

SEC NEWS DIGEST

Issue 99-77

April 22, 1999

ENFORCEMENT PROCEEDINGS

COMMISSION FILES ACTION IN INTERNET HOAX CASE

On April 21, the Commission filed a complaint in federal district court in Los Angeles, California, against Gary D. Hoke, Jr. According to the Commission's complaint, Hoke publicly disseminated fraudulent statements concerning PairGain Technologies, Inc., Hoke's employer. Specifically, on the morning of April 7, 1999, Hoke, under an assumed name, posted a message on a World Wide Web page that falsely reported that PairGain was being bought by an Israeli company.

That posting provided a direct internet link to another World Wide Web page, which appeared to be a Bloomberg News Service page announcing the acquisition. In fact, this page was a fabrication, also created by Hoke. This false Bloomberg report caused the market price of PairGain securities to increase substantially until the report was exposed as a hoax.

The Commission's complaint charges that Hoke's actions constituted the fraudulent manipulation of the price of PairGain securities. The Commission seeks permanent injunctive relief and a civil money penalty from Hoke. [SEC v. Gary D. Hoke, Jr., Civ. No. 99-04262, LGB, Ex] (LR-16117)

ERICA HULL ORDERED TO PAY \$150,000 IN MICROCAP FRAUD CASE

On April 12, the Commission obtained a federal court order requiring Erica J. Hull of Denver to pay \$150,000 in penalties (plus prejudgment interest of \$29,876) arising from Hull's fraudulent promotion of a microcap company. The order, entered by the Honorable Louis F. Oberdorfer of the United States District Court for the District of Columbia, enforces payment of penalties previously imposed by the Commission in an administrative proceeding, and was entered against Hull by default. The Commission filed its complaint, pursuant to Section 21(e) of the Securities Exchange Act of 1934 (Exchange Act) [15 U.S.C. Section 78u(e)], on September 30, 1998. The complaint charged that Hull failed to comply with the terms of the prior Commission order imposing remedial sanctions issued in In

the Matter of New Allied Development Corp., Erica J. Hull, and Grady A. Sanders, Administrative Proceeding File No. 3-8395, November 11, 1996).

The prior Commission order contained findings that Hull and another respondent were responsible for material omissions and fraudulent representations concerning a microcap company's, New Allied Development Corp. (New Allied), disclosure statements, made pursuant to Exchange Act Rule 15c2-11, and press releases and concluded that Hull and the other respondent violated the antifraud provisions of the Securities Act of 1933 (Securities Act) and the Exchange Act, and of Rule 10b-5 thereunder. The Commission imposed remedial sanctions on Hull and required her to pay a civil money penalty of \$150,000. After Hull failed to pay the penalty as ordered by the Commission, the Commission initiated this action. [SEC v. Grady A. Sanders and Erica J. Hull, Civil Action No. 98-2346-LFO, D.D.C.] (LR-16116)

INVESTMENT COMPANY ACT RELEASES

SECURITY BENEFIT LIFE INSURANCE COMPANY, ET AL.

An order has been issued pursuant to Section 6(c) of the Investment Company Act to Security Benefit Life Insurance Company, First Security Benefit Life Insurance and Annuity Company of New York (together with Security Benefit Life Insurance Company, Insurers), T. Rowe Price Variable Annuity Account, T. Rowe Price Variable Annuity Account of First Security Benefit Life Insurance and Annuity Company of New York, and T. Rowe Price Investment Services, Inc. (Distributor) (collectively, Applicants) exempting Applicants from the provisions of Sections 2(a)(32), 22(c) and 27(i)(2)(A) of the Act and Rule 22c-1 thereunder, to the extent necessary to assess a withdrawal charge, as described in the Application, against owners of certain flexible premium deferred or single premium immediate variable annuity contracts (Contracts) and amending an Order of Approval, granted on April 4, 1995, pursuant to Section 11 of the Act, to approve, to the extent necessary, the terms of a payment arrangement whereby purchasers of Contracts may apply redemption proceeds from shares of a registered open-end investment company for which the Distributor serves as principal underwriter as a premium payment for a Contract, and conversely, to apply the proceeds of a withdrawal or annuity payment under the Contracts to the purchase of shares of such open-end investment company. The order is issued on behalf of Applicants, on behalf of any other person that may become a principal underwriter for contracts issued by the Insurers that are similar in all material respects to the Contracts, and on behalf of such other separate accounts as the Insurers shall establish in the future, which at any time may offer variable annuity contracts on a basis which is similar in all material respects to the arrangements described with respect to the Contracts. (Rel. IC-23792 - April 20)

SUN CAPITAL ADVISERS TRUST, ET AL.

An order as been issued exempting Sun Capital Advisers Trust and Sun Capital Advisers, Inc. (Sun Advisers) from Sections 9(a), 13(a), 15(a) and 15(b) of the Investment Company Act and Rules 6e-2(b)(15) and 6e-3(T)(b)(15) thereunder. The order permits shares of the Sun Capital Advisers Trust and any other similar investment companies that Sun Advisers may in the future serve or manage as investment adviser, administrator, principal underwriter or sponsor, to be sold to, and held by: (1) separate accounts funding variable annuity and variable life insurance contracts issued by both affiliated and unaffiliated life insurance companies; and (2) qualified pension and retirement plans outside of the separate account context. (Rel. IC-23793 - April 20)

CHARTWELL DIVIDEND AND INCOME FUND, INC.

An order has been issued on an application filed by Chartwell Dividend and Income Fund, Inc. granting an exemption from Section 19(b) of the Investment Company Act and Rule 19b-1 under the Act. The order permits applicant, a registered closed-end investment company, to make periodic capital gains distributions with respect to its common stock pursuant to a distribution policy. (Rel. IC-23794 - April 20)

MANUFACTURERS INVESTMENT TRUST, ET AL.

An order has been issued pursuant to Section 17(b) of the Investment Company Act exempting Manufacturers Investment Trust, Manufacturers Securities Services, LLC, The Manufacturers Life Insurance Company of North America, The Manufacturers Life Insurance Company of New York, The Manufacturers Life Insurance Company, The Manufacturers Life Insurance Company of America, The Manufacturers Life Insurance Company (U.S.A) and Manufacturers Adviser Corporation from the provisions of Section 17(a) of the Act to the extent necessary to permit the merger of the Worldwide Growth Trust and the Capital Growth Bond Trust of the Manufacturers Investment Trust with and into the Global Equity Trust and the Investment Quality Bond Trust of the Manufacturers Investment Trust. (Rel. IC-23795 - April 20)

PFL LIFE INSURANCE COMPANY, ET AL.

An order has been issued pursuant to Section 26(b) of the Investment Company Act to PFL Life Insurance Company (PFL), AUSA Life Insurance Company (together with PFL, Companies), PFL Endeavor VA Separate Account (Endeavor Account), AUSA Endeavor Variable Annuity Account (together with the Endeavor Account, Accounts), Endeavor Series Trust (Endeavor Trust) and WRL Series Fund (WRL Fund) (all collectively, Applicants) approving the substitution of shares of the Endeavor Trust for shares of the WRL Fund held by the Accounts to support certain policies issued by the Companies. An order has also been issued pursuant to Section 17(b) of the Act, granting an exemption from Section 17(a) to the extent necessary to permit Applicants to carry out the above-referenced substitution in whole or in part through an in-kind redemption and purchase. (Rel. IC-

23796 - April 21)

ORDERS OF DEREGISTRATION UNDER THE INVESTMENT COMPANY ACT

Orders have been issued under Section 8(f) of the Investment Company Act declaring that each of the following has ceased to be an investment company:

Kemper Gold Fund
[File No. 811-5420]
(Rel. IC-23797 - April 21, 1999)

Kemper Environmental Services Fund
[File No. 811-6060]
(Rel. IC-23798 - April 21, 1999)

Kemper Government Money Market Fund
[File No. 811-3316]
(Rel. IC-23799 - April 21, 1999)

Kemper New York Tax-Free Fund
[File No. 811-4411]
(Rel. IC-23800 - April 21, 1999)

Dean Witter Retirement Series
[File No. 811-6682]
(Rel. IC-23801 - April 21, 1999)

Oppenheimer Time Fund
[File No. 811-2171]
(Rel. IC-23802 - April 21, 1999)

SBSF Funds, Inc. (dba Key Mutual Funds)
[File No. 811-3792]
(Rel. IC-23803 - April 21, 1999)

Dean Witter Global Asset Allocation Fund
[File No. 811-7233]
(Rel. IC-23804 - April 21, 1999)

Van Kampen Small Capitalization Fund
[File No. 811-6421]
(Rel. IC-23805 - April 21, 1999)

The Cardinal Group
[File No. 811-7588]
(Rel. IC-23806 - April 21, 1999)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGES

The Pacific Exchange filed a proposed rule change (SR-PCX-99-06) to implement a consolidated limit order book (CLOB) for equity securities. Publication of the proposal is expected in the Federal Register during the week of April 19. (Rel. 34-41304)

The Philadelphia Stock Exchange filed a proposed rule change (SR-Phlx-99-07) relating to a requirement for off-floor traders for which the Phlx is the Designated Examining Authority to successfully complete the General Securities Representative Examination Series 7. Publication of the notice in the Federal Register is expected during the week of April 19. (Rel. 34-41306)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change (SR-Amex-99-11) filed by the American Stock Exchange relating to an increase in the maximum size of options orders eligible to be entered through the AOF into the AODB 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 April 26. (Rel. 34-41310)

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>.

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34236 (941) 953-9199 - 245,558 (\$2,493,960 72) COMMON STOCK (FILE
333-76353 - APR. 15) (BR. 9)