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SEC NEWS DIGEST

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COMMISSION ANNOUNCEMENTS

SEC DISCONTINUES REQUESTS FOR ACCESS CODES FOR EDGAR ON FORM ID (SEC 2084) THROUGH THE MAIL

Due to recent events we will discontinue the acceptance of requests for Access Codes for EDGAR on Form ID (SEC 2084) through the mail. Effective November 6, 2001, all requests for these codes must come via Fax. Our Fax numbers are: (202) 504-2474 and (703) 916-7624. We will also no longer return a hard copy of the access codes through the mail but will notify you of the codes via telephone call. If you would like a written confirmation of the codes, please include either an e-mail address or a Fax number on your request. You may contact Filer Support on (202) 942-8900 if you require additional information.

RULES AND RELATED MATTERS

CONCEPT RELEASE ON ACTIVELY MANAGED EXCHANGE-TRADED FUNDS

The Commission has issued a concept release soliciting public comment on actively managed exchange-traded funds. Currently, all exchange-traded funds are based on various equity market indices. An actively managed exchange-traded fund would not track an index. Among other issues, the release requests comment on the potential structure and operation of actively managed exchange-traded funds, the benefits and uses of such products, and potential regulatory issues. (Rel. IC-25258; Press Rel. 2001-133)

ENFORCEMENT PROCEEDINGS

FORMER GENEVA SECURITIES, INC. OFFICERS BARRED FROM ASSOCIATION WITH ANY BROKER OR DEALER

The Commission today barred Richard M. Eisenmenger and LeRoy K. Messenger from association with any broker or dealer for making fraudulent misrepresentations in

connection with the sale of over \$11 million of securities. Eisenmenger and Messenger were the President and Chief Financial Officer, respectively, of Geneva Securities, Inc., a defunct broker-dealer formerly based in Schaumburg, Illinois. Without admitting or denying the findings in the Commission's Orders, Eisenmenger and Messenger consented to the Orders barring them from association with any broker or dealer. The Commission based its Orders on injunctions entered against Eisenmenger and Messenger in the Federal District Court for the Northern District of Illinois. On October 5, 2001, the Court entered orders enjoining Eisenmenger and Messenger from violations of the antifraud provisions of the federal securities laws. The Commission's complaint alleged that Eisenmenger and Messenger sold securities of companies they owned while making material misstatements about the use of the funds raised, the debts the companies would become obligated to pay, and the collateral protecting the investments. Further, the complaint alleged that Eisenmenger sold investments that were unsuitable for some of his customers, many of whom were elderly and retired, used customer funds to purchase securities without their permission, and diverted assets of certain customers to the accounts of Geneva-affiliated companies. Eisenmenger and Messenger, without admitting or denying the allegations in the complaint, consented to the Court's Orders. (In the Matter of Leroy Messenger - Rel. 34-45042; File No. 3-10633; In the Matter of Richard Eisenmenger - Rel. 34-45055; File No. 3-10634)

ORDER MAKING FINDINGS AND IMPOSING SANCTIONS BY DEFAULT AGAINST ERIC BARTOLI

Eric V. Bartoli has been barred from association with any investment adviser. The sanction was ordered in an administrative proceeding before an administrative law judge.

Bartoli was permanently enjoined from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933; Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder; and Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 in the United States District Court for the Southern District of Florida. Bartoli declined to defend the administrative proceeding.

Based on the permanent injunction, the law judge barred Bartoli from association with any investment adviser. (Rel. IA-1995; File No. 3-10526)

CIVIL AND CRIMINAL CONTEMPT PROCEEDINGS BROUGHT AGAINST RECIDIVIST

The Commission and the United States Attorney for the Central District of California today announced the filing of civil and criminal contempt proceedings in federal court in Los Angeles against recidivist Cary S. Greene, age 40, of Studio City, California.

These proceedings are based on Greene's violation of a civil judgment entered against him in April 1997, in a Commission enforcement action entitled SEC v. Mustang Development Corporation, et al. In the Mustang action, Greene was charged with

securities fraud in the offer and sale of oil and gas limited partnership interests. Greene was an officer, director and part owner of Mustang, which raised about \$139 million from thousands of investors nationwide. While investors were told that their funds would be used to purchase oil and gas properties, in fact, Greene operated a Ponzi scheme and misappropriated millions of dollars from investors for personal uses. Greene was also barred from the securities industry in a related Commission administrative proceeding.

In the contempt proceedings, the Commission and U.S. Attorney's court filings allege that during a telephone conversation with a Postal Inspector posing as a prospective investor, Greene claimed that he was not a securities broker but instead represented himself to be a "founder" of and a "consultant" to Broadband Concepts & Technologies, Inc., based in Glendale, California. The filings further allege that Greene represented that Broadband had approximately 120 investors and that he believed the return on the investment would be 100 to 1 within 18 months.

During this same conversation, Greene made the following false statements:

- He falsely claimed that former U.S. Treasury Secretary Robert E. Rubin, represented by Insight Venture Partners, was in a "bidding war" to purchase Broadband shares. In fact, neither Robert Rubin nor Insight Venture Partners have invested in or with Broadband and have not made any proposals or commitments to invest in or with Broadband.
- He falsely stated that the royal family of Saudi Arabia, purportedly represented by an entity named Xenel, was in a "bidding war" to purchase Broadband shares. In fact, Xenel Industries, Ltd., the Xenel company identified in materials Greene subsequently sent, has no affiliation with the Saudi Arabian royal family, has not invested in or with Broadband and has not made any proposals or commitments to invest in or with Broadband.
- Finally, he denied that he was criminally charged as a result of his conduct in the Mustang fraud, when in fact he pleaded guilty to securities fraud and tax evasion in May 2000, and is scheduled to be sentenced on November 5, 2001.

By engaging in the above conduct, the Commission and the U.S. Attorney charge Greene with engaging in the fraudulent offer of securities in violation of the antifraud provisions, Section 17(a) of the Securities Act of 1933, and in violation of the SEC's civil judgment.

The Commission's civil contempt motion requests that the Court order Greene to provide an accounting of his financial condition and to notify all prospective and actual investors to whom he offered or sold securities. The U.S. Attorney issued a criminal complaint charging Greene with one count of criminal contempt. United States of America v. Cary S. Greene. On November 2, 2001, agents of the Postal Inspection Service and Internal Revenue Service arrested Greene without incident at his home. Greene made his initial appearance in federal court on November 2, 2001, where he was ordered detained

pending trial. He is scheduled to be arraigned on November 19, 2001. There is no maximum penalty or fine on the criminal contempt charge. Greene faces a maximum sentence of 15 years and a fine of \$1.1 million for the Mustang conviction. [SEC v. Mustang Development Corporation, Tower Operating Company, Neal B. Stein, Cary S. Greene and Samuel Embras, Jr., USDC, CDCA, Civil Action No. 97-0440 JGD (CTx)] (LR-17224)

SEC CHARGES THREE WITH INSIDER TRADING

The Commission filed an insider trading case today against Joseph F. Doody IV (Doody), of Yardley, Pennsylvania, his father Joseph F. Doody (Doody Sr.), of Churchville, Pennsylvania, and Diane C. Neiley, of Warminster, Pennsylvania, a former employee of BetzDearborn Inc., alleging that the defendants engaged in illegal insider trading in advance of the July 30, 1998 announcement that BetzDearborn Inc. and Hercules Inc. had agreed to merge. The complaint, filed in the United States District Court for the Southern District of New York, alleges that Neiley learned confidential information about the pending merger from her then-employer, BetzDearborn, and then tipped her then-boyfriend, Doody, who in turn tipped his father. The complaint further alleges that Doody purchased shares and options of BetzDearborn common stock before the merger was announced, and that after the announcement on July 30, Doody sold the shares for unlawful profits of \$240,953. Further, the complaint alleges that Doody Sr. purchased 1,000 shares of BetzDearborn before the announcement, and immediately thereafter he sold the shares for unlawful profits of \$30,813. The complaint seeks permanent injunctions against future violations of the securities laws, disgorgement of the illegal trading profits, prejudgment interest, and civil penalties. Neiley has consented to the entry of a final judgment permanently enjoining her from future violations of Section 10(b) of the Exchange Act of 1934 and Rule 10b-5 thereunder, without admitting or denying the facts alleged in the complaint. [SEC v. Joseph F. Doody IV, et al., 01 Civ. 9879, (DC) USDC, SDNY] (LR-17225)

INVESTMENT COMPANY ACT RELEASES

KEMPER INVESTORS LIFE INSURANCE COMPANY, ET AL.

A notice has been issued giving interested persons until December 3, 2001, to request a hearing on an application filed by Kemper Investors Life Insurance Company (KILICO), Zurich Kemper Life Insurance Company of New York (ZKLICONY), KILICO Variable Annuity Separate Account and Investor Brokerage Services (collectively, Applicants). Applicants seek an order under Section 6(c) of the 1940 Act to the extent necessary to permit the recapture, under specified circumstances, of certain credits applied to purchase payments made under the deferred variable annuity contract described herein that KILICO will issue through the Separate Account (the Contract(s)), as well as other contracts that KILICO and ZKLICONY may issue in the future through the Separate

Account or future separate accounts (Other Accounts) that are substantially similar in all material respects to the Contract (Future Contracts). Applicants also request that the order being sought extend to any other National Association of Securities Dealers, Inc. (NASD) member broker-dealer controlling or controlled by, or under common control with, KILICO, whether existing or created in the future, that serves as distributor or principal underwriter for the Contract or Future Contracts, and any successors in interest to Applicants. (Rel. IC-25256 – November 7)

AMERICAN INTERNATIONAL GROUP, INC., ET AL.

An order has been issued on an application filed by American International Group, Inc. et al. under Section 17(b) of the Act granting an exemption from Section 17(a) of the Act. The order permits certain series of registered open-end management investment companies to acquire all of the assets and liabilities of certain series of another registered open-end management investment company. Because of certain affiliations, applicants may not rely on Rule 17a-8 under the Act. (Rel. IC-25257 – November 7)

SELF-REGULATORY ORGANIZATIONS

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGES

The Options Clearing Corporation filed a proposed rule change (SR-OCC-2001-10), which was effective upon filing, amending OCC's fee schedule to include clearing fees for security futures. Publication of the proposal is expected in the Federal Register during the week of November 12. (Rel. 34-45026)

The Options Clearing Corporation filed a proposed rule change (SR-OCC-2001-12), which became effective on filing, discounting OCC's clearing fees. Publication of the proposal is expected in the Federal Register during the week of November 12. (Rel. 34-45027)

The Options Clearing Corporation filed a proposed rule change (SR-OCC-2001-13), which became effective on filing, establishing a clearing fee. Publication of the proposal is expected in the Federal Register during the week of November 12. (Rel. 34-45028)

Stock Clearing Corporation of Philadelphia filed a proposed rule change (SR-SCCP-2001-10), which became effective on filing, relating to the extension of invoice dates and the associated waiver of late charges. Publication of the proposal is expected in the Federal Register during the week of November 12. (Rel. 34-45029)

A proposed rule change filed by the National Securities Clearing Corporation to allow NSCC to establish and adjust fees that NSCC charges for various services that are part of NSCC's Insurance Processing Service (SR-NSCC-2001-16) 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 November 12. (Rel. 34-45039)

APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change (SR-OCC-2001-03) filed by The Options Clearing Corporation that allows OCC to rescind concentration restrictions on letters of credit issued by certain non-U.S. institutions. Publication of the approval order is expected in the Federal Register during the week of November 12. (Rel. 34-45037)

ACCELERATED APPROVAL TO AMENDMENT NO. 4 TO THE PROPOSED RULE CHANGE

The Commission granted accelerated approval to Amendment No. 4 to the proposed rule change (SR-PCX-00-05) submitted by the Pacific Exchange relating to its automatic execution system. Publication of the order is expected in the Federal Register during the week of November 12. (Rel. 34-45032)

DELISTING GRANTED

An order has been issued granting the application of the New York Stock Exchange to strike from listing and registration the Common Stock, \$.01 par value, of Cotelligent, Inc., effective at the opening of business on November 7, 2001. (Rel. 34-45040)

WITHDRAWAL SOUGHT

A notice has been issued giving interested persons until November 30 to comment on the application for withdrawal from listing and registration (ChevronTexaco Corporation, Common Stock, \$0.75 par value) on the Chicago Stock Exchange. (Rel. 34-45041)

WITHDRAWAL GRANTED

An order has been issued granting the application of Media General, Inc. to withdraw its Class A Common Stock, \$5.00 par value, from listing and registration on the American Stock Exchange, effective November 8, 2001. (Rel. 34-45043)

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 NUANCE COMMUNICATIONS, 1005 HAMILTON CT, MENLO PARK, CA 94025
(650) 847-0000 - 3,072,689 (\$29,775,021) COMMON STOCK. (FILE 333-72682

NOV. 01) (BR. 3)

S-8 COMPOSITE INDUSTRIES OF AMERICA INC, 4505 W HACIENDA AVE, UNIT I-1,
LAS VEGAS, NV 89118 (702) 579-4888 - 485,000 (\$264,325) COMMON STOCK.
(FILE 333-72686 - NOV. 02) (BR. 6)