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SEC NEWS DIGEST

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June 4, 2001

COMMISSION ANNOUNCEMENTS

ONNIG DOMBALAGIAN NAMED ATTORNEY-FELLOW IN THE OFFICE OF MARKET SUPERVISION, DIVISION OF MARKET REGULATION

The Commission's Division of Market Regulation today announced the selection of Onnig H. Dombalagian as an attorney-fellow in the Office of Market Supervision for a two-year term beginning June 4, 2001. Mr. Dombalagian has significant expertise in the federal securities laws, primarily with respect to the regulation of exchanges, alternative trading systems, broker-dealers, cross-border transactions, and single stock futures. Mr. Dombalagian has been an Associate with the law firm of Cleary, Gottlieb, Steen & Hamilton since 1986.

Annette Nazareth, Director of the Division of Market Regulation, said, "Onnig's extensive knowledge of the federal securities laws, particularly the Securities Exchange Act of 1934 and the Commodity Futures Modernization Act, will be a significant asset as the Commission works to update its regulation of the markets in light of recent innovations in technology and new trading instruments."

Mr. Dombalagian graduated *cum laude* with a J.D. from Harvard Law School in 1995, where he served on the Harvard Law Review and the International Law Journal. He graduated *summa cum laude* with an A.B. in computer science from Harvard College in 1992. He served as a Visiting Professor of Law at the American University of Armenia, Yerevan, Armenia, in the fall of 2000, and clerked for the Honorable J. Edward Lumbard, U.S. Court of Appeals for the Second Circuit, from 1995-1996. Mr. Dombalagian is a member of the New York, Maryland, and District of Columbia bars. (Press Rel. 2001-59)

ENFORCEMENT PROCEEDINGS

IN THE MATTER OF CARMEL EQUITY PARTNERS, ET AL.

The Commission announced the issuance of orders barring Richard L. Goodrich, Bruce E. Mesnekoff, and Kelsey Vandeventer from association with any broker or dealer, and requiring each to cease and desist from committing or causing any violations and any **future** violations of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the **Securities** Exchange Act of 1934 and Rule 10b-5 thereunder. The three were formerly employed as registered representatives at a Solana Beach, California branch office of Cohig & Associates, Inc., a broker-dealer firm based in Denver, Colorado. The Commission's Orders Making Findings And Imposing Remedial Sanctions And Cease And Desist Order (Orders) as to Vandeventer and Mesnekoff found that, while associated with Cohig, Vandeventer and Mesnekoff received undisclosed compensation directly and indirectly from controlling persons of Eagle Holdings, Inc. in return for touting Eagle stock to investors through cold-call solicitations nationwide. The Order Making Findings And Imposing Remedial Sanctions And Cease And Desist Order as to Goodrich found that he participated in the fraudulent scheme by transferring monies he knew or was **reckless** in not knowing were undisclosed compensation to Vandeventer, Mesnekoff, and others. Subsequent to the institution of the Commission's proceedings, Vandeventer, Mesnekoff and Goodrich were indicted on, and pled guilty to, criminal charges of conspiracy to commit securities fraud in the United States District Court for the District of Nevada stemming from their receipt of undisclosed payments in return for touting the stock of another public company, Teletek, Inc. (Kelsey Vandeventer – Rels. 33-7980; 34-44377; File No. 3-9187; Bruce E. Mesnekoff – Rels. 33-7981; 34-44378; File No. 3-9187; Richard L. Goodrich – Rels. 33-7982; 34-44379; File No. 3-9187)

CEASE AND DESIST ORDER ENTERED AGAINST ROCKPORT HEALTHCARE GROUP, INC., HARRY NEER AND LARRY HINSON

The Commission issued a cease and desist order against Rockport Healthcare Group, Inc., a microcap company headquartered in Houston, Texas, Harry M. Neer its chief executive officer, and Larry K. Hinson, its chief financial officer, both of whom were also directors. The Commission found that Rockport, Neer and Hinson violated Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder, the antifraud provisions of the federal securities laws, by issuing false press releases and promotional materials.

In the Order, the Commission found that from July 14 through August 27, 1999, Rockport issued six press releases that were drafted or reviewed by Neer and Hinson. The Commission further found that Neer and Hinson oversaw the preparation of a November 1999 business plan and an undated executive summary, and reviewed a September 20, 1999 promotional report that was posted on an Internet website, www.investand.com. Moreover, the Commission found that the press releases, business plan, executive summary and promotional report contained false and misleading statements concerning, among other things: (1) Rockport's receipt of financing commitments; (2) actual and projected revenues; and/or (3) business

relationships with third parties. Finally, the Commission found that, at a minimum, Neer and Hinson acted recklessly with regard to making these statements.

Rockport, Neer and Hinson were ordered to cease and desist from committing or causing any violation and any future violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. Rockport, Neer and Hinson consented to the entry of the Order without admitting or denying its findings. (Rel. 34-44379; File No. 3-10493)

UNITED STOCK TRANSFER, INC. AND JOHN DONNELLY ORDERED TO PAY PENALTY AND ENGAGE CPA TO MONITOR COMPLIANCE WITH TRANSFER AGENT RULES

The Commission announced today that it sanctioned United Stock Transfer, Inc. (United), a registered transfer agent in Englewood, Colorado, and its president John J. Donnelly, a resident of Highlands Ranch, Colorado, after finding that from November 1991 through May 2000, United had repeatedly violated various rules applicable to transfer agents. During the ten-year period, United failed to correct numerous deficiencies after Commission examiners sent deficiency letters and discussed with Donnelly the actions necessary for compliance.

In the Order, the Commission found that, from November 1991 through May 2000, United willfully and repeatedly violated various rules applicable to registered transfer agents. The Commission also found that Donnelly willfully aided and abetted United's violations.

The Commission censured both United and Donnelly and ordered them to cease and desist from committing or causing any violation and any future violation of Sections 17(a)(3) and 17A(d)(1) of the Securities Exchange Act of 1934 and various rules thereunder. The Commission ordered United and Donnelly to pay jointly and severally a \$10,000 civil money penalty and to engage an independent certified public accountant to review United's books and records semiannually for a period of two years and report on United's compliance with these rules. Both United and Donnelly consented to the entry of the Order without admitting or denying its findings. (Rel. 34-44380; File No. 3-10378)

SEC BARS INVESTMENT ADVISER WHO DEFRAUDED HEDGE FUND CLIENTS

The Commission has barred Michael Higgins, the principal of Ballybunion Capital Partners, LLC, from association with any investment adviser. The Commission entered its order in a settled administrative proceeding against Higgins.

The order followed both criminal and civil proceedings against Higgins in United States District Court in San Francisco. In the criminal case, Higgins pleaded guilty to securities fraud. The indictment charged that Higgins misrepresented the performance of a hedge fund, Ballybunion Capital Partners, LP. Although the hedge fund lost more than 60 percent of its principal in trading in 1998 and 1999, Higgins falsely assured investors that

the fund was making a profit. Higgins was sentenced to serve 18 months in prison and pay restitution to the victims. Separately, the Commission brought civil proceedings against Higgins which were settled by the entry of a permanent injunction against future violations.

Higgins consented to the Commission's order without either admitting or denying the Commission's findings.

The administrative proceedings against Higgins were brought under Sections 206(1) and 206(2) of the Investment Advisers Act. (Rel. IA-1947; File No. 3-10492)

SEC FILES FRAUD CHARGES AGAINST HEDGE FUND MANAGER FOR MARKET MANIPULATION AND "PORTFOLIO PUMPING."

On May 31, 2001, the Commission filed securities fraud charges against Burton G. Friedlander, 62, two investment management entities Friedlander controls, and three Friedlander-managed investment funds. The defendants are charged with market manipulation and with fraudulently inflating and misrepresenting the value of one of the funds, Friedlander International Limited, a hedge fund. Among other things, the Commission charges that Friedlander manipulated the common stock of a company in which the hedge fund held an interest at the end of each month during the last five months of 2000. This conduct is commonly known as "portfolio pumping." The Commission alleges that Friedlander caused approximately \$2.4 million in fund redemptions to be made at the inflated fund values for his and his entities' benefit to the detriment of the fund's other investors. The Commission seeks preliminary and permanent injunctions, an asset freeze against Friedlander, the appointment of a receiver, and other relief.

The Commission's complaint, which was filed in the United States District Court for the Southern District of New York, alleges that, beginning in August 2000, Friedlander caused the month-end net asset value of Friedlander International Limited to be fraudulently inflated in two ways. First, Friedlander manipulated the month-end closing price of eNote.com, Inc., a Bullteten Board company in which Friedlander International Limited was heavily invested. The eNote common stock price was used to determine the value of eNote preferred stock and common stock warrants in the Friedlander International Limited portfolio. At the end of each month from August through December 2000, Friedlander and Friedlander Capital Mangement purchased large quantities of eNote common stock through brokerage accounts held for the benefit of Friedlander's other managed funds, Friedlander Limited Partnership, and Opal International Fund. Friedlander's purchases on these days accounted for 80% or more of the retail purchase volume in eNote. These purchases manipulated the eNote stock price upward at the end of each month, in some cases more than doubling it.

Second, for the months of November and December 2000, Friedlander assigned arbitrary values to the eNote warrants in the Friedlander International Limited portfolio that were higher even than the price of the underlying common stock.

The Commission's complaint alleges that Friedlander caused additional investors to subscribe to Friedlander International Limited at inflated net asset values. Further, between August 2000 and February 2001, Friedlander caused redemptions of more than \$2.4 million from Friedlander International Limited for the benefit of himself and Friedlander Capital Management. These redemptions were at inflated net asset values and were to the detriment of other investors. Among other relief, the Commission seeks an immediate freeze of \$1 million in Friedlander's assets, representing an amount that Friedlander redeemed for his personal benefit in February 2001.

The complaint charges Friedlander and the related entities with violating Section 10(b) of the Securities Exchange Act of 1934 and Exchange Act Rule 10b-5. The complaint also charges Friedlander and his two management entities, Friedlander Capital Management and Friedlander Management Limited, with violations of Section 206(1) and (2) of the Investment Advisers Act of 1940. [SEC v. Burton Friedlander, Friedlander International Limited, Friedlander Management Limited, Friedlander Capital Management, Friedlander Limited Partnership, and Opal International Fund, Civil Action No. 01 Civ. 4658, SDNY] (LR-17021)

COMMISSION SUES HENRY PIETRASZEK FOR INSIDER TRADING IN VENTANA MEDICAL SYSTEMS, INC.

On May 31, 2001, the Commission filed an insider trading action in the United States District Court for the Northern District of Illinois against Henry T. Pietraszek of Chicago, Illinois and Naples, Florida. Simultaneously, Pietraszek consented to the entry of an order enjoining him from violating the antifraud provisions of the federal securities laws, and ordering him to disgorge \$563,875.20 in trading profits plus \$32,586.88 prejudgment interest, and pay a civil penalty of \$563,875.20 for a total of \$1,160,337.28. Pietraszek agreed to the entry of a judgment without admitting or denying the allegations in the Commission's Complaint.

The Commission alleges that, Pietraszek, a former President and CEO of Ventana Medical Systems, Inc., sold Ventana common stock while in possession of information regarding Ventana's upcoming public disclosure of lower than expected second quarter 2000 earnings and a write off totaling almost \$12 million. After gaining this information as a member of Ventana's Board of Directors, Pietraszek sold 61,400 shares of Ventana stock from June 23 through June 28, 2000. Ventana publicly announced its lower than expected second quarter earnings and the write off on June 29, 2000. By selling before the announcement, Pietraszek avoided \$563,875.20 in losses. [SEC v. Pietraszek, N.D. Ill., Civil Action No. 01-C-4047] (LR-17022)

SELF-REGULATORY ORGANIZATIONS

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission granted accelerated approval to a proposed rule change submitted by the Philadelphia Stock Exchange (SR-Phlx-2001-59) to relating to dealings directly with the specialist and registered options traders in foreign currency options. Publication of the approval order is expected in the Federal Register during the week of June 4. (Rel. 34-44372)

PROPOSED RULE CHANGE

The Philadelphia Stock Exchange filed a proposed rule change (SR-Phlx-2001-19) to institute an Antitrust Compliance Policy. (Rel. 34-44373)

RECENT 8K FILINGS

Form 8-K is used by companies to file current reports on the following events:

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Bankruptcy or Receivership.
- Item 4. Changes in Registrant's Certifying Accountant.
- Item 5. Other Materially Important Events.
- Item 6. Resignations of Registrant's Directors.
- Item 7. Financial Statements and Exhibits.
- Item 8. Change in Fiscal Year.
- Item 9. Regulation FD Disclosure.

The following companies have filed 8-K reports for the date indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. 8-K reports 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>.

NAME OF ISSUER	STATE CODE	8K ITEM NO.									DATE	COMMENT	
		1	2	3	4	5	6	7	8	9			
ACTIONPOINT INC	DE		X						X		06/01/01		
ADVANTAGE MARKETING SYSTEMS INC/OK	OK					X					06/01/01		
ALMOST COUNTRY PRODUCTIONS INC	NV								X		05/15/01	AMEND	
AMERICAN GREETINGS CORP	OH								X		03/19/01	AMEND	
AMERIKING INC	DE					X					06/01/01		
ANTARES CAPITAL CORP			X	X					X	X	05/19/01		
ATLANTIC COAST AIRLINES HOLDINGS IN C	DE										X	06/01/01	

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NAME OF ISSUER	STATE CODE	BK ITEM NO.									DATE	COMMENT	
		1	2	3	4	5	6	7	8	9			
AVERT INC	CO					X						05/29/01	
BELL INDUSTRIES INC /NEW/	CA					X	X					05/30/01	
BELLSOUTH CORP	GA					X						06/01/01	
BROOKE CORP	KS					X	X					05/15/01	
BUCKTV COM INC	NV	X										05/31/01	
CARVER BANCORP INC	DE					X	X					06/01/01	
CENTURA SOFTWARE CORP	DE					X	X					05/17/01	
CHARTER COMMUNICATIONS HOLDINGS CAP ITAL CORP	DE					X	X					05/10/01	
CHARTER COMMUNICATIONS HOLDINGS LLC	DE					X	X					05/10/01	
CHARTER COMMUNICATIONS INC /MO/	DE					X	X					05/10/01	
CKF BANCORP INC	DE					X	X					06/01/01	
CONTINENTAL AIRLINES INC /DE/	DE					X	X					06/01/01	
CORRECTIONAL PROPERTIES TRUST	MD							X				03/16/01	AMEND
COYNE INTERNATIONAL ENTERPRISES CORP P	NY					X						05/30/01	
CPI CORP	DE						X					05/30/01	
CREDIT SUISSE FIR BO MO SEC COR FNT MO BK PA TH CE SE 2001-1								X				05/21/01	
CREDIT SUISSE FRT BOSTON MR SC CR M R BK PA TH CR SR 2001-AR7	DE							X				03/26/01	
CRIIMI MAE INC	MD					X						03/31/01	
CYBER CARE INC	FL					X						06/01/01	
DAISYTEK INTERNATIONAL CORPORATION /DE/	DE					X	X					05/29/01	
DTE ENERGY CO	MI	X						X				05/31/01	
EARTH SEARCH SCIENCES INC	UT			X								05/25/01	
EASYLINK SERVICES CORP	DE	X						X				05/03/01	AMEND
ECHELON CORP	DE							X				02/07/01	AMEND
ECHELON CORP	DE							X				02/07/01	AMEND
ECHELON CORP	DE							X				02/07/01	AMEND
ECHELON CORP	DE							X				02/07/01	AMEND
ELECTRONIC BUSINESS SERVICES INC	DE					X						05/01/01	
ENHERENT CORP	DE					X						05/31/01	
EQUITY ONE ABS INC	DE					X	X					05/31/01	
EQUITY ONE INC	MD							X				06/30/01	
EVTC INC	DE					X						05/24/01	
FAIR ISAAC & COMPANY INC	DE							X				04/23/01	
FIFTH THIRD BANCORP	OH							X	X			06/01/01	
FIRST INTERSTATE BANCSYSTEM INC	MT			X				X				05/25/01	
FLEET HOME EQUITY LOAN CORP	DE					X	X					01/01/01	
FNB CORP/FL/	PA					X	X					06/01/01	
FOCUS ENHANCEMENTS INC	DE			X								05/03/01	AMEND
FONAR CORP	DE					X						05/25/01	
FORD MOTOR CO	DE					X	X					06/01/01	
FORD MOTOR CREDIT CO	DE					X	X					06/01/01	
FORTUNE FINANCIAL INC	FL					X						05/21/01	
GADZOOX NETWORKS INC	DE					X	X					05/25/01	
GENERAL BINDING CORP	DE							X				05/31/01	
GENERAL MOTORS CORP	DE					X						06/01/01	
GENEVA STEEL HOLDINGS CORP						X	X					05/30/01	

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NAME OF ISSUER	STATE	8K ITEM NO.									DATE	COMMENT
	CODE	1	2	3	4	5	6	7	8	9		
GENUITY INC	DE				X	X					06/01/01	
GENZYME TRANSGENICS CORP	MA				X	X					05/31/01	
GLOBAL TELESYSTEMS EUROPE B V	P7				X	X					06/01/01	
GLOBAL TELESYSTEMS INC	DE				X	X					06/01/01	
GOLDSTATE CORP	NV	X					X				05/18/01	
GRAND COURT LIFESTYLES INC	DE				X						05/17/01	
HARRINGTON FINANCIAL GROUP INC	IN				X	X					05/30/01	
HAWAIIAN ELECTRIC INDUSTRIES INC	HI				X						06/01/01	
HORIZON HEALTH CORP /DE/	DE				X						06/01/01	
IASIS HEALTHCARE CORP	DE						X	X			06/01/01	
IMAGIS TECHNOLOGIES INC	AI		X								05/15/01	
IMPAC MORTGAGE HOLDINGS INC	MD							X			04/30/01	
INCARA PHARMACEUTICALS CORP	DE				X	X					05/23/01	
INTERPORE INTERNATIONAL INC /DE/	DE				X	X					05/31/01	
INTRABIOTICS PHARMACEUTICALS INC /D E	DE				X	X					05/31/01	
KNIGHT RIDDER INC	FL				X	X					06/01/01	
LASALLE HOTEL PROPERTIES	MD					X		X			06/01/01	
LEGG MASON INC	MD	X				X					06/01/01	
LEHMAN ABS CORP	DE				X	X					05/29/01	
LEHMAN BROTHERS HOLDINGS INC	DE					X					06/01/01	
LIBERTY HOUSING PARTNERS LTD PARTNE RSHIP	MA					X					03/30/01	AMEND
LITTLE SWITZERLAND INC/DE	DE				X	X					05/29/01	
LOG ON AMERICA INC	DE				X						06/01/01	
MEDIQUIK SERVICES INC	DE				X						05/24/01	
MERRILL LYNCH & CO INC	DE				X	X					06/01/01	
MODEM MEDIA INC	DE				X	X					05/31/01	
MONY GROUP INC	DE					X		X			06/01/01	
MYRIENT INC	NV				X						06/01/01	
NATIONAL VISION INC	GA		X			X					05/18/01	
NESTOR INC	DE				X	X					06/30/01	
NOVELLUS SYSTEMS INC	CA				X	X					06/01/01	
NPC HOLDINGS INC	NV					X	X				03/31/01	AMEND
ODETICS INC	DE				X	X					05/29/01	
OMNIPOINT CORP \DE\	DE	X				X					05/31/01	
ONE WORLD ONLINE COM INC	NV							X			06/01/01	
PAB BANKSHARES INC	GA				X						05/29/01	AMEND
PACIFICARE HEALTH SYSTEMS INC /DE/	DE				X	X					05/30/01	
PALATIN TECHNOLOGIES INC	DE							X			06/01/01	
PARACELTUS HEALTHCARE CORP	CA				X	X					05/25/01	
PERKINELMER INC	MA				X						06/01/01	
PHILADELPHIA CONSOLIDATED HOLDING C ORP	PA				X	X					06/01/01	
POWERTEL INC /DE/	DE	X				X					05/31/01	
PSINET INC	NY			X		X					05/31/01	
PUBLIC SERVICE CO OF NEW MEXICO	NM				X						06/01/01	
PURE RESOURCES INC	DE		X			X					05/09/01	AMEND
QUEST DIAGNOSTICS INC	DE				X	X					05/31/01	
RED CARPET DIRECT INC	NV	X	X		X	X					05/10/01	
ROUNDYS INC	WI			X							05/19/01	
SCHULTZ SAV O STORES INC	WI							X			05/31/01	

NAME OF ISSUER	STATE CODE	BK ITEM NO.									DATE	COMMENT
		1	2	3	4	5	6	7	8	9		
SERVICE MERCHANDISE CO INC	TN					X					04/02/01	
SHOP AT HOME INC /TN/	TN					X					06/30/01	
SILICONIX INC	DE					X	X				02/26/01	
SIMMONS FIRST NATIONAL CORP	AR								X		06/01/01	
SORRENTO NETWORKS CORP	NJ						X				05/23/01	
SOURCE MEDIA INC	DE					X	X				05/31/01	
STAGE STORES INC	DE					X					05/30/01	
STRAYER EDUCATION INC	MD					X	X				05/16/01	
STRUCTURED ASSET SEC CORP MORT PASS THR CERTS SER 2001 3A	DE					X	X				05/25/01	
STRUCTURED ASSET SECURITIES CORP	DE					X	X				05/23/01	
STRUCTURED ASSET SECURITIES CORP	DE					X	X				05/30/01	
STRUCTURED ASSET SECURITIES CORP MO RT PAS THR CERT SER 01 7A	DE					X	X				05/25/01	
SULPHCO INC	NV				X		X				05/24/01	
SUN BANCORP INC	PA				X	X					06/01/01	
SYBRON DENTAL SPECIALTIES INC	DE				X						06/01/01	
SYSTEMAX INC	DE				X	X					05/31/01	
TRINITY INDUSTRIES INC	DE				X	X					06/01/01	
U S WIRELESS CORP	DE				X	X					05/26/01	
UNITED PAN EUROPE COMMUNICATIONS NV					X	X					05/29/01	
UNITEDGLOBALCOM INC	DE				X	X					05/29/01	
VCAMPUS CORP	DE				X	X					06/01/01	
VEGA ATLANTIC CORP/CO	CO		X								05/31/01	
VERISIGN INC/CA	DE				X	X					05/25/01	
VIACOM INC	DE				X	X					05/17/01	
VICON FIBER OPTICS CORP	DE				X		X				06/01/01	
VOICESTREAM WIRELESS CORP /DE	DE	X					X				05/31/01	
WHITE MOUNTAINS INSURANCE GROUP LTD	DE						X				06/01/01	
WILLIAMS COMMUNICATIONS GROUP INC	DE					X	X				05/31/01	
WISCONSIN ELECTRIC POWER CO	WI					X					05/31/01	
WISCONSIN ENERGY CORP	WI					X					05/31/01	
ZANY BRAINY INC	PA					X					05/31/01	
5TH AVENUE CHANNEL CORP	FL				X		X				03/09/01	AMEND