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SEC NEWS DIGEST

Issue 2001-180

September 18, 2001

COMMISSION ANNOUNCEMENTS

COMMISSION MEETINGS

CLOSED MEETING – FRIDAY, SEPTEMBER 21, 2001 – 10:00 A.M.

The subject matter of the closed meeting scheduled for Friday, September 21, at 10:00 a.m. will be: Institution and settlement of injunctive actions; Institution and settlement of administrative proceedings of an enforcement nature; and A formal order.

CHANGE IN THE MEETING: ADDITIONAL ITEM

The following item was added to the closed meeting scheduled for Friday, September 14: Regulatory matters regarding financial institutions.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary (202) 942-7070.

CHAIRMAN PITT TO TESTIFY

Chairman Harvey L. Pitt will testify before the Senate Committee on Banking, Housing and Urban Affairs on Thursday, September 20. The hearing concerns the condition of the U.S. financial markets following the recent terrorist attacks in New York and Washington and will be held in room 538 of the Dirksen Senate Office Building at 10:00 a.m.

ENFORCEMENT PROCEEDINGS

SEC BARS SOUTH FLORIDA BROKER FROM ASSOCIATION WITH ANY BROKER, DEALER OR INVESTMENT ADVISER

On September 17, the Commission instituted and simultaneously settled administrative proceedings against Charles F. Morgan of Tampa, Florida, president of Morgan Financial Services, Inc. (MFS). Morgan consented, without admitting or denying the SEC's allegations, to a bar from association with any broker, dealer or investment adviser. The SEC's Order finds that on September 12, 2001 the U.S. District Court for the Middle District of Florida permanently enjoined Morgan and MFS, by consent, from future violations of the antifraud provisions of the federal securities laws.

The SEC's complaint alleged that Morgan is the owner and president of MFS, and that, from September 1985 to August 2000, Morgan was employed as a registered representative with firms which were registered with the SEC as broker-dealers and as investment advisers. The complaint further alleged that between December 1991 and June 2000, Morgan and MFS raised more than \$2.4 million from 17 investors, both within and outside of Florida, by guaranteeing the safety of their invested principal and an annual return, in the form of monthly interest payments, of at least 10 percent. According to the complaint, instead of investing the funds as promised, Morgan and MFS used the investors' funds to make interest payments to other investors, to pay their own expenses and operating costs, and to purchase a controlling interest in a bankrupt, privately held company which had limited revenues, poor management and no history of profits. The complaint alleged that to conceal and perpetuate the fraud, Morgan provided to the investors false account statements reporting to show that their investments were safe and profitable. The complaint also alleged that no registration statement was filed with the Commission or was in effect in connection with the MFS securities.

The final judgment of permanent injunction (Judgment) enjoins Morgan and MFS from future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. In addition, the Judgment requires Morgan and MFS to disgorge, jointly and severally, \$1,736,699, plus prejudgment interest, provided, however, that the SEC waive payment of the disgorgement and interest based on Morgan's and MFS' demonstrated financial inability to pay.

The Commission acknowledges the assistance of the Florida Department of Banking and Finance in this matter. [SEC v. Morgan Financial Services, Inc. and Charles F. Morgan, Case No. 8:01-CV-1667-T-23 TGW, M.D. Fla., Tampa Division] (LR-17130); Administrative Proceedings – Rels. 34-44805; IA-1975; File No. 10575)

CEASE AND DESIST PROCEEDINGS INSTITUTED AGAINST ROBERT FULLER

The Commission announced that it instituted administrative cease and desist proceedings against Robert M. (Skip) Fuller of Sautee, Georgia. Fuller was a co-founder, chairman of

the board and executive vice president-investor relations of Vista 2000, Inc., formerly located in Roswell, Georgia and traded on the NASDAQ National Market.

In the Order, the Division of Enforcement alleges that approximately one week after Vista's initial public offering of units (consisting of common stock and warrants), Vista used 30% of the proceeds from its IPO to repurchase some IPO units. Vista failed to amend its IPO to disclose this information. Vista incurred a loss of \$666,000 when it resold some of the units it had repurchased. Fuller caused Vista to not disclose certain information relating to this activity in Vista's 1994 IPO and 1994 Form 10-KSB. Further, Fuller caused Vista to file its 1994 financial statements that were certified by accountants who were not independent because he had previously given one of the auditors 60,000 shares of Vista common stock as a gift.

As a result, the Order alleges that Fuller caused Vista to violate Section 17(a) of the Securities Act of 1933, Sections 10(b) and 13(a) of the Securities Exchange Act of 1934 and Rules 10b-5, 12b-20 and 13a-1 thereunder.

A hearing will be held before an administrative law judge to determine whether the allegations in the Order are true and, if so, what, if any, remedial sanctions against Fuller are appropriate. (Rel. 34-44806; AAE Rel. 1447; File No. 3-10576)

DOUGLAS MCCASKEY BARRED FROM SERVING AS OFFICER OR DIRECTOR FOR SIX YEARS AND PERMANENTLY ENJOINED

The Commission today announced that the U.S. District Court for the Southern District of New York issued a memorandum opinion and order on September 6, 2001 finding that a Connecticut stock promoter, Douglas McCaskey, committed securities fraud in connection with a scheme to manipulate the market for Marcorp, Inc. stock during 1994. The Court found McCaskey substantially unfit to serve as an officer or director of a public company, and barred McCaskey from serving as an officer or director for a period of six years. The Court also permanently enjoined him from violating Section 10(b) of the Securities and Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder, and Section 17(a) of the Securities Act of 1933.

McCaskey was sentenced to five years probation and ordered to pay a \$30,000 fine on April 30, 2001 in the U.S. District Court for the District of Connecticut in connection with related criminal charges brought by the U.S. Attorney for the District of Connecticut. McCaskey had, on October 13, 2000, pleaded guilty to criminal charges that he violated Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder, by manipulating the market for Marcorp stock from May to December 1994. See Litigation Release No. 17056 (July 2, 2001).

In its September 6, 2001 order, the U.S. District Court for the Southern District of New York referred to a Magistrate Judge the questions of whether the payment by McCaskey of disgorgement, prejudgment interest, and a civil money penalty is warranted, and if so,

in what amounts. The SEC's complaint alleges, among other things, that McCaskey, an undisclosed principal of Marcorp, artificially increased Marcorp's share price and volume by purchasing and selling millions of shares of Marcorp stock among 20 accounts at 14 brokerage firms in the U.S. and Canada, obtaining proceeds in excess of \$5.2 million. See Litigation Release No. 15865 (September 1, 1998). [SEC v. Douglas G. McCaskey, et al., 98 civ. 6153 (SWK) (S.D.N.Y.); U.S. v. Douglas G. McCaskey, 00 cr. 219 (SRU) (D.CT.)] (LR-17131)

SEC FREEZES ASSETS OF INDIANAPOLIS BUSINESSMAN FOR STEALING AT LEAST \$2 MILLION FROM SALE OF FICTICIOUS PRIME BANK INSTRUMENTS

The Commission announced that on September 14 the Honorable Judge David F. Hamilton of the United States District Court for the Southern District of Indiana permanently enjoined James R. Harrold of Indianapolis, Indiana and several Entity Defendants from further violations of the registration and antifraud provisions of the federal securities laws. The Order, entered pursuant to Harrold and the Entity Defendants' consents and without admitting or denying the allegations in the Commission's complaint, also froze Harrold and the Entity Defendants' assets, requires the repatriation of assets, prohibits Harrold and the Entity Defendants from destroying any documents and orders Harrold and the Entity Defendants to pay disgorgement and civil penalties in an amount to be determined in a separate hearing.

On Friday, September 7, 2001, the Commission filed a complaint alleging that Harrold and the Entity Defendants raised approximately \$2 million in a fraudulent prime bank scheme and sought temporary and emergency relief. On the same day Judge Hamilton entered a Temporary Restraining Order freezing three accounts controlled by Harrold and set a hearing for Monday, September 10, 2001. On September 10, 2001, Judge Hamilton entered a Temporary Restraining Order freezing all of Harrold and the Entity Defendants' assets and granted other ancillary relief.

Specifically, the complaint alleged that Harrold and the Entity Defendants represented that investors' funds would be invested in a risk-free, overseas trading program that generated a 20% monthly rate of return. The program, however, did not exist and instead of investing the funds, Harrold and the Entity Defendants deposited investor funds in various bank accounts controlled by Harrold and used the funds to pay both business and personal expenses, including payments for golf course developments and Harrold's monthly mortgage payments. [SEC v. James R. Harrold, Franklin Management and Consulting, LLC, Accipter, LLC, Frankl' Asset Management and Consulting, LLC, Franklin Management and Consulting, Inc., and Concord Development Group, LLC., US DC, SD Indiana, Cause No. IP 01-1318-C H/G, S.D. Indiana] (LR-17132)

SELF-REGULATORY ORGANIZATIONS

ACCELERATED APPROVAL OF PROPOSED RULE CHANGES

The Commission approved, on an accelerated basis, a proposed rule change submitted by the Chicago Board Options Exchange (SR-CBOE-2001-49) to permit Amex members to trade on the CBOE on a temporary basis in response to the emergency market developments. Publication is expected in the Federal Register during the week of September 24. (Rel. 34-44801)

The Commission approved, on an accelerated basis, proposed rule changes submitted by the Philadelphia Stock Exchange (SR-Phlx-2001-86) and the American Stock Exchange (SR-Amex-2001-80) to accommodate Amex options to trade on the Phlx and to permit Amex members to trade on the Phlx on a temporary basis in response to the emergency market developments. Publication is expected in the Federal Register during the week of September 24. (Rel. 34-44802)

The Commission granted accelerated approval of a proposed rule change submitted by the American Stock Exchange; New York Stock Exchange; Boston Stock Exchange; Cincinnati Stock Exchange; Chicago Stock Exchange; Pacific Exchange; Philadelphia Stock Exchange; and National Association of Securities Dealers (SR-Amex-2001-78) regarding the temporary use by the Amex of the facilities of the New York Stock Exchange. (Rel. 34-44803)

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>.

S-8 PREFERRED VOICE INC, 6500 GREENVILLE AVENUE, STE 570, DALLAS, TX
75206
(214) 265-9580 - 412,250 (\$498,822.50) COMMON STOCK. (FILE 333-69262 -
SEP. 11) (BR. 7)

S-8 C&D TECHNOLOGIES INC, 1400 UNION MEETING ROAD, PO BOX 3053, BLUE
BELL,
PA 19422 (215) 619-2700 - 900,000 (\$18,450,000) COMMON STOCK. (FILE
333-69264 - SEP. 11) (BR. 5)

S-8 C&D TECHNOLOGIES INC, 1400 UNION MEETING ROAD, PO BOX 3053, BLUE
BELL,
PA 19422 (215) 619-2700 - 500,000 (\$10,250,000) COMMON STOCK. (FILE
333-69266 - SEP. 11) (BR. 5)