

SEC NEWS DIGEST

Issue 2000-138

July 20, 2000

COMMISSION ANNOUNCEMENTS

SEC Announces Schedule of Witnesses for Public Hearing on Auditor Independence

Schedule of Appearances
Public Hearing – July 26, 2000
9:00 am – 5:30 pm

As previously announced, the Commission is holding a public hearing on Wednesday, July 26, in connection with its proposed rule amendments regarding auditor independence. The hearing will take place in the William O. Douglas Room of the Commission's headquarters at 450 Fifth Street, N.W., Washington, D.C. 20549. The following is a schedule of appearances for the hearing:

- 9:00 am: Opening Statements by the Chairman and Commissioners
- 9:20 am: Session One
John D. Hawke, Jr., Comptroller of the Currency
- 9:40 am: Session Two
J. Michael Cook, former Chairman and CEO, Deloitte & Touche
- 10:00 am: Session Three
Rick Antle, Professor of Accounting, Yale School of Management
John C. Coffee, Jr., Professor of Law, Columbia University Law School
Paul B.W. Miller, Professor of Accounting, University of Colorado at Colorado Springs
- 11:10 am: Break
- 11:20 am: Session Four
John H. Biggs, Chairman, President and CEO, TIAA-CREF
Ray J. Groves, former Chairman and CEO, Ernst & Young
- 12:00 pm: Lunch Break

- 1:00 pm: Session Five
Representative, Arthur Andersen
Representative, Deloitte & Touche
Representative, KPMG
- 2:00 pm: Session Six
Jack T. Ciesielski, R.G. Associates, Inc. and Publisher, The Analyst's
Accounting Observer
- 2:20 pm: Session Seven
William T. Allen, Chair, Independence Standards Board
John C. Bogle, Member, Independence Standards Board
Robert E. Denham, Member, Independence Standards Board
Manuel H. Johnson, Member, Independence Standards Board
- 3:10 pm: Break
- 3:20 pm: Session Eight
George Loewenstein, Professor of Economics and Psychology, Carnegie
Mellon University
Max H. Bazerman, Professor, Kellogg Graduate School of Management,
Northwestern University, and Fellow, Harvard Business School
Douglas R. Carmichael, Professor of Accounting, Bernard M. Baruch
College, City University of New York, and former Vice-President, AICPA
Curtis C. Verschoor, Research Professor, DePaul University
- 4:20 pm: Session Nine
Dan L. Goldwasser, Vedder, Price, Kaufman & Kammholz
Alfred M. King, Chairman of the Board, Valuation Research Corporation
Mark Santarsario, President, Marshall & Stevens, Inc.
Nimish Patel, Pollet & Richardson
- 5:30 pm: Conclusion

(Press Rel. 2000-99)

CORRECTION- OPEN MEETING ITEM - TUESDAY, JULY 25,2000 - 10:00 A.M.

In the Digest on Tuesday July 18, a typographical error occurred in the second item for the open meeting on Tuesday, July 25, at 10:00 a.m. The item should read as follows:

-- consideration of a rule proposal arising from its request for comments on issues of fragmentation and internalization in the securities markets. The rule proposal would require greater disclosure of order routing and order execution practices by brokers and market centers. For further information, contact: Susie Cho, Attorney, at (202) 942-0748.

ENFORCEMENT PROCEEDINGS

ORDER OF SUSPENSION ENTERED AGAINST SAVE THE WORLD AIR, INC.

The Commission announced the temporary suspension, pursuant to Section 12(k) of the Securities Exchange Act of 1934, of trading of the securities of Save The World Air, Inc. (STW Air) (stock symbol ZERO), of New York, New York at 9:30 a.m. (EDT) on Thursday, July 20, 2000, and terminating at 11:59 p.m. (EDT) on Wednesday, August 2, 2000.

The Commission's Order of Suspension of Trading was issued because of questions that have been raised about the accuracy and adequacy of publicly disseminated information concerning, among other things, the results of demonstration tests of STW Air's Zero Emissions Fuel Saver device and STW Air's purported relationship with the Ford Motor Company. (Rel. 34-43057)

FAHNESTOCK & CO., INC. SANCTIONED FOR FAILING TO SUPERVISE FORMER REGISTERED REPRESENTATIVE WHO MISAPPROPRIATED \$262,222 FROM TWO FAHNESTOCK CUSTOMERS

The Commission announced today that registered broker-dealer Fahnestock & Co., Inc. (Fahnestock) settled an administrative proceeding instituted by the Commission on September 30, 1996 against Fahnestock and William E. Bierlin, Jr. (Bierlin), a former branch manager of Fahnestock's Jenkintown, Pennsylvania branch office who settled previously with the Commission. The Commission alleged in the administrative proceeding that from February 1993 through May 1994 Fahnestock and Bierlin failed reasonably to supervise Wendell Jeffrey Lee (Lee), a former registered representative in Fahnestock's Jenkintown, Pennsylvania branch office who misappropriated more than \$260,000 from the brokerage accounts of two former Fahnestock customers. Lee misappropriated the Fahnestock customer funds by forging customers' signatures on letters of authorization and by causing Fahnestock's Jenkintown branch office to issue numerous checks drawn on these customers' accounts and made payable to Lee and certain of his personal creditors.

In settlement of these administrative proceedings, Fahnestock has consented to an order that censures Fahnestock for its failure to reasonably supervise Lee, orders Fahnestock to cease and desist from committing or causing any future violations of Section 17(a) of the Securities Exchange Act of 1934 and Rule 17a-3 thereunder, orders Fahnestock to pay a \$20,000 penalty, and orders Fahnestock to comply with certain undertakings, including revising its internal compliance procedures regarding the disbursement of funds from customers' accounts and conducting additional in-house seminars on proper compliance procedures. The order also recognizes certain undertakings that Fahnestock has already implemented to prevent future violations, such as assigning a new compliance manager to conduct an examination of Fahnestock's Jenkintown branch office and conducting refresher training with

employees on supervisory and compliance procedures regarding the disbursement of customer funds.

Lee was convicted of felony forgery in connection with this scheme in 1995 and was sentenced to five years incarceration. In addition, Lee consented to the entry of a permanent injunction against future violations of the federal securities laws in September 1995 and a permanent bar from the securities industry in May 1996. In September 1997, Bierlin settled this administrative proceeding against him by consenting to an order requiring him to cease and desist from causing any future violations of the federal securities laws, imposing a \$20,000 penalty against him, barring him from the securities industry for eleven months, and permanently barring him from serving in a supervisory capacity in the securities industry. (File No. 3-9122; Rel. 34-43054)

INVESTMENT COMPANY ACT RELEASES

POTOMAC INSURANCE TRUST, ET AL.

An order has been issued pursuant to Section 6(c) of the Investment Company Act exempting Potomac Insurance Trust (Fund) and Rafferty Asset Management, LLC (Rafferty) from the provisions of Section 9(a), 13(a), 15(a) and 15(b) of the Act, and Rules 6e-2(b)(15) and 6e-3(T)(b)(15) thereunder to the extent necessary to permit shares of the Fund to be sold to and held by separate accounts funding variable annuity and variable life insurance contracts issued by both affiliated and unaffiliated life insurance companies, qualified pension and retirement plans outside the separate account context, and Rafferty or any of its affiliates (representing seed money investments in insurance product funds). (Rel. IC-24560 – July 18)

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY, ET AL.

An order has been issued pursuant to Section 26(b) of the Investment Company Act to Massachusetts Mutual Life Insurance Company, C.M. Life Insurance Company, MML Distributors, LLC, MML Investors Services, Inc., Massachusetts Mutual Variable Annuity Separate Account 4, Massachusetts Mutual Variable Life Separate Account I (MassMutual Variable Life Separate Account I), C.M. Multi-Account A, and C.M. Life Variable Life Separate Account I approving the substitution of shares of the Oppenheimer Multiple Strategies Fund/VA of the Oppenheimer Variable Account Funds (Multiple Strategies Fund), the Oppenheimer Main Street Growth & Income Fund/VA of the Oppenheimer Variable Account Funds (Main Street Fund), and the MML Blend Fund of the MML Series Investment Fund (MML Blend Fund) for shares of the Panorama LifeSpan Balanced Portfolio (Balanced Portfolio), Panorama LifeSpan Capital Appreciation Portfolio (Capital Appreciation Portfolio), and Panorama LifeSpan Diversified Income Portfolio (Diversified Income

Portfolio, and together with the Balanced Portfolio and the Capital Appreciation Portfolio, Eliminated Portfolios), respectively. With respect to one of the contracts funded by MassMutual Variable Life Separate Account I, the Multiple Strategies Fund, instead of the MML Blend Fund, will be substituted for the Diversified Income Portfolio. Each of the Eliminated Portfolios is a portfolio of the Panorama Series Fund, Inc. (Rel. IC-24561 – July 18)

HOLDING COMPANY ACT RELEASES

EASTERN ENTERPRISES

A notice has been issued giving interested persons until August 11, 2000 to request a hearing on a proposal by Eastern Enterprises, a Massachusetts public utility holding company claiming exemption from registration under section 3(a)(1) of the Act by rule 2, to acquire all of the outstanding common shares of EnergyNorth, Inc., a New Hampshire public utility holding company also claiming exemption from registration under section 3(a)(1) of the Act by rule 2. (Rel. 35-27201)

SELF-REGULATORY ORGANIZATIONS

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission granted accelerated approval to a proposed rule change by the Cincinnati Stock Exchange (SR-CSE-00-03) to provide for the listing and trading of certain trust issued receipts. (Rel. 34-43042)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change filed by the Philadelphia Stock Exchange (SR-Phlx-00-46) to allow an exemption from the Series 7 Exam requirement for certain off-floor traders has become effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934. Publication of the proposal is expected to be made in the Federal Register during the week of July 24. (Rel. 34-43047)

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 GLAXOSMITHKLINE PLC /ADR/, ONE WALL STREET, NEW YORK, NY 10286
(212) 815-2084 - 300,000,000 (\$15,000,000)
DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 333-12248 - JUL. 05)
(BR. 99
- NEW ISSUE)
- F-3 REPSOL YPF SA, PASEO DE LA CASTELLANA 278-280, 28046 MADRID
SPAIN, U3
(212) 450-4950 - 4,000,000,000 (\$3,300,000,000) STRAIGHT BONDS.
(FILE 333-12254 - JUL. 07) (BR. 4)
- F-1 LION BIOSCIENCE AG, WALDHOFER STRASSE 98, D-69123 HEIDELBERG
GERMANY, -
5,261,000 (\$220,541,120) FOREIGN COMMON STOCK. (FILE 333-12262 -
JUL. 10)
(NEW ISSUE)
- F-1 CROSSWAVE COMMUNICATIONS INC, CREST YASUDA BLDG 3-21 KANDA
NISHIKI-CHO,
81-3-5205-4500 CHIYODA-KU, TOKYO 101-0054 JAPAN, MO 00000 - 100,000
(\$280,000,000) FOREIGN COMMON STOCK. (FILE 333-12264 - JUL. 10)
(BR. 7
- NEW ISSUE)
- F-1 MIND CTI LTD, INDUSTRIAL PARK BUILDING 7 PO BOX 144, 972-4-993-
6666,
YOQNEAM 20692 ISRAEL, L3 00000 - 4,830,000 (\$57,960,000)
FOREIGN COMMON STOCK. (FILE 333-12266 - JUL. 10) (BR. 3 - NEW
ISSUE)
- F-3 CELESTICA INC, 844 DON MILLS RD, NORTH YORK, ONTARIO M3C 1V7, A6
(416) 448-5800 - \$2,552,517,100 STRAIGHT BONDS. (FILE 333-12272 -
JUL. 11)
(BR. 5)
- F-6 LION BIOSCIENCE AG /ADR/, 60 WALL ST, NEW YORK, NY 10260 (617)
245-5400
- 50,000,000 (\$2,500,000) DEPOSITARY RECEIPTS FOR COMMON STOCK.
(FILE 333-12276 - JUL. 10) (BR. 99 - NEW ISSUE)
- F-3 QSOUND LABS INC, 2748 37TH AVE, SUITE 500,
CALGARY ALBERTA CANADA T1Y 5L3, A0 - 1,337,222 (\$2,025,891.33)
FOREIGN COMMON STOCK. (FILE 333-12278 - JUL. 10) (BR. 4)

S-8 GENSET, 24 RUE ROYALE, 75008 PARIS FRANCE, IO (331) 435-6590 -
400,000
(\$28,057,025.45) FOREIGN COMMON STOCK. (FILE 333-12280 - JUL. 12)
(BR. 1)

S-8 VIALINK CO, 13800 BENSON RD, SUITE 100, EDMOND, OK 73013 (405)
936-2500
- 5,566,880 (\$54,972,940) COMMON STOCK. (FILE 333-41320 - JUL. 13)
(BR. 3)

S-8 NOVELL INC, 122 EAST 1700 SOUTH, PROVO, UT 84097 (801) 222-6600 -
32,000,000 (\$294,016,000) COMMON STOCK. (FILE 333-41328 - JUL. 13)
(BR. 3)

S-1 MOTIVE COMMUNICATIONS INC, 9211 WATERFORD CENTRE BLVD., SUITE
100,
AUSTIN, TX 78758 (512) 339-8335 - \$57,500,000 COMMON STOCK. (FILE
333-41330 - JUL. 13) (NEW ISSUE)

S-8 GREY WOLF INC, 10370 RICHMOND AVE, SUITE 600, HOUSTON, TX 77042
(713) 874-0202 - 3,000,000 (\$13,781,250) COMMON STOCK. (FILE 333-
41334 -
JUL. 13) (BR. 4)

S-8 HAROLDS STORES INC, 765 ASP, NORMAN, OK 73069 (405) 329-4045 -
2,000,000 (\$6,000,000) COMMON STOCK. (FILE 333-41336 - JUL. 13)
(BR. 2)

S-8 CYLINK CORP /CA/, 910 HERMOSA COURT, SUNNYVALE, CA 94086 (408)
735-5822
- 200,000 (\$3,034,000) COMMON STOCK. (FILE 333-41338 - JUL. 13)
(BR. 3)

SB-2 GALTECH SEMICONDUCTOR MATERIALS CO, 923 WEST 500 NORTH, LINDON,
UT 84042
(801) 785-6520 - 1,000,000 (\$1,281,250) COMMON STOCK. (FILE 333-
41342 -
JUL. 13) (BR. 9)

S-3 WEATHERFORD INTERNATIONAL INC /NEW/, 515 POST OAK BLVD, SUITE
600,
HOUSTON, TX 77027 (713) 297-8400 - 1,500,000 (\$51,776,379) COMMON
STOCK.
(FILE 333-41344 - JUL. 13) (BR. 4)

S-8 PATHOGENESIS CORP, 201 ELLIOT AVE W, SEATTLE, WA 98119 (206) 467-
8100 -
1,050,000 (\$26,331,169) COMMON STOCK. (FILE 333-41346 - JUL. 13)
(BR. 1)

S-8 STILWELL FINANCIAL INC, 920 MAIN STREET 21ST FLOOR, KANSAS CITY,
MO
64105 (816) 218-2400 - 4,000,000 (\$174,520,000) COMMON STOCK. (FILE
333-41348 - JUL. 13) (BR. 7)

S-3 DARDEN RESTAURANTS INC, 5900 LAKE ELLENOR DR, ORLANDO, FL 32809
(407) 245-4000 - 250,000,000 (\$250,000,000) STRAIGHT BONDS. (FILE
333-41350 - JUL. 13) (BR. 5)

S-8 RAVEN INDUSTRIES INC, 205 E 6TH ST, PO BOX 5107, SIOUX FALLS, SD
57117
(605) 336-2750 - 250,000 (\$3,500,000) COMMON STOCK. (FILE 333-41352
-
JUL. 13) (BR. 2)

S-8 UPROAR INC, 240 W 35TH ST, 9TH FL, NEW YORK, NY 10001 (212) 714-
9500 -
7,500,840 (\$37,270,822) COMMON STOCK. (FILE 333-41354 - JUL. 13)
(BR. 3)

SB-2 AQUASEARCH INC, 73-4460 QUEEN KA AHUMANU HWY, STE 110, KAILUA
KONA, HI
96740 (619) 458-0011 - 20,000,000 (\$11,500,000) COMMON STOCK. (FILE
333-41356 - JUL. 13) (BR. 1)

S-8 MEDIACOM COMMUNICATIONS CORP, 100 CRYSTAL RUN ROAD, MIDDLETOWN,
NY 10941
(914) 695-2600 - 9,000,000 (\$151,060,814) COMMON STOCK. (FILE 333-
41360 -
JUL. 13) (BR. 7)

S-8 I MANY INC, 537 CONGRESS STREET, 5TH FLOOR, PORTLAND, ME 04101
(207) 774-3244 (FILE 333-41362 - JUL. 13) (BR. 5)

S-2 TRAVELERS INSURANCE CO, ONE TOWER SQUARE,
ATTN FINANCIAL SERVICES LEGAL DIVISION, HARTFORD, CT 06183 (203)
277-0111
(FILE 333-41364 - JUL. 13) (BR. 20)

S-8 MEDIACOM COMMUNICATIONS CORP, 100 CRYSTAL RUN ROAD, MIDDLETOWN,
NY 10941
(914) 695-2600 - 1,000,000 (\$15,781,250) COMMON STOCK. (FILE 333-
41366 -
JUL. 13) (BR. 7)

S-2 TRAVELERS LIFE & ANNUITY CO, ONE TOWER SQUARE,
FINANCIAL SERVICES LEGAL DIVISION, HARTFORD, CT 06183 (203) 277-7379
-
\$250,000,000 VARIABLE ANNUITY ISSUES. (FILE 333-41368 - JUL. 13)
(BR. 20)

S-8 HARTE HANKS INC, 200 CONCORD PLAZA DR STE 800, SAN ANTONIO, TX
78216
(210) 829-9000 - 3,000,000 (\$73,593,750) COMMON STOCK. (FILE 333-
41370 -
JUL. 13) (BR. 5)

S-1 ATROAD INC, 47200 BAYSIDE PARKWAY, FREMONT, CA 94538 (945) 38 -
-
\$88,550,000 COMMON STOCK. (FILE 333-41372 - JUL. 13) (BR. 3)

S-8 NETWORK ENGINES INC, 61 PLEASANT STREET, RANDOLPH, MA 02368
(781) 961-4400 - 8,062,248 (\$77,634,522.35) COMMON STOCK. (FILE
333-41374
- JUL. 13) (BR. 5)

S-8 CHURCHILL DOWNS INC, 700 CENTRAL AVE, LOUISVILLE, KY 40208
(502) 636-4400 - 68,581 (\$1,570,916) COMMON STOCK. (FILE 333-41376
-
JUL. 13) (BR. 5)

S-1 HELLER FUNDING CORP, C/O HELLER FINANCIAL INC, 500 W MONROE ST,
CHICAGO,
IL 60661 (312) 441-7246 - 6,000,000 (\$6,000,000) STRAIGHT BONDS.
(FILE
333-41378 - JUL. 13) (BR. 8)

S-8 NETWORK APPLIANCE INC, 495 EAST JAVA DR, SUNNYVALE, CA 94089
(408) 822-6000 - 24,555,769 (\$1,831,111,333) COMMON STOCK. (FILE
333-41384 - JUL. 13) (BR. 3)

S-3 NETWORK APPLIANCE INC, 495 EAST JAVA DR, SUNNYVALE, CA 94089
(408) 822-6000 - 549,457 (\$41,418,068) COMMON STOCK. (FILE 333-
41386 -
JUL. 13) (BR. 3)

S-8 HNC SOFTWARE INC/DE, 5935 CORNERSTONE CT W, SAN DIEGO, CA 92121
(858) 546-8877 - 232,259 (\$12,774,245) COMMON STOCK. (FILE 333-
41388 -
JUL. 13) (BR. 3)

S-8 FOOTSTAR INC, 933 MACARTHUR BLVD, MAHWAH, NJ 07430 (201) 934-2000
-
2,000,000 (\$74,180,000) COMMON STOCK. (FILE 333-41390 - JUL. 14)
(BR. 2)

S-4 DAYTON SUPERIOR CORP, 7777 WASHINGTON VILLAGE DRIVE, SUITE 130,
DAYTON,
OH 45459 (937) 428-7172 - 170,000,000 (\$162,486,000) STRAIGHT BONDS.
(FILE 333-41392 - JUL. 14) (BR. 6)

S-8 EGAIN COMMUNICATIONS CORP, 455 W MAUDE AVE, SUNNYVALE, CA 94086
(408) 212-3400 - 1,609,525 (\$10,227,036) COMMON STOCK. (FILE 333-
41394 -
JUL. 14) (BR. 3)

S-1 HENRY JACK & ASSOCIATES INC, 663 HWY 60, P O BOX 807, MONETT, MO
65708
(417) 235-6652 - 5,750,000 (\$279,818,000) COMMON STOCK. (FILE 333-
41396 -
JUL. 14) (BR. 3)