

SEC NEWS DIGEST

Issue 2000-136

July 18, 2000

ENFORCEMENT PROCEEDINGS

INTERNET STOCK PROMOTER FINED \$20,000 FOR ISSUING FALSE STOCK RECOMMENDATION FROM CHASE MANHATTAN BANK

The Commission announced that on July 17, it filed a civil complaint against Jason M. Chester (Chester) and JMAX (JMAX) Online Communications, Inc. of Tampa, Florida, alleging that they published on the Internet a stock recommendation on Winchester Mining Corporation (Winchester), an OTC Bulletin Board stock, that they falsely said had been issued by Chase Manhattan Bank (Chase). The SEC also announced that Chester and JMAX, without admitting or denying any of the allegations in the SEC's complaint, simultaneously agreed to settle the charges that they violated the anti-fraud and anti-touting provisions of the federal securities laws. Under the terms of the settlement, Chester and JMAX consented to the entry of permanent injunctive relief, payment of a \$20,000 civil penalty, and disgorgement in the amount of \$1,425 plus prejudgment interest.

In its complaint, the SEC alleges that Chester and JMAX fraudulently misrepresented that Chase Manhattan Bank had placed a "strong buy recommendation" on Winchester's stock in an investment review and related press release that Chester and JMAX published on the Internet on December 9, 1999. The complaint alleges that, in addition to rating Winchester a "strong buy," the investment review projected that Winchester's stock, which was then trading at \$0.17 per share, could reach \$5 per share in 2000. The SEC further alleges that on the day that Chester and JMAX issued the fraudulent investment review and press release, Winchester became the fifth most actively traded stock on the OTC Bulletin Board.

The SEC's complaint alleges that, in fact, the investment review attributed to Chase had been prepared by Fredrick Thompson (Thompson), an employee in Chase's debt collections department, who Chester had recently met in a bar in Tampa and who had no securities industry experience or connection to Chase's securities operations. The SEC alleges that Chester and JMAX failed to disclose these facts to investors. In addition, Chester and JMAX failed to disclose that Chase had not authorized Thompson or any of its employees to publish an investment analysis of Winchester, and that Thompson never sought Chase's authorization to publish the review.

The SEC alleges that Chester and JMAX also violated the antifraud provisions of the federal securities laws by engaging in a practice known as "scalping." The complaint alleges that, at the same time Chester and JMAX were encouraging investors to buy Winchester stock, Chester sold all of the 250,000 shares he and JMAX had received for promoting Winchester without fully disclosing this sale to investors.

Finally, the SEC alleges in the complaint that Chester and JMAX violated the anti-touting provision of the securities laws. According to the complaint, Chester and JMAX failed to disclose in the press release announcing the publication of Thompson's investment review of Winchester, and on the website on which they published Thompson's review, that Chester and JMAX had received 250,000 shares of Winchester stock in return for touting Winchester.

The SEC's complaint alleges that the above conduct violated the anti-fraud and anti-touting provisions of the federal securities laws, specifically Sections 17(a) and 17(b) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. [Securities and Exchange Commission v. Jason M. Chester and JMAX Online Communications, Inc., No. 8:00-CV-1443-T-24F, (M.D. Fla.) (filed July 17, 2000).] (LR-16629)

PERMANENT INJUNCTION ENTERED AGAINST LARRY W. ELLIS

On June 30, the Commission announced that, Judge Jorge Solis of the United States District Court for the Northern District of Texas issued an Order of Permanent Injunction against Larry W. Ellis, the former operator of a Dallas-based business known as ATM Technology Systems. The Order enjoined Ellis from future violations of the antifraud provisions of the federal securities laws. The Court will determine the specific amount of disgorgement and whether a civil penalty should be imposed at a later date. On May 17, the Commission accused Ellis of raising approximately \$1 million from investors with false representations about his automated teller machine business. The complaint alleged, among other things, that Ellis misrepresented to investors that they would receive a secured interest in a specific ATM in return for an initial investment of \$10,000. Ellis promised to repay the investors their principal investment with interest over a three year period, and also promised a profit-share interest in the ATM in which they invested. Ellis further claimed that he owned an ATM manufacturing company. These representations were false and misleading. [Securities and Exchange Commission v. Larry W. Ellis, Civil Action No. 3-00CV1040-P] (LR-16630)

HOLDING COMPANY ACT RELEASES

A notice has been issued giving interested persons until August 7 to request a hearing on a proposal by Indian Michigan Power Company, Inc., a subsidiary of American Electric

Power Company, Inc., a registered holding company, to acquire a leasehold interest in nuclear fuel assemblies and component parts. (Rel. 35-27200)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGE

The National Association of Securities Dealers, Inc. filed with the Securities and Exchange Commission a notice of filing of a proposed rule change (SR-NASD-99-42) under Rule 19b-4 under the Exchange Act relating to performance fee arrangements. Publication of the proposal is expected to be made in the Federal Register during the week of July 17. (Rel. 34-43030)

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-3 ID BIOMEDICAL CORP, 1177 W HASTINGS ST #707, VANCOUVER BC CANADA, A1
5,179 (\$25,066.36) FOREIGN COMMON STOCK. (FILE 333-12226 - JUL. 03)
(BR. 1)
- F-3 GILAT SATELLITE NETWORKS LTD, GILAT HOUSE YEGIA KAPAYIM STREET,
DANIV PARK, KIRYAT ARYE PETAH TIKVA 49130, L3 (703) 734-9401 -
350,000,000
(\$350,000,000) STRAIGHT BONDS. (FILE 333-12242 - JUL. 03) (BR. 7)
- S-11 HOLMES FINANCING NO 1 PLC, ABBEY HOUSE BACKER ST, 011-44-20-7612-
4000,
LONDON NW1 6XL UNITED KINGDOM, X0 00000 - 1,905,000,000
(\$1,905,000,000)
STRAIGHT BONDS. (FILE 333-12250 - JUL. 05) (BR. 7 - NEW ISSUE)

S-8 ECTEL LTD, 43 HASIVIM STREET, (972-3) 926-6577,
 PETAH TIKVA 49130 ISRAEL, L3 00000 - 2,372,500 (\$22,063,420.31)
 FOREIGN COMMON STOCK. (FILE 333-12252 - JUL. 07) (BR. 7)

S-8 INFOVISTA SA, 12 AVENUE DES TROPIQUES, 91955 COURTABOEUF CEDEX,
 FRANCE,
 IO - 2,005,250 (\$10,962,270) FOREIGN COMMON STOCK. (FILE 333-12256 -
 JUL. 07) (BR. 3)

F-10 ROYAL GROUP TECHNOLOGIES LTD, 1 ROYAL GATE BLVD, WOODBRIDGE,
 ONTARIO CANADA, A6 (905) 264-0701 - 4,500,000 (\$106,312,500)
 STRAIGHT BONDS. (FILE 333-12258 - JUL. 10) (BR. 6)

S-3 LONE STAR TECHNOLOGIES INC, 15660 N DALLAS PKWY, SUITE 500, DALLAS,
 TX
 75248 (972) 770-6401 - 4,312,500 (\$192,445,313) COMMON STOCK. (FILE
 333-41130 - JUL. 11) (BR. 6)

S-8 MICROACCEL INC, 580 HORNBY STREET, BRITISH COLUMBIA SUITE 210, V6C
 3B6,
 VANCOUVER CANADA, CA 92127 (604) 687-6991 - 950,000 (\$593,750)
 COMMON STOCK. (FILE 333-41132 - JUL. 11) (BR. 9)

S-8 FIRSTWORLD COMMUNICATIONS INC, 8390 E. CRESCENT PARKWAY, SUITE 300,
 GREENWOOD VILLAGE, CO 80111 (303) -87-4-80 - 1,000,000 (\$4,093,750)
 COMMON STOCK. (FILE 333-41134 - JUL. 11) (BR. 7)

S-1 AMERICAN PHYSICIANS CAPITAL INC, 1301 NORTH HAGADORN ROAD, EAST
 LANSING,
 MI 48823 (517) 351-1150 - \$207,000,000 COMMON STOCK. (FILE 333-41136 -
 JUL. 11) (BR. 36 - NEW ISSUE)

S-8 TITAN CORP, 3033 SCIENCE PARK RD, SAN DIEGO, CA 92121 (858) 552-9500
 -
 575,000 (\$7,285,250) COMMON STOCK. (FILE 333-41138 - JUL. 11) (BR. 3)

S-8 TITAN CORP, 3033 SCIENCE PARK RD, SAN DIEGO, CA 92121 (858) 552-9500
 -
 5,500,000 (\$227,755,000) COMMON STOCK. (FILE 333-41140 - JUL. 11) (BR.
 3)

S-8 MASTERPIECE TECHNOLOGY GROUP INC, 455 WARD CORNER RD, STE 110,
 LOVELAND,
 OH 45140 (425) 643-0777 - 618,200 (\$618,200) COMMON STOCK. (FILE
 333-41144 - JUL. 11) (BR. 9)

S-3 LATTICE SEMICONDUCTOR CORP, 5555 NE MOORE COURT, HILLSBORO, OR 97124
 (503) 268-8000 - 4,600,000 (\$298,034,000) COMMON STOCK. (FILE 333-
 41146 -
 JUL. 11) (BR. 5)

S-8 WORLD SHOPPING NETWORK INC/NV, 1530 BROOKHOLLOW DR., SUITE C, SANTA
 ANA,
 CA 92705 (714) 427-0760 - 120,000 (\$120) COMMON STOCK. (FILE 333-41148
 -
 JUL. 11) (BR. 2)

S-8 EMC CORP, 35 PARKWOOD DRIVE, HOPKINTON, MA 01748 (508) 435-1000 -
20,000,000 (\$1,497,000,000) COMMON STOCK. (FILE 333-41150 - JUL. 11)
(BR. 3)

S-8 INSIDERSTREET COM INC, 518 NORTH TAMPA STREET, SUITE 250, TAMPA, FL
33602 (813) -22-1-66 - 170,000 (\$1,870,000) COMMON STOCK. (FILE 333-
41152
- JUL. 11) (BR. 9)

S-3 MAIL COM INC, 11 BROADWAY, NEW YORK, NY 10004 (212) 425-4200 -
1,799,494 (\$10,807,568) COMMON STOCK. (FILE 333-41156 - JUL. 11) (BR.
2)

S-4 TRUSTCO BANK CORP N Y, 192 ERIE BLVD, SCHENECTADY, NY 12305
(518) 377-3311 - 17,203,827 (\$197,306,391) COMMON STOCK. (FILE 333-
41158 -
JUL. 11) (BR. 7)

S-8 US UNWIRED INC, CM TOWER SUITE 1900, ONE LAKESHORE DRIVE, LAKE
CHARLES,
LA 70629 (318) 436-9000 - 12,259,920 (\$103,608,281) COMMON STOCK.
(FILE
333-41160 - JUL. 11) (BR. 7)

S-8 INSIGNIA FINANCIAL GROUP INC /DE/, 200 PARK AVENUE, NEW YORK, NY
10166
(864) 298-8000 - 1,493,000 (\$13,427,312.50) COMMON STOCK. (FILE 333-
41162
- JUL. 11) (BR. 8)

S-3 FIFTH THIRD BANCORP, 38 FOUNTAIN SQ PLZ, FIFTH THIRD CENTER,
CINCINNATI,
OH 45263 (513) 579-5300 - 1,000,000 (\$64,500,000) COMMON STOCK. (FILE
333-41164 - JUL. 11) (BR. 7)

S-3 PROFESSIONAL TRANSPORTATION GROUP LTD INC, 1950 SPECTRUM CIRCLE,
STE B-100, MARIETTA, GA 30067 (706) 629-8682 - 6,673,066 (\$16,682,665)
COMMON STOCK. (FILE 333-41166 - JUL. 11) (BR. 5)

S-4 TRUSTCO BANK CORP N Y, 192 ERIE BLVD, SCHENECTADY, NY 12305
(518) 377-3311 - 10,127,686 (\$139,255,683) COMMON STOCK. (FILE 333-
41168 -
JUL. 11) (BR. 7)

S-8 SPATIALIZER AUDIO LABORATORIES INC, 20700 VENTURA BOULEVARD SUITE
140,
WOODLAND HILLS, CA 91364 (310) 227-3370 - 3,559,467 (\$2,169,050.21)
COMMON STOCK. (FILE 333-41170 - JUL. 11) (BR. 5)

S-8 FIRSTWORLD COMMUNICATIONS INC, 8390 E. CRESCENT PARKWAY, SUITE 300,
GREENWOOD VILLAGE, CO 80111 (303) -87-4-80 - 8,200,000 (\$30,493,750)
COMMON STOCK. (FILE 333-41182 - JUL. 11) (BR. 7)

S-8 DIVINE INTERVENTURES INC, 4225 NAPERVILLE ROAD, SUITE 400, LISLE, IL
60532 (630) 799-3858 - 8,846,990 (\$86,962,447) COMMON STOCK. (FILE
333-41184 - JUL. 11) (BR. 8)

S-8 MEDIABAY INC, 2295 CORPORATE BLVD STE 222, BOCA RATON, FL 33431
(561) 241-1426 - 3,500,000 (\$14,105,000) COMMON STOCK. (FILE 333-41186
-
JUL. 11) (BR. 2)

S-1 TUMBLEWEED COMMUNICATIONS CORP, 700 SAGINAW DR, REDWOOD CITY, CA
94063
(650) 216-2000 - 3,450,000 (\$181,987,500) COMMON STOCK. (FILE 333-
41188 -
JUL. 11) (BR. 7)

S-8 OCEANEERING INTERNATIONAL INC, 11911 FM 529, HOUSTON, TX 77041
(713) -32-9-45 - 1,450,000 (\$27,550,000) COMMON STOCK. (FILE 333-41190
-
JUL. 11) (BR. 4)

S-8 LEVEL JUMP FINANCIAL GROUP INC, 30 BROAD STREET, 28TH FLOOR,
SUITE 401, M5H2L3, NEW YORK, NY 10004 (416) 777-0477 - 3,550,000
(\$2,440,625) COMMON STOCK. (FILE 333-41192 - JUL. 11) (BR. 4)

S-1 DIGITAL INSIGHT CORP, 26025 MUREAU RD, CALABASAS, CA 93012
(818) 871-0000 - 4,600,000 (\$148,637,500) COMMON STOCK. (FILE 333-
41196 -
JUL. 12) (BR. 8)

S-8 CVB FINANCIAL CORP, 701 N HAVEN AVE STE 350, ONTARIO, CA 91764
(909) 980-4030 - 2,000,000 (\$31,437,500) COMMON STOCK. (FILE 333-41198
-
JUL. 12) (BR. 7)

S-8 WATCHOUT INC, 20283 STATE ROAD 7, SUITE #400, BOCA RATON, FL 33498
(561) 482-9420 - 1,165,000 (\$291,250) COMMON STOCK. (FILE 333-41200 -
JUL. 11) (BR. 4)