

SEC NEWS DIGEST

Issue 2000-29

February 15, 2000

COMMISSION ANNOUNCEMENTS

MEDIA ADVISORY

Media Briefing on International Accounting Standards Concept Release

What: Securities and Exchange Commission Chief Accountant Lynn E. Turner will conduct a media briefing to discuss the concept release on international accounting standards that will be considered at an open meeting on Wednesday, February 16, 2000.

At the open meeting, the Commission will consider whether to issue a release requesting comment regarding when or under what conditions the Commission should accept financial statements of foreign private issuers that are prepared using standards promulgated by the International Accounting Standards Committee.

When: Tuesday, February 15, 2000
5:00 p.m. EST

Where: Securities and Exchange Commission
450 5th Street, NW
Washington, DC
Administrative Law Judges Hearing Room (1C50)

Teleconference: Please call (202) 942-0020 for the teleconference number.

Embargo: Information provided at the briefing is embargoed until the Commission votes on Wednesday, February 16, 2000, at approximately 11:00 a.m.

Other: Credentialed media only; pen and pad only; no cameras.
(Press Rel. 2000-9)

SEC CHAIRMAN ARTHUR LEVITT PRAISES AMERICAN BAR ASSOCIATION FOR BANNING LAWYER PAY-TO-PLAY

On February 14, Chairman Arthur Levitt praised the American Bar Association House of Delegates for adopting a rule that would make it unethical for lawyers to engage in pay-to-play. Today's debate and vote culminate three years of effort by the Chairman and the ABA to ban pay-to-play.

Chairman Levitt said, "By voting to end pay-to-play, America's lawyers today demonstrated bold and inspired leadership on a pressing ethical issue. This vote reaffirms the belief that competence, not connections should be the rule when awarding government contracts. I now call on the state bar associations to include this new provision in their respective rules governing lawyer conduct."

Chairman Levitt addressed the House of Delegates shortly before the vote, saying, "I'm not here to preach to the Bar about integrity. Your history and your code of ethics make your commitment to this value quite evident. But, nothing would send a clearer, more unequivocal message on the issue of pay-to-play than your passing a resolution asking lawyers to cut the tie between campaign contributions and selection as counsel in government transactions. The SEC's actions on this issue can do only so much. At the end of the day, the responsibility for maintaining investor confidence rests heavily on the shoulders of market participants -- issuers, financial advisers, dealers, and especially lawyers."

Stamping out pay-to-play has been a priority of the Commission since 1993. Key actions include:

- * In 1993, municipal securities dealers pledged to end pay-to-play;
- * In 1994, the Municipal Securities Rulemaking Board formally banned pay-to-play;
- * In 1997, the ABA strongly condemned pay-to-play and called for a study of additional action on ways to end pay-to-play in the legal community;
- * In 1998, the ABA Task Force, including Jack Martin, Senator Howard Baker, and Judge William Webster, recommended amending ABA ethics rules to end pay-to-play;
- * In 1999, independent investment advisers adopted a voluntary ban on pay-to-play.
(Press Rel. 2000-10)

ENFORCEMENT PROCEEDINGS

PHILIP BRANDON ORDERED TO CEASE AND DESIST AND BARRED FOR ROLE IN SCHEME TO CHANGE CUSTOMER ORDER TICKETS

The Commission has accepted a settlement offer from Philip S. Brandon, of San Diego, California, concerning previously instituted administrative proceedings.

On August 2, 1999, the Commission instituted administrative proceedings against Brandon, Del Mar Financial Services, Inc., and others alleging, among other things, a scheme for Del Mar to avoid losses by changing the prices on customer order tickets for the stock of Comparator Systems Corporation. Without admitting or denying the Commission's findings, Brandon has agreed to the issuance of an Order Making Findings, Ordering Respondent to Cease and Desist, and Imposing Remedial Sanctions. In the Order, the Commission finds the following: (1) Brandon is the former general manager and compliance officer for Del Mar Financial Services, Inc.; (2) in May 1996, when the price of Comparator Systems Corporation stock began to rise, Del Mar held a significant short position in the stock; (3) in order to avoid Del Mar having to sustain a loss by covering its short position in Comparator, Del Mar personnel, including Brandon, collected customer order tickets for substantially all sales made by Del Mar customers in Comparator on May 3 and May 6, and Del Mar personnel physically changed the order tickets by crossing out the actual trade price and entering a lower price; (4) this effectively eliminated Del Mar's potential trading loss as well as reduced customer profits by over \$800,000, and; (5) when Del Mar customers called the firm to complain, Brandon falsely told them that clerical errors or market conditions were the cause of the changed prices to their trades.

The Order finds that Brandon caused and willfully aided, abetted, counseled, commanded, or induced Del Mar's violations of Section 17(a) of the Securities Act of 1933, Sections 10(b), 15(c)(1)(A) and 17(a) of the Securities Exchange Act of 1934 and Rules 10b-5, 10b-10, 15c1-2 and 17a-3 thereunder. The Commission orders Brandon to cease and desist from committing or causing any violation and any future violations of these provisions and bars him from association with any broker or dealer. For additional information, see Securities Act Release No. 7717 and Exchange Act Release No. 41695 (August 2, 1999). (Rel. 33-7800; 34-42421; File No. 3-9959)

SEC BARS FORMER STOCK BROKER DONALD MARTINEAU FROM INDUSTRY FOR \$9.2 MILLION SCHEME TO DEFRAUD CUSTOMERS

The Commission announced that Donald J. Martineau, a former stock broker residing in Tewksbury, Massachusetts, agreed to the entry of an order barring him from associating with any broker or dealer. On January 13, 2000, the United States District Court for the District of Massachusetts permanently enjoined Martineau from violating the

antifraud provisions of the federal securities laws based on the Commission's allegations that, during the period November 1989 through August 1998, Martineau fraudulently induced nine of his brokerage customers to invest at least \$9.2 million in fraudulent investment schemes. The Commission alleged that Martineau used those funds to finance his own unsuccessful options trading, for other personal uses and to make Ponzi-like payments to the investors. No civil monetary penalties were imposed based on a financial inability to pay. Martineau agreed, without admitting or denying the Commission's allegations, to the entry of the permanent injunction. Additionally, an information was filed against Martineau in a related criminal matter. For more information, see (SEC v. Donald J. Martineau, USDC, District of Massachusetts, C.A. No. 00-10044-RGS). (Rel. 34-42422; File No. 3-10147)

COMMISSION FILES COMPLAINT AND FINAL JUDGMENT FOR INSIDER TRADING AGAINST ANDREW NEWMARK

On February 11, the Commission filed an action in federal district court in San Diego, California alleging that Andrew Jay Newmark engaged in insider trading in DH Technology, Inc. stock. The Commission's complaint alleges that Newmark acquired material, non-public information about Axiohm, S.A.'s proposed tender offer for DH Technology from DH Technology's Chief Executive Officer. Beginning on the day Newmark learned this information, he rapidly accumulated 30,000 DH Technology shares. Newmark sold his shares shortly after the public announcement of the tender offer, realizing a \$173,895.38 profit.

Newmark, without admitting or denying the allegations contained in the complaint, consented to the entry of the judgment against him, which permanently enjoins Newmark from future antifraud violations and orders him to disgorge trading profits together with prejudgment interest thereon and pay a civil penalty equal to his profits. [SEC v. Andrew Jay Newmark, Case No. 00CV305JM, JFS, S.D. Cal.] (LR-16434)

FORMER LAW FIRM EMPLOYEE AND STOCKBROKER SENTENCED FOR INSIDER TRADING

The U.S. Attorney's Office for the District of Massachusetts announced on February 11 that John C. Larrabee of Boxford, Massachusetts, and James L. D'Angelo of Wolfeboro, New Hampshire, were both sentenced to 1 year and 9 months in prison. In addition, each was fined \$20,000 and \$5,000, respectively. The two were convicted on nine counts of insider trading in separate trials before U.S. District Court Judge Douglass P. Woodlock in November 1999. Larrabee, the former Director of Fiduciary Services for the Boston law firm of Bingham Dana, LLP, was convicted of tipping D'Angelo, a former stockbroker with PaineWebber Inc., concerning Bank of Boston's plan to merge with Baybanks, Inc. hours before the public announcement of the merger on December 12, 1995.

At trial, prosecutors proved that in early December 1995, Bank of Boston retained Bingham Dana to represent it in connection with its confidential proposed merger with BayBanks. Larrabee learned of the pending deal, and on the afternoon of December 12, 1995, tipped D'Angelo. D'Angelo promptly purchased \$870,048 worth of Baybanks stock in eight accounts that he and his family controlled and a ninth account in the name of his girlfriend. Bank of Boston and BayBanks publicly announced the merger that evening. The next morning, D'Angelo sold all of the stock for an \$86,750 profit.

On March 25, 1997, the Securities and Exchange Commission filed an insider trading complaint against D'Angelo and Larrabee in the United States District Court for the District of Massachusetts. Simultaneously with the filing of the complaint, and without admitting or denying the Commission's allegations, D'Angelo consented to a permanent injunction against future violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and paid disgorgement of \$86,750, plus prejudgment interest in the amount of \$8,552 and a civil penalty of \$86,750, for a total of \$182,052. In addition, the Commission barred D'Angelo, with his consent, from association with any broker, dealer, municipal securities dealer, investment adviser or investment company (See Exchange Act Release No. 38524, April 18, 1997). The Commission's civil action against Larrabee was stayed during the criminal proceedings and is still pending. [SEC v. John C. Larrabee and James L. D'Angelo, Civil Action No. 97-10652-PBS, D. MA.; U.S. v. James L. D'Angelo and John C. Larrabee, Cr. No. 98-10208-MLW, D. MA.] (LR-16436)

INVESTMENT COMPANY ACT RELEASES

HARTFORD LIFE INSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until March 7, 2000, to request a hearing on an application filed by Hartford Life Insurance Company (Hartford Life), Hartford Life Insurance Company Separate Account Two (HL Account), Putnam Capital Manager Trust Separate Account (HL Putnam Account), Hartford Life and Annuity Insurance Company (Hartford Life and Annuity), Hartford Life and Annuity Insurance Company Separate Account One (HLA Account), Putnam Capital Manager Trust Separate Account Two (HLA Putnam Account, collectively with the HL Account, HL Putnam Account and HLA Account, "Accounts") and Hartford Securities Distribution Company, Inc. (HSD) (collectively, Applicants). Applicants seek an order pursuant to Section 11(a) of the Investment Company Act approving the terms of a proposed offer of exchange of new variable annuity contracts issued by Hartford Life and Hartford Life and Annuity (collectively, Hartford) and made available through the Accounts (New Contracts) for certain outstanding annuity contracts issued by Hartford and made available through the Accounts. Applicants also seek an order pursuant to Section 6(c) of the Act granting exemptions from Sections 2(a)(32), 22(c) and 27(i)(2)(A) of the Act and Rule 22c-1

thereunder to permit the recapture, from any New Contract canceled during the right to cancel period, a 2% bonus payment credited on amounts transferred to the New Contracts under the proposed offer of exchange. (Rel. IC-24286 - February 11)

FRANKLIN CAPITAL CORPORATION

An order has been issued on an application filed by Franklin Capital Corporation pursuant to Section 61(a)(3)(B) of the Investment Company Act approving applicant's stock option plan for directors who are not employees or officers of applicant. (Rel. IC-24287 - February 14)

HOLDING COMPANY ACT RELEASES

YANKEE ATOMIC ELECTRIC COMPANY

A notice has been issued giving interested persons until March 7, 2000, to request a hearing on a proposal by Yankee Atomic Electric Company, a subsidiary of New England Electric System and Northeast Utilities, both registered holding companies, to repurchase from its stockholders 95% of its presently outstanding common stock, at a purchase price of \$100 per share, equal to the book value per share on June 30, 1999. (Rel. 35-27136)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGES

The New York Stock Exchange filed a proposed rule change (SR-NYSE-99-46) to amend Exchange Rule 104 (Dealings by Specialists.) Publication of the proposal is expected in the Federal Register during the week of February 14. (Rel. 34-42417)

The National Association of Securities Dealers filed a proposed rule change (SR-NASD-00-03) to change margin requirements for day trading customers of member organizations. Publication of the proposal is expected in the Federal Register during the week of February 14. (Rel. 34-42418)

DELISTING GRANTED

An order has been issued granting the application of the American Stock Exchange to strike from listing and registration XCL Ltd., Common Stock, \$.01 par value. (Rel. 34-42413)

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-3 LERNOUT & HAUSPIE SPEECH PRODUCTS NV, SINT KRISPIJNSTRAAT 7, 8900 IEPER, BELGIUM, C9 (325) 722-8888 - 150,000,000 (\$150,000,000)
FOREIGN COMMON STOCK (FILE 333-11324 - JAN 07) (BR 3)
- S-8 VISIBLE GENETICS INC, 700 BAY ST, SUITE 1000, TORONTO ONTARIO CANA, A6 (212) 702-5700 - 1,565,000 (\$67,099,375) FOREIGN COMMON STOCK (FILE 333-11434 - JAN 14) (BR 5)
- S-4 DIME BANCORP INC, 589 5TH AVE, NEW YORK, NY 10017 (212) 326-6170 - 54,366,259 (\$1,255,316,920 31) COMMON STOCK (FILE 333-96345 - FEB 08) (BR 7)
- S-1 DSL NET INC, 545 LONG WHARF DR, NEW HAVEN, CT 06511 (203) 772-1000 - 5,750,000 (\$122,009,250) COMMON STOCK (FILE 333-96349 - FEB 08) (BR 7)
- S-1 PRAECIS PHARMACEUTICALS INC, ONE HAMPSHIRE ST, CAMBRIDGE, MA 02139 (617) 494-8400 - \$156,400,000 COMMON STOCK (FILE 333-96351 - FEB 08) (BR 1)
- S-8 BOMBAY COMPANY INC, 550 BAILEY AVE STE 700, FORT WORTH, TX 76107 (817) 347-8200 - 90,000 (\$388,125) COMMON STOCK (FILE 333-96353 - FEB 08) (BR 2)
- S-3 CAMBIO INC, 6006 NORTH MESA, SUITE 515, EL PASO, TX 79912 (915) 561-5628 - 3,959,163 (\$2,136,716 80) COMMON STOCK (FILE 333-96355 - FEB 08) (BR 8)
- S-1 REAL MEDIA INC, 260 FIFTH AVENUE, NEW YORK, NY 10001 (212) 725-4537 - \$75,000,000 COMMON STOCK (FILE 333-96359 - FEB 08) (NEW ISSUE)
- S-3 AMPLIDYNE INC, 59 LAGRANGE ST, RARITAN, NJ 08869 (908) 253-6870 - 2,312,870 (\$15,573,912) COMMON STOCK (FILE 333-96361 - FEB 08) (BR 9)
- S-3 CUBIST PHARMACEUTICALS INC, 24 EMILY ST, CAMBRIDGE, MA 02139 (607) 576-1999 - 2,225,000 (\$54,379,000) COMMON STOCK (FILE 333-96365 - FEB 08) (BR 1)
- S-8 CISCO SYSTEMS INC, 170 WEST TASMAN DRIVE, SAN JOSE, CA 95134 (408) 526-4000 - 599,126 (\$17,140,994 86) COMMON STOCK (FILE 333-96367 - FEB 08) (BR 3)
- S-3 METRETEK TECHNOLOGIES INC, WORLD TRADE CTR, 1675 BROADWAY STE 2150, DENVER, CO 80202 (303) 592-5555 - 3,512,262 (\$34,683,587) COMMON STOCK (FILE 333-96369 - FEB 08) (BR 8)
- S-8 BIONX IMPLANTS INC, 279B GREAT VALLEY PKWY, MALVERN, PA 19355 (610) 296-0919 - 500,000 (\$2,093,750) COMMON STOCK (FILE 333-96379 - FEB 08) (BR 5)

S-3 NETCURRENTS INC/, 9720 WILSHIRE BLVD, STE 700, LOS ANGELES, CA 90212
(310) 860-0200 - 8,033,079 (\$27,392,799) COMMON STOCK (FILE 333-96381 -
FEB 08) (BR 5)

S-8 PENNZOIL QUAKER STATE CO, PENNZOIL PLACE, P O BOX 2967, HOUSTON, TX
77252 (713) 546-4000 - 200,000 (\$2,231,250) COMMON STOCK. (FILE 333-96385
- FEB 08) (BR 4)

S-3 HUMAN GENOME SCIENCES INC, 9410 KEY W AVE1C, ROCKVILLE, MD 20850
(301) 309-8504 - 200,000,000 (\$200,000,000) STRAIGHT BONDS (FILE
333-96387 - FEB 08) (BR 1)

S-8 FOUNTAIN PHARMACEUTICALS INC, 72779 BRYAN DAIRY ROAD, LARGO, FL 33777
(813) 548-0900 - 750,000 (\$428,979) COMMON STOCK (FILE 333-96389 -
FEB 08) (BR 1)

S-1 BROADVIEW NETWORKS HOLDINGS INC, 45-18 COURT SQUARE, SUITE 403,
LONG ISLAND CITY, NY 11101 (718) 707-8800 - \$125,000,000 COMMON STOCK
(FILE 333-96391 - FEB 08) (NEW ISSUE)

S-8 FORRESTER RESEARCH INC, 400 TECHNOLOGY SQUARE, CAMBRIDGE, MA 02139
(617) 497-7090 - 5,000,000 (\$90,392,514) COMMON STOCK (FILE 333-96393 -
FEB 08) (BR 6)

S-4 RCN CORP /DE/, 105 CARNEGIE CENTER, PRINCETON, NJ 08540 (609) 734-3700
- 120,510,867 (\$89,351,148) COMMON STOCK. (FILE 333-96397 - FEB. 08)
(BR 7)

S-8 SILVER DINER INC /DE/, 11806 ROCKVILLE PIKE, ROCKVILLE, MD 20852
(617) 630-4400 - 100,000 (\$93,800) COMMON STOCK (FILE 333-96399 -
FEB 08) (BR 5)

S-3 FINANCE AMERICA SECURITIES LLC, THREE WORLD FINANCIAL CTR, 20TH FL,
NEW YORK, NY 10285 (212) 526-1360 - 1,000,000 (\$1,000,000) STRAIGHT BONDS
(FILE 333-96401 - FEB 08) (NEW ISSUE)

S-3 OPTION ONE MORTGAGE ACCEPTANCE CORP, 3 ADA ROAD, IRVINE, CA 92618
(949) 790-8100 - 2,000,000,000 (\$2,000,000,000)
EQUIPMENT TRUST CERTIFICATES (FILE 333-96403 - FEB. 08) (BR 8)

S-8 INFORMATION HIGHWAY COM INC, 10751 SHELLBRIDGEWAY SUITE 185,
RICHMAND B C V6X 2WA, A1 (604) 278-5996 - 500,000 (\$2,610,000)
COMMON STOCK (FILE 333-96405 - FEB 08) (BR 9)

S-4 GEMSTAR INTERNATIONAL GROUP LTD, 135 NORTH LOS ROBLES AVE, STE 800,
PASADENA, CA 91101 (818) 792-5700 - 414,245,832 (\$63,412,141) COMMON STOCK
(FILE 333-96407 - FEB 08) (BR 2)

S-8 VISTA INFORMATION SOLUTIONS INC, 5060 SHOREHAM PL #300, SAN DIEGO, CA
92122 (619) 450-6100 - 3,400,000 (\$16,522,300) COMMON STOCK (FILE
333-96411 - FEB 08) (BR 8)

S-8 CORECOMM LTD, CEDAR HOUSE, 41 CEDAR AVENUE, HAMILTON BERMUDA HM 12, DO
10022 (441) 295-2244 - 5,625,000 (\$212,695,313) COMMON STOCK. (FILE
333-96415 - FEB 08) (BR 7)

S-8 AMERICAN CHAMPION ENTERTAINMENT INC, 26203 PRODUCTION AVENUE, SUITE 5,
HAYWARD, CA 94545 (510) 785-8750 - 1,500,000 (\$5,718,750) COMMON STOCK.
(FILE 333-96419 - FEB 08) (BR 5)

S-3 REALNETWORKS INC, 2601 ELLIOTT AVENUE, STE 1000, SEATTLE, WA 98121
(206) 674-2700 - 1,449,279 (\$228,391,878) COMMON STOCK (FILE 333-96423 -
FEB 08) (BR 3)

S-3 MUTUAL RISK MANAGEMENT LTD, 44 CHURCH ST, BERMUDA, HAMILTON HM 12 BERMU,
DO (441) 295-5688 - 500,000,000 (\$500,000,000) STRAIGHT BONDS. (FILE
333-96425 - FEB 08) (BR 1)

S-4 APPLIED MATERIALS INC /DE, 3050 BOWERS AVE, SANTA CLARA, CA 95054
(408) 563-2682 - 16,235,444 (\$1,478,886,594) PREFERRED STOCK (FILE
333-96427 - FEB 08) (BR 5)

S-8 EXPERTTELLIGENCE INC, 203 CHAPALA STREET, STE B, SANTA BARBARA, CA 93101
(805) 962-2558 - 20,000 (\$380,000) COMMON STOCK (FILE 333-96429 -
FEB 09) (BR 3)

S-8 DRUGSTORE COM INC, 13920 SOUTHEAST EASTGATE SUITE 300, BELLEVUE, WA
98005 (425) 881-5131 - 32,405 (\$313,680 40) COMMON STOCK (FILE 333-96431
- FEB 09) (BR 1)

SB-2 CHRONICLE COMMUNICATIONS INC, 2601 SECOND AVENUE, TAMPA, FL 33605
(912) 377-2111 - 53,481,524 (\$11,231,120) COMMON STOCK (FILE 333-96437 -
FEB 09) (BR 9)