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SEC NEWS DIGEST

Issue 2001-156

August 13, 2001

COMMISSION ANNOUNCEMENTS

ROSALIND RAMSEY TYSON NAMED ACTING REGIONAL DIRECTOR OF THE SEC'S PACIFIC REGIONAL OFFICE

On August 10, Chairman Harvey L. Pitt named Rosalind R. Tyson Acting Regional Director of the Pacific Regional Office. The Regional Director's position became vacant upon the departure of Valerie Caproni, who has returned to the private sector.

Ms. Tyson currently serves as Associate Regional Director for Regulation in the Pacific Regional Office, a position she has held since 1993. Ms. Tyson joined the Pacific Regional Office as an enforcement attorney in 1982 following several years in private practice. She has held a number of positions of increasing responsibility within the Regional Office since that time.

Ms. Tyson was the initial recipient of the Commission's Career Award for Examination Excellence in 2000 that recognized a senior member of the SEC's regulatory staff for outstanding contributions to the advancement of the Commission's inspection program. She graduated from Georgetown University's School of Languages and Linguistics in 1970, received her Master's degree in 1972 from the University of Hawaii and her J.D. from Stanford Law School in 1978. (Press Rel. 2001-83)

ENFORCEMENT PROCEEDINGS

COMMISSION SANCTIONS BARCLAY GRAYSON

The Commission instituted a public administrative proceeding against Barclay L. Grayson (Grayson) pursuant to Section 203(f) of the Investment Advisers Act. Simultaneous with the institution of the proceeding, Grayson submitted an Offer of Settlement in which, while neither admitting nor denying the Commission's findings, he consented to the entry of an order barring him from association with any investment adviser, with the right to reapply in five years.

The Order was based on the entry of a permanent injunction in SEC v. Capital Consultants, LLC, et al., Civil Action No. CV 1290 KI (D. Ore.), in which the Division of Enforcement alleged that Grayson was operating an undisclosed Ponzi-like scheme while at Capital Consultants, LLC (Capital Consultants) an investment adviser located in Portland, Oregon. The Division alleged that Grayson used client funds to make interest payments to other clients who were invested in a failed \$160 million loan made by Capital Consultants. (Rel. IA-1962; File No. 3-10548)

COMMISSION REVOKES CAPITAL CONSULTANTS' REGISTRATION

The Commission instituted a public administrative proceeding against Capital Consultants, LLC, an investment adviser located in Portland, Oregon, pursuant to Section 203(e) of the Investment Advisers Act. Simultaneous with the institution of the proceeding, Capital Consultants submitted an Offer of Settlement in which, while neither admitting nor denying the Commission's findings, it consented to the entry of an Order revoking its registration as an investment adviser.

The Order was based on the entry of a permanent injunction in SEC v. Capital Consultants, LLC, et al., Civil Action No. CV 1290 KI (D. Ore.), in which the Division of Enforcement alleged that Grayson was operating an undisclosed Ponzi-like scheme while at Capital Consultants, LLC (Capital Consultants) an investment adviser located in Portland, Oregon. The Division alleged that Capital Consultants used client funds to make interest payments to other clients who were invested in a failed \$160 million loan made by Capital Consultants. (Rel. IA-1963; File No. 3-10549)

COMMISSION BARS JEFFREY GRAYSON

The Commission instituted a public administrative proceeding against Jeffrey L. Grayson (Grayson) pursuant to Section 203(f) of the Investment Advisers Act. Simultaneous with the institution of the proceeding, Grayson submitted an Offer of Settlement in which, while neither admitting nor denying the Commission's findings, he consented to the entry of an order barring him from association with any investment adviser.

The Order was based on the entry of a permanent injunction in SEC v. Capital Consultants, LLC, et al., Civil Action No. CV 1290 KI (D. Ore.), in which the Division of Enforcement alleged that Grayson was operating an undisclosed Ponzi-like scheme while at Capital Consultants, LLC (Capital Consultants) an investment adviser located in Portland, Oregon. The Division alleged that Grayson used client funds to make interest payments to other clients who were invested in a failed \$160 million loan made by Capital Consultants. (Rel. IA-1964; File No. 3-10550)

COMMISSION BARS UNREGISTERED INVESTMENT ADVISER

David Clark Stewart (Stewart), a Santa Monica, California-based unregistered investment adviser doing business as Stonehedge Capital LLC, has been barred from association

with any investment adviser. The order barring Stewart is the result of a public administrative proceeding instituted by the Commission against Stewart. Stewart consented to the entry of the order without admitting or denying the Commission's findings

In the order, the Commission found that Stewart had been enjoined by a United States District Court from future violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act. In that action, the Division of Enforcement alleged that between October 1996 and June 1999, Stewart managed over \$3 million for approximately 25 clients and that, among other things, he misappropriated approximately \$356,000 of his clients' funds. The Division alleged that Stewart used some of the funds to purchase two homes and other real estate in Southern California, and to buy and lease expensive cars, including a Porsche and a BMW. (Rel. IA-1065; File No. 3-10551)

HOLDING COMPANY ACT RELEASES

PROGRESS ENERGY INC., ET AL.

A notice has been issued giving interested persons until September 4, 2001, to request a hearing on a proposal by Progress Energy Inc. (Progress), a registered holding company, and its public utility subsidiaries, Carolina Power & Light Company (CP&L), North Carolina Natural Gas Corporation (NCNG), and Florida Power Corporation (Florida Power), (collectively, Applicants). The Applicants request authority for NCNG to issue long-term securities to Progress and for Progress to acquire long-term securities from NCNG. The Applicants also propose modifications to financing transactions, which were approved by the Commission in a December 12, 2000, order for the period through September 30, 2003. The modifications would increase: (1) the aggregate amount of common stock, preferred stock and other preferred securities and debentures that Progress may issue and have outstanding during the authorization period from \$3.8 billion to \$5 billion; (2) Progress' short-term debt limit from \$1 billion to \$2.5 billion; (3) Progress' limit for all indebtedness from \$5 billion to \$6 billion; (4) the limit of short-term debt for NCNG from \$125 million to \$400 million; and (5) the borrowing limit for NCNG from the Progress Utility Money Pool from \$125 million to \$400 million. (Rel. 35-27431)

INVESTMENT COMPANY ACT RELEASES

CORRECTION

Incorrect text was included in the August 10th issue of the Digest concerning Release IC-25103. The text should have read as follows:

CDC IXIS ASSET MANAGEMENT ADVISERS, L.P., ET AL.

An order has been issued on an application filed by CDC IXIS Asset Management Advisers, L.P., et al. granting relief from Sections 10(f), 12(d)(3), 17(a) and 17(e) of the Investment Company Act and from Rule 17e-1 under the Act. The order permits certain registered open-end management investment companies advised by several investment advisers to engage in principal and brokerage transactions with a broker-dealer affiliated with one of the investment advisers and to purchase securities in certain underwritings. The transactions would be between the broker-dealer and a portion of the investment company's portfolio not advised by the adviser affiliated with the broker-dealer. The order also permits these investment companies not to aggregate certain purchases from an underwriting syndicate in which an affiliated person of one of the investment advisers is a principal underwriter. Further, the order permits a portion of an investment company's portfolio to purchase securities issued by a broker-dealer, which is an affiliated person of an investment adviser to another portion, subject to the limits in Rule 12d3-1 under the Act. (Rel. IC-25103 – August 8)

SELF-REGULATORY ORGANIZATIONS

PROPOSED SEVENTEENTH AMENDMENT TO THE ITS PLAN

The Intermarket Trading System (ITS) filed a proposed amendment to the ITS Plan (File No. 4-208) under Rule 11Aa3-2 of the Securities Exchange Act relating to Regional Computer Interface, the implementation of a 30-second commitment expiration, and the principal place of business of the Boston Stock Exchange. Publication of the proposal is expected in the Federal Register during the week of August 13. (Rel. 34-44661)

PROPOSED EIGHTEENTH AMENDMENT TO THE ITS PLAN

The Intermarket Trading System (ITS) filed a proposed amendment to the ITS Plan (File No. 4-208) under Rule 11Aa3-2 of the Securities Exchange Act relating to the Pacific Exchange's implementation of the ARCA Facility. Publication of the proposal is expected in the Federal Register during the week of August 13. (Rel. 34-44662)

RECENT 8K FILINGS

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.

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- 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 FD Disclosure.

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		
ACCEPTANCE INSURANCE COMPANIES INC	DE				X						08/01/01	
ACORN PRODUCTS INC	DE				X	X					08/10/01	
ALLEN TEST CO INC & CUT OVER TEST 8/4/01	MD	X									12/10/99	
ALLEN TEST CO INC & CUT OVER TEST 8/4/01	MD	X									12/10/99	
ALLIANCE CAPITAL MANAGEMENT L P	DE					X					08/10/01	
ALLION HEALTHCARE INC	DE	X				X					07/27/01	
AMCON DISTRIBUTING CO	DE	X				X					06/01/01	AMEND
AMERIQUEST MORT SEC INC FLOAT RATE MORT PA TH CER SER 2001-1	DE	X									07/25/01	
APIANT TECHNOLOGIES INC	DE	X				X					08/06/01	AMEND
AQUA CARE SYSTEMS INC /DE/	DE			X		X					08/03/01	
ATLANTIC DATA SERVICES INC	MA	X				X					06/29/01	AMEND
ATRIX LABORATORIES INC	DE				X	X					08/08/01	
BEAZER HOMES USA INC	DE	X				X					08/01/01	
BENTLEY COMMUNICATIONS CORP/DE	DE	X				X					07/23/01	
BIGSTAR ENTERTAINMENT INC /NY	DE			X		X					08/10/01	
CANTRONICS CORP				X							08/09/01	
CARBIDE GRAPHITE GROUP INC /DE/	DE				X	X					08/09/01	
CATEGORY 5 TECHNOLOGIES INC		X				X					05/29/01	AMEND
CATEGORY 5 TECHNOLOGIES INC				X							08/07/01	
CHASE MORTGAGE FINANCE CORP	DE				X	X					08/10/01	
CHILDRENS COMPREHENSIVE SERVICES IN C	TN				X	X					08/08/01	
CITIZENS COMMUNICATIONS CO	DE				X	X					06/29/01	
CITIZENS COMMUNICATIONS CO	DE					X					08/07/01	
CKF BANCORP INC	DE	X				X					06/01/01	AMEND
CNB BANCORP INC /NY/	NY		X								08/09/01	
COLLINS & AIKMAN CORP	DE				X	X					08/07/01	
COLUMBIA LABORATORIES INC	DE				X	X					08/08/01	
CONTINENTAL AIRLINES INC /DE/	DE					X					07/31/01	
CWMBS INC	DE					X					07/24/01	
DELTA CAPITAL TECHNOLOGIES INC	DE				X						06/15/01	
DIGITAL RIVER INC /DE	DE	X				X					03/20/01	AMEND
DOLLAR GENERAL CORP	TN							X			08/10/01	
DYNA GROUP INTERNATIONAL INC	NV			X							08/10/01	AMEND
EAGLE CAPITAL INTERNATIONAL LTD	NV	X				X					08/09/01	
ECOM CORP	NV			X		X					03/20/00	AMEND
EGAIN COMMUNICATIONS CORP	DE				X	X					08/08/01	

NAME OF ISSUER	STATE	8K ITEM NO.									DATE	COMMENT	
	CODE	1	2	3	4	5	6	7	8	9			
ELECTRIC LIGHTWAVE INC	DE					X	X					08/07/01	
EMB CORP	HI		X				X					07/26/01	
EQUITY ONE ABS INC	DE					X	X					08/09/01	
ERESOURCE CAPITAL GROUP INC	DE						X					06/19/01	AMEND
EXCHANGE APPLICATIONS INC	DE	X				X	X					07/26/01	
FAIR ISAAC & COMPANY INC	DE					X						08/07/01	
FARALLON CORP /DE/	DE			X								08/06/01	
FOREST OIL CORP	NY						X	X				08/08/01	
F2 BROADCAST NETWORK INC	NV					X	X					08/09/01	
GATX FINANCIAL CORP	DE					X						08/10/01	
GENENCOR INTERNATIONAL INC	DE					X						08/10/01	
GOURMETMARKET COM INC/CA	DE		X			X	X					07/27/01	
GRANADA MINERAL PRODUCTS INC		X	X			X	X	X	X			08/09/01	AMEND
GREENBRIAR CORP	NV					X	X					07/01/01	
INHALE THERAPEUTIC SYSTEMS INC	DE		X			X						06/29/01	AMEND
INLAND RESOURCES INC	WA	X				X	X					08/02/01	
INNOVATIVE SOFTWARE TECHNOLOGIES IN C	CA					X						07/02/01	
INTEGRA INC	DE		X				X					07/27/01	
INTEGRATED SECURITY SYSTEMS INC	DE					X	X					08/10/01	
INTERLAND INC	DE		X			X	X	X				08/06/01	
INTERNAP NETWORK SERVICES CORP/WA	WA					X	X					07/20/01	AMEND
INTERPUBLIC GROUP OF COMPANIES INC	DE		X									08/10/01	
KRAFT FOODS INC						X	X					08/10/01	
KULICKE & SOFFA INDUSTRIES INC	PA					X	X					08/09/01	
LANDMARK SYSTEMS CORP	VA					X	X					08/09/01	
LANDS END INC	DE					X						07/27/01	
LIONS GATE ENTERTAINMENT CORP /CN/					X		X					07/29/01	AMEND
LOCKWAVE TECHNOLOGIES INC	NV	X										07/26/01	
LOUISIANA PACIFIC CORP	DE					X	X					08/08/01	
MAIL WELL INC	CO					X	X					08/10/01	
MAREX COM INC	FL					X						08/08/01	
METLIFE INC	DE					X	X					08/07/01	
MICROGRAFX INC	TX					X	X					08/10/01	
MICRON ELECTRONICS INC	MN		X			X	X	X				08/06/01	
MORTGAGE PASS- THROUGH CERTIFICATES SERIES 2001-9	DE						X					07/27/01	
NATIONAL RESIDENTIAL PROPERTIES NV INC	NV				X							08/06/01	
NCO GROUP INC	PA					X	X					08/10/01	
NCO PORTFOLIO MANAGEMENT INC	DE					X	X					07/31/01	
NORTEL NETWORKS CORP						X	X					08/09/01	
NORTEL NETWORKS LTD						X	X					08/09/01	
NZ CORP	AZ					X	X					07/09/01	AMEND
PATRIOT SCIENTIFIC CORP	DE					X	X					08/05/01	
PEPSICO INC	NC						X	X				08/10/01	
PERCEPTRONICS INC	DE		X				X					08/03/01	
PEROT SYSTEMS CORP	DE		X				X					07/26/01	
PETROCORP INC	TX						X					06/06/01	AMEND
PHOTOWORKS INC /WA	WA					X	X					08/09/01	
PIRANHA INC	DE					X						08/08/01	
POGO PRODUCING CO	DE					X	X					08/10/01	

NAME OF ISSUER	STATE	8K ITEM NO.									DATE	COMMENT	
	CODE	1	2	3	4	5	6	7	8	9			
PRIVATE BUSINESS INC	TN					X	X					08/09/01	
REGENT GROUP INC /DE	DE	X	X			X	X					07/27/01	
RHYTHMS NET CONNECTIONS INC	DE					X	X					08/10/01	
SABRE HOLDINGS CORP	DE									X		08/10/01	
SATCON TECHNOLOGY CORP	DE							X				07/13/01	AMEND
SBA COMMUNICATIONS CORP	FL					X	X					08/10/01	
SELIGMAN NEW TECHNOLOGIES FUND II I NC	MD							X		X		08/10/01	
SELIGMAN NEW TECHNOLOGIES FUND INC								X		X		08/10/01	
SENIOR HOUSING PROPERTIES TRUST	MD					X						08/09/01	
SILICON IMAGE INC	DE							X				06/07/01	AMEND
SIMON PROPERTY GROUP INC /DE/	DE					X	X					08/10/01	
SL INDUSTRIES INC	NJ					X	X					08/07/01	
SPALDING HOLDINGS CORP	DE	X										06/30/01	
STANDARD AUTOMOTIVE CORP	DE					X	X					08/09/01	
STANDARD AUTOMOTIVE CORP	DE					X	X					08/09/01	
STILWELL FINANCIAL INC	DE							X		X		08/09/01	
TESSERACT GROUP INC	MN		X			X	X					06/27/01	
TRIANGLE PHARMACEUTICALS INC	DE					X	X					07/17/01	
TRINET CORPORATE REALTY TRUST INC	MD		X					X				07/27/01	
UPDATE COM INC	DE					X	X					08/06/01	
UNITED COMMUNITY FINANCIAL CORP	OH		X					X				07/01/01	AMEND
US AIRWAYS GROUP INC	DE					X	X					08/10/01	
US AIRWAYS INC	DE					X	X					08/10/01	
VERSO TECHNOLOGIES INC	MN							X				07/27/01	
VIA NET WORKS INC								X				08/09/01	
VINTENDO CORP/WA	NV	X	X			X	X					07/25/01	
VION PHARMACEUTICALS INC	DE					X	X					08/09/01	
WEBTECH INTERNATIONAL INVESTORS GRO UP INC	DE		X									08/06/01	
WESTERN WIRELESS CORP	WA					X	X					08/08/01	
XAIBE INC	NV						X					07/03/01	
ZILA INC	DE					X	X					07/31/01	