

SEC NEWS DIGEST

Issue 2001-192

October 4, 2001

ENFORCEMENT PROCEEDINGS

TIFFANY CAPITAL ADVISORS, INC. AND CURTIS TOWNSEND SANCTIONED

The Commission announced that it issued an Order Instituting Public Proceedings, Making Findings and Imposing Remedial Sanctions and Cease and Desist Order (Order) against Tiffany Capital Advisors, Inc. (Tiffany) and Curtis Townsend (Townsend). The Commission simultaneously accepted an Offer of Settlement from Tiffany and Townsend, in which they consent to the entry of an Order requiring them to cease and desist from committing or causing any violation and any future violation of Sections 204, 206(1), 206(2), 206(4) and 207 of the Investment Advisers Act of 1940 and Rules 204-2(a)(8), 204-2(a)(11) and 206(4)-1(a)(5) thereunder; censuring Tiffany and Townsend; and imposing a \$40,000 penalty against them. In addition, Tiffany is ordered to comply with certain undertakings.

In the Order, the Division of Enforcement alleges that from approximately February 1998 through July 2000, Tiffany materially overstated the number of its advisory clients and assets under management. These overstatements occurred in Forms ADV filed with the Commission, in various advertisements consisting of submissions to third party reporting services, Nelson's Investment Manager Database, Mobius Group, Inc. and Mercer Investment Consulting, Inc., and in a request for a proposal (RFP) to a prospective client. In the RFP, Tiffany also overstated the number of its professional personnel. The largest overstatement Tiffany made of its assets under management was that it had \$560 million under management when, in fact, the correct number was \$250 million. The largest overstatement Tiffany made of the number of its clients was that, in addition to three institutional clients, it had eleven individual clients when, in fact, Tiffany did not have any individual clients. These material overstatements were made at the direction of Townsend, who knew or was reckless in not knowing that Tiffany's assets under management and number of advisory clients were overstated in the foregoing documents.

In the Order, the Division of Enforcement also alleges that, in order to create the appearance that its records comported with the misrepresentations made in its Forms ADV regarding the number of its clients, Tiffany provided Commission examiners with a

list of clients that included the names of individuals who were not, in fact, advisory clients of Tiffany's. In addition, the Division of Enforcement alleges that Tiffany failed to maintain true, accurate and current copies of its advertisements, which consisted of submissions to third party reporting services. (Rel. IA-1988; IC-25203; File No. 3-10614)

COMMISSION CHARGES FORMER CORPORATE DIRECTOR AND EX-WIFE WITH ILLEGAL INSIDER TRADING

On October 4, the Commission filed a complaint in the United States District Court for the Southern District of New York alleging insider trading by Sol Berg, a member of the Board of Directors of LeaRonal, Inc. from 1972 through 1999, and his former wife, Rosa Hodgson.

The Commission's complaint alleges that Hodgson, while in possession of material, nonpublic information provided by Berg, engaged in illegal insider trading in LeaRonal, Inc. stock. During the second half of 1998, Berg, as a Director of LeaRonal, Inc., learned that Rohm and Haas, Inc. was negotiating with LeaRonal, Inc. to commence a tender offer for LeaRonal, Inc.'s outstanding capital stock. Berg told Hodgson that LeaRonal, Inc. was conducting confidential merger negotiations, and Hodgson then acquired LeaRonal, Inc. stock. Specifically, during October and December 1998, Hodgson bought LeaRonal, Inc. shares for herself, gave shares as a gift to a close friend, and bought additional shares for her daughter. On December 21, 1998, LeaRonal, Inc. and Rohm and Haas, Inc. jointly announced a tender offer by Rohm and Haas, Inc. to purchase LeaRonal, Inc. for \$34.00 per share or about \$460 million. The ill-gotten gains from Hodgson's various illegal trades in LeaRonal, Inc. were \$36,270.50.

Simultaneous with the filing of the complaint, Berg and Hodgson consented, without admitting or denying the allegations in the complaint, to the entry of a final judgment: (1) permanently enjoining Berg and Hodgson from committing securities fraud in violation of Sections 10(b) and 14(e) of the Securities Exchange Act of 1934, and Exchange Act Rules 10b-5 and 14e-3; (2) ordering Hodgson to disgorge \$31,622.50, the profits from the illegal trades she made in LeaRonal, Inc. stock for her own account, and to pay prejudgment interest on that amount; (3) ordering Hodgson to disgorge profits of illegal trades ordered by Hodgson for the benefit of others in the amount of \$4,648, and (4) ordering Berg and Hodgson to each pay a civil penalty of \$36,270.50. [SEC v. SOL BERG and ROSA HODGSON, 01 Civ. 8899] (LR-17170)

NUEWORLD.COM COMMERCE, INC., AND TIMOTHY C. RINGGENBERG SUBJECT OF CIVIL COMPLAINT

On October 3, the Commission filed a civil complaint against NuEworld.com Commerce, Inc. (NuEworld) and its co-founder and Chief Information Officer, Timothy C. Ringgenberg. The complaint alleges that, utilizing the Internet and members of its

multi-level marketing force to sell shares directly to the public, NuEworld induced investment in it through false and misleading statements about the timing of a purported initial public offer (IPO), the projected value of its shares after the IPO, its prospect for revenue and sales growth and the true nature of its business relationships with recognizable companies referred to as "strategic partners." The complaint further alleges that NuEworld did not comply with Regulation D provisions allowing exemption from registration. Without admitting or denying any of the allegations of the SEC's complaint, NuEworld and Ringgenberg simultaneously agreed to settle the charges that they violated the fraud and registration provisions of the federal securities laws. Under terms of the settlement, NuEworld and Ringgenberg will be permanently enjoined from future violations of the anti-fraud and registration provisions of federal securities laws and Ringgenberg is ordered to pay a civil penalty of \$25,000. [SEC v. NUEWORLD.COM COMMERCE, INC. and TIMOTHY C. RINGGENBERG, Civil Action No 3:01-CV-1974-H (N.D. Tex., DALLAS Division) (LR-17171)]

SEC OBTAINS EMERGENCY RELIEF AGAINST AREMISSOFT CORPORATION AND TWO FORMER OFFICERS FOR FINANCIAL FRAUD, INSIDER TRADING

Today the Commission filed a civil injunctive action against AremisSoft Corporation, an international software company with offices in New Jersey, London, Cyprus, and India, and two former officers, Roys Poyiadjis and Lycourgos Kyprianou, alleging that they overstated the value of the Company's contracts, revenues and recent acquisitions, and that the two former officers engaged in massive insider trading during the period of the reporting fraud.

Based on evidence that all three defendants engaged in financial fraud and Poyiadjis and Kyprianou, both former chairmen and CEO's of the Company, also engaged in insider trading, the U.S. District Court for the Southern District of New York entered an Order restraining the defendants from violations of the anti-fraud and other provisions of the federal securities laws pending a hearing on the Commission's motion for a preliminary injunction. The Court's Order freezes the assets of Poyiadjis and Kyprianou, and directs them to repatriate to the United States the proceeds of their sales of AremisSoft stock.

According to the Commission's complaint:

- On December 17, 1999, AremisSoft announced: "the signing of a \$37.5 million agreement to automate the nationwide healthcare system of Bulgaria." Poyiadjis and Kyprianou publicly touted the Bulgarian contract as of major significance for the Company's business prospects. The Company recognized approximately \$7.1 million in revenue from this contract during 2000 and \$1 million more in the first quarter of 2001. In fact, the value of the Bulgarian contract is no more than \$3.7 million, and the Company can presently substantiate only about \$1.7 million of the revenue recognized on it.

- AremisSoft's "Emerging Markets Group," headquartered in Cyprus, reported roughly \$89 million out of a total of \$120 million in sales revenue during 2000. Most of this amount, however, was based on purported sales to entities that either do not exist as operating businesses or did not purchase product from AremisSoft. AremisSoft falsified its books and records to conceal that it was obtaining no cash from these purported sales.
- AremisSoft, through its Emerging Markets Group, acquired three private software companies during 2000. The value of \$32.7 million that AremisSoft reported for these acquisitions, however, was many times that actually paid by AremisSoft for the three companies. Further, AremisSoft reported falsified operating histories for the acquired companies.
- During the period of the reporting fraud, Poyiadjis and Kyprianou sold millions of shares of AremisSoft stock, acting through various offshore entities.
[SEC v. Roys Poyiadjis, Lycourgos Kyprianou and AremiSoft Corp., Civ. Action No. 01-CV-8903] (S.D.N.Y.) (LR-17172; AAE Rel. 1465)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGE

The MBS Clearing Corporation filed a proposed rule change (SR-MBSCC-2001-01) under Rule 19b-4 of the Securities Exchange Act that involves proposed arrangements for the integration of MBSCC with The Depository Trust & Clearing Corporation. Publication of the proposal is expected in the Federal Register during the week of October 8, 2001. (Rel. No. 34-44838)

The Government Securities Clearing Corporation filed a proposed rule change (SR-GSCC-2001-11) under Rule 19b-4 of the Securities Exchange Act relating to the proposed integration of GSCC with The Depository Trust & Clearing Corporation. Publication of this notice is expected in the Federal Register during the week of October 8, 2001. (Rel. No. 34-44895)

The Emerging Markets Clearing Corporation Filed a proposed rule change (SR-EMCC-2001-03) under Rule 19b-4 of the Securities Exchange Act relating to the proposed integration of EMCC with The Depository Trust & Clearing Corporation. Publication of this notice is expected in the Federal Register during the week of October 8, 2001. (Rel. No. 34-44896)

The National Association of Securities Dealers, Inc., through its subsidiary The Nasdaq Stock Market, Inc., has filed a proposed rule change (SR-NASD-2001-64) adjusting the fees charged to non-members for the use of the Nasdaq National Market Execution

System and the SelectNet Service. Publication of the proposal is expected to be made in the Federal Register during the week of October 8, 2001. (Rel. No. 34-44898).

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change filed by the National Association of Securities Dealers, Inc. (SR-NASD-2001-62) under Section 19(b)(1) of the Securities Exchange Act of 1934 (Act) amending NASD Code of Arbitration Procedure Rule 10333 Relating to Member Surcharges and Hearing and Prehearing Process Fees has become effective under Section 19(b)(3)(A) of the Act. Publication of the proposal is expected in the Federal Register during the week of Monday, October 8, 2001 (Rel. No. 34-44897).

A proposed rule change (SR-NASD-2001-63) filed by the National Association of Securities Dealers, Inc., through its subsidiary The Nasdaq Stock Market, Inc., adjusting the fees charged to NASD members for the use of the Nasdaq National Market Execution System and the SelectNet service, has become effective under Section 19(b)(3)(A)(ii) of the Securities Exchange Act of 1934. Publication of the proposal is expected to be made in the Federal Register during the week of October 8, 2001. (Rel. No. 34-44899).

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission noticed and granted accelerated approval to a proposed rule change submitted by the New York Stock Exchange, Inc. (SR-NYSE-2001-38) under Rule 19b-4 of the Securities Exchange Act of 1934 relating to the listing and trading of ordinary shares of Deutsche Bank on the Exchange. Publication of the proposal is expected in the Federal Register during the week of October 8, 2001. (Rel. No. 34-44888).

WITHDRAWAL SOUGHT

Notice has been issued giving interested persons until November 5, 2001 to comment on the application for withdrawal from listing and registration (Media General, Inc., Class A Common Stock, par value \$5.00 per share) on the American Stock Exchange LLC.

SECURITIES ACT REGISTRATIONS

The following registration statements have been filed with the SEC under the Securities Act of 1933. The reported information appears as follows: Form, Name, Address and Phone Number (if available) of the issuer of the security; Title and the number and/or face amount of the securities being offered; Name of the managing underwriter or depositor (if

applicable); File number and date filed; Assigned Branch; and a designation if the statement is a New Issue.

Registration statements may be obtained in person or by writing to the Commission's Public Reference Branch at 450 Fifth Street, N.W., Washington, D.C. 20549 or at the following e-mail box address: <publicinfo@sec.gov>. In most cases, this information is also available on the Commission's website: <www.sec.gov>.

F-6 KEYWORLD INVESTMENTS PLC /ADR/, TIMOTHY F KEANEY 101 BARCLAY ST,
22ND FL, NEW YORK, NY 10286 (212) 815-2129 - 10,000,000 (\$500,000)
DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 333-13934 - SEP. 25) (BR. 99
- NEW ISSUE)

S-8 DASSAULT SYSTEMES SA, 9 QUAI MARCEL DASSAULT, B P 310,
92156 SURESNES CEDEX, IO - 2,000,000 (\$66,580,000) FOREIGN COMMON STOCK.
(FILE 333-13938 - SEP. 26) (BR. 3)