

SEC NEWS DIGEST

Issue 2000-223

November 21, 2000

COMMISSION ANNOUNCEMENTS

SEC TO CONDUCT ROUNDTABLE ON DECIMALIZATION

The Securities and Exchange Commission's Division of Market Regulation will conduct a roundtable on December 11, 2000, to discuss the on-going conversion process for decimal pricing in equity securities and options and its effects on market quality, operational capacity, and trading behavior.

The roundtable will take place from 2:00 p.m. to 5:00 p.m. at: SEC headquarters, 450 Fifth Street, N.W., Washington, DC, William O. Douglas Room. Chairman Arthur Levitt will deliver opening remarks and Annette L. Nazareth, Director of the Division of Market Regulation, will moderate the roundtable discussions. Participants will include representatives from the stock and options exchanges, the Nasdaq Stock Market, a variety of broker-dealers (including full service and on-line firms, as well as Electronic Communication Networks), other market participants, vendors, and academics.

Some of the topics to be discussed include the effects of decimalization on: quote spreads and sizes, overall liquidity, price priority, order placement and trading strategies, short sales, and system-related issues. The event is open to the public. Limited seating will be available on a first come, first serve basis. (Press Rel. 2000-176)

ENFORCEMENT PROCEEDINGS

GERARD BELL SETTLES INSIDER TRADING CASE

On October 30, 2000, the Honorable Kimba M. Wood entered a Final Judgment by consent concluding the Securities and Exchange Commission's litigation against Gerard J. Bell. The Commission's complaint, filed on March 27, 2000, alleged that Bell and Andrea Caputo, a neighborhood friend of his, violated Securities Exchange Act Section 14(e) and Rule 14e-3 by illegal insider-trading trading in advance of the November 16, 1994, public announcement that The Thomson Corporation would launch a tender offer

for The MEDSTAT Group, Inc. Without admitting or denying the Commission's allegations, Bell consented to the entry of a permanent injunction against future violations of Section 14(e) and Rule 14e-3. He was also ordered to pay disgorgement of \$167,953, however, based on Bell's sworn Statement of Financial Condition, the payment of all but \$86,000 was waived and no civil penalty was imposed. Caputo previously settled the case against her, without admitting or denying the Commission's allegations, by agreeing to a permanent injunction and to pay approximately \$237,000 in disgorgement, interest and penalties. For further information see Litigation Release No. 16487 (March 27, 2000). [SEC v. Andrea Caputo and Gerard J. Bell, USDC, SDNY, 00 Civ. 2285, KMW] (LR-16805)

SEC CHARGES NEW YORK ATTORNEY WITH SCHEME TO OBTAIN CONFIDENTIAL INFORMATION ON CORPORATE TAKEOVERS

On November 20, the Commission charged Robert C. Schuster, a White Plains attorney, with securities fraud for attempting to bribe a paralegal at Skadden, Arps, Slate, Meagher & Flom to give him confidential information about upcoming mergers involving the firm's clients. Schuster sought to profit by buying stock in the acquisition targets before public announcement of the merger.

The paralegal refused, and reported Schuster's overtures to Skadden, who, in turn reported the matter to law enforcement authorities. With the cooperation of Skadden and the paralegal, the FBI conducted an investigation that included recording Schuster's subsequent conversations with the paralegal and resulted in the charges today.

Schuster is an attorney with a solo practice in White Plains. He was formerly an assistant district attorney in Cayuga County, New York. Skadden is a prominent New York based law firm that is known for specializing in representing large corporations involved in mergers and acquisitions. Skadden cooperated fully in the investigation. There is no evidence of any misconduct by Skadden or any of its employees, or of any compromise of the security of confidential information. Schuster had been representing the paralegal in connection with a personal legal matter when he learned that the paralegal worked at Skadden.

The Commission's complaint alleges that, in September of this year, Schuster offered the Skadden paralegal up to \$15,000 to provide him with confidential information about upcoming mergers involving Skadden clients. In a subsequent meeting in October, which was recorded by the FBI, Schuster told the paralegal that they could "mutually benefit" from the confidential information because he would give the paralegal a "cut" of his profits. Schuster explained that "[t]he whole strategy has to be to know something before anyone else does." Schuster was aware that providing such information would violate the paralegal's confidentiality agreement with Skadden. Schuster repeatedly emphasized to the paralegal the need to keep his arrangement secret, to be "security conscious" and not to let others "catch any idea of what we might be working on."

On October 26, 2000, under the supervision of an FBI agent, the paralegal gave Schuster a fictitious tip – the name of a company that would purportedly be acquired and whose stock price would rise substantially when publicly announced. Schuster immediately bought 3,000 shares in the company for \$153,750, nearly two-thirds of his entire brokerage account. Based on the fictitious tip, Schuster anticipated a profit of approximately \$60,000. On November 16, 2000, Schuster paid the paralegal \$500 cash as an initial installment for the tip.

The Commission charged Schuster with committing securities fraud in violation of Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder and is seeking a permanent injunction and civil penalties against Schuster. The Commission filed its complaint in U.S. District Court for the Southern District of New York. On November 20, the U.S. Attorney's Office for the Southern District of New York announced that Schuster has been arrested on related criminal charges.

The Commission acknowledges the assistance of the U.S. Attorney's Office for the Southern District of New York and the FBI in this investigation. [SEC v. Robert C. Schuster, Civil Action No. 00 CIV. 8822] (LR-16806)

INVESTMENT COMPANY ACT RELEASES

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY, ET AL.

An order has been issued pursuant to Section 26(b) of the Investment Company Act on behalf of The Variable Annuity Life Insurance Company (VALIC), VALIC Separate Account A, North American Funds Variable Product Series I, and North American Funds Variable Product Series II approving the substitution of (a) Shares of North American - Founders Large Cap Growth Fund for shares of Dreyfus Founders Growth Fund; (b) Shares of North American - American Century Income & Growth Fund for shares of; Neuberger Berman Guardian Trust and for shares of Scudder Growth and Income Fund; (c) Shares of North American - Founders/T. Rowe Price Small Cap Fund for shares of T. Rowe Price Small-Cap Fund, Inc. and for shares of Dreyfus Variable Investment Fund Small Cap Portfolio (Dreyfus VIF Small Cap); (d) Shares of North American - American Century International Growth Fund for shares of Templeton International Securities Fund; (e) Shares of North American - AG Core Bond Fund for shares of American General Domestic Bond Fund; (f) Shares of North American - AG Moderate Growth Lifestyle Fund for shares of American General Balanced Fund; and (g) Shares of North American International Growth Fund for shares of American General International Value Fund. An order has also been issued pursuant to Section 17(b) of the Act exempting them from Section 17(a) of the Act to the extent necessary to permit certain in-kind transactions in connection with the substitution. (Rel. IC-24742 – November 17)

SELF-REGULATORY ORGANIZATIONS

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change (SR-NASD-00-62) filed by the National Association of Securities Dealers relating to the removal of duplicative provisions 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 20. (Rel. 34-43583)

APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change filed by The Depository Trust Company (SR-DTC-00-09) that establishes the Profile Surety Program in the Direct Registration System. (Rel. 34-43586)

WITHDRAWAL GRANTED

An order has been issued granting the application of CyberSentry, Inc. to withdraw its Common Stock, \$.001 par value, from listing and registration on the American Stock Exchange. (Rel. 34-43589)

DELISTINGS GRANTED

An order has been issued granting the application of the American Stock Exchange to strike from listing and registration the Common Stock, \$.01 par value, of Luxtec Corporation. (Rel. 34-43593)

An order has been issued granting the application of the American Stock Exchange to strike from listing and registration the Common Stock, \$.10 par value, of Jetronic Industries, Inc. (Rel. 34-43594)

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 QUOKKA SPORTS INC, 525 BRANNAN STREET, GROUND FLOOR, SAN FRANCISCO, CA 94107 (415) 908-3800 - 570,583 (\$1,523,456.61) COMMON STOCK. (FILE 333-49868 - NOV. 14) (BR. 5)
- S-3 REDBACK NETWORKS INC, 1195 BORREGAS AVE, SUNNYVALE, CA 94089 (408) 548-3500 - 2,440,526 (\$203,173,790) COMMON STOCK. (FILE 333-49870 - NOV. 14) (BR. 8)
- S-8 SPORTSNUTS COM INTERNATIONAL INC, TOWERS AT S TOWNE #2 STE 550, 10421 S 400 W, SALT LAKE CITY, UT 84095 (801) 967-0777 - 584,000 (\$566,480) COMMON STOCK. (FILE 333-49872 - NOV. 14) (BR. 9)
- S-8 INKTOMI CORP, 4100 E 3RD AVE, FOSTER CITY, CA 94404 (650) 653-2800 - 5,522,685 (\$175,686,893) COMMON STOCK. (FILE 333-49874 - NOV. 14) (BR. 3)
- S-3 BEAR STEARNS COMPANIES INC, 245 PARK AVE, NEW YORK, NY 10167 (212) 272-2000 - 699,243 (\$39,898,805.58) COMMON STOCK. (FILE 333-49876 - NOV. 13) (BR. 7)
- S-8 LAIDLAW GLOBAL CORP, 100 PARK AVENUE, NEW YORK, NY 10017 (212) 376-8800 - 500,000 (\$500,000) COMMON STOCK. (FILE 333-49882 - NOV. 14) (BR. 7)
- S-8 LESCO INC/OH, 20005 LAKE RD, ROCKY RIVER, OH 44116 (216) 333-9250 - 1,250,000 (\$16,837,500) COMMON STOCK. (FILE 333-49884 - NOV. 14) (BR. 2)
- S-8 KOPIN CORP, 695 MYLES STANDISH BLVD, TAUNTON, MA 02780 (508) 824-6696 - 2,000,000 (\$28,250,000) COMMON STOCK. (FILE 333-49890 - NOV. 14) (BR. 5)
- S-8 SONUS PHARMACEUTICALS INC, 22026 20TH AVE SE, STE 102, BOTHELL, WA 98021 (206) 487-9500 - 800,000 (\$655,099) COMMON STOCK. (FILE 333-49892 - NOV. 14) (BR. 1)
- S-8 ELCOTEL INC, 6428 PARKLAND DR, SARASOTA, FL 34243 (941) 758-0389 - 500,000 (\$359,500) COMMON STOCK. (FILE 333-49894 - NOV. 14) (BR. 7)
- S-8 AETHLON MEDICAL INC, 7825 FAY AVENUE SUITE 200, LAJOLLA, CA 92037 (212) 912-0930 - 215,000 (\$833,125) COMMON STOCK. (FILE 333-49896 - NOV. 14) (BR. 5)

- S-8 QUALITY DINING INC, 4220 EDISON LAKES PKWY, MISHAWAKA, IN 46545
(219) 271-4600 - 80,000 (\$212,800) COMMON STOCK. (FILE 333-49900 -
NOV. 14) (BR. 5)
- S-8 PATAPSCO BANCORP INC, 1301 MERRITT BLVD, DUNDALK, MD 21222
(410) 285-1010 - 20,000 (\$432,500) COMMON STOCK. (FILE 333-49908 -
NOV. 14) (BR. 7)
- S-8 RAINWIRE PARTNERS INC /DE/, 9229 UNIVERSITY BLVD, STE 201,
CHARLESTON,
SC 29406 (803) 553-9456 - 480,000 (\$25,488) COMMON STOCK. (FILE 333-
49914
- NOV. 14) (BR. 36)
- S-8 ACT TELECONFERENCING INC, 1658 COLE BLVD, STE 130, GOLDEN, CO 80401
(303) 235-9000 - 200,000 (\$1,625,000) COMMON STOCK. (FILE 333-49916 -
NOV. 14) (BR. 7)
- S-3 CP&L ENERGY INC, 411 FAYETTEVILLE STREET, RALEIGH, NC 27601
(919) 546-6463 (FILE 333-49920 - NOV. 14) (BR. 2)
- S-8 LORAL SPACE & COMMUNICATIONS LTD, 600 THIRD AVE,
C/O LORAL SPACECOM CORP, NEW YORK, NY 10016 (212) 697-1105 - 5,000,000
(\$29,375,000) COMMON STOCK. (FILE 333-49922 - NOV. 14) (BR. 7)
- SB-2 ENOVA HOLDINGS INC, 1196 E WILLOW ST, LONG BEACH, CA 90806
(562) 426-1321 - 5,812,211 (\$10,003,813) COMMON STOCK. (FILE 333-49924
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NOV. 14) (BR. 2)
- S-8 INTERWOVEN INC, 1195 W FREMONT AVE, STE 2000, SUNNYVALE, CA 94087
(408) 774-2000 - 566,705 (\$5,087,218.90) COMMON STOCK. (FILE 333-49926
-
NOV. 14) (BR. 3)
- S-4 MEDTRONIC INC, 7000 CENTRAL AVE NE, MS 316, MINNEAPOLIS, MN 55432
(612) 574-4000 - 53,989,017 (\$11,877,583) COMMON STOCK. (FILE 333-
49928 -
NOV. 14) (BR. 5)
- S-3 WORLD WRESTLING FEDERATION ENTERTAINMENT INC, 1241 E MAIN ST,
STAMFORD,
CT 06902 (203) 352-8600 - 4,615,384 (\$63,461,530) COMMON STOCK. (FILE
333-49930 - NOV. 14) (BR. 5)
- S-1 ALIGN TECHNOLOGY INC, 851 MARTIN AVENUE, SANTA CLARA, CA 95050
(408) 738-1500 - \$200,000,000 COMMON STOCK. (FILE 333-49932 - NOV. 14)
- S-8 HAVEN BANCORP INC, 615 MERRICK AVE, WESTBURY, NY 11590 (516) 683-
8385 -
441,998 (\$9,135,997.35) COMMON STOCK. (FILE 333-49934 - NOV. 14) (BR.
7)
- S-8 HAVEN BANCORP INC, 615 MERRICK AVE, WESTBURY, NY 11590 (516) 683-
8385 -
99,184 (\$1,491,780.26) COMMON STOCK. (FILE 333-49936 - NOV. 14) (BR.
7)

SB-2 AMERICAN TECHNOLOGIES GROUP INC, 1017 S MOUNTAIN AVE, MONROVIA, CA
91016 (626) 357-5000 - 35,077,698 (\$3,156,993) COMMON STOCK. (FILE 333-49938
- NOV. 14) (BR. 5)

S-8 COMMERCE ONE INC, 4440 ROSEWOOD DR, PLEASANTON, CA 94588 (925) 520-
6000 - 8,500,000 (\$449,968,750) COMMON STOCK. (FILE 333-49940 - NOV. 15)
(BR. 3)

S-8 SMTEK INTERNATIONAL INC, 2151 ANCHOR COURT, THOUSAND OAKS, CA 91320
(805) 376-2595 - 150,000 (\$699,000) COMMON STOCK. (FILE 333-49954 -
NOV. 15) (BR. 5)

S-8 SMTEK INTERNATIONAL INC, 2151 ANCHOR COURT, THOUSAND OAKS, CA 91320
(805) 376-2595 - 300,000 (\$1,398,000) COMMON STOCK. (FILE 333-49956 -
NOV. 15) (BR. 5)