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SEC NEWS DIGEST

Issue 2000-133

July 13, 2000

RULES AND RELATED MATTERS

THE DIVISION OF CORPORATION FINANCE ISSUES REGULATION M-A AND CROSS-BORDER TELEPHONE INTERPRETATIONS

The Division of Corporation Finance has issued the third supplement to its telephone interpretations manual. The first and second supplements were issued in March 1999 and March 2000, respectively. The third supplement contains interpretations relating to the new rules adopted in the Regulation M-A Release, No. 33-7760 (October 22, 1999) and the Cross-Border Release, No. 33-7759 (October 22, 1999). The interpretations contained in the manual and its supplements are not rules or regulations of the Commission but represent only the informal interpretations and practices followed by the Division in administering the disclosure requirements of the federal securities laws.

The telephone interpretations manual, including all the supplements, is available on the Commission's website at www.sec.gov under "Current SEC Rulemaking—Other Commission Notices and Information."

For further information contact the Office of Mergers and Acquisitions at (202) 942-2920.

ENFORCEMENT PROCEEDINGS

COMPLAINT FILED AGAINST TWELVE MANAGERS AND SALESPERSONS FORMERLY EMPLOYED BY PAPA HOLDINGS, INC., AND FOUR OF ITS RESTAURANT SUBSIDIARIES

On July 12, the Commission filed a complaint in United States District Court for the Central District of California charging twelve sales agents formerly employed by Papa Holdings, Inc. (Papa Holdings) with securities fraud in connection with the sale of stock in Papa Holdings and four of its restaurant subsidiaries. The Commission alleges that David J. Naughton, Stephen R. Keenum, Mark R. Avila, Stephen R. Rawlings, Richard

C. Reining, Adam E. Peck, Victor R. Graaug, Raffi T. King, Charles F. Hagemann, Ronald L. Gaiser, Joseph L. Hill and Michael R. Tompkins misrepresented that they would receive sales commissions equal to "10% or more" or "a percentage of the purchase price" of stock. The defendants actually received commissions totaling 31% to 40% of each stock offering. Naughton, a director of two restaurant subsidiaries, also knew, but failed to disclose to investors, that the proceeds from at least one restaurant subsidiary's stock offering would be used for undisclosed purposes.

The Commission seeks to permanently enjoin the defendants from future violations of the antifraud provisions of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, the securities registration provisions of Sections 5(a) and 5(c) of the Securities Act and the broker-dealer registration provisions of Section 15(a) of the Exchange Act. The Commission also seeks disgorgement, prejudgment interest and civil penalties. [SEC v. David J. Naughton, et al., Civil Action No. 00-07531 R(Ex), C.D. Cal.] (LR- 16624)

SEC FILES COMPLAINT AND OBTAINS INJUNCTION AGAINST MICHAEL PUHR, FORMER CEO OF ROCKY MOUNTAIN INTERNATIONAL, LTD.

The Commission announced that on July 6 it filed a civil complaint against Michael A. Puhr of Westminster, Colorado, in connection with fraudulent statements made in certain press releases disseminated to the public, and filings made with the SEC, by Rocky Mountain International, Ltd. (Rocky Mountain). At the time of these false statements, Puhr was the chief executive officer and president of Rocky Mountain. Simultaneously with the filing of the complaint, Puhr agreed to settle the charges against him by consenting to the entry of permanent injunctive relief, without admitting or denying the allegations in the complaint.

In its complaint, the SEC alleges that in October 1997, Rocky Mountain filed false and misleading financial statements with the SEC and issued false press releases that were disseminated to the investing public. In particular, Rocky Mountain filed a Form 8-K and issued a press release that falsely claimed that Rocky Mountain's assets were worth more than \$21 million. In contrast, the Company's assets were worth, at most, a third of that value. In addition, the press releases also failed to disclose material information about Rocky Mountain's garment manufacturing operations.

The complaint seeks permanent injunctive relief and civil money penalties from Puhr based on allegations that he violated Sections 10(b), 13(a), 13(b)(2) and 13(b)(5) of the Securities Exchange Act of 1934 and Rules 10b-5, 12b-20 and 13a-11 thereunder. Simultaneously with the filing of the SEC's complaint, Puhr 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 against future violations of the sections and rules of the federal securities laws referred to above. The SEC will not seek civil penalties from Puhr due to his demonstrated financial inability to pay. United States District Judge James Lawrence King entered the permanent injunction against Puhr on July 10, 2000. [SEC v. Michael A. Puhr, No. 00-2387-CIV-KING, S.D. Fla.] (LR-16625)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change filed by the American Stock Exchange to establish an Interim Seat Allocation Program. Publication of the proposal was expected in the Federal Register during the week of July 10. (Rel. 34-43016)

The Commission approved a proposed rule change submitted by the Pacific Exchange (SR-PCX-99-40) relating to order book officials. (Rel. 34-43025)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGES

A proposed rule change (SR-PCX-00-14) filed by the Pacific Exchange modifying its transaction and on-line comparison fees and establishing a credit for book executions, has become effective under Section 19(b)(3)(A)(ii) of the Securities Exchange Act of 1934. Publication of the proposal is expected in the Federal Register during the week of July 17. (Rel. 34-43020)

A proposed rule change (SR-Amex-00-35) filed by the American Stock Exchange relating to Index Fund Shares has become effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934. Publication of the proposal is expected in the Federal Register during the week of July 17. (Rel. 34-43024)

PROPOSED RULE CHANGES

The Options Clearing Corporation filed a proposed rule change (SR-OCC-99-12) to amend OCC's By-Laws governing index option adjustments to permit the substitution of a successor index for an underlying index in the event of a discontinuity in the underlying index. Publication of the proposal is expected in the Federal Register during the week of July 17. (Rel. 34-43022)

The Options Clearing Corporation filed a proposed rule change (SR-OCC-99-14) to allow OCC to set an option's marking price at the last sale price for purposes of calculating premium margin. Publication of the proposal is expected in the Federal Register during the week of July 17. (Rel. 34-43023)

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>.

- S-8 CAPSTONE TURBINE CORP, 6430 INDEPENDENCE, WOODLAND HILLS, CA 91367
(818) 716-2929 - 3,300,000 (\$130,604,650) COMMON STOCK. (FILE 333-
40868 -
JUL. 06) (BR. 5)
- S-3 AES CORPORATION, 1001 N 19TH ST, STE 2000, ARLINGTON, VA 22209
(703) 522-1315 - 9,200,000 (\$460,000,000) PREFERRED STOCK. (FILE
333-40870 - JUL. 06) (BR. 2)
- SB-2 C A T N K INC, 223 FM EAST 1382, SUITE 12720, CEDAR HILL, TX 75104
(972) 293-1115 - 1,000,000 (\$100,000) COMMON STOCK. (FILE 333-40872 -
JUL. 06) (BR. 9 - NEW ISSUE)
- S-3 GREY WOLF INC, 10370 RICHMOND AVE, SUITE 600, HOUSTON, TX 77042
(713) 874-0202 - 14,714,500 (\$70,482,455) COMMON STOCK. (FILE 333-
40874 -
JUL. 06) (BR. 4)
- S-3 SUNOCO INC, TEN PENN CENTER, 1801 MARKET ST, PHILADELPHIA, PA 19103
(215) 977-3000 - 1,250,000,000 (\$1,250,000,000) STRAIGHT BONDS. (FILE
333-40876 - JUL. 06) (BR. 4)
- S-3 NEWPORT CORP, 1791 DEERE AVE, IRVINE, CA 92714 (714) 863-3144 -
\$342,685,625 COMMON STOCK. (FILE 333-40878 - JUL. 06) (BR. 5)
- S-3 GENERAL ELECTRIC CAPITAL CORP, 260 LONG RIDGE RD, STAMFORD, CT 06927
(203) 357-4000 - STRAIGHT BONDS. (FILE 333-40880 - JUL. 06) (BR. 7)
- S-8 MERGE TECHNOLOGIES INC, 1126 S 70TH STREET, MILWAUKEE, WI 53214
(414) 977-4000 - 750,000 (\$1,781,250) COMMON STOCK. (FILE 333-40882 -
JUL. 06) (BR. 3)
- S-8 CYBERNET INTERNET SERVICES INTERNATIONAL INC,
POWELL GOLDSTEIN FRAZER & MURPHY, 1001 PENNSYLVANIA AVE NW, WASHINGTON,
DC
20004 (202) 624-7235 - 3,000,000 (\$15,939,000) COMMON STOCK. (FILE
333-40884 - JUL. 06) (BR. 3)
- S-8 PREMIERWEST BANCORP, 1455 E. MCANDREWS RD, MEDFORD, OR 97504
(541) 618-6000 - 734,189 (\$3,368,599) COMMON STOCK. (FILE 333-40886 -
JUL. 06) (BR. 7)

F-3 BID COM INTERNATIONAL INC, 6725 AIRPORT RD STE 201, MISSISSAUGA
ONTARIO,
CANADA L4V 1V2, (905) 672-7469 - 1,261,106 (\$3,316,708.78)
FOREIGN COMMON STOCK. (FILE 333-40888 - JUL. 06) (BR. 8)

S-8 GREAT PLAINS SOFTWARE INC, 1701 S W 38TH ST, FARGO, ND 58103
(701) 281-0550 - 876,947 (\$12,777,117.80) COMMON STOCK. (FILE 333-
40890 -
JUL. 06) (BR. 3)

S-3 PCC GROUP INC, 163 UNIVERSITY PARKWAY, POMONA, CA 91768 (909) 869-
6133
- 100,000 (\$150,000) COMMON STOCK. (FILE 333-40892 - JUL. 06) (BR. 3)

S-8 LAHAINA ACQUISITIONS INC, 5895 WINDWARD PARKWAY, SUITE 220,
ALPHARETTA,
GA 30005 (770) 754-6140 - 1,112,500 (\$3,337,500) COMMON STOCK. (FILE
333-40894 - JUL. 06) (BR. 8)

S-8 T/R SYSTEMS INC, 1300 OAKBROOK DR, NORCROSS, GA 30093 (770) 448-9008
-
200,000 (\$1,290,620) COMMON STOCK. (FILE 333-40904 - JUL. 06) (BR. 3)

S-8 JONES PHARMA INC, P.O. BOX 46903, 1945 CRAIG RD, ST LOUIS, MO 63146
(314) 576-6100 - 2,351,250 (\$57,109,448.34) COMMON STOCK. (FILE 333-
40906
- JUL. 06) (BR. 1)

SB-2 WORLD SHOPPING NETWORK INC/NV, 1530 BROOKHOLLOW DR., SUITE C, SANTA
ANA,
CA 92705 (714) 427-0760 - 50,000,000 (\$7,000,000) COMMON STOCK. (FILE
333-40908 - JUL. 06) (BR. 2)

S-8 PALM INC, 5470 GREAT AMERICA PARKWAY, SANTA CLARA, CA 95052
(408) 326-9000 - 320,000 (\$10,140,000) COMMON STOCK. (FILE 333-40910 -
JUL. 06) (BR. 3)

S-3 POLYCOM INC, 2584 JUNCTION AVE, SAN JOSE, CA 95134 (408) 526-9000 -
2,990,000 (\$272,884,144) COMMON STOCK. (FILE 333-40912 - JUL. 06) (BR.
7)

S-8 SPHERION CORP, 2050 SPECTRUM BLVD, FT LAUDERDALE, FL 33309
(954) 938-7600 - 3,846,513 (\$67,073,570) COMMON STOCK. (FILE 333-40914
-
JUL. 06) (BR. 8)

S-3 ATLANTIC TECHNOLOGY VENTURES INC, 1017 MAIN CAMPUS DRIVE, SUITE
3900,
RALEIGH, NC 27606 (919) 513-7020 - 400,000 (\$1,625,000) COMMON STOCK.
(FILE 333-40916 - JUL. 06) (BR. 1)

S-3 SPECTRUM CONTROL INC, 8031 AVONIA ROAD, FAIRVIEW, PA 16415
(814) 835-1650 - 2,935,584 (\$36,782,867.52) COMMON STOCK. (FILE 333-
40918
- JUL. 06) (BR. 5)

SB-2 CELL ROBOTICS INTERNATIONAL INC, 2715 BROADBENT PKWY. N.E.,
ALBUQUERQUE,
NM 87107 (719) 590-4900 - 1,400,000 (\$5,586,000) COMMON STOCK. (FILE
333-40920 - JUL. 06) (BR. 5)

S-3 WYNDHAM INTERNATIONAL INC, 1950 STEMMONS FRWY, STE 6001, DALLAS, TX
75207 (214) 863-1000 - 1,336,276 (\$3,260,514) COMMON STOCK. (FILE
333-40922 - JUL. 06) (BR. 8)

S-8 MADDEN STEVEN LTD, 52-16 BARNETT AVE, LONG ISLAND CITY, NY 11104
(718) 446-1800 - 575,000 (\$4,060,937.50) COMMON STOCK. (FILE 333-40924
-
JUL. 06) (BR. 2)

S-8 TRANS WORLD AIRLINES INC /NEW/, ONE CITY CENTRE, 515 N SIXTH ST,
ST LOUIS, MO 63101 (314) 589-3000 - 1,000,000 (\$2,406,250) COMMON
STOCK.
(FILE 333-40926 - JUL. 06) (BR. 5)

S-8 WASHINGTON MUTUAL INC, 1201 THIRD AVE, STE 1500, SEATTLE, WA 98101
(206) 461-2000 - 12,000,000 (\$357,375,000) COMMON STOCK. (FILE 333-
40928 -
JUL. 06) (BR. 7)

S-8 ELECTRONICS FOR IMAGING INC, 303 VELOCITY WAY, FOSTER CITY, CA 94404
(650) 357-3500 - 400,000 (\$10,176,000) COMMON STOCK. (FILE 333-40930 -
JUL. 06) (BR. 3)

S-8 SABRE HOLDING CORP, 4255 AMON CARTER BLVD, FORT WORTH, TX 76155
(817) 963-6400 - 9,000,000 (\$241,920,000) COMMON STOCK. (FILE 333-
40932 -
JUL. 06) (BR. 3)

S-1 EXPEDIA INC, 4200 150TH AVENUE, REDMOND, WA 98052 (425) 705-4874 -
900,000 (\$15,174,000) COMMON STOCK. (FILE 333-40934 - JUL. 07) (BR. 5)