

SEC NEWS DIGEST

Issue 99-143

July 27, 1999

COMMISSION ANNOUNCEMENTS

CHAIRMAN LEVITT TO TESTIFY -- THURSDAY, JULY 29 -- 10:00 A.M.

On Thursday, July 29, Chairman Levitt will testify on behalf of the Commission before the Senate Subcommittee on Securities concerning loan loss allowances. The hearing where this testimony will be presented will be held in Room 538 of the Dirksen Senate Office Building and is scheduled to begin at 10:00 a.m.

ENFORCEMENT PROCEEDINGS

IN THE MATTER OF AL AVASSO AND ROBERT SCHULMAN

On July 26, an administrative law judge issued an initial decision in the above referenced matter as to Respondent Schulman. The Division of Enforcement alleged that Respondents willfully violated Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder (the antifraud provisions). Specifically, the Division alleged that Respondents paid undisclosed compensation to persons whom they believed to be registered representatives, to induce them to purchase 50,000 shares of Grayhound Electronics common stock for resale to customers. Actually, Respondents paid the kickback to undercover agents posing as broker-dealers as part of a sting operation undertaken by the FBI. Both Respondents were subsequently indicted; Avasso pled guilty, and Schulman was convicted after trial. The law judge granted the Division's motion for summary disposition against Avasso, and he is presently engaged in settlement negotiations with the Commission. When Schulman failed to appear, the Division moved for entry of a default order against Schulman, requesting that Schulman be: (1) ordered to cease and desist from violating the antifraud provisions; (2) barred from participating in penny stock offerings; and (3) ordered to disgorge the amount of his unjust enrichment along with prejudgment interest. Although it was unable to provide evidence of any unjust enrichment by Schulman, the Division suggested a range of between approximately \$7,000 and \$23,000 in disgorgement and interest. Schulman eventually appeared to oppose entry of the disgorgement order; he did not, however,

contest the imposition of a cease and desist order or a bar from participating in penny stock offerings. The law judge found that Schulman was collaterally estopped from denying the facts alleged in this proceeding because the same facts served as the basis for his criminal conviction, and accordingly concluded that Schulman violated the antifraud provisions. The only issue remaining was the amount of disgorgement to be ordered, if any. The law judge concluded that the Division had met its burden of showing that the suggested figure reasonably approximated the amount of Schulman's unjust enrichment. The law judge further concluded, however, that Schulman had successfully rebutted the presumption by showing that he was not unjustly enriched and that the Division was unable to produce any evidence to the contrary. Accordingly, the initial decision orders Schulman to cease and desist from violating the antifraud provisions, and bars him from participating in penny stock offerings, but does not order him to pay disgorgement. (Initial Decision Rel. 145; File No. 3-9162)

INJUNCTIONS ENTERED IN SEC V. PARKERSBURG WIRELESS LIMITED LIABILITY COMPANY, ET AL.

On June 29, 1999, the United States District Court for the District of Columbia entered final judgments against Rodney Bonvicino, who was alleged to have fraudulently promoted the sale of unregistered securities in the wireless cable venture Parkersburg Wireless Limited Liability Company, and PX Marketing, the entity he is alleged to have used for this purpose, from future violations of the anti-fraud provisions of the federal securities laws. Both Bonvicino and PX Marketing consented to the entry of the final judgments without admitting or denying the allegations in the SEC's complaint. Because of Bonvicino's demonstrated inability to pay, no penalties were imposed. [SEC v. Parkersburg Wireless Limited Liability Company, et al., Civil Action No. 94-1079] (LR-16221)

HOLDING COMPANY ACT RELEASES

COLUMBIA INSURANCE CORPORATION, LTD.

An order has been issued authorizing Columbia Insurance Corporation, Ltd. (CICL), a wholly owned captive insurance subsidiary of Columbia Energy Group (Columbia), a registered holding company, and Columbia to expand their reinsurance activities to include all predictable risks related to the business of Columbia. Columbia is authorized to establish one or more direct or indirect subsidiaries to engage in the proposed reinsurance activities and to provide additional support to CICL and the to-be-formed subsidiaries in the form of equity, guarantees, letters of credit or other credit support in an aggregate amount of up to \$50 million at any one time outstanding. (Rel. 35-27051)

ALLEGHENY ENERGY, INC.

An order has been issued authorizing Allegheny Energy, Inc., a registered holding company, to adopt and implement a shareholder protection rights plan. (Rel. 35-27052)

AMEREN CORPORATION, ET AL.

An order has been issued authorizing a proposal by Ameren Corporation (Ameren), a registered holding company, and certain of its subsidiaries. Ameren proposes, directly or through one of its nonutility subsidiaries, through December 31, 2003, (1) to organize and acquire intermediate subsidiaries; (2) to transfer to to-be-formed subsidiaries certain assets of Union Electric Development Corporation and CIPSCO Investment Company; (3) that certain of its nonutility subsidiaries issue guarantees in an aggregate principal amount at any one time outstanding not to exceed \$300 million; (4) that certain of its nonutility subsidiaries sell goods and services to other nonutility subsidiaries, at other than cost; (5) to pay dividends out of capital and unearned surplus; and (6) to engage in anticipatory interest-rate hedges through Ameren Development and its subsidiaries. The Commission reserved jurisdiction over (1) the transfer of any financing proceeds by a financing subsidiary to Ameren; and (2) the sale of certain goods and services outside of the United States. (Rel. 35-27053)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGE

The Depository Trust Corporation filed an amendment to a proposed rule change (SR-DTC-99-16) under Section 19(b)(1) of the Exchange Act regarding the Profile Modification System feature of the Direct Registration System. Publication of the proposal is expected in the Federal Register during the week of July 26. (Rel. 34-41643)

APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change submitted under Rule 19b-4 by the National Association of Securities Dealers (SR-NASD-98-61) to eliminate a provision relating to the reporting of exchange-listed securities traded in the third market. (Rel. 34-41647)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGES

A proposed rule change filed by the Chicago Board Options Exchange pertaining to the administration of CBOE Rule 8.95(f) (SR-CBOE-99-31) 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 26. (Rel. 34-41641)

A proposed rule change (SR-Phlx-99-21) filed by the Philadelphia Stock Exchange on June 28, 1999 to establish fees for transactions executed through the Volume Weighted Average Price (VWAP) Trading System (VTS) has become immediately effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934. Publication of the notice is expected to appear in the Federal Register during the week of July 26. (Rel. 34-41646)

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>.

- S-8 ELRON ELECTRONIC INDUSTRIES LTD /NY/, ADVANCED TECHNOLOGY CTR,
P O BOX 1573, HAIFA ISRAEL 31015, L3 - 109,250 (\$1,233,675)
FOREIGN COMMON STOCK. (FILE 333-10570 - JUL. 09) (BR 7)
- F-1 INTERNET GOLD GOLDEN LINES LTD, 22 HAMELACHA STREET, ROSH HAAIN, L3
00000 - \$67,275,000 FOREIGN COMMON STOCK. (FILE 333-10576 - JUL. 13)
(BR. 8 - NEW ISSUE)
- F-6 INTERNET INITIATIVE JAPAN INC /ADR, BANK OF NEW YORK,
101 BARCLAY ST 22W, NEW YORK, NY 10286 (212) 815-2084 - 20,000,000
(\$1,000,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 333-10582 -
JUL. 13) (BR. 99 - NEW ISSUE)
- F-1 INTERNET INITIATIVE JAPAN INC, TAKEBASHI YASUDA BLDG,
3-13 KANDA NISHIKI-CHO CHIYODA-KU, TOKYO 101-0054 JAPAN, MO 00000 - 3,770
(\$150,800,000) FOREIGN COMMON STOCK. (FILE 333-10584 - JUL. 13) (BR. 8
- NEW ISSUE)
- S-8 JANNOCK LTD, STE 5205 SCOTIA PLAZA, 40 KING ST WEST,
TORONTO ONTARIO CANA, A6 (416) 364-8586 - 1,315,737 (\$14,778,347.13)
FOREIGN COMMON STOCK. (FILE 333-10590 - JUL 14) (BR 6)
- S-8 JANNOCK LTD, STE 5205 SCOTIA PLAZA, 40 KING ST WEST,
TORONTO ONTARIO CANA, A6 (416) 364-8586 - 80,809 (\$919,431.88)
FOREIGN COMMON STOCK (FILE 333-10592 - JUL 14) (BR 6)
- S-8 JANNOCK LTD, STE 5205 SCOTIA PLAZA, 40 KING ST WEST,
TORONTO ONTARIO CANA, A6 (416) 364-8586 - 148,000 (\$1,688,237.50)
FOREIGN COMMON STOCK (FILE 333-10594 - JUL 14) (BR 6)
- S-8 AMVESCAP PLC, 11 DEVOHSHIRE SQUARE, LONDON EC2M, X0 (171) 454-3942 -
25,007,477 (\$58,745,718.37) FOREIGN COMMON STOCK (FILE 333-10602 -
JUL 16) (BR. 7)
- S-8 QUANTUM CORP /DE/, 500 MCCARTHY BLVD, MILPITAS, CA 95035 (408) 894-4000
- 6,697,118 (\$161,775,582) COMMON STOCK (FILE 333-83219 - JUL 20)

(BR. 3)

- S-4 MOTIVEPOWER INDUSTRIES INC, TWO GATEWAY CENTER 14TH FLOOR, PITTSBURGH, PA 15222 (412) 201-1101 - 48,514,837 (\$896,020,525) COMMON STOCK (FILE 333-83221 - JUL. 20) (BR. 5)
- S-8 HALLIBURTON CO, 3600 LINCOLN PLZ, 500 N AKARD ST, DALLAS, TX 75201 (214) 978-2600 - 100,000 (\$4,628,130) COMMON STOCK. (FILE 333-83223 - JUL. 20) (BR. 6)
- S-8 ADVANCE PARADIGM INC, 545 E JOHN CARPENTER FREEWAY, STE 1570, IRVING, TX 75062 (214) 830-6199 - 500,000 (\$32,315,000) COMMON STOCK. (FILE 333-83225 - JUL. 20) (BR. 1)
- S-4 TRW INC, 1900 RICHMOND RD, CLEVELAND, OH 44124 (216) 291-7000 - 2,825,000,000 (\$2,825,000,000) STRAIGHT BONDS. (FILE 333-83227 - JUL. 20) (BR. 5)
- S-4 NCO GROUP INC, 515 PENNSYLVANIA AVE, FT WASHINGTON, PA 19034 (215) 793-9300 - 3,525,000 (\$113,086,888) COMMON STOCK. (FILE 333-83229 - JUL. 20) (BR. 2)
- SB-2 GLOBAL FOODS ONLINE INC, 520 NORTH KINGS ROAD SUITE 214, LOS ANGELES, CA 90048 (323) 852-9877 - 3,750,000 (\$1,175,000) COMMON STOCK. (FILE 333-83231 - JUL. 20)
- S-8 PRICELINE COM INC, FIVE HIGH RIDGE PARK, STAMFORD, CT 06905 (203) 705-3000 - 33,250,000 (\$906,717,179.04) COMMON STOCK. (FILE 333-83233 - JUL. 20) (BR. 3)
- S-8 HERITAGE OAKS BANCORP, 545 12TH ST, PASO ROBLES, CA 93446 (805) 239-5200 - 99,254 (\$1,600,470.75) COMMON STOCK. (FILE 333-83235 - JUL. 20) (BR. 7)
- S-8 ALBEMARLE CORP, 330 SOUTH FOURTH STREET, P O BOX 1335, RICHMOND, VA 23219 (804) 788-6000 - 3,000,000 (\$58,500,000) COMMON STOCK. (FILE 333-83237 - JUL. 20) (BR. 6)
- S-3 GLOBALSTAR TELECOMMUNICATIONS LTD, CEDAR HOUSE 41 CEDAR AVENUE, HAMILTON, BERMUDA, DO (441) 295-2244 - \$500,000,000 COMMON STOCK. (FILE 333-83239 - JUL. 20) (BR. 7)
- S-8 CNBT BANCSHARES INC, 5320 BELLAIRE BLVD, BELLAIRE, TX 77401 (713) 661-4444 - 184,604 (\$1,234,458.20) COMMON STOCK (FILE 333-83243 - JUL. 20) (BR. 7)
- S-8 ENGAGE TECHNOLOGIES INC, 100 BRICKSTONE SQUARE, ANDOVER, MA 01810 (978) 684-3199 - 750,000 (\$11,250,000) COMMON STOCK. (FILE 333-83245 - JUL. 20) (BR. 8)
- S-8 VALMONT INDUSTRIES INC, PO BOX 358, HWY 275, VALLEY, NE 68064 (402) 359-2201 - 150,000 (\$2,315,625) COMMON STOCK. (FILE 333-83251 - JUL. 20) (BR. 6)
- S-8 AMERICAN BUSINESS PRODUCTS INC, 2100 RIVEREDGE PKWY STE 1200, PO BOX 105684, ATLANTA, GA 30328 (770) 953-8300 - 200,000 (\$3,375,000) COMMON STOCK. (FILE 333-83253 - JUL. 20) (BR. 4)
- SB-2 STRATUS SERVICES GROUP INC, 500 CRAIG ROAD, 3RD FL, MANALAPAN, NJ 07726 (732) 866-0300 - 1,650,000 (\$12,487,500) COMMON STOCK (FILE 333-83255 - JUL 20)
- S-8 REPUBLIC BANCORP INC, 1070 EAST MAIN STREET, OWOSSO, MI 48867 (517) 725-7337 - 1,119,420 (\$16,791,300) COMMON STOCK (FILE 333-83265 - JUL 20) (BR. 7)
- S-8 REPUBLIC BANCORP INC, 1070 EAST MAIN STREET, OWOSSO, MI 48867 (517) 725-7337 - 209,550 (\$3,143,250) COMMON STOCK (FILE 333-83267 - JUL 20) (BR 7)
- S-8 SUN HYDRAULICS CORP, 1500 WEST UNIVERSITY PKWY, SARASOTA, FL 34243 (941) 362-1200 - 3,000 (\$26,250) COMMON STOCK (FILE 333-83269 - JUL 20) (BR 6)

S-8 SYBASE INC, 6475 CHRISTIE AVE, EMERYVILLE, CA 94608 (510) 922-3500 -
4,100,000 (\$45,356,250) COMMON STOCK. (FILE 333-83271 - JUL 20) (BR. 3)

S-8 US CONCRETE INC, 1360 POST OAK BLVD, SUITE 800, HOUSTON, TX 77065
(713) 350-6000 - 2,000,000 (\$19,687,500) COMMON STOCK. (FILE 333-83273 -
JUL. 20) (BR. 6)

S-8 PREVIEW TRAVEL INC, 747 FRONT ST, SAN FRANCISCO, CA 94111 (415) 439-1200
- 1,300,000 (\$31,850,000) COMMON STOCK. (FILE 333-83275 - JUL. 20)
(BR. 5)

S-8 CISCO SYSTEMS INC, 170 WEST TASMAN DRIVE, SAN JOSE, CA 95134
(408) 526-4000 - 218,636 (\$1,098,196.08) COMMON STOCK. (FILE 333-83277 -
JUL. 20) (BR. 3)

S-8 INTERLIANT INC, 215 FIRST ST, CAMBRIDGE, MA 02142 (617) 374-4700 -
3,211,817 (\$56,608,274.62) COMMON STOCK. (FILE 333-83279 - JUL. 20)
(BR. 8)

S-8 SIGNAL APPAREL COMPANY INC, 34 ENGLEHARD AVENUE, AVENEL, NJ 07001
(732) 382-2882 - 5,000,000 (\$5,625,000) COMMON STOCK. (FILE 333-83281 -
JUL. 20) (BR. 2)

S-1 GAIAM INC, 360 INTERLOCKEN BLVD #300, BROOMFIELD, CO 80021 - 2,300,000
(\$11,500,000) COMMON STOCK. (FILE 333-83283 - JUL. 20) (NEW ISSUE)

S-8 INET TECHNOLOGIES INC, 1255 WEST 15TH STREET, SUITE 600, PLANO, TX 75075
(972) 578-6100 - 7,500,000 (\$194,073,222) COMMON STOCK (FILE 333-83285 -
JUL. 20) (BR. 7)

S-8 24/7 MEDIA INC, 1250 BROADWAY, 27TH FLOOR, NEW YORK, NY 10001
(212) 231-7100 - 2,750,000 (\$106,304,687.50) COMMON STOCK. (FILE
333-83287 - JUL. 20) (BR. 2)

S-8 TASTY FRIES INC, 650 SENTRY PKWY STE ONE, BLUE BELL, PA 19422
(610) 941-2109 - 375,000 (\$168,750) COMMON STOCK. (FILE 333-83289 -
JUL. 20) (BR. 4)

S-8 INCYTE PHARMACEUTICALS INC, 3174 PORTER DR, PALO ALTO, CA 94304
(650) 855-0555 - 1,100,000 (\$29,871,875) COMMON STOCK. (FILE 333-83291 -
JUL. 20) (BR. 1)

S-3 CELTRIX PHARMACEUTICALS INC, 2033 GATEWAY PLACE, SUITE 600, SAN JOSE, CA
95110 (408) 988-2500 - 10,075,000 (\$14,797,656 25) COMMON STOCK (FILE
333-83293 - JUL. 20) (BR. 1)

S-8 ORACLE CORP /DE/, 500 ORACLE PKWY, REDWOOD CITY, CA 94065 (415) 506-7000
- 365,000 (\$13,972,200) COMMON STOCK (FILE 333-83299 - JUL 20) (BR 3)

S-3 NORTHFIELD LABORATORIES INC /DE/, 1560 SHERMAN AVE, SUITE 1000,
EVANSTON, IL 60201 (847) 864-3500 - 125,000 (\$1,641,250) COMMON STOCK
(FILE 333-83301 - JUL. 20) (BR. 1)

S-8 CNB BANCORP INC /NY/, 12-24 N MAIN ST, P O BOX 873, GLOVERSVILLE, NY
12078 (518) 773-7911 - 23,749 (\$542,095) COMMON STOCK. (FILE 333-83303 -
JUL 20) (BR. 7)

S-8 ORACLE CORP /DE/, 500 ORACLE PKWY, REDWOOD CITY, CA 94065 (415) 506-7000
- 5,500 (\$210,540) COMMON STOCK (FILE 333-83305 - JUL 20) (BR 3)

S-3 GLOBAL TELESYSTEMS GROUP INC, 1751 PINNACLE DRIVE NORTH TOWER, MCLEAN,
VA 22102 (703) 918-4500 - 3,293,715 (\$247,028,625) COMMON STOCK (FILE
333-83307 - JUL. 20) (BR 7)

S-8 COOPER TIRE & RUBBER CO, LIMA & WESTERN AVENUES, FINDLAY, OH 45840
(419) 423-1321 - 5,200,000 (\$120,900,000) COMMON STOCK. (FILE 333-83309 -
JUL 20) (BR. 6)

S-8 COOPER TIRE & RUBBER CO, LIMA & WESTERN AVENUES, FINDLAY, OH 45840
(419) 423-1321 - 10,000 (\$232,500) COMMON STOCK (FILE 333-83311 -
JUL 20) (BR 6)

SB-2 VIALINK CO, 13800 BENSON RD, EDMOND, OK 73013 (405) 936-2500 - 472,500
(\$7,743,094) COMMON STOCK (FILE 333-83315 - JUL 21) (BR 3)

S-8 TORCHMARK CORP, 2001 3RD AVE S, BIRMINGHAM, AL 35233 (205) 325-4200 -
400,000 (\$14,024,000) COMMON STOCK. (FILE 333-83317 - JUL. 21) (BR. 1)

S-1 UBID INC, 2525 BUSSE RD, ELK GROVE VILLAGE, IL 60007 (847) 860-5000 -
2,300,000 (\$71,530,000) COMMON STOCK. (FILE 333-83319 - JUL. 21) (BR. 2)

S-8 ART TECHNOLOGY GROUP INC, 101 HUNTINGTON AVENUE, BOSTON, MA 02199
(617) 859-1212 - 500,000 (\$7,000,000) COMMON STOCK. (FILE 333-83321 -
JUL. 21) (BR. 3)

S-8 ART TECHNOLOGY GROUP INC, 101 HUNTINGTON AVENUE, BOSTON, MA 02199
(617) 859-1212 - 6,300,000 (\$88,200,000) COMMON STOCK. (FILE 333-83325 -
JUL. 21) (BR. 3)

S-8 ART TECHNOLOGY GROUP INC, 101 HUNTINGTON AVENUE, BOSTON, MA 02199
(617) 859-1212 - 150,000 (\$2,100,000) COMMON STOCK. (FILE 333-83327 -
JUL. 21) (BR. 3)

S-8 AXENT TECHNOLOGIES INC, 2400 RESEARCH BLVD, STE 200, ROCKVILLE, MD 20850
(301) 258-5403 - 64,157 (\$203,409.21) COMMON STOCK. (FILE 333-83329 -
JUL. 21) (BR. 3)