interest, and a civil penalty totaling \$13,946. [SEC v. Robert J. Dalton, James L. Masini, and George J. Bodlak, Civil Action No. 99-09826 RAP, AJWx, C.D. Cal.] (LR-16316)

#### **COMPLAINT FILED AGAINST TODD HANSEN AND NICHOLAS LOBUE**

The Commission announced that on September 28 the Commission filed a Complaint in the United States District Court for the Northern District of Illinois against Todd Hansen (Hansen) and Nicholas LoBue (LoBue) alleging, among other things, that they misappropriated investor funds.

The Commission's Complaint alleges that on or about December 1996 through approximately June 1997, Hansen and LoBue raised about \$660,000 from investors and that Hansen and LoBue misappropriated approximately \$234,000. The Complaint also alleges that Hansen and LoBue sent investors false account statements showing trading profits instead of losses. Furthermore, the Complaint alleges that Hansen and LoBue made misrepresentations and failed to state material facts about Hansen's criminal background and his actual employment status with Pavilion Securities.

The Complaint seeks, among other things, permanent injunctions, disgorgement, prejudgment interest and civil penalties. [SEC v. Todd Hansen and Nicholas Lobue, USDC, ND Ill., Civil Action No. 99 C 6386] (LR-16317)

#### **COMPLAINT FILED AGAINST FIRST SPRINGFIELD SECURITIES, INC., DONALD RADLE AND MICHAEL DWYER**

On September 28, the Commission filed a complaint in federal district court in Springfield, Missouri against First Springfield Securities, Inc. (FSSI), Donald E. Radle (Radle) and Michael S. Dwyer (Dwyer), alleging that FSSI, Radle and Dwyer violated the antifraud provisions of the federal securities laws. According to the Commission's complaint, from approximately November 1997 through April 1998, FSSI and Radle, FSSI's former president, raised at least \$4 million from investors by offering and selling securities. These securities purportedly were backed by collateral and offered extraordinary returns. The complaint further alleges, however, that neither FSSI nor Radle ever obtained the promised collateral; investor funds were directed to accounts neither FSSI nor Radle controlled; and most of the investors lost all, or nearly all, of their money. In addition, the complaint alleges that a former registered representative at FSSI, Dwyer, attempted to obtain investor funds as part of the fraudulent scheme from two elderly



sisters.

The Commission, in its complaint, seeks permanent injunctions and civil penalties against FSSI, Radle and Dwyer.

The Commission wishes to thank the NASD and the Missouri Secretary of State's Securities Division for their assistance in this matter. [SEC v. First Springfield Securities, et al., Civ. No. 99-3356-CV-S-RGC, W.D. MO] (LR-16318)

#### **ROBERT KARGL, DAVID STENSLIE, AND MONICA O'LEARY ENJOINED AND FINED FOR INSIDER TRADING**

On September 28, the Commission filed a civil complaint in the Eastern District of Wisconsin against Robert A. Kargl, David K. Stenslie, and Monica M. O'Leary. The complaint alleges that in July 1997, Kargl, Stenslie and O'Leary engaged in insider trading when they purchased and/or tipped others to purchase the stock of Sullivan Dental Products, Inc., a Wisconsin corporation, while in possession of material, non-public information about the impending merger between Sullivan Dental and Henry Schein, Inc., which was announced on August 4, 1997. As a result, Kargl, Stenslie, O'Leary, and their tippees realized approximately \$38,073.75 in trading profits from their purchases of Sullivan Dental Stock. Kargl, Stenslie and O'Leary 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 \$38,073.75 in disgorgement, \$7,315.56 in prejudgment interest, and \$38,073.75 in civil penalties. The settlements are subject to approval by the Court. [SEC v. Robert A. Kargl, David K. Stenslie, and Monica M. O'Leary, USDC, ED Wisconsin, Civil Action N. 99-C-1142] (LR-16319)

#### **SEC FILES SUIT AGAINST TWO SALES AGENTS IN FRIENDLY POWER CASE**

The Commission announced that on September 29 it filed a civil complaint against two individuals who it alleges participated in the fraudulent telemarketing of unregistered securities in Friendly Power Company (Friendly Power). The SEC's lawsuit comes less than five months after United States District Judge James L. King ordered the principals of Friendly Power to pay \$2.6 million in disgorgement and penalties for their roles in the Friendly Power scheme.

The SEC alleges that Jeffrey S. Richman (Richman) of Coral Springs, Florida, and Stephen P. Erlich (Erlich) of Hollywood, Florida, operated boiler-room telemarketers that sold unregistered Friendly Power securities to the public between November 1997 and July 1998. According to the SEC's complaint, Richman's boiler-room, Miami Lakes, Fla.-based Rich Management Corp. (Rich Management), and Erlich's boiler-room, LGS, Inc., also based in Miami Lakes, raised over \$5.5 million by selling the Friendly Power securities to investors, many of whom were elderly and unsophisticated individuals that used retirement funds to pay for their investments. The SEC alleges that in connection with those sales, Richman and Erlich

made, or instructed sales agents they employed to make, egregious misrepresentations to investors regarding, among other things, Friendly Power's risk, profitability, the need to invest quickly and investors' returns. The SEC alleges that in return for selling the Friendly Power securities, Erlich received commissions of more than \$325,000 in just eight months.

The SEC alleges that through their conduct, Richman and Erlich violated the securities and broker-dealer registration provisions and the antifraud provisions of the federal securities laws. Specifically, the SEC alleges that Richman and Erlich violated Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 and Sections 10(b) and 15(a) of the Securities Exchange Act and Rule 10b-5 thereunder. The SEC's action seeks, among other things, permanent injunctive relief, disgorgement and penalties against Richman and Erlich.

The SEC also announced today that simultaneously with the filing of its complaint, Richman agreed to settle the action against him by consenting, without admitting or denying any of the allegations contained in the SEC's complaint, to the entry of a permanent injunction from future securities law violations. Richman will also pay disgorgement of \$398,966.80 in ill-gotten gains. Under the terms of the settlement, Richman will partially satisfy\ payment of the disgorgement amount by relinquishing possession of all bank accounts and other assets held by Rich Holdings, Inc., a company that Richman established to receive his commission payments from Rich Management.

Those assets amount to more than \$131,000. The remaining disgorgement amount will be waived, and the SEC will not seek civil penalties, due to Richman's financial inability to pay. [SEC v. Jeffrey S. Richman and Stephen P. Erlich Case No. 99-2620-CIV-KING (S.D. Fla.) (LR-16320)]

#### **COURT ENTERS EMERGENCY ORDERS AGAINST OFF-SHORE MUTUAL FUND AND ADVISER, HALTING ON-GOING FRAUDULENT SCHEME**

The Commission announced that on August 27, the Honorable Edward B. Davis of the United States District Court for the Southern District of Florida entered multiple emergency Orders to halt an ongoing, fraudulent offering of unregistered securities by Cyprus Funds, Inc. (Cyprus Funds), an unregistered foreign mutual fund, and its investment advisor Latin American Services Co., Ltd. (Lasco), and to halt the further misappropriation of assets and investor funds by their principals, Eric V. Bartoli, James L. Binge, Douglas R. Shisler, and Peter J. Esposito. The Court also ordered a freeze of Defendants' assets and of the assets of Relief Defendants B&S Farms, Inc. and Flanders Investment Holdings Limited, Inc., and appointed a Receiver.

According to the SEC's complaint, since at least 1993, Cyprus Funds and its principals have raised at least \$110 million from investors in Latin America and in the U.S. (primarily Ohio retirees) through

the sale of mutual fund shares and "certificates of deposit" issued by Cyprus Funds. The complaint alleges that in contrast to representations that Cyprus Funds invested in conservative "blue chip" stocks and bonds, Defendants Bartoli, Binge, Shisler and Esposito misappropriated millions of dollars from Cyprus Fund and diverted monies to their other businesses. They also used investor monies to repay investors in still another unrelated investment scheme and, in a Ponzi-scheme fashion, to pay interest to Cyprus Funds investors. The SEC's complaint alleges that many millions of investor funds and Cyprus Fund assets have been misappropriated by the principals.

The SEC announced that on September 3, 1999, the Judge Davis entered a Preliminary Injunction against all Defendants and Relief Defendants, effectively extending the emergency injunction, asset freeze and other relief throughout the course of the litigation. [SEC. V. Latin American Services Co., No. 99-2360-CIV-DAVIS, D. Fla.] (LR-16321)

#### **COMMISSION CHARGES WASTE RECYCLING COMPANY AND FOUR INDIVIDUALS WITH CONDUCTING FRAUDULENT UNREGISTERED OFFERING**

The Commission announced today that it filed a civil injunctive action in federal court in Manhattan charging Inorganic Recycling Corporation (Inorganic) and four individuals with conducting a fraudulent offering of unregistered securities in Inorganic from 1995 through 1997, and with misappropriating a substantial portion of the offering proceeds. The Complaint alleges that the defendants obtained at least \$2.5 million from 150 investors by means of numerous misrepresentations about the use of offering proceeds, Inorganic's plans for the future, and the anticipated returns and safety of the investment.

Named in the Complaint are:

Inorganic Recycling Corporation, a Delaware corporation with its principal place of business in Coral Springs, Florida. Inorganic is in the business of recycling hazardous manufacturing waste. In April, Inorganic emerged from reorganization proceedings under Chapter 11 of the Bankruptcy Code as a subsidiary of Pacific Sterling Corporation.

Edward J. Halloran (Halloran), age 52, ran Inorganic's daily operations from 1995 through 1997, maintained an office at Inorganic, sold its securities, but did not actually hold a formal title at the company. Since 1986, Halloran has served prison terms for crimes related to check-kiting and racketeering.

Michele Caridi (Caridi), age 38, was a director of Inorganic and the record owner of a majority of Inorganic's common stock from 1995 to 1997. Caridi married Halloran in November 1997.

Daniel J. Moore (Moore), age 39, was Inorganic's president from 1995 to 1996. On November 20, 1998, Moore pleaded guilty to charges brought by the New York County District Attorney's Office of

scheming to defraud in the sale of Inorganic securities.

Richard Furman (Furman), age 39, a New York City criminal court officer, solicited investors in New York to purchase Inorganic securities.

According to the complaint: From August 1995 to October 1997, Inorganic, Halloran, Caridi, Moore, and Furman conducted a fraudulent offering of Inorganic common stock, and units consisting of Inorganic common stock and warrants to purchase Inorganic common stock. Although the offering purported to be a private placement, in fact the Defendants conducted a general solicitation to more than 1,000 prospective investors. They did so by means of a series of material misrepresentations:

(1) The Defendants represented to investors that the offering proceeds would be used for working capital when, in truth, the lionshare of the offering proceeds were misappropriated for the individual defendants' personal benefit; (2) Halloran, Furman, and Moore, and through them Inorganic, falsely represented to investors that Inorganic would conduct an initial public offering in the upcoming weeks or months and that Inorganic had contracted with an Indian tribe to acquire and operate certain gambling facilities; and (3) Halloran and Moore, and through them Inorganic, baselessly told investors to expect a 200% return on their investment, and Halloran falsely claimed that investments in Inorganic were guaranteed by the proceeds of a certain lawsuit involving Halloran.

Some of the offering proceeds were diverted to Caridi or to entities associated with Caridi, for use by Caridi and Halloran. Moore transferred funds from the bank account designated to receive investor proceeds to his personal bank account and to an entity controlled by Moore's wife. Furman deposited investor checks into his personal bank accounts. Furman received compensation for his efforts to solicit investments in Inorganic, and acted as an unregistered broker dealer.

The Commission alleges that the Defendants violated Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 (Securities Act), Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder, and that Furman also violated Section 15(a) of the Exchange Act. For relief, the Complaint seeks (a) against all defendants, permanent injunctions against future violations of those provisions; (b) against Halloran, Caridi, Moore, and Furman, disgorgement of ill-gotten gains, prejudgment interest on that amount, an accounting, and civil penalties; and (c) against Halloran, Caridi, and Moore, orders barring them from serving as officers or directors of companies that register securities or file reports with the Commission.

Simultaneously with the filing of the Complaint, Inorganic consented to a settlement of the charges against it. Without admitting or denying the allegations in the Complaint, Inorganic consented to the entry of a judgment permanently enjoining it from future violations

of Sections 5(a), 5(c) and 17(a) of the Securities Act, and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. Additionally, Caridi, simultaneously with the filing of the Complaint and without admitting or denying the allegations in the Complaint, consented to the entry of a partial final judgment: (i) permanently enjoining her from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder; (ii) barring her from acting as an officer or director of public companies; and (iii) requiring her to provide the Commission with an accounting of her ill-gotten gains and her assets. Issues regarding disgorgement, prejudgment interest, and civil penalties are unresolved with respect to Caridi. Litigation with the other defendants is pending. [U.S. v. Inorganic Recycling Corporation, Edward J. Halloran, Michele Caridi, Daniel J. Moore and Richard Furman, 99 Civ. 10159, WHP, SDNY] (LR-16322)

**COMPLAINT FILED AGAINST TESSA FINANCIAL GROUP, INC. AND RICHARD HAMILTON FOR VIOLATING THE ANTIFRAUD PROVISIONS OF THE FEDERAL SECURITIES LAWS**

On September 30, the Commission filed a Complaint in federal court in Los Angeles against Tessa Financial Group, Inc. (Tessa) and Richard Hamilton (Hamilton) alleging violations of the antifraud provisions of the federal securities laws. The Complaint seeks permanent injunctive relief, disgorgement of all profits derived from the fraudulent activities against Tessa, and the imposition of civil penalties.

The Complaint alleges that Defendants raised approximately \$1.9 million from 56 investors nationwide in an investment program called the Capital Management Agreement (CMA). CMA funds were supposed to be pooled in a brokerage account and, thereafter, invested in various public and private investments paying a return equivalent to the prime interest rate. In fact, Defendants used virtually all CMA funds to operate Tessa and its related companies, and these companies generated no profits with which to repay investors their principal and stated return. Additionally, Defendants falsely described the CMA program as a low-risk, safe investment, protected by insurance and having protection similar to a savings account. Tessa also misrepresented that it had the ability to repay investors their principal and stated return upon seven days written notice. [SEC v. Tessa Financial Group, Inc. and Richard Hamilton, Civil Action No. CV 99-10015 WJR, CWx, C.D. Cal.] (LR-16323)

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**INVESTMENT COMPANY ACT RELEASES**

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**J.P. MORGAN SECURITIES INC.**

A notice has been issued giving interested persons until October 25, 1999, to request a hearing on an application filed by J.P. Morgan Securities Inc. (J.P. Morgan) for an order under (i) Section 12(d)(1)(J) of the Investment Company Act of 1940 exempting Mandatory Enhanced Dividend Securities trusts for which J.P. Morgan

will serve as a principal underwriter (Trusts) from Section 12(d)(1) of the Act, (ii) Section 6(c) of the Act exempting the Trusts from Section 14(a) of the Act, and (iii) Section 17(b) of the Act exempting J.P. Morgan and the Trusts from Section 17(a) of the Act. The requested order would (i) permit other registered investment companies, and companies excepted from the definition of investment company under Section 3(c)(1) or (c)(7) of the Act, to own a greater percentage of the total outstanding voting stock (Securities) of each Trust than that permitted by Section 12(d)(1), (ii) exempt the Trusts from the initial net worth requirements of Section 14(a), and (iii) permit the Trusts to purchase U.S. government securities from J.P. Morgan at the time of a Trust's initial issuance of Securities. (Rel. IC-24060 - September 29)

#### **TRANSAMERICA OCCIDENTAL LIFE INSURANCE COMPANY, ET AL.**

An order has been issued pursuant to Section 26(b) of the Investment Company Act of 1940 to Transamerica Occidental Life Insurance Company (Transamerica Occidental) and Separate Account VL of Transamerica Occidental approving the substitution of securities issued by two portfolios of Transamerica Variable Insurance Fund, Inc. and by two newly-organized portfolios of EQ Advisors Trust (EQAT) for securities issued by four portfolios of The Hudson River Trust (HRT) and currently used as the underlying investment options for certain variable life insurance policies issued by Transamerica Occidental. (Rel. IC-24062 - September 30)

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#### **SELF-REGULATORY ORGANIZATIONS**

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#### **APPROVAL OF PROPOSED RULE CHANGE**

The Commission approved a proposed rule change submitted under Rule 19b-4 by the National Association of Securities Dealers, Inc. (SR-NASD-98-85) to establish the Nasdaq Application of the OptiMark System on a pilot basis for a six-month period. (Rel. 34-41967)

#### **WITHDRAWAL SOUGHT**

A notice has been issued giving interested persons until October 20, 1999, to comment on the application of HyperFeed Technologies, Inc., to withdraw its Common Stock, \$.001 par value, from listing and registration on the American Stock Exchange. (Rel. 34-41948)

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#### **REGISTRATION STATEMENTS**

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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-10 RESEARCH IN MOTION LTD, 295 PHILLIP ST, WATERLOO, ONTARIO CANADA, A6  
(519) 888-7465 - 5,750,000 (\$189,405,000) FOREIGN COMMON STOCK. (FILE  
333-10868 - SEP. 23) (BR. 7)
- F-3 QSOUND LABS INC, 2748 37TH AVE, SUITE 500,  
CALGARY ALBERTA CANADA T1Y 5L3, A0 - 1,663,739 (\$4,185,135 45)  
FOREIGN COMMON STOCK. (FILE 333-10872 - SEP. 23) (BR. 4)
- S-4 TYCO INTERNATIONAL LTD /BER/, THE GIBBONS BUILDING,  
10 QUEENS STREET SUITE 301, HAMILTON HM 12 BERMU, D0 (441) 292-8674 -  
1,429,958 (\$107,928,117) COMMON STOCK. (FILE 333-87681 - SEP 24) (BR 6)
- S-1 PROMETRIC INC, 1000 LANCASTER STREET, BALTIMORE, MD 21202 (410) 576-1626  
- \$100,000,000 COMMON STOCK. (FILE 333-87683 - SEP 24) (BR 6  
- NEW ISSUE)
- S-4 LUCENT TECHNOLOGIES INC, 600 MOUNTAIN AVE, MURRAY HILL, NJ 07974  
(908) 582-8500 - 3,928,471 (\$767,765) COMMON STOCK (FILE 333-87685 -  
SEP. 24) (BR. 7)
- S-8 CATALYTICA INC, 430 FERGUSON DRIVE, MOUNTAIN VIEW, CA 94043  
(415) 960-3000 - 466,674 (\$2,734,604) COMMON STOCK (FILE 333-87687 -  
SEP. 24) (BR. 1)
- S-3 MEDIAX CORP, 8522 NATIONAL BOULEVARD, SUITE 110, CULVER CITY, CA 90232  
(310) -81-5-80 - 2,514,000 (\$6,681,000) COMMON STOCK. (FILE 333-87689 -  
SEP. 24) (BR. 3)
- S-1 AIRNET COMMUNICATIONS CORP, 100 RIALTO PLACE, SUITE 300, MELBOURNE, FL  
32901 (407) 984-1990 - \$70,000,000 COMMON STOCK (FILE 333-87693 -  
SEP. 24) (BR. 37)
- S-8 CPAC INC, 2364 LEICESTER RD, LEICESTER, NY 14481 (716) 382-3223 -  
250,000 (\$1,843,750) COMMON STOCK. (FILE 333-87695 - SEP 24) (BR 5)
- S-8 CPAC INC, 2364 LEICESTER RD, LEICESTER, NY 14481 (716) 382-3223 -  
24,000 (\$184,125) COMMON STOCK. (FILE 333-87697 - SEP. 24) (BR. 5)
- SB-2 NEVADA ACQUISITION VENTURES I INC, 3110 S VALLEY VIEW SUITE 105,  
LAS VEGAS, NV 89102 (702) 876-8820 - 2,400,000 (\$120,000) COMMON STOCK  
(FILE 333-87699 - SEP. 24) (BR 9 - NEW ISSUE)
- SB-2 MAG WELL INC, 404 LAKEVIEW DRIVE, 21-912-9191, BOERNE, TX 78006  
(830) 249-2610 - 5,000,000 (\$5,000,000) COMMON STOCK. (FILE 333-87701 -  
SEP. 24) (BR. 36)
- S-3 WASTE CONNECTIONS INC/DE, 2260 DOUGLAS BLVD, SUITE 280, ROSEVILLE, CA  
95661 (916) 772-2221 (FILE 333-87703 - SEP 24) (BR 6)
- SB-2 NEVADA ACQUISITION VENTURES III INC, 3110 S VALLEY VIEW SUITE 105,  
LAS VEGAS, NV 89102 (702) 876-8820 - 2,400,000 (\$120,000) COMMON STOCK  
(FILE 333-87705 - SEP 24) (BR 9 - NEW ISSUE)
- SB-2 NEVADA ACQUISITION VENTURES II INC, 3110 S VALLEY VIEW SUITE 105,  
LAS VEGAS, NV 89102 (702) 876-8820 - 2,400,000 (\$120,000) COMMON STOCK  
(FILE 333-87707 - SEP 24) (BR 9 - NEW ISSUE)
- SB-2 NEVADA ACQUISITION VENTURES IV INC, 3110 S VALLEY VIEW SUITE 105,

LAS VEGAS, NV 89102 (702) 876-8820 - 2,400,000 (\$120,000) COMMON STOCK  
(FILE 333-87709 - SEP. 24) (BR. 9 - NEW ISSUE)

SB-2 NEVADA ACQUISITION VENTURES V INC, 3110 S VALLEY VIEW SUITE 105,  
LAS VEGAS, NV 89102 (702) 876-8820 - 2,400,000 (\$120,000) COMMON STOCK  
(FILE 333-87711 - SEP. 24) (BR. 9 - NEW ISSUE)

S-8 MATTSON TECHNOLOGY INC, 3550 WEST WARREN AVE, FREMONT, CA 94538  
(510) 657-5900 - 1,600,000 (\$21,928,200) COMMON STOCK (FILE 333-87715 -  
SEP. 24) (BR. 5)

S-1 NETRATINGS INC, 830 HILLVIEW CT STE 215, MILPITAS, CA 95035  
(408) 951-0699 - \$69,000,000 COMMON STOCK (FILE 333-87717 - SEP. 24)  
(BR. 8 - NEW ISSUE)

S-3 ILEX ONCOLOGY INC, 11550 IH-10 WEST SUITE 300, SAN ANTONIO, TX 78230  
(210) 677-6080 - 4,025,000 (\$64,525,983) COMMON STOCK. (FILE 333-87721 -  
SEP. 24) (BR. 1)

S-3 COMDISCO INC, 5111 N RIVER RD, ROSEMONT, IL 60018 (847) 698-3000 -  
1,500,000,000 (\$1,500,000,000) STRAIGHT BONDS. (FILE 333-87725 - SEP. 24)  
(BR. 3)

S-8 ARTIFICIAL LIFE INC, FOUR COPLEY PL, STE 102, BOSTON, MA 02116  
(617) 266-5542 - 2,700,000 (\$30,723,373.89) COMMON STOCK (FILE 333-87729  
- SEP. 24) (BR. 3)

S-8 MRV COMMUNICATIONS INC, 8943 FULLBRIGHT AVE, CHATSWORTH, CA 91311  
(818) 767-9044 - 150,000 (\$787,500) COMMON STOCK. (FILE 333-87731 -  
SEP. 24) (BR. 5)

S-8 MRV COMMUNICATIONS INC, 8943 FULLBRIGHT AVE, CHATSWORTH, CA 91311  
(818) 767-9044 - 100,000 (\$525,000) COMMON STOCK. (FILE 333-87733 -  
SEP. 24) (BR. 5)

S-8 MRV COMMUNICATIONS INC, 8943 FULLBRIGHT AVE, CHATSWORTH, CA 91311  
(818) 767-9044 - 1,000,000 (\$5,250,000) COMMON STOCK. (FILE 333-87735 -  
SEP. 24) (BR. 5)

S-8 SAATCHI & SAATCHI PLC //, 83 / 89 WHITFIELD ST, LONDON ENGLAND W1A 4, X0  
- 2,500,000 (\$8,350,000) FOREIGN COMMON STOCK (FILE 333-87737 - SEP. 24)  
(BR. 2)

S-8 MRV COMMUNICATIONS INC, 8943 FULLBRIGHT AVE, CHATSWORTH, CA 91311  
(818) 767-9044 - 1,000,000 (\$9,312,172) COMMON STOCK. (FILE 333-87739 -  
SEP. 24) (BR. 5)

S-8 MRV COMMUNICATIONS INC, 8943 FULLBRIGHT AVE, CHATSWORTH, CA 91311  
(818) 767-9044 - 100,000 (\$525,000) COMMON STOCK (FILE 333-87741 -  
SEP. 24) (BR. 5)

S-8 MRV COMMUNICATIONS INC, 8943 FULLBRIGHT AVE, CHATSWORTH, CA 91311  
(818) 767-9044 - 100,000 (\$525,000) COMMON STOCK (FILE 333-87743 -  
SEP. 24) (BR. 5)

S-8 SCRIPPS FINANCIAL CORP, 7817 IVANHOE AVENUE, LAJOLLA, CA 92037  
(619) 456-2265 - 648,184 (\$8,712,286) COMMON STOCK. (FILE 333-87745 -  
SEP. 24) (BR. 7)

S-3 PER SE TECHNOLOGIES INC, 2840 MT WILKINSON PARKWAY, SUITE 300, ATLANTA,  
GA 30339 (770) 444-5300 - 6,200,000 (\$21,700,000) COMMON STOCK (FILE  
333-87747 - SEP. 24) (BR. 1)

S-3 ANSWERTHINK CONSULTING GROUP INC, 1001 BRICKELL BAY DRIVE, SUITE 3000,  
MIAMI, FL 33131 (305) 375-8005 - 5,499,621 (\$76,829,705) COMMON STOCK  
(FILE 333-87749 - SEP. 24) (BR. 8)

S-8 INTERNATIONAL BUSINESS MACHINES CORP, 1 NEW ORCHARD ROAD, ARMONK, NY  
10504 (914) 499-1900 - 1,288,100 (\$22,904,028.13) COMMON STOCK (FILE  
333-87751 - SEP. 24) (BR. 3)

S-3 EMCORE CORP, 394 ELIZABETH AVENUE, SOMERSET, NJ 08873 (908) 271--909 -



2,521,361 (\$40,814,531.19) COMMON STOCK (FILE 333-87753 - SEP. 24)  
(BR. 5)

S-3 ENGINEERING ANIMATION INC, 2321 NORTH LOOP DR, AMES, IA 50010  
(515) 296-9908 - 139,230 (\$2,519,192.81) COMMON STOCK. (FILE 333-87755 -  
SEP. 24) (BR 3)

S-1 NCT GROUP INC, 1025 WEST NURSERY RD, STE 120, LINTHICUM, NY 21090  
(410) 636-8700 - 37,354,805 (\$7,284,187) COMMON STOCK. (FILE 333-87757 -  
SEP. 24) (BR 5)

S-8 EPIMMUNE INC, 5820 NANCY RIDGE DRIVE, SAN DIEGO, CA 92121 ((85) 8) -860-  
- 423,283 (\$142,601) COMMON STOCK. (FILE 333-87759 - SEP. 24) (BR 1)

S-8 ENGINEERING ANIMATION INC, 2321 NORTH LOOP DR, AMES, IA 50010  
(515) 296-9908 - 775,000 (\$13,530,638) COMMON STOCK (FILE 333-87761 -  
SEP 24) (BR 3)

SB-2 NBG BANCORP INC, P O BOX 6507, ATHENS, GA 30604 (706) 355-3122 -  
800,000 (\$8,000,000) COMMON STOCK. (FILE 333-87763 - SEP. 24) (BR 9  
- NEW ISSUE)

S-4 CROWN CASTLE INTERNATIONAL CORP, 510 BERING DRIVE, SUITE 500, HOUSTON,  
TX 77057 (713) 570-3000 - 385,000,000 (\$277,955,400) STRAIGHT BONDS  
(FILE 333-87765 - SEP. 24) (BR. 7)

S-8 SMART & FINAL INC/DE, 600 CITADEL DRIVE, CITY OF COMMERCE, CA 90040  
(323) 869-7500 - 1,308,595 (\$12,670,078.51) COMMON STOCK (FILE 333-87767  
- SEP. 24) (BR. 4)

S-8 APPNET SYSTEMS INC, 6707 DEMOCRACY BLVD, STE 1000, BETHESDA, MD 20817  
(301) 581-2488 - 250,000 (\$6,727,500) COMMON STOCK (FILE 333-87769 -  
SEP. 24) (BR 8)

S-8 LOUISIANA PACIFIC CORP, 111 SW FIFTH AVE, SUITE 4200, PORTLAND, OR 97204  
(503) 221-0800 - 10,000,000 (\$10,000,000)  
OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 333-87771 - SEP. 24)  
(BR. 6)

S-8 ALBERTSONS INC /DE/, 250 PARKCENTER BLVD, P O BOX 20, BOISE, ID 83726  
(208) 395-6200 - 4,550,000 (\$189,109,375) COMMON STOCK (FILE 333-87773 -  
SEP. 24) (BR. 2)

S-8 LOUISIANA PACIFIC CORP, 111 SW FIFTH AVE, SUITE 4200, PORTLAND, OR 97204  
(503) 221-0800 - 300,000 (\$5,307,000) COMMON STOCK (FILE 333-87775 -  
SEP 24) (BR. 6)

S-8 FREMONT GENERAL CORP, 2020 SANTA MONICA BLVD, STE 600, SANTA MONICA, CA  
90404 (310) 315-5500 - 569,000 (\$5,121,000) COMMON STOCK (FILE 333-87777  
- SEP. 24) (BR. 1)

S-8 LYCOS INC, 400 2 TOTTEN POND ROAD, WALTHAM, MA 02451 (781) 370-2700 -  
1,188 (\$16,952.76) COMMON STOCK. (FILE 333-87779 - SEP. 24) (BR. 3)

SB-2 BAY NATIONAL CORP, 2328 WEST JOPPA ROAD, BALTIMORE, MD 21093  
(410) 494-2580 - 1,500,000 (\$15,000,000) COMMON STOCK (FILE 333-87781 -  
SEP. 24) (BR. 7)

S-1 LIFEMINDERS COM INC, 1110 HERNDON PKWY, HERNDON, VA 20170 (703) 707-8261  
- \$57,500,000 COMMON STOCK. (FILE 333-87785 - SEP. 24) (BR. 8)

S-8 SOMNUS MEDICAL TECHNOLOGIES INC, 285 N WOLFE RD, SUNNYVALE, CA 94086  
(408) 773-9121 - 1,084,567 (\$2,824,100 97) COMMON STOCK (FILE 333-87787 -  
SEP 24) (BR 5)

S-1 BONE CARE INTERNATIONAL INC, ONE SCIENCE CT, MADISON, WI 53711  
(608) 274-2663 - 1,600,000 (\$15,600,000) COMMON STOCK (FILE 333-87789 -  
SEP. 24) (BR 1)

S-8 KEYNOTE SYSTEMS INC, 2855 CAMPUS DRIVE, SAN MATEO, CA 94403 - 7,374,395  
(\$93,501,650) COMMON STOCK. (FILE 333-87791 - SEP 24) (BR 8)

S-3 NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP /DC/,

2201 COOPERATIVE WY, C/G WOODLAND PARK, HERNDON, VA 20171 (703) 709-6700 -  
 3,000,000,000 (\$3,000,000,000) STRAIGHT BONDS. (FILE 333-87793 - SEP 24)  
 (BR 7)

S-3 INFOCURE CORP, 1765 THE EXCHANGE, STE 450, ATLANTA, GA 30339  
 (770) 968-0900 - 436,249 (\$7,920,646) COMMON STOCK. (FILE 333-87795 -  
 SEP 24) (BR 9)

SB-2 INTELLI CHECK INC, 775 PARK AVE, HUNTINGTON, NY 11743 (516) 421-2011 -  
 1,375,000 (\$8,995,100) COMMON STOCK. (FILE 333-87797 - SEP 24) (BR 9)

S-4 ALLSTATE CORP, 2775 SANDERS ROAD, NORTHBROOK, IL 60062 (847) 402-5000 -  
 29,102,815 (\$956,755,043.12) COMMON STOCK. (FILE 333-87799 - SEP 24)  
 (BR. 1)

S-8 HYPERFEED TECHNOLOGIES INC, 300 S WACKER DR, STE 300, CHICAGO, IL 60606  
 (312) 913-2848 - 4,000,000 (\$34,875,000) COMMON STOCK. (FILE 333-87801 -  
 SEP. 24) (BR. 7)

S-8 LOUISIANA PACIFIC CORP, 111 SW FIFTH AVE, SUITE 4200, PORTLAND, OR 97204  
 (503) 221-0800 - 165,770 (\$2,932,471.13) COMMON STOCK. (FILE 333-87803 -  
 SEP. 24) (BR 6)

S-8 NEVADA GOLD & CASINOS INC, 3040 POST OAK BLVD, STE 675, HOUSTON, TX  
 77056 (713) 688-2211 - 65,000 (\$130,000) COMMON STOCK. (FILE 333-87805 -  
 SEP 27) (BR. 4)

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## RECENT 8K FILINGS

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Form 8-K is used by companies to file current reports on the following events.

- Item 1 Changes in Control of Registrant.
- Item 2 Acquisition or Disposition of Assets
- Item 3 Bankruptcy or Receivership.
- Item 4 Changes in Registrant's Certifying Accountant.
- Item 5. Other Materially Important Events.
- Item 6. Resignations of Registrant's Directors
- Item 7. Financial Statements and Exhibits
- Item 8. Change in Fiscal Year.
- Item 9. Regulation S Offerings

The following companies have filed 8-K reports for the date indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified 8-K reports 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>.

NAME OF ISSUER	STATE CODE	8K ITEM NO.									DATE	COMMENT
		1	2	3	4	5	6	7	8	9		
AAMES CAPITAL CORP	CA							X			09/15/99	
ABBOTT LABORATORIES	IL						X	X			09/28/99	
ABN AMRO MORTGAGE CORP	DE	X									09/27/99	
ABN AMRO MORTGAGE CORP SERIES 1998- 2	DE	X									09/27/99	
ABN AMRO MORTGAGE CORP SERIES 1998- 3	DE	X									09/27/99	
ABN AMRO MORTGAGE CORP SERIES 1998- 4	DE	X									09/27/99	
ABN AMRO MORTGAGE CORP SERIES 1998- 5	DE	X									09/27/99	
ABN AMRO MORTGAGE CORP SERIES 1999-	DE	X									09/27/99	

1					
ABN AMRO MORTGAGE CORP SERIES 1999-	DE	X		X	09/30/99 AMEND
3					
ADELPHIA COMMUNICATIONS CORP	DE		X	X	09/29/99
AES CORPORATION	DE		X		06/30/99
AFG RECEIVABLES CORP	CA		X		09/15/99
AFG RECEIVABLES CORP	CA		X		09/15/99
AFG RECEIVABLES CORP	CA		X		09/15/99
AGL RESOURCES INC	GA			X	09/29/99
ALABAMA POWER CO	AL		X	X	08/21/99
ALLEN TELECOM INC	DE		X	X	09/28/99
ALLIANCE CAPITAL MANAGEMENT LP	DE		X	X	09/30/99
ALTEX INDUSTRIES INC	DE		X		09/30/99
ALYSIS TECHNOLOGIES INC	DE	X		X	09/15/99
AMCON DISTRIBUTING CO	DE	X		X	09/15/99
AMERICAN FILM TECHNOLOGIES INC /DE/	DE	X		X	09/13/99
AMERICAN PUBLIC HOLDINGS INC	MI			X	09/30/99
AMERICAN SOUTHWEST FINANCIAL SECURI	AZ	X			09/27/99
TIES CORP					
AMERON INTERNATIONAL CORP	DE		X		08/31/99
AMFM INC	DE	X		X	09/15/99
ANKER COAL GROUP INC	DE		X	X	09/30/99
APAC CUSTOMER SERVICE INC	IL		X	X	09/22/99
ARV ASSISTED LIVING INC	DE		X	X	09/29/99
ASHLAND INC	KY		X	X	09/24/99
ASSISTED LIVING CONCEPTS INC	NV		X	X	09/30/99
AUDIOGENESIS SYSTEMS INC	NJ	X			09/30/99
AUTOZONE INC	NV		X	X	09/29/99
AVANI INTERNATIONAL GROUP INC //	NV	X			06/03/99
AZUL HOLDINGS INC	DE	X			09/30/99
BA MASTER CREDIT CARD TRUST /				X	08/31/99
BANC ONE CREDIT CARD MASTER TRUST	NY		X	X	09/15/99
BECTON DICKINSON & CO	NJ			X	09/23/99
BECTON DICKINSON & CO	NJ			X	09/28/99
BELLWETHER EXPLORATION CO	DE		X	X	09/30/99
BIRMINGHAM STEEL CORP	DE		X	X	09/29/99
BOMBARDIER CAPITAL MORTGAGE SECURIT	DE			X	08/31/99
IZATION CORP					
BOMBARDIER CAPITAL MORTGAGE SECURIT	DE			X	08/31/99
IZATION CORP					
BOMBARDIER CAPITAL MORTGAGE SECURIT	DE			X	08/31/99
IZATION CORP					
BOMBARDIER CREDIT RECEIVABLES CORP	DE			X	08/31/99
BOSTON RESTAURANT ASSOCIATES INC	DE		X		09/29/99
BREED TECHNOLOGIES INC	DE	X		X	09/30/99
BROOKS AUTOMATION INC	DE			X	08/31/99 AMEND
CAPCO AMERICA SEC CORP COMM MORT PA	DE		X	X	09/17/99
SS THROU CERT SER 1998-D7					
CARDIOTECH INTERNATIONAL INC	MA	X		X X	07/16/99 AMEND
CASELLA WASTE SYSTEMS INC	DE		X	X	09/23/99
CATERPILLAR FINANCIAL FUNDING CORP	NV	X			08/25/99
CATERPILLAR FINANCIAL FUNDING CORP	NV	X			09/24/99
CATERPILLAR FINANCIAL FUNDING CORP	NV	X			09/24/99
CC MASTER CREDIT CARD TRUST	MD		X	X	09/15/99
CC MASTER CREDIT CARD TRUST II	MD		X	X	09/15/99
CD RADIO INC	DE		X	X	09/23/99
CELERITY SYSTEMS INC	DE		X		08/10/99
CELERITY SYSTEMS INC	DE		X	X	08/10/99
CENTRAL EUROPEAN MEDIA ENTERPRISES			X		09/28/99
LTD					
CENTRAL OIL CORP	CO			X	07/12/99 AMEND
CENTRE CAPITAL CORP /NV/	NV	X X		X X	09/15/99



CONTIMORTGAGE HOME EQUITY TRUST 199 9-3	NY		X	X	09/25/99
CONVERSION TECHNOLOGIES INTERNATION AL INC	DE		X	X	09/30/99
CORECOMM LTD			X	X	09/15/99
CPS AUTO GRANTOR TRUST 1998-2				X	09/15/99
CPS AUTO RECEIVABLES TRUST 1998-3				X	09/15/99
CPS AUTO RECEIVABLES TRUST 1998-4				X	09/15/99
CROSS TIMBERS OIL CO	DE			X	09/14/99
CROSS TIMBERS OIL CO	DE	X		X	09/15/99
CTC COMMUNICATIONS CORP	MA		X		09/13/99
CWBS INC	DE			X	09/29/99
CYBEAR INC	DE	X		X	09/20/99
DECTRON INTERNATIONALE INC			X	X	09/13/99
DEVON ENERGY CORP	DE			X	09/30/99
DIVERSIFIED CORPORATE RESOURCES INC	TX	X		X	08/06/99
DOCUMENTUM INC	DE		X	X	09/27/99
DONEGAL GROUP INC	DE		X	X	09/29/99
DOSKOCIL MANUFACTURING CO INC	TX		X	X	09/24/99
DQE INC	PA		X	X	09/24/99
DT INDUSTRIES INC	DE		X		09/28/99
DUQUESNE LIGHT CO	PA		X	X	09/24/99
DVI RECEIVABLES CORP VIII	DE			X	07/31/99
EARTHLINK NETWORK INC /DE/	DE		X	X	09/22/99
ECHO BAY MINES LTD	A0		X	X	09/15/99
ELITE PHARMACEUTICALS INC /DE/	DE	X			09/23/99
ENVIRONMENTAL PRODUCTS & TECHNOLOGI ES CORP	DE			X	09/13/99 AMEND
ENVIROSOURCE INC	DE		X		09/29/99
EOTT ENERGY PARTNERS LP	DE			X	09/27/99
EQCC HOME EQUITY LOAN TRUST 1999-1	DE		X	X	09/20/99
EQCC HOME EQUITY LOAN TRUST 1999-2	DE		X	X	09/25/99
EQCC HOME EQUITY LOAN TRUST 1999-3	DE		X	X	09/27/99
EQUITY ONE ABS INC	DE		X	X	09/27/99
EQUITY ONE ABS INC	DE		X	X	09/27/99
ESPRIT TELECOM GROUP PLC				X	09/24/99
EUROWEB INTERNATIONAL CORP	DE	X			09/23/99
FIDELITY BANCORP INC /DE/	DE		X		09/30/99
FIRST ALLIANCE MORTGAGE LOAN TRUST 1999-3	CA		X	X	09/17/99
FIRST NBC CREDIT CARD MASTER TRUST			X	X	09/10/99
FIRST NORTHERN CAPITAL CORP	WI		X		09/22/99
FIRST OMNI BANK CREDIT CARD MASTER TRUST				X	08/31/99
FIRST UNION COMMERCIAL MORTGAGE SEC URITIES INC	NC	X			09/18/99
FIRST USA CREDIT CARD MASTER TRUST	DE		X	X	09/10/99
FLEET FINANCIAL GROUP INC	RI		X		09/30/99
FRANKLIN RECEIVABLES LLC	DE	X			08/31/99
FRONTIER CORP /NY/	NY	X		X	09/28/99
FUND AMERICA INVESTORS CORP II PASS THRO CERT SERIES 1998-A	NY	X			09/26/99
FURON CO	CA	X		X	09/18/99
GATX CAPITAL CORP	DE		X		09/21/99
GENERAL MILLS INC	DE		X		09/27/99
GENESYS TELECOMMUNICATIONS LABORATO RIES INC	CA	X		X	09/28/99
GHS INC	DE	X		X	09/16/99
GLOBAL CROSSING HOLDINGS LTD		X		X	09/28/99
GLOBAL CROSSING LTD		X		X	09/28/99
GLOBAL TELECOMMUNICATION SOLUTIONS INC	DE		X	X	09/23/99
GREEN TREE FINANCIAL CORP	DE			X	09/15/99
GREEN TREE FINANCIAL CORP	DE			X	09/15/99

HAIN FOOD GROUP INC	DE		X	X	09/27/99
HANOVER BANCORP INC	PA		X		08/23/99
HAROLDS STORES INC	OK	X			09/30/99
HAWAIIAN NATURAL WATER CO INC			X	X	09/30/99
HEADLANDS MORTGAGE PASS THROUGH CER TIFICATES SERIES 1998-3			X	X	09/29/99
HEADLANDS MORTGAGE SECURITIES INC	DE		X	X	09/22/99
HEADLANDS MORTGAGE SECURITIES INC	DE		X	X	09/28/99
HEALTH POWER INC /DE/	DE			X	07/16/99 AMEND
HEXCEL CORP /DE/	DE		X	X	09/27/99
HUMAN PHEROMONE SCIENCES INC	CA		X		09/29/99
IMAGEX COM INC	WA	X		X	09/21/99
IMPERIAL CREDIT COMMERCIAL MORTGAGE ACCEPTANCE CORP	CA	X			09/27/99
IMPERIAL CREDIT COMMERCIAL MORTGAGE INVESTMENT CORP	MD		X	X	09/29/99
INFORMATION ARCHITECTS CORP	NC		X	X	09/30/99
INKINE PHARMACEUTICAL CO INC	NY		X	X	09/21/99
INSCI CORP	DE		X		09/24/99
INTERCEPT GROUP INC	GA			X	08/06/99 AMEND
INTERCEPT GROUP INC	GA			X	09/03/99 AMEND
INTERMEDIA CAPITAL PARTNERS IV L P	CA		X		09/29/99
INTERNATIONAL THOROUGHBRED BREEDERS INC	DE	X		X	09/28/99
INTERSCIENCE COMPUTER CORP /CA/	CA	X		X	09/17/99
IT STAFFING LTD	A6		X	X	09/14/99
ITI TECHNOLOGIES INC	DE		X	X	09/28/99
K N ENERGY INC	KS		X	X	09/28/99
KEY BANK USA NATIONAL ASSOCIATION	OH		X	X	09/30/99
KEY CONSUMER ACCEPTANCE CORP	DE		X	X	09/15/99
KEY CONSUMER ACCEPTANCE CORP	DE		X	X	09/15/99
KEYSTONE FINANCIAL INC	PA		X		09/29/99
KFX INC	DE		X	X	08/27/99
KTI INC	NJ		X	X	09/23/99
LA-Z-BOY INC	MI	X			04/29/00
LADD FURNITURE INC	NC		X	X	09/28/99
LAHAINA ACQUISITIONS INC	CO	X		X	08/23/99 AMEND
LEADVILLE MINING & MILLING CORP	NV		X	X	09/30/99
LEE SARA CORP	MD		X		09/29/99
LOUISIANA PACIFIC CORP	DE	X	X	X	09/14/99
M&T BANK CORP	NY		X		09/24/99
M&T BANK CORP	NY		X		09/24/99
M&T BANK CORP	NY		X		09/24/99
M&T BANK CORP	NY		X		09/24/99
M&T BANK CORP	NY		X		09/24/99
MASTECH CORP	PA		X	X	09/09/99
MEDICAL DEVICE ALLIANCE INC	NV		X		09/28/99
MERRILL LYNCH INV/FIRST FRAN MOR LN AS BK CER SR 1998-FF3	DE		X	X	09/20/99
MESABI TRUST	NY		X		09/20/99
MICHAEL PETROLEUM CORP	TX		X		09/30/99
MIDAMERICAN ENERGY HOLDINGS CO /NEW /	IA		X	X	09/29/99
MIDCOAST ENERGY RESOURCES INC	TX		X	X	09/23/99
MINDSPRING ENTERPRISES INC	DE		X	X	09/22/99
MMCA AUTO OWNER TRUST 1997-1	DE			X	08/31/99
MMCA AUTO OWNER TRUST 1998-1				X	08/31/99
MMCA AUTO OWNER TRUST 1999-1	DE			X	08/31/99
MORGAN J P COMMERCIAL MORTGAGE FINA NCE CORP	DE	X			09/15/99
N-VIRO INTERNATIONAL CORP	DE		X	X	09/21/99 AMEND
NATIONAL DATA CORP	DE		X		09/24/99
NATIONAL INFORMATION CONSORTIUM	CO	X		X	09/30/99
NATIONSBANK OF DELAWARE NA	DE		X	X	09/15/99

NETWORKS NORTH INC	NY	X		X	09/13/99
NEW CENTURY MORTGAGE SECURITIES INC	DE			X	09/27/99
NISOURCE INC	IN			X	09/28/99
NISSAN AUTO RECEIVABLES CORP /DE	DE	X			08/31/99
NOMURA ASSET SECURITIES CORP SERIES 1998-D6	DE		X	X	09/16/99
NORTHWESTERN STEEL & WIRE CO	IL		X	X	09/30/99
NUMBER NINE VISUAL TECHNOLOGY CORP	DE		X		09/20/99
OMI TRUST 1998-D	PA		X	X	09/28/99
ONYX ACCEPTANCE OWNER TRUST 1999-A	DE		X		09/15/99
ONYX ACCEPTANCE OWNER TRUST 1999-B	DE		X		09/15/99
OPEN PLAN SYSTEMS INC	VA	X			09/30/99
PARTNERS FIRST RECEIVABLES FUNDING LLC	DE		X	X	09/15/99
PARTY CITY CORP	DE			X	09/28/99
PENN AMERICA GROUP INC	PA		X		09/30/99
PEOPLES CHOICE TV CORP	DE	X		X	09/28/99
PHELPS DODGE CORP	NY		X	X	08/23/99
PHOTOGEN TECHNOLOGIES INC	NV		X	X	09/29/99
PHP HEALTHCARE CORP	DE		X	X	08/31/99
PNC MORTGAGE SECURITIES CORP MORT P ASS THR CERT SER 1999-10	DE		X	X	09/28/99
PP&L RESOURCES INC	PA		X		09/30/99
PRECISION AUTO CARE INC	VA		X	X	09/29/99
PRECISION AUTO CARE INC	VA		X	X	09/29/99 AMEND
PREMIER ACCEPTANCE CORP /MN/	DE		X		09/21/99
PROTECTION ONE ALARM MONITORING INC	DE		X	X	09/29/99
PROTECTION ONE INC	DE		X	X	09/29/99
QUIZNOS CORP	CO		X		09/27/99
RAGEN MACKENZIE GROUP INC	WA		X	X	09/29/99
RAZORFISH INC	DE	X		X	09/16/99
REAL GOODS TRADING CORP	CA	X			09/23/99
REGENT COMMUNICATIONS INC	DE	X		X	09/03/99
REINSURANCE GROUP OF AMERICA INC	MO	X	X	X	09/17/99
RESIDENTIAL ACCREDIT LOANS INC	DE		X	X	09/30/99
RESIDENTIAL ASSET SECURITIES CORP	DE		X	X	09/23/99
RESIDENTIAL ASSET SECURITIES CORP	DE		X	X	09/30/99
RESIDENTIAL FUNDING MORTGAGE SECURI TIES I INC	DE		X	X	09/30/99
RESIDENTIAL FUNDING MORTGAGE SECURI TIES II INC	DE		X	X	09/30/99
RIFKIN ACQUISITION CAPITAL CORP	CO	X	X	X	09/14/99
RIFKIN ACQUISITION PARTNERS LLC	CO	X		X	09/14/99
RIFKIN ACQUISITION PARTNERS LLC	CO	X	X	X	09/14/99
SAFECO CORP	WA		X		09/28/99
SAGA SYSTEMS INC /DE/	DE		X	X	09/30/99
SALOMON BROTHERS MORT SEC VII INC F L RTE CERT SE 1999-NC4	DE	X	X	X	09/20/99
SANDY SPRING BANCORP INC	MD	X		X	09/24/99
SAS CO OCWEN HOME EQ TR 1999 OFS1 A SS BKD CERT SER 1999 OFS	DE		X	X	09/27/99
SAXON ASSET SECURITIES TR 1999 2 MO RT LN AS BK CER SE 1999 2	VA		X	X	09/27/99
SAXON ASSET SECURITIES TR 1999-1 MO R LN AS BKD CER SE 1999-1	VA		X	X	09/27/99
SCM MICROSYSTEMS INC	DE			X	06/30/99 AMEND
SEA CONTAINERS LTD /NY/			X		09/27/99
SEARS CREDIT ACCOUNT MASTER TRUST I I	IL		X	X	09/27/99
SECURITY FIRST TECHNOLOGIES CORP	DE		X	X	09/23/99
SEQUA CORP /DE/	DE		X		09/20/99
SFX ENTERTAINMENT INC	DE		X	X	09/17/99 AMEND
SKY FINANCIAL GROUP INC	OH			X	09/28/99 AMEND
SMTEK INTERNATIONAL INC	DE		X		07/02/99

SOUTHERN FOODS GROUP L P	DE		X	X	09/21/99
STANLEY WORKS	CT	X			09/30/99
SUBURBAN BANCSHARES INC	DE		X	X	09/28/99
SUNRISE TECHNOLOGIES INTERNATIONAL INC	DE		X	X	05/13/99
SUPERIOR BANK FSB AFC MORTGAGE LN A SSET BK CERT SER 1999 1	IL		X	X	09/26/99
SUPERIOR BANK FSB AFC MORTGAGE LN A SSET BK CERT SER 1999 1	IL		X	X	09/26/99
SYNOVUS FINANCIAL CORP	GA		X	X	09/30/99
S3 INC	DE	X			09/24/99
TEAM AMERICA CORPORATION	OH		X	X	09/27/99
TEAM AMERICA CORPORATION	OH		X		09/28/99
TELETRAC HOLDINGS INC	DE	X			09/15/99
TELETRAC INC /DE	DE	X			09/15/99
TICKETMASTER ONLINE CITYSEARCH INC	DE	X		X	09/17/99
TIMES MIRROR CO /NEW/	DE		X	X	09/03/99
TMP WORLDWIDE INC	DE		X	X	09/29/99
TOTAL SYSTEM SERVICES INC	GA		X	X	09/30/99
TOYOTA AUTO LEASE TRUST 1997-A	CA		X	X	09/27/99
TOYOTA AUTO LEASE TRUST 1998 C	CA		X	X	09/27/99
TOYOTA AUTO LEASE TRUST 1998-B	CA		X	X	09/27/99
TOYOTA MOTOR CREDIT RECEIVABLES CORP P	CA		X	X	09/15/99
TROY FINANCIAL CORP	DE		X	X	09/29/99
TRUSTCO BANK CORP N Y	NY		X		09/30/99
TRUSTCO BANK CORP N Y	NY		X		09/30/99 AMEND
TURBODYNE TECHNOLOGIES INC	DE		X		09/23/99
U S PHYSICAL THERAPY INC /NV	NV	X			09/27/99
UNITED ARTISTS THEATRE CIRCUIT INC /MD/	MD		X	X	09/29/99
UNITED ARTISTS THEATRE CO	DE		X	X	09/29/99
UNITED BANCORP INC /OH/	OH		X		09/28/99
UNOCAL CORP	DE		X		09/29/99
WALDEN RESIDENTIAL PROPERTIES INC	MD		X	X	09/24/99
WELLS FARGO & CO/MN	DE		X	X	09/28/99
WILD OATS MARKETS INC	DE		X		09/27/99
WILSHIRE REAL ESTATE INVESTMENT TRU ST INC	MD		X	X	09/30/99
WINTRUST FINANCIAL CORP	IL		X	X	09/17/99
WMC SECURED ASSETS CORP	DE			X	09/29/99