

SEC NEWS DIGEST

Issue 99-168

August 31, 1999

ENFORCEMENT PROCEEDINGS

SEC ENTERS CEASE AND DESIST ORDER AGAINST FOOTWEAR COMPANY AND PRESIDENT

On August 2, the Commission instituted a public cease-and-desist proceeding against Fastlane Footwear, Inc. (Fastlane), a Jackson, Michigan based designer, manufacturer and marketer of licensed casual footwear, and its president, John H. Lefere (Lefere), pursuant to Section 8A of the Securities Act of 1933. Fastlane and Lefere have submitted offers of settlement in which, while neither admitting nor denying the Commission's findings, they consent to the entry of an order to cease and desist from committing or causing any violations and any future violation of Sections 5(a) and 5(c) of the Securities Act. These sections of the Securities Act prohibit the offer or sale of unregistered securities in interstate commerce unless an exemption from registration applies.

In the Order, the Commission found that between December 1995 and September 1996, Fastlane and Lefere were involved in the sale of approximately 500,000 shares of Fastlane stock to investors in several states. The sales, which raised approximately \$1.3 million for Fastlane, were made despite there being no registration statement on file with the Commission. Because no registration statement was filed with the Commission before the sale of the securities, Fastlane violated and Lefere caused the violation of Sections 5(a) and 5(c) of the Securities Act. (Rel. 33-7729; File No. 3-9950)

ADMINISTRATIVE PROCEEDING AGAINST JERALD BANKS, FORMER LIVENT GENERAL COUNSEL, FOR PARTICIPATION IN ACCOUNTING FRAUD SCHEME

On August 12, the Commission filed a complaint and a proposed final judgment of permanent injunction against Jerald M. Banks, the former general counsel and secretary of Livent Inc., a Canadian-based theater owner and producer of live theatrical entertainment, such as Ragtime, The Phantom of the Opera, Show Boat and Fosse. Banks consented, without admitting or denying the allegations of the Commission's complaint, to the entry of the final judgment that permanently enjoins Banks from his violative conduct and orders him to pay a civil monetary penalty of \$25,000 (US).

The complaint alleges that, from 1996 through 1997, Livent former senior officers orchestrated the improper recognition of at least \$34 million (Cdn) in revenue by entering into various "revenue-generating" transactions having secret side agreements that required Livent to pay back amounts advanced by the counter parties to the transactions. The complaint alleges that Banks drafted and finalized three of these agreements and/or actively dealt with the legal representatives of the counter-parties in the negotiation and finalization of these agreements. Banks, along with other Livent officers, allegedly concealed the side agreements from the company's independent auditors in order to improperly record revenue from the transactions and inflate the company's revenues.

As a result of the scheme, Livent made false public filings that contained disclosures and financial statements that were materially false and misleading, in part, because they recognized \$12.2 million (Cdn) in fiscal 1996 and \$12 million (Cdn) in fiscal 1997 relating to the fraudulent transactions in which Banks participated.

On August 30, Banks also consented to the entry of an administrative order related to his conduct described in the complaint. Without admitting or denying the Commission's findings, Banks consented to an order, pursuant to Rule 102(e) of the Commission's Rules of Practice, barring him from appearing or practicing before the Commission as an attorney for five years and ordering him to cooperate with the Commission. (Rel. 34-41806; AAER-1156; File No. 3-9990)

ADMINISTRATIVE PROCEEDING INSTITUTED AGAINST CERY PERLE

On August 30, the Commission issued an Order Instituting Public Administrative Proceeding against Cery B. Perle (Perle), the former president of Waldron & Co., Inc. (Waldron), a now defunct broker-dealer formerly registered with the Commission. The Commission's Order alleges that Perle was enjoined by a United States District Court from future violations of Section 17(a) of the Securities Act and Sections 10(b) and 15(c)(1) of the Exchange Act and Rules 10b-5 and 15c1-2 thereunder, and that the court also imposed \$110,000 in civil penalties against Perle.

In its complaint in the District Court action, the Commission alleged that between November 25, 1997 and March 23, 1998, Perle and Waldron manipulated the stock of the Corona del Mar, California Internet retailer, Shopping.com, artificially raising the price of the security from its IPO price of \$9.00 to more than \$32.00 a share. According to the complaint, Perle manipulated Shopping.com's stock by controlling the supply for the security and creating artificial demand. In controlling the supply, the complaint alleged, Perle, among other things, engaged in unauthorized transactions, refused customer sell orders and parked stock in customers' accounts. To create artificial demand, the complaint alleged that Perle issued a false and misleading press release, and while Waldron was acting as a market maker, caused the firm to raise the bid for the security without economic justification.

A hearing will be scheduled to take evidence on the staff's allegations and to afford the Respondent an opportunity to present any defense thereto. The purpose of the hearing is to determine whether the allegations are true and whether any remedial action should be ordered by the Commission. (Rel. 34-41807; File No. 3-9991)

JUDGMENT ENTERED AGAINST RANDALL KUHLMANN, PRINCIPAL IN PAY TELEPHONE FRAUD

The Commission announced that on August 12, United States District Judge Jeffrey T. Miller entered judgment against Randall Kuhlmann, enjoining him from future violations of the fraud provisions of the federal securities laws.

The case involved Kuhlmann's activities at Amtel Communications, Inc., based in San Diego, California. The Commission alleged that Amtel, Kuhlmann, and David Darling raised \$51.4 million from investors in a fraudulent scheme involving privately owned pay telephones. The Commission alleged that the operation was a Ponzi scheme, whereby investors were paid returns from new investor money.

After the Commission filed its lawsuit in 1995, Amtel sought protection from creditors in the Bankruptcy Court. Subsequently, Kuhlmann and Darling were indicted by a federal grand jury and pleaded guilty to mail fraud, wire fraud and other violations of federal law. Each is currently incarcerated.

Kuhlmann consented to the entry of judgment against him without admitting or denying the allegations of the Commission's complaint. [SEC v. Amtel Communications, Inc., et al., No. 951127 JM, AJB, S.D. Cal.] (LR-16267)

INVESTMENT COMPANY ACT RELEASES

NOTICES OF DEREGISTRATIONS UNDER THE INVESTMENT COMPANY ACT OF 1940

For the month of August, 1999, a notice has been issued giving interested persons until September 21, 1999, to request a hearing on any of the following applications for an order under Section 8(f) of the Investment Company Act declaring that the applicant has ceased to be an investment company:

The Premium Portfolios [File No. 811-7291]
The Baird Funds, Inc. [File No. 811-6714]
Life Cycle Mutual Funds, Inc. [File No. 811-9058]
MAP-Equity Fund (previously known as Mutual Benefit Fund) [File No. 811-2046]
Security Capital EuroPacific Real Estate Shares Incorporated [File No. 811-8383]
Security Capital European Real Estate Shares Incorporated [File No. 811-8533]

Hyperion Short Duration U.S. Government Fund II [File No. 811-6210]
Short Duration U.S. Government Portfolio [File No. 811-6250]
Hyperion Government Mortgage Trust [File No. 811-6262]
AJL PEPS Trust [File No. 811-7341]
The New South Africa Fund, Inc. [File No. 811-8298]
SMITH HAYES Trust, Inc. [File No. 811-5463]
Scudder Spain and Portugal Fund, Inc. [File No. 811-5304]
AIM Investment Portfolios [File No. 811-3297]
Franklin Life Variable Annuity Fund B [File No. 811-2110]
Franklin Life Money Market Variable Annuity Fund C [File No. 811-3289]
The Sports Funds Trust [File No. 811-8563]
Veredus Funds (formerly Artemis Funds) [File No. 811-8771]
TCW/DW Global Telecom Trust [File No. 811-7591]
Pioneer Intermediate Tax-Free Fund [File No. 811-4768]
The United Kingdom Fund Inc. [File No. 811-5184]
(Rel. IC-23981 - August 27)

LONDON PACIFIC LIFE & ANNUITY COMPANY, ET AL.

A notice has been issued giving interested persons until September 21, 1999 to request a hearing on an application filed by London Pacific Life & Annuity Company and LPLA Separate Account One (collectively, Applicants). Applicants seek an order pursuant to Section 26(b) of the Investment Company Act approving the substitution of shares of the Federated Fund for U.S. Government Securities II of Federated Insurance Series for shares of the Berkeley U.S. Quality Bond Portfolio of LPT Variable Insurance Series Trust. (Rel. IC-23982 - August 27)

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>. In most cases, this information is also available on the Commission's website: <www.sec.gov>.

F-6 SIME DARBY BERHAD /ADR/, 16 WALL ST, C/O BANKERS TRUST CO, NEW YORK, NY
10015 (212) 250-6860 - 20,000,000 (\$1,000,000)
DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 333-10698 - AUG. 19) (BR. 99)

S-4 TRIAD HOSPITALS HOLDINGS INC, 13455 NOEL ROAD 20TH FLOOR, DALLAS, TX
75240 (972) 789-2700 - 325,000,000 (\$325,000,000) STRAIGHT BONDS. (FILE
333-84743 - AUG. 06) (NEW ISSUE)

S-8 TWIN FACES EAST ENTERTAINMENT CORP, 1850 E FLAMINGO RD 111-A, LAS VEGAS, NV 89119 (702) 866-5858 - 80,000 (\$100,752) COMMON STOCK. (FILE 333-85793 - AUG. 24) (BR. 9)

S-3 CYGNUS INC /DE/, 400 PENOBSCOT DR, REDWOOD CITY, CA 94063 (650) 369-4300 - 1,757,989 (\$17,909,513) COMMON STOCK. (FILE 333-85801 - AUG. 24) (BR. 1)

S-8 FREEPORT MCMORAN COPPER & GOLD INC, 1615 POYDRAS ST, NEW ORLEANS, LA 70112 (504) 582-4000 - 8,000,000 (\$127,395,312.50) COMMON STOCK. (FILE 333-85803 - AUG. 24) (BR. 4)

S-3 WESTFIELD AMERICA INC, 11601 WILSHIRE BLVD 12TH FLOOR, LOS ANGELES, CA 90025 (310) 445-2427 - 786,286 (\$11,723,524.26) COMMON STOCK (FILE 333-85805 - AUG. 24) (BR. 8)

S-8 CIRCLE INTERNATIONAL GROUP INC /DE/, 260 TOWNSEND ST, SAN FRANCISCO, CA 94107 (415) 978-0600 - 125,000 (\$3,218,750) COMMON STOCK. (FILE 333-85807 - AUG. 24) (BR. 5)

S-3 BARRETT RESOURCES CORP, 1515 ARAPAHOE ST, TOWER 3 STE 1000, DENVER, CO 80202 (303) 297-3900 - 150,000 (\$5,446,875) COMMON STOCK. (FILE 333-85809 - AUG. 24) (BR. 4)

S-8 STOCKSCAPECOM TECHNOLOGIES INC, 540 MARINE BLDG 355 BURRARD ST, VANCOUVER, BRITISH COLUMBIA V6C 2G8, CANADA, A1 (604) 687-0619 - 3,000,000 (\$3,279,000) COMMON STOCK. (FILE 333-85813 - AUG. 24) (BR. 4)

S-8 IMAX CORP, 2525 SPEAKMAN DRIVE, MISSISSAUGA L5K1B1, TORONTO ONTARIO, A6 M4Y1S (905) 403-6500 - 381,744 (\$82,321.93) COMMON STOCK (FILE 333-85815 - AUG. 24) (BR. 5)

S-8 COMMNET CELLULAR INC, 8350 EAST CRESCENT PARKWAY SUITE 400, ENGLEWOOD, CO 80111 (303) 694-3234 - 9,000 (\$277,594) COMMON STOCK. (FILE 333-85817 - AUG. 24) (BR. 7)

S-8 UNITED INDUSTRIAL CORP /DE/, 18 E 48TH ST, NEW YORK, NY 10017 (212) 752-8787 - 600,000 (\$4,893,750) COMMON STOCK (FILE 333-85819 - AUG. 24) (BR. 5)

S-1 MCK COMMUNICATIONS INC, 313 WASHINGTON ST, NEWTON, MA 02458 (617) 454-6100 - \$61,920,600 COMMON STOCK. (FILE 333-85821 - AUG. 24) (BR. 37 - NEW ISSUE)

S-3 NATIONAL OILWELL INC, 10000 RICHMOND AVENUE, 4TH FLOOR, HOUSTON, TX 77042 (713) 346-7500 - 500,000 (\$9,046,855) COMMON STOCK. (FILE 333-85823 - AUG. 24) (BR. 6)

S-3 CONSECO INC, 11825 N PENNSYLVANIA ST, CARMEL, IN 46032 (317) 817-6100 - 1,500,000 (\$39,843,750) COMMON STOCK. (FILE 333-85825 - AUG. 24) (BR. 1)

S-8 RECKSON SERVICES INDUSTRIES INC, 10 EAST 50TH STREET, NEW YORK, NY 10022 (212) 921-8000 - 100,000 (\$1,291,000) COMMON STOCK. (FILE 333-85827 - AUG. 24) (BR. 8)

S-8 SILVERSTREAM SOFTWARE INC, ONE BURLINGTON WOODS DR, BURLINGTON, MA 01803 (781) 238-5400 - 1,731,470 (\$42,421,015) COMMON STOCK. (FILE 333-85829 - AUG. 24) (BR. 3)

S-3 CONNETICS CORP, 3400 W BAYSHORE RD, PALO ALTO, CA 94303 (415) 843-2800 - 4,600,000 (\$27,600,000) COMMON STOCK. (FILE 333-85833 - AUG. 24) (BR. 1)

S-3 MARINEMAX INC, 18167 US 19 N, SUITE 499, CLEARWATER, FL 33764 (813) 531-1700 - 400,000 (\$4,250,000) COMMON STOCK. (FILE 333-85835 - AUG. 24) (BR. 2)

S-3 CAPITAL HOLDINGS INC, 5520 MONROE ST, SYLVANIA, OH 43560 (419) 885-7379 - 900,000 (\$23,400,000) COMMON STOCK. (FILE 333-85837 - AUG. 24) (BR. 7)

S-8 CONTINUUS SOFTWARE CORP /CA, 108 PACIFICA SECOND FLOOR, 714-453-2000, IRVINE, CA 92718 (949) 453-2200 - 3,848,039 (\$13,967,481) COMMON STOCK. (FILE 333-85839 - AUG. 24) (BR. 3)

S-8 INTERNATIONAL GAME TECHNOLOGY, 9295 PROTOTYPE DRIVE, RENO, NV 89511
(775) 448-7777 - 8,000,000 (\$8,000,000)
OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 333-85841 - AUG 25)
(BR. 6)

S-8 ACT NETWORKS INC, 188 CAMINO RD, CAMARILLO, CA 93012 (805) 388-2474 -
600,000 (\$6,420,750) COMMON STOCK. (FILE 333-85845 - AUG. 25) (BR. 3)

S-3 CD RADIO INC, 1221 AVENUE OF THE AMERICAS, 36TH FLOOR, NEW YORK, NY
10020 (212) 899-5000 - 2,190,000 (\$62,634,000) COMMON STOCK. (FILE
333-85847 - AUG. 25) (BR. 7)