

## *TopTenDotCons - SEC Submission*

<i>Filing Date</i>	<i>Matter</i>	<i>Number of Defendants or Respondents</i>	<i>Place of Filing</i>	<i>Net component</i>	<i>Summary</i> <i>Please note that these summaries represent synopses of the SEC's allegations. Review of SEC filings, court documents, administrative proceeding files, and other relevant documents is required for a complete understanding of each action.</i>
1/5/2000	SEC. v. Yun Soo Oh Park a/k/a Tokyo Joe and Tokyo Joe's Societe Anonyme, Corp., Case No. 00C 0049 (N.D.Ill.)	2 Defendants	U.S. District Court for the Northern District of Illinois	Internet Website, E-mails, and Internet Bulletin Board Postings	Civil action. The Commission alleges that Park attracted new subscribers with fraudulent track records for his past picks. Allegedly, he fed them "sure thing" picks. The Complaint alleges that he sold into the artificial jump in price caused by their purchases of his picks. The Commission alleges that he failed to disclose compensation for at least one stock he touted and insufficiently disclosed his scalping.
1/31/2000	SEC v. Nancy J. Cheal, individually and d/b/a Relief Enterprise, et. al., C.A. No. 00 CV 10182-EFH (D. Mass.)	1 Defendant and 1 Relief Defendant	U.S. District Court for the District of Massachusetts	Internet Website	Civil Action. The Commission alleges that Cheal, doing business as Relief Enterprises, fraudulently offered and sold investments in a bank debenture trading program by making baseless promises of a 100% weekly return on a website and through other means of solicitation. Allegedly, Cheal or her representatives falsely assured investors that their funds were not at risk and were 100% guaranteed by the U.S. Government.

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2/10/2000	SEC v. E4online.com, Inc. and Arthur A. Alonzo, 00 Civ. 1018 (AS)(S.D.N.Y.)	2 Defendants	U.S. District Court for the Southern District of New York	Promotion of Development Stage Internet Company	Civil action. The Commission alleges that the defendant used the name of a registered representative of a broker-dealer, and falsely represented to prospective investors that they had the opportunity to purchase E4online stock at \$2.00 per share in a "private placement" and that the company planned to issue shares in an initial public offering ("IPO") within a few months at an IPO price of \$12.00 per share. Among other things, the Complaint alleges that there was no basis statements about an imminent IPO and that E4online was not in residence at the stated address.
2/16/2000	SEC v. Wellness Universe Corporation, Synpan Corporation, George Charles Pappas, Defendants, Paul George Pappas, Kyriak W. Pappas, Makypa, Brooks Williams, Tobias Weissman, Iris B. Coleman, Joann Cingari, and Louise Fiorenza, Relief Defendants. 00 Civ. 1147 (RMB) (S.D.N.Y.)	3 Defendants and 8 Relief Defendants	U.S. District Court for the Southern District of New York	Internet Press Releases	Civil action. The Commission alleges that, since December 1999, George Pappas caused Wellness and Synpan to issue false and misleading press releases, largely over the internet, which boosted the price of Wellness stock from approximately \$.10 per share in December 1999 to over \$1.00 per share in early February 2000. The Complaint also alleges that, during this time, 3.7 million shares of Wellness stock was sold by members of George Pappas' family and other associates to the public for an aggregate of approximately \$2.5 million.

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2/24/2000	SEC v. James Sheret, Jr. and Glenn E. Conley, No. CIV 1411 (S.D.N.Y.)	2 Defendants	U.S. District Court for the Southern District of New York	E-mail Spam Messages	Civil action. The Commission alleges that Sheret and Conley sent "spams" to manipulate the stock price of 57 thinly traded companies. Allegedly, the spams were prepared under the banner "AOL Investment Snapshot" to appear endorsed by America Online, Inc. In fact, AOL had not endorsed these investment recommendations. According to the Complaint, both Sheret and Conley sold their shares immediately after sending the spams, realizing substantial profits.
2/24/2000	SEC v. Peter Lybrand f/k/a Peter Tosto, et al., 00 Civ. 1387 (S.D.N.Y.)	19 Defendants and 2 Relief Defendants	U.S. District Court for the Southern District of New York	Internet Press Releases	Civil action. The Commission alleges that barred broker Lybrand and several others used a series of domestic and offshore entities owned or controlled by Lybrand to manipulate the shares of three shell corporations, netting profits of \$12 million. Allegedly, Lybrand et al. used matched orders, wash trades, false press releases, and ticker spam in the scheme. Lybrand was arrested for his part in the scam.
2/28/2000	In the Matter of Joseph Stephenson, individually, and d/b/a Stephenson Investment Opportunities (Admin.Proc. File No. 3-10153)	1 Respondent	Administrative Proceeding	Internet Website	Administrative proceeding. The Commission found that Stephenson used fictitious business name to establish a website through which he offered for sale unregistered securities in the form of "bank debenture forfeiting" and/or "block funds trades"; claimed a historical record of 500% returns; and made no reasonable attempts to verify whether the claims he made were true or whether the securities in fact existed.

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3/2/2000	SEC v. Douglas W. Colt, 1:00CV00423 (EGS)(D.D.C.)	1 Defendant	U.S. District Court for the District of Columbia	Internet Website	Civil action. The Commission alleges that Colt, the creator of a stock recommendation website, targeted low priced, thinly traded stocks knowing that his trades and subscriber activity would artificially increase the price of the stocks selected. Allegedly, Colt and the other participants in the scheme collectively purchased a significant volume of the selected stock and dumped the stock shortly before the website disseminated its recommendations to its subscribers.
3/2/2000	In the Matter of Kenneth Terrell, Jason Wyckoff, Adam Altman and Joanne Colt (Admin.Proc. File No. 3-10154)	4 Respondents	Administrative Proceeding	Internet Website	Administrative proceeding. The Commission found that the respondents targeted low priced, thinly traded stocks knowing that trades and subscriber activity would artificially increase the price of the stocks selected. The Commission also found that the respondents collectively purchased a significant volume of the selected stock and dumped the stock shortly before the website disseminated its recommendations to its subscribers.
3/9/2000	SEC v. American Imaging, Inc., et al., 00-0940-CIV-Moreno (S.D. Fla.)	3 Defendants	U.S. District Court for the Southern District of Florida	Internet Press Releases	Civil action. The Commission alleges that the company whose primary business was developing Internet commerce sites issued press releases over the Internet claiming it was buying a soon-to-be-profitable gold mine. Allegedly, American Imaging relied on inadequate test results to reach their conclusion of the mine's profitability, and ignored and failed to disclose other contrary test results.

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3/14/2000	SEC v. John Freeman, et al., 00 Civ. 1963 (VM) (S.D.N.Y.)	19 Defendants	U.S. District Court for the Southern District of New York	Internet Chat Rooms and E-mail	Civil action. The Commission alleges that 19 defendants who, from 1997 through January 2000, engaged in a widespread insider trading scheme that produced over \$8 million in illegal profits from trading in the securities of 23 public companies. According to the Complaint, the source of the inside information worked at two Wall Street investment banking firms, Goldman Sachs & Co. Inc., and Credit Suisse First Boston Corporation. Allegedly, much of the inside information was passed through Internet chat rooms and by e-mail.
3/20/2000	SEC v. DynamicDaytrader.Com L.L.C. and David A. Rudnick, C.A. No. 00-85-PC (D. Me.)	2 Defendants	U.S. District Court for the District of Maine	Internet Website	Civil action. The Commission alleges that an Internet website provided, on a subscription basis, false and hypothetical day-trading recommendations that linked to a real-time window referred to as the "Trading Floor." Allegedly, Rudnick induced subscribers to trade securities by falsely stating that, through the Trading Floor, they would be able to see the real-time actual trades of a successful day trader and thus be able to profit or approximate the performance of the trader by merely mimicking his trades.

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3/23/2000	SEC v. eCONNECT and Thomas S. Hughes, Civil Action No. CV 00 02959 AHM (C.D. Cal.)	2 Defendants	U.S. District Court for the Central District of California	Internet Press Releases	Civil action. The Commission alleges that eConnect issued false and misleading press releases claiming: (1) eConnect and its joint venture partner had a unique licensing arrangement with PalmPilot; and (2) a subsidiary of eConnect had a strategic alliance with a brokerage firm concerning a system that would permit cash transactions over the Internet. The Complaint alleges that the fraudulent press releases, which were disseminated through a wire service as well as by postings on Internet bulletin boards, caused a dramatic rise in the price of eConnect stock from \$1.39 on February 28 to a high of \$21.88 on March 9, 2000, on heavy trading volume.
3/23/2000	SEC v. New World Web Vision.Com, Inc., Capital Corp. Investments International Inc., and Dwight D. Dubose, Civil Action No. 4:00-CV-0231-Y (N.D. Tex.)	3 Defendants	U.S. District Court for the Northern District of Texas, Fort Worth Division	Internet Websites and E-mail Spams	Civil action. The Commission alleges that fraudulent Internet stock offering by two Internet shopping mall businesses, known as an "e-mall," as well as other Internet businesses. The Complaint alleges that the two companies were publicly offering and selling unregistered shares of stock through two Internet websites and unsolicited spam e-mail messages. Allegedly, virtually all of the funds raised were misappropriated by CEO to pay personal expenses.

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3/29/2000	SEC v. Thomas E. Loyd, individually, and d/b/a Loyd Financial Consulting, CA-00-CV-1085, (S.D.Tex.)	1 Defendant	U.S. District Court for the Southern District of Texas, Houston Division	Internet Newsletter and E-mail Spams	Civil action. The Commission alleges that Thomas E. Loyd, an unregistered investment adviser, disseminated of millions of copies of his Investors' Alert newsletter. According to the Complaint, Investors' Alert provided stock recommendations of micro-cap stocks to over 650 subscribers and millions of other investors through "broadcast" facsimiles and unsolicited Internet e-mails, known as "spams." Allegedly, Loyd failed to disclose the amount, source, and nature of compensation paid to him by the touted issuers, and scalped the stocks that the newsletter touted.
3/30/2000	SEC v. Fred Moldofsky, 00 Civ. 2425 (Baer) (S.D.N.Y.)	1 Defendant	U.S. District Court for the Southern District of New York	Internet Message Board Postings	Civil action. The Commission alleges that Moldofsky posted a fake press release on the Yahoo Finance message board regarding Lucent Technologies, Inc. Allegedly, the release was posted more than twenty times on March 22, 2000 and March 23, 2000.
4/4/2000	SEC v. Stephen B. Marek and Dominic Roelandt, No. 00-600-PHX-EHC (D. Ariz.)	2 Defendants	U.S. District Court for the District of Arizona	E-Mail Newsletter and Internet Websites	Civil action. The Commission alleges that defendants falsely touted the stock of at least 35 microcap companies through e-mail messages disseminated by free Internet newsletters. According to the Complaint, false and misleading statements regarding the claimed performance of the defendants past stock picks appeared on the Internet websites of all three controlled entities. Allegedly, defendants repeatedly sold their personal holdings of the touted stocks into the resulting inflated market, thereby realizing at least \$41,958 and \$100,835, respectively.

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4/7/2000	SEC v. Stephen C. Sayre, Independent Financial Reports, Inc. and Silver Screen Industries, Inc., Civil Action No. CV 00-03800WJR, ex (C.D. Cal.)	3 Defendants	U.S. District Court for the Central District of California	Internet Postings	Civil action. The Commission alleges that the defendant, a tree trimmer masquerading as a financial analyst, issued recommendations over the Internet touting eConnect as an undervalued company. According to the Complaint, the defendant sold stock held in accounts of Silver Screen into the inflated market scalping profits of \$1,435,997.66. Allegedly, each recommendation stated that the defendant did not hold stock in the recommended companies.
4/12/2000	SEC v. Alan Gibbons, Civil Action No. 2247 (N.D. Ill.)	1 Defendant	U. S. District Court for the Northern District of Illinois	Internet Website and Internet Message Board Posting	Civil action. Gibbons allegedly raised \$172,000 from seven investors, selling them promissory notes and unregistered stock in several companies he started and owned but which ultimately did little or no business. Further, he allegedly told investors their investments were risk-free and guaranteed, and promised 30-50% returns within four months, when in fact he converted the funds to his own personal use.
5/1/2000	In the Matter of Genesis Trading and Robert Garganese (Admin.Proc. File No. 3-10194)	2 Respondents	Administrative Proceeding	Internet Website	Administrative proceeding. The Commission found that convicted felon Garganese ran a website selling subscriptions to day traders, misrepresenting that he and his experienced staff had developed a stock trading system that had an 81% success rate. The Commission also found that Garganese had no staff other than part-time help from two relatives, and his stock picking was done by commercially available software.



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5/1/2000	SEC v. Stephen Hourmouzis and Wayne Loughnan, Civ. No. 00-N-905 (D. Colo.)	2 Defendants	U.S. District Court for the District of Colorado	E-mails and Internet Bulletin Board Postings	Civil action. The Commission alleges that two Australian residents used the Internet to falsely tout the stock of Rentech, Inc., a Denver company, to millions of investors in the United States and abroad. Allegedly, together they sent between six and seven million e-mails to United States citizens, and others, and posted numerous messages on the message boards of Yahoo!, Raging Bull, and InsidetheWeb.com. According to the Complaint, the messages were masked and made to appear as though written by analysts and contained false statements. According to the complaint, Hourmouzis and Loughnan sold their stock in Rentech after disseminating the false information, realizing approximately \$14,000 in profits.
5/3/2000	SEC v. Refael Shaoulian, U.S. District Court for the Central District of California, Civ. Action No. 00-04614 (CBM) (C. D. Cal.)	1 Defendant and 2 Relief Defendants	U.S. District Court for the Central District of California	Internet Message Board Postings	Civil action. The Commission alleges that Shaoulian engaged in virtually identical Internet pump and dump schemes involving five stocks.

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5/4/2000	SEC v. Mark Malatesta, Individually and Doing Business as Financial Solutions Web., Civil Action No. SACV-00-421GLT(Eex) (C.D. Cal.)	1 Defendant	U.S. District Court for the Central District of California, Southern Division	Internet Bulletin Board Postings	Civil action. The Commission alleges that Malatesta operated a website, through which he recommended stock purchases of companies traded on the NASD OTC Bulletin Board. Allegedly, Malatesta made fraudulent statements about his, and FSW's background. According to the Complaint, Malatesta also failed to disclose that he was paid to tout the stock of the two issuers and, in fact, falsely denied that he was being paid to make his glowing comments about the stocks. Allegedly, Malatesta also used the alias SafeCents to tout the stocks on the Raging Bull and Silicon Investor bulletin boards. According to the Complaint, in response to inquiries by others on the bulletin boards, Malatesta misrepresented the nature of his compensation agreements with the two issuers.
5/5/2000	SEC v. Mark Schultz, Civil Action No. 00 Civ. 3443 (S.D.N.Y.)	1 Defendant	U.S. District Court for the Southern District of New York	E-Mail Spams	Civil action. The Commission alleges that Schultz distributed stock recommendations through a variety of subscription services which he distributed through e-mail over the Internet. Allegedly, he received over \$500,000 in subscription income between 1995 and 1999. According to the Complaint, Schultz also received undisclosed stock and cash compensation with a value of over two million dollars from at least thirteen issuers without disclosing the nature, source, and amount of compensation.

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5/10/2000	SEC v. Michael T. Higgins, et al., No. 00-1657-MEJ (N.D. Cal.)	3 Defendants	U.S. District Court for the Northern District of California	Internet Website	Civil action. The Commission alleges that from December 1998 through March 2000, Higgins, a hedge fund manager, raised over \$7.6 million by misrepresenting the performance record of Ballybunion Capital Partners, L.P. (the "Fund") by told investors that the Fund had impressive gains when in fact it had suffered severe losses. According to the Complaint, by March 2000, the Fund's assets had dwindled to approximately \$750,000, barely one-tenth the amount Higgins continued to tell investors they had. Allegedly, Higgins also distributed false information to a website that posted the information on the Internet.
5/15/2000	SEC v. Ronald J. Mitchellette, Civil Action No. C-00-20531 RMW (N.D. Cal.)	1 Defendant	U.S. District Court for the Northern District of California, San Jose Division	Internet Website	Civil action. The Commission alleges that Mitchellette, an adjunct professor at Santa Clara University's Leavey School of Business, sold stock an Internet start-up company to, among other investors, students in his undergraduate courses. Allegedly, in selling the stock, Mitchellette failed to disclose the fact that just two years earlier he had been convicted of perjury and, in a separate Commission action, enjoined for fraud. According to the Complaint, Mitchellette, 63, of San Rafael, California, was the founder and CEO of Virtual Education Network, Inc. ("VENI"), a Silicon Valley company established to offer online college courses through its eUniversity.com website.

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5/16/2000	SEC v. Y2K Highway Inc., and Robert J. Kuntz, Civil Action No. C-00-187 (S.D. Tex.)	2 Defendants	U.S. District Court for the Southern District of Texas, Corpus Christi Division	E-mail Spams	Civil action. The Commission alleges that the defendants sold two unregistered offerings with misleading statements. According to the Complaint, in connection with their first securities offering, Y2K and Kuntz sold securities to more than 360 investors located in 25 states and 6 foreign countries, raising approximately \$275,000. The Complaint further alleges that in connection with the second offering, the defendants made materially misleading statements and omissions about Y2K's 1999 revenues and the intended use of the offering proceeds.
5/17/2000	SEC v. Larry W. Ellis, Civil Action No. 3-00CV1040-P (N.D. Tex.)	1 Defendant	U.S. District Court for the Northern District of Texas, Dallas Division	Internet Website	Civil action. The Commission alleges that Ellis, d/b/a ATM Technology Systems, raised \$1 million by falsely representing that he had become wealthy through his ATM business; that he owned an ATM manufacturing business that he planned to take public; that he could offer investors stock options which he could make valuable by issuing press releases to raise the price of the stock; and that investors would be investing in a specific ATM, which would provide 12% interest monthly plus 20-25% of the ATM's profits.

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6/9/2000	SEC v. SG Limited, d/b/a Stockgeneration et al., C.A. No. 00 CV 11141-JLT (D. Mass.)	2 Defendants	U.S. District Court for the District of Massachusetts	Internet Website	Civil action. The Commission alleges that SG Limited, based on the Caribbean island of Dominica, operated a website under the name "StockGeneration," (www.stockgeneration.com) promising investors a risk-free, guaranteed return of 10% per month, or 215% per year on a compounded basis. SG allegedly described itself as a "virtual stock exchange" offering investments in the stock of several "virtual companies," including one referred to as the "privileged company" whose shares "only rise" and generate the guaranteed 10% monthly return. The Complaint alleges that the investment program, which raised hundreds of thousands, if not millions, of dollars was actually nothing more than a classic pyramid scheme.
6/15/2000	SEC v. In Shig Ahn, Case No. 00 Civ. 4416 (S.D.N.Y.)	1 Defendant	U.S. District Court for the Southern District of New York	On-line Brokerage Accounts	Civil action. The Commission alleges that the defendant used a fraudulent Internet stock trading scheme, which netted almost \$180,000 in illegal proceeds by placing numerous cross trades between on-line accounts he maintained at two different brokerage firms. Allegedly, he created losses in one account (which he had funded with over \$350,000 in bad checks) and gains in the other and then tried to take cash out of the winning account, apparently with the intention of absconding with the money.

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7/12/2000	SEC v. Stadtt Media, L.L.C., Anthony B. Benavides, Robert M. Martinez, Jefferson F. Santos, and Lana M. St. Martin, Defendant Solely for Purposes of Equitable Relief, Civil Action No. 3-00CV1489-P (N.D. Tex.)	4 Defendants and 1 Relief Defendant	U.S. District Court for the Northern District of Texas, Dallas Division	Internet Website	Civil action. The Complaint alleges that Benavides, Martinez, and Santos made materially false representations to investors in connection with the sale of Stadtt Media, LLC Units. Allegedly, among other things, they are claimed (1) that the company owns patents or patents-pending on Internet-related inventions; (2) that a major investment banking firm is committed to underwriting a \$100 million initial public offering ("IPO") for Stadtt Media which will result in a 16,000% return on an investment in the company's pre-IPO offering; and (3) that Stadtt Media would use the proceeds from the pre-IPO offering for working capital and for the development of C-Magazines.com.
7/17/2000	SEC v. Jason M. Chester and JMAX Online Communications, Inc., No. 8:00-CV1443-T-24F (M.D. Fla.)	2 Defendants	U.S. District Court for the Middle District of Florida	Internet Press Release and Internet Website	Civil action. The Commission alleges that Chester and JMAX fraudulently misrepresented that Chase Manhattan Bank had placed a "strong buy recommendation" on Winchester's stock in an Internet investment review and related press release. Allegedly, at the same time the defendants were encouraging investors to buy the stock, the defendants sold all the shares of the stock that they owned. The Complaint alleges that the defendants failed to disclose that they received shares for promoting the stock.

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8/2/2000	SEC v. Phoenix Telecom, L.L.C., Jerold Benjamin Clawson, Jerry Deland Beacham and H. Ellis Ragland, Jr., Civil Action File No. 1:00-CV-1970-JTC (N.D.Ga.)	4 Defendants	U.S. District Court for the Northern District of Georgia	Internet Offering of Unregistered Securities	Civil action. The Commission alleges that defendants promoted a massive fraudulent scheme through the use of insurance agents and over the Internet, in which Phoenix raised more than \$74 million from more than 2,000 mostly elderly investors. The Complaint asserts that the scheme is based upon purported investments in customer owned, coin-operated telephones offered and sold in units, involving a telephone, site lease, lease/back agreement and buy/back agreement, that constitute securities. Allegedly Phoenix could substitute shares for which no registration statement had been filed. According to the Complaint, Phoenix failed to disclose certain information about the company to investors.
8/8/2000	In the Matter of UniversalScience.com, Inc. and Rene Perez (Admin.Proc. File No. 3-10266)	2 Respondents	Administrative Proceeding	Internet Website	Administrative proceeding. The Commission found that the company's website offered free shares with further offer to sell additional shares of its stock. The Commission also found that the company described itself as a leading consumer community which paid people to surf the Internet.

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8/10/2000	SEC V. Elfindepan, S.A., Southern Financial Group, Tracy Calvin Dunlap, Jr. and Barry Lowe, 1:00CV00742 (M.D.N.C.)	4 Defendants	U.S. District Court for the Middle District of North Carolina	Internet Website	Civil action. The Commission alleges that the defendants defrauded investors nationwide in an apparent Ponzi scheme in connection with the unregistered offer and sale of the securities of Elfindepan, a supposed Costa Rican financial company with offices in Greensboro, North Carolina. The Complaint alleges that the defendants made numerous materially false and misleading statements to investors. Defendants allegedly raised at least \$13.5 million from the investing public in at least nine states.
8/11/2000	SEC v. BroadBand Wireless International Corporation, et al., CIV 00-1375-R (W.D. Okla.)	4 Defendants and 4 Relief Defendants	U.S. District Court for the Northern District of Oklahoma	Internet Bulletin Board and Website	Civil action. The Commission alleges that convicted felon Donald Knight and securities law recidivist Ivan Webb share control of BBAN, filed false documents with the SEC, issued fraudulent press releases and disseminated other false and misleading information on Raging Bull and on the company's website. The Complaint alleges that the defendants claimed BBAN was to acquire several companies, but had no ability to do so. Allegedly, the stock was pumped from \$.12/share in late 1999 to \$12/share, at which point Knight dumped restricted shares on the market, netting at least \$5 million.



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8/15/2000	SEC v. Merger Communications, Inc., Jukka U. Tolonen, and David A. Drake, Civil Action No. H-00-2791 (S.D. Tex.)	3 Defendants	U.S. District Court for the Southern District of Texas, Houston Division	E-Mail Spam and Internet Website	Civil action. The Commission alleges that the defendants touted NASDAQ and OTC stocks by means of spamming, mass faxing, and press releases often without disclosing the nature, source, and amount of compensation by or on behalf of the touted issuers. The SEC alleged that this touting was done with the intent to cause immediate price and volume spikes in the touted stocks, and that in at least two cases the touting worked. Allegedly, in the case of PinkMonkey.com, Merger's touts caused a 400% price spike within two days of the touts; in the case of ClearworksTechnologies, Inc., the stock spiked 66% in the three days following the touts.
8/16/2000	SEC v. Precious Stones Trading Worldwide, Inc. et. al., 00 Civ. 6097 (NRB) (S.D.N.Y.)	4 Defendants	U.S. District Court for the Southern District of New York	Internet Website	Civil action. The Commission alleges that the company led by barred broker, with two others, made baseless price predictions; made false statements about an IPO of PSTW; converted money for personal expenses.
8/24/2000	SEC v. Le Club Prive, et al., Civil Action No. 3:00CV-1851-R (N.D.Tex.)	8 Defendants and 8 Relief Defendants	U.S. District Court for the Northern District of Texas	Internet Websites	Civil action. The Commission alleges that Le Club Prive posed as an investment club, raising at least \$5.6 mil from 2000 US citizens. Allegedly, membership allows purchase of various mutual funds touted as having unbelievable returns, also allows multilevel marketing commissions for recruitment of new members. According to the Complaint, LCP house mutual funds are themselves unregistered.

<i>Filing Date</i>	<i>Matter</i>	<i>Number of Defendants or Respondents</i>	<i>Place of Filing</i>	<i>Net component</i>	<i>Summary</i> <i>Please note that these summaries represent synopses of the SEC's allegations. Review of SEC filings, court documents, administrative proceeding files, and other relevant documents is required for a complete understanding of each action.</i>
8/29/2000	SEC v. Tutornet.com Group, Inc. and Euburn R.A. Forde, Civil Action No. 00-1472-A (E.D.Va.)	2 Defendants	U.S. District Court for the Eastern District of Virginia, Alexandria Division	Internet Website	Civil action. The Commission alleges that Tutornet and Pres/CEO Euburn Forde filed materially false and misleading 8-K and 10-Q; same misleading info was posted on website in a letter to shareholders. The Complaint alleges that at issue are various false statements including a misrepresentation that Tutornet had a lucrative "co-branding" arrangement with AOL which would give it access and exposure to AOL's 18 million customers, and that Tutornet thus had the ability to generate \$324 million in revenues. Allegedly, no such agreement with AOL existed. According to the Complaint, Tutornet also claimed a company known as Princeton Investments had agreed to infuse \$30 million in capital into Tutornet, but the letter attached to Tutornet's 8-K, purportedly from Princeton, was of questionable authenticity.
8/31/2000	SEC v. Mark S. Jakob, Civil Action No. EDCV-00-687 VAP (Mcx) (C.D. Cal.)	1 Defendant	U.S. District Court for the Central District of California	Internet Press Releases	Civil action. The Commission alleges that on the morning of August 25th, Jakob, a 23 year-old college student and former employee of Internet Wire, duped Internet Wire into publishing a bogus press release falsely stating that, among other things, the SEC was investigating Emulex Corporation and that Emulex's CEO had resigned. Allegedly, Emulex stock dropped almost \$61 and Jakob made at least \$241,511.

<i>Filing Date</i>	<i>Matter</i>	<i>Number of Defendants or Respondents</i>	<i>Place of Filing</i>	<i>Net component</i>	<i>Summary</i>
9/1/2000	SEC v. Ronald J. Goldberg, Civil Action No. 1 00-CIV-2297 (N.D. Ga.)	1 Defendant	U. S. District Court for the Northern District of Georgia	Internet Auction Websites	<p><i>Please note that these summaries represent synopses of the SEC's allegations. Review of SEC filings, court documents, administrative proceeding files, and other relevant documents is required for a complete understanding of each action.</i></p> <p>Civil action. The Commission alleges that while in federal prison, Defendant Goldberg directed an associate to post at least four false and misleading advertisements for the offer or sale of the stock of GlobeNet Capital Corp. ("GlobeNet") on the eBay and Yahoo! auction sites. The Complaint alleges that the postings stated that a GlobeNet IPO was expected in the second (or third) quarter of 2000, and that following the IPO, GlobeNet stock would begin trading at between \$22-\$23 per share. Allegedly, Goldberg had no reasonable basis to represent either the timing of an IPO of GlobeNet stock or the price at which the stock might trade following an IPO. Allegedly, Goldberg made the representations to sell shares of GlobeNet stock at a profit.</p>

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9/5/2000	SEC v. Rajiv Vohra, Sean T. Healey, Lantern Investments, Ltd., Lipton Holdings, Ltd., and Beaufort Holdings, Ltd., Civil Action No. 00-7286-CIV-SEITZ (S.D. Fla.)	5 Defendants	U.S. District Court for the Southern District of Florida	Internet Website and E-mail Spam	<p><i>Please note that these summaries represent synopses of the SEC's allegations. Review of SEC filings, court documents, administrative proceeding files, and other relevant documents is required for a complete understanding of each action.</i></p> <p>Civil action. The SEC alleges Defendants participated in a scheme to defraud purchasers of securities of New Directions Manufacturing, Inc., a small, furniture-manufacturing company quoted on the NASD's OTC Bulletin Board. Lantern Investments, Ltd., Lipton Holdings, Ltd., and Beaufort Holdings, Ltd., three Bahamian companies controlled by Defendants Vohra and Healey, were also named as defendants. Allegedly, Vohra and Healey used "wash sales" (they bought and sold shares of New Directions between accounts they controlled) to create the appearance of active trading in New Directions stock. According to the Complaint, Vohra and Healey then arranged to have a false and misleading research report published on a stock-picker web site, on their own web site, and through unsolicited mass e-mails ("spam"). Allegedly, the research report falsely claimed that New Directions had significantly expanded, that the author of the report was an independent analyst, and that the purported analyst had issued a buy recommendation. The Complaint alleges that Vohra and Healey attempted to conceal their scheme by conducting much of their activity through Canadian brokerage accounts and the Bahamian companies. Allegedly, the defendants profited approximately \$500,000 from their scheme.</p>

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9/6/2000	SEC v. Thor Equity Group, LLC and George E. Mahfouz, Jr., Civ. No. CIV 00-1699-PHX VAM (D. Ariz.)	2 Defendants	U.S. District Court for the District of Arizona	Internet Website	Civil action. Defendant Thor Equity Group, an investor relations firm, and Defendant Mahfouz allegedly touted CancerOption.com stock with research reports containing false revenue and stock price projections which they knew to be false and misleading. According to the Complaint, defendants also failed to disclose that the analyst who wrote the reports was given 5000 shares of CancerOption stock as compensation. Defendant Mahfouz allegedly sold 350,000 shares at an artificially inflated price, netting \$180,000 in illicit profits.
9/6/2000	SEC v. Michael A. Furr, Civ. No. CV-00-09456 DT (Manx) (C.D. Cal.)	1 Defendant	U.S. District Court for the Central District of California	Internet Website and E-mails	Civil action. The SEC alleges that Defendant Furr, a paid penny stock promoter, orchestrated a manipulation scheme in which he touted at least 26 issuers on his website, in research reports, through emails, and on a national radio program. According to the Complaint, in some instances, Furr included false financial projections and made misrepresentations about the issuers' business ventures and assets. Further, Furr allegedly engaged in a fraudulent pattern of trading in at least 23 stocks, realizing at least \$3.4 million. Furr also allegedly failed to disclose or misrepresented the compensation he received for touting the securities he recommended.

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9/6/2000	SEC v. Gursel Mandaci, Civil Action No. 00-CIV-6635 (S.D.N.Y.)	1 Defendant	U.S. District Court for the Southern District of New York	Internet Message Board Postings	<p><i>Please note that these summaries represent synopses of the SEC's allegations. Review of SEC filings, court documents, administrative proceeding files, and other relevant documents is required for a complete understanding of each action.</i></p> <p>Civil action. The SEC alleges that from February to April 2000, Mandaci, a college student and driver for a car service, used the Internet to inflate the price of securities that he had purchased in order to create short-term trading profits. According to the Complaint, Mandaci's strategy was to purchase penny stocks using a margin account he holds at an online broker, and then make large numbers of Internet postings that touted the issuers. Allegedly, these postings included false information about the issuers and baseless price predictions. The Complaint also alleges that Mandaci made more than \$23,000 in six stocks he manipulated, including one stock that increased in price from \$0.01 to \$0.38.</p>

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9/6/2000	SEC v. Heartsoft, Inc., Benjamin Shell and Jimmy Butler, Civil Action No. 00-CV-0766-B (M), (N.D.Okla.)	3 Defendants	U.S. District Court for the Northern District of Oklahoma	Internet Website	Civil action. The SEC alleges that Defendants Heartsoft, Inc., Benjamin Shell, and Jimmy Butler perpetrated an Internet "pump and dump" scheme in which the defendants issued a series of fraudulent press releases that were simultaneously posted on Heartsoft's website. Allegedly, the releases included a myriad of false and misleading statements concerning the purported "adoption" and "endorsement" of Heartsoft's Thinkology software by two large school districts, foreign distribution agreements for the software, "strategic business ventures and alliances" with various Internet companies to market the software, and a licensing agreement to develop a "child safe" Internet web browser. The SEC alleges that in fact only certain schools within the two school districts had purchased copies of Heartsoft's educational software and there were no agreements to distribute Thinkology to foreign countries. Moreover, the purported marketing alliances and business ventures were nothing more than Heartsoft's purchase of advertisement space in catalogs. Finally, according to the Complaint, Heartsoft never entered into a licensing agreement to develop a "child safe" Internet web browser.

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9/6/2000	SEC v. Christopher P. Hastings D/B/A/ Stockpicks1, Civ. No. 00-2397-GTV (D. Kan.)	1 Defendant	U.S. District Court for the District of Kansas	Internet Message Board Postings, E-mail Newsletters, and Internet Website	Civil action. Defendant Hastings, a Kansas school bus mechanic with no securities industry experience, allegedly posed online as "Stockpicks1," making false and misleading statements about the his success rate in picking stocks. He also allegedly made false statements in message board postings as to his trading intentions with respect to certain stocks, which caused price spikes in those stocks.
9/6/2000	SEC v. Houston Texans NFL Football Team Holding Co. and Edgar A. Guilbeau, Civil Action No. H-00-3072 (S.D.Tex.)	2 Defendants	U.S. District Court for the Southern District of Texas, Houston Division	Internet Website	Civil action. The SEC alleges that Defendants Guilbeau and HTHolding Co. falsely claimed that they were affiliated with the National Football League ("NFL") and the Houston NFL football franchise, and sought to solicit investments in the franchise. The SEC further alleges that Guilbeau and HTHolding Co. schemed to defraud investors in the offer of stock by designing the website www.houstontexans-nfl.com to mislead investors into believing that they were purchasing an interest in the recently-formed Houston NFL football franchise.



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9/6/2000	SEC v. Lee E. Gahr and Chill Tech Industries, Inc., Civ. No. CV-S-00-1088-KJD-RJJ (D. Nev.)	2 Defendants	U.S. District Court for the District of Nevada	Internet Website	Civil action. The SEC alleges that Chill Tech Industries, Inc., through its chief operating officer Lee E. Gahr (a resident of Vancouver, Canada), made numerous false and misleading statements and failed to disclose material facts through an Internet website, various press releases, phony unsolicited faxes, and a magazine article. These statements concerned, among other things, the "environmentally friendly" nature of Chill Tech's "Arctic Can," allegedly a self-cooling beverage can. According to the Complaint, the Arctic Can actually used Freon, a banned substance. The SEC alleges that all the fraudulent statements were drafted or reviewed by Gahr, who ran the company pursuant to a management agreement. The Complaint alleges that certain of these statements caused the price and volume of Chill Tech stock to increase between 15 percent and 94 percent in the short term. Allegedly, while Gahr was disseminating the false press releases, he personally sold 1,056,500 restricted shares of Chill Tech common stock for a profit of \$277,136.

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9/6/2000	In the Matter of Scott Eskew (Admin. Proc. File No. 3-10278)	1 Respondent	Administrative Proceeding	False Research report Published on the Internet	Administrative proceeding. The Commission found that respondent Eskew permitted his company's name, Eskew & Associates, to be portrayed as the author of a research report on New Directions, Inc., a small, publicly-traded company. The Commission also found that the research report claimed, among other things, that the subject company had significantly expanded during the previous year due to acquisitions. The Commission found that when the research report was published on the Internet, the report was described as the product of an independent research analyst.
9/6/2000	In the Matter of CancerOption.com, Inc. and Arnold C. Takemoto (Admin. Proc. File No.3-10275)	2 Respondents	Administrative Proceeding	Internet Website	Administrative proceeding. The Commission found that respondents CancerOption and its chief executive Takemoto touted company stock based on false financial statements and misleading price projections for the stock. The Commission also found that CancerOption operates an Internet website focusing on alternative treatments for cancer and sells cancer-related nutritional supplements.

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9/6/2000	In the Matter of Platinum Equities, Inc., Blackheath & Kent Holdings, Inc., John J. Kenny, and Pasquale Forti (Admin. Proc. File No. 3-10277)	4 Respondents	Administrative Proceeding	Internet Website	Administrative proceeding. The Division of Enforcement alleges that Platinum Equities (a registered broker-dealer), its two principals, Kenny and Forti, and its parent company, Blackheath & Kent Holdings, engaged in a scheme to recommend and promote the purchase New Directions, Inc. stock to customers of Platinum Equities without disclosing that the stock was owned by Kenny and Forti under the nominee name of Blackheath & Kent Holdings. The Division further alleges that the securities were held in an account at another brokerage firm.
9/6/2000	SEC v. Thomas Carter, Civil Action No. CV 00-09457 GHK (SHX) (C.D. Cal.)	1 Defendant	U.S. District Court for the Central District of California	Internet E-Mail Spam	Civil action. The SEC alleges that Defendant Carter manipulated the securities of four companies in May and June of 1999 and that, as a result of his trading in the stocks that he manipulated, Carter made a profit of \$12,816.47. Carter allegedly disseminated tens of thousands of e-mails, entitled the "Unity List" e-mails, which contained materially false information regarding certain profiled companies in which Carter had recently purchased stock. The complaint further alleges that the trading volume and the stock price of each of the four companies rose dramatically immediately following Carter's dissemination of the e-mails, at which time Carter sold all of his stock in the companies at a profit.

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9/6/2000	SEC v. Donald Rutledge and Gregory Skufca, C.A. No. 00-K-1751 (D. Colo.)	2 Defendants	U.S. District Court for the District of Colorado	Internet Bulletin Board Postings	Civil action. The SEC alleges that Defendant Rutledge, a Canadian stock promoter, and Defendant Gregory Skufca, a Colorado "shell" broker illegally manipulated the stock of Snelling Travel, Inc. on the OTC Bulletin Board in December 1999. Allegedly, the manipulation took Snelling from a market capitalization of \$105,000 in mid-December to a theoretical market capitalization of over \$93 million less than two weeks later. Allegedly, Skufca reaped at least \$500,000 in illicit profits from the scheme.
9/6/2000	SEC v. Torsten Prochnow D/B/A/ Stockreporter.de, Dennis C. Hass and World of Internet.com AG, C00-3199-MJJ (N.D. Cal.)	3 Defendants	U.S. District Court for the District of California	Internet Website	Civil action. Defendants Prochnow and Hass, residents of Germany, allegedly touted approximately 64 U.S. stocks through their Stockreporter.de website and numerous press releases, using false and misleading financial information and baseless price projections. The Commission alleges that the defendants' website also falsely stated that they were not compensated by the touted stocks' issuers, and failed to disclose in their press releases the nature and source of their compensation.
9/6/2000	In the Matter of John Black (Admin. Proc. File No. 3-10276)	1 Respondent	Administrative Proceeding	Internet Bulletin Board Postings	Administrative proceeding. The Commission found that respondent Black, an employee of an investor relations firm, touted stock on an Internet bulletin board without disclosing that his employer promised him thousands of shares of stock as a bonus for assisting his employer in promoting the stock of Snelling Travel, Inc. ("SNLV"), which is quoted on the over-the-counter bulletin board.

<i>Filing Date</i>	<i>Matter</i>	<i>Number of Defendants or Respondents</i>	<i>Place of Filing</i>	<i>Net component</i>	<i>Summary</i>
9/13/2000	SEC v. Bernard Taalib-Din Hasan, a/k/a C. Bernard Caldwell, Maria Elena Gonzalez, TDH Unlimited, Inc. and Unalat, Inc., Civil Action No. H-00-3179, (S.D.Tex.)	4 Defendants	U.S. District Court for the Southern District of Texas, Houston Division	Internet Advertisements	<p><i>Please note that these summaries represent synopses of the SEC's allegations. Review of SEC filings, court documents, administrative proceeding files, and other relevant documents is required for a complete understanding of each action.</i></p> <p>Civil action. The SEC alleges Defendants conducted an affinity investment scheme that targeted the Houston Hispanic community through advertisements on Latino radio stations, seminars, and the Internet. From 1993 through January 1998, Hasan and his common-law wife, Gonzalez, allegedly raised approximately \$1.5 million from 223, mostly Hispanic, investors through their two companies, TDH Unlimited, Inc., and Unalat, Inc. Hasan and Gonzalez sold investments purportedly representing participation interests in overseas trading of rice, diamonds, and precious metals. The SEC alleges that, in connection with the offer and sale of these securities, Hasan and Gonzalez made numerous materially false and misleading statements to investors concerning the rate of return on the investment, the risks associated with the investment, and their receipt of undisclosed commissions. According to the Complaint, in May 1998, TDH and Unalat defaulted and ceased making any principal or interest payments to investors, resulting in investor losses of approximately \$860,000.</p>

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9/14/2000	SEC v. Jesse Hogan, Civ. Action No. 00 C 5637 (N.D. Ill.)	1 Defendant	U.S. District Court for the Northern District of Illinois	E-mail Spams	<p>Civil action. The SEC alleges that Defendant Jesse Hogan used the Internet to conduct "pump and dump" manipulations of five thinly traded stocks. In the span of one month, from July 21 through August 22, 2000, Hogan disrupted the market for five different stocks, pocketed more than \$40,000 in illegal profits and caused nearly \$1 million in investor losses.</p> <p>The SEC further alleges that Hogan accumulated a substantial position in each stock, then after the close of the market and through the opening of the market the following trading day, used between four and eight alias screen names to post hundreds of messages about the targeted Bulletin Board company on Internet message boards and sent numerous e-mails with the identical message. According to the Complaint, the spam postings and e-mails falsely claimed that a well-known "blue chip" company would soon acquire the outstanding stock of the targeted company at a substantial premium over its current market price and the spam postings and e-mails prompted a surge in the price and volume of the targeted company's stock. Allegedly, Hogan then liquidated his position, selling into the buying surge he created. The Complaint alleges that Hogan has realized at least \$42,750 in illicit profits from his scheme. The Complaint alleges that Hogan's scheme has also caused investors to suffer losses of approximately \$931,000.</p>

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9/14/2000	SEC v. 1stBuy.com, Inc., and Roger D. Pringle, Civil Action No. A-00-CA-599SF (W.D. Tex.)	2 Defendants	U.S. District Court for the Western District of Texas, Austin Division	E-mail Spams	<p><i>Please note that these summaries represent synopses of the SEC's allegations. Review of SEC filings, court documents, administrative proceeding files, and other relevant documents is required for a complete understanding of each action.</i></p> <p>Civil action. The SEC alleges that 1stBuy.com, Inc. (1stBuy) and its founder and CFO, Roger D. Pringle conducted an Internet stock offering during 1999 and early 2000 in which the company raised approximately \$3.8 million from 1,200 investors nationwide. Allegedly, the stock offering was conducted pursuant to Regulation A, or the "small issues" exemption, of the Securities Act of 1933. The Complaint alleges that 1stBuy and Pringle played off the recent Internet IPO frenzy by referring to the offering as a "pre-IPO," and inducing investments through false and misleading statements about the timing of a purported IPO, the projected value of its stock and the ability of the company to generate stockholder returns. The Complaint further alleges that the 1stBuy offering failed to meet the delivery and timing requirements of Regulation A in violation of the registration provisions of the Securities Act.</p>

<i>Filing Date</i>	<i>Matter</i>	<i>Number of Defendants or Respondents</i>	<i>Place of Filing</i>	<i>Net component</i>	<i>Summary</i> <i>Please note that these summaries represent synopses of the SEC's allegations. Review of SEC filings, court documents, administrative proceeding files, and other relevant documents is required for a complete understanding of each action.</i>
9/19/2000	SEC v. Brycar Financial Corporation and Bryan J. Egan, Defendants, and Carol A. Egan, Relief Defendant, Civil Action No. CV-S-00-1125-LDG-LRL (D. Nev.)	2 Defendants and 1 Relief Defendant	U.S. District Court for the District of Nevada	Internet Website	Civil action. The SEC alleges that Defendants Bryan Egan and Carol Egan are not registered to deal in securities, but they purport to offer long- and short-term investment programs to consumers in several states through BryCar. Allegedly, under BryCar's "long-term" program, investor funds are to be pooled for the purchase of securities from three sources: initial public offerings, commonly known as "IPOs"; "pre-IPO shares," and shares of private placements. According to the Complaint, the defendants require a minimum investment of \$2,500 for participation in this program. The Complaint further alleges that under BryCar's "short term" program, investor funds are to be pooled and used for day trading, in a practice in which publicly-traded securities are held for a limited time in an attempt to profit on market swings. Allegedly, Egan's sales pitch contained numerous materially false and misleading statements concerning BryCar and its purported investment programs. In at least one such presentation, according to the Complaint, Egan repeatedly told prospective customers that BryCar guaranteed its investments, that investors cannot lose money, and that BryCar's investments are both "risk free" and "tax free." According to the Complaint, however, securities transactions involve risk and are generally subject to taxation.



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9/20/2000	In the Matter of Jonathan G. Lebed (Admin. Proc. File No. 3-10291)	1 Respondent	Administrative Proceeding.	Internet Message Board Postings	Administrative proceeding. The Commission found that Respondent Lebed, a 15 year-old boy, on eleven separate occasions between August 23, 1999 and February 4, 2000, engaged in a scheme on the Internet in which he purchased large blocks of thinly traded microcap stocks and, within hours of making such purchases, sent numerous false and/or misleading messages, or "spam," over the Internet touting the stocks he had just purchased. The Commission also found that Lebed then sold all of these shares, usually within 24 hours, profiting from the increased price his messages had caused. The Commission found that during the course of the scheme, Lebed realized a total net profit of \$272,826.

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9/22/2000	SEC v. Royal Pictures, Inc., David Olinsky, and Robert Brent, Civil Action No. 00-3557-CIV-HUCK (S.D. Fla.)	3 Defendants	U.S. District Court for the Southern District of Florida	Internet Website	Civil action. The Complaint alleges that from approximately August 1998 through June 1999, Royal at the direction of Olinsky and Brent, made false and misleading statements in press releases, in an investor brochure, and on the company's website concerning final negotiations that the Company purportedly had with various well-known actors and actresses for parts in Royal-produced films. The Complaint also alleges that Royal made false claims it was backed by \$24 million in film financing with an established film financing company, when in fact Royal had only raised \$5 million and the established film financing company was a one-man company that had previously only financed one film. Finally, the Complaint alleges that Royal misrepresented and omitted material information concerning Brent's background and experience in a investor brochure distributed to investors during a road show. The Commission also alleges that the brochure failed to disclose that Brent is a twice-convicted felon.

<i>Filing Date</i>	<i>Matter</i>	<i>Number of Defendants or Respondents</i>	<i>Place of Filing</i>	<i>Net component</i>	<i>Summary</i>
9/25/2000	In the Matter of Joseph M. Salvani and Mainstreetipo.com, Inc. (Admin. Proc. File No. 3-10298)	2 Respondents	Administrative Proceeding	Internet Advertisements and E-mail Spams	<p><i>Please note that these summaries represent synopses of the SEC's allegations. Review of SEC filings, court documents, administrative proceeding files, and other relevant documents is required for a complete understanding of each action.</i></p> <p>Administrative proceeding. The Division of Enforcement alleges that MainStreet held itself out as the source of "hot" initial public offerings ("IPOs") for the average investor; that Salvani and MainStreet actively solicited both issuers of IPOs and potential investors in IPOs to participate in online auctions of securities at MainStreet's website; that MainStreet purchased banner advertisements for posting on over 70 other financial websites, and sent out roughly 600,000 e-mails to potential investors; that MainStreet also hosted booths at various trade shows, and in April 2000 ran full-page color advertisements in various national magazines. The Division further alleges that these solicitation efforts allegedly resulted in at least six prospective issuers signing contracts with MainStreet, paying deposits of at least \$50,000. The Division alleges that in addition, these solicitation efforts allegedly resulted in roughly 15,000 potential investors registering with MainStreet as "members." The Division of Enforcement alleges that Salvani and MainStreet were attempting to induce the purchase or sale of securities and to effect transactions in securities on behalf of others without registering as a broker.</p>

<i>Filing Date</i>	<i>Matter</i>	<i>Number of Defendants or Respondents</i>	<i>Place of Filing</i>	<i>Net component</i>	<i>Summary</i> <i>Please note that these summaries represent synopses of the SEC's allegations. Review of SEC filings, court documents, administrative proceeding files, and other relevant documents is required for a complete understanding of each action.</i>
9/28/2000	In the Matter of Alex Moore & Co., Inc., Livetrade.com, Inc., and Michael Weissman (Admin. Proc. File No. 3-10326)	3 Respondents	Administrative Proceeding	Internet Website and On-line Trading	Administrative proceeding. The Commission found that that from May 1998 through December 1999, Livetrade and Alex Moore, pursuant to an arrangement negotiated by Weissman (of Livetrade) and Nortman (of Alex Moore), jointly provided online securities trading services. Although Alex Moore was registered with the Commission as a broker-dealer, Livetrade was not. Consequently, the SEC found that Livetrade willfully violated Section 15(a)(1) of the Exchange Act, and Weissman, and Alex Moore each willfully aided and abetted, and was a cause of, those violations. Additionally, the Commission found that Alex Moore failed to account properly for certain assets and liabilities relating to its online securities trading activities: specifically, Alex Moore: (1) failed to record on its books and records certain accounts payable and certain accounts receivable; (2) reported inaccurate accounts payable and/or accounts receivable in several FOCUS reports; and (3) failed to provide notice to the Commission of those inaccuracies. The Commission found that Alex Moore willfully violated Section 17(a) of the Exchange Act and Rules 17a-3, 17a-5, and 17a-11.

<i>Filing Date</i>	<i>Matter</i>	<i>Number of Defendants or Respondents</i>	<i>Place of Filing</i>	<i>Net component</i>	<i>Summary</i> <i>Please note that these summaries represent synopses of the SEC's allegations. Review of SEC filings, court documents, administrative proceeding files, and other relevant documents is required for a complete understanding of each action.</i>
9/28/2000	In the Matter of Paul Nortman (Admin. Proc. File No. 3-10325)	1 Respondent	Administrative Proceeding	Internet Website and On-line Trading	Administrative proceeding. The Division of Enforcement alleges that Nortman, age 69, controlled Alex Moore & Co, Inc., a registered broker-dealer, and was responsible for the accounting function at Alex Moore; that Nortman (1) negotiated an arrangement with Livetrade.com, Inc, which was not registered as a broker-dealer, whereby the two firms jointly provided online securities trading services; and (2) although aware of Alex Moore's assets and liabilities relating to its online securities trading activities, failed to include that information in Alex Moore's books and records or provide that information to the Financial and Operations Principal who prepared Alex Moore's FOCUS reports for the quarters ended June 30, 1998 and September 30, 1998 and the year ended December 31, 1998.
9/28/2000	In the Matter of Mumtaz Saxena (Admin. Proc. File No. 3-10319)	1 Respondent	Administrative Proceeding	Internet Website	Administrative proceeding. The Division of Enforcement alleges that, on July 25, 2000, Saxena and her husband were permanently enjoined by the District Court for the District of Massachusetts from violating the registration and antifraud provisions of the federal securities laws; that, in addition to permanent injunctions, the District Court judgment directed Saxena to pay disgorgement plus prejudgment interest. In addition, Saxena was directed to pay civil monetary penalties. Based on the district court action, a hearing will be held before an administrative law judge to determine whether the Division's allegations against Saxena are true, and if so, whether remedial sanctions are appropriate and in the public interest.

<i>Filing Date</i>	<i>Matter</i>	<i>Number of Defendants or Respondents</i>	<i>Place of Filing</i>	<i>Net component</i>	<i>Summary</i> <i>Please note that these summaries represent synopses of the SEC's allegations. Review of SEC filings, court documents, administrative proceeding files, and other relevant documents is required for a complete understanding of each action.</i>
9/29/2000	SEC v. ETS Payphones, Inc. and Charles E. Edwards, Civil Action File No. 1:00-CV-2532-JTC (N.D. Ga.)	2 Defendants	U.S. District Court for the Northern District of Georgia	Internet Securities Offering	Civil action. The SEC alleges that the defendants promoted a massive fraudulent scheme through the use of insurance agents, financial planners, marketing companies, and over the Internet, in which ETS raised more than \$300 million from over 10,000 investors; that the scheme is based upon purported investments in customer owned, coin-operated telephones offered and sold in units, involving a telephone, site lease, lease/back agreement and buy/back agreement, that constitute securities; that no registration statement was filed with the Commission in connection with these securities; that investors were not told that ETS was losing money, had a negative net worth, and was dependent on revenue from new investors to sustain its operations.

<i>Filing Date</i>	<i>Matter</i>	<i>Number of Defendants or Respondents</i>	<i>Place of Filing</i>	<i>Net component</i>	<i>Summary</i>
9/29/2000	In the Matter of CGI Capital, Inc. (Admin. Proc. File No. 3-10331)	1 Respondent	Administrative Proceeding	Internet Website and E-mail	<p><i>Please note that these summaries represent synopses of the SEC's allegations. Review of SEC filings, court documents, administrative proceeding files, and other relevant documents is required for a complete understanding of each action.</i></p> <p>Administrative proceeding. The Commission found that CGI violated the registration provisions of the Securities Act. The Commission also found that from August 1999 through December 1999, CGI Capital solicited thousands of individuals to invest in two private placement securities offerings. The Commission also found that CGI Capital disseminated certain preliminary information about the offerings to prospective investors through e-mail messages and provided access to detailed information by giving investors a password to its website. The Commission found that some of the individuals contacted by CGI Capital did not have any pre-existing substantive relationship with CGI Capital, and CGI Capital failed to determine adequately whether they were either sophisticated or accredited investors prior to giving them access to view the online offerings on CGI Capital's website. The Commission found that in addition, CGI Capital failed to take adequate steps to restrict access to its website. The Commission found that because the securities being offered were not registered with the Commission or exempt from registration, CGI Capital violated Section 5 of the Securities Act.</p>

<i>Filing Date</i>	<i>Matter</i>	<i>Number of Defendants or Respondents</i>	<i>Place of Filing</i>	<i>Net component</i>	<i>Summary</i> <i>Please note that these summaries represent synopses of the SEC's allegations. Review of SEC filings, court documents, administrative proceeding files, and other relevant documents is required for a complete understanding of each action.</i>
10/3/2000	SEC v. Carl Robinson and Cellular Video Car Alarms, Inc., Civ. No. 00-Civ. 7452 (RMB) (S.D.N.Y.)	2 Defendants	U.S. District Court for the Southern District of New York	Internet Website	<p>Civil action. The SEC alleges that defendants Carl Robinson and Cellular Video Car Alarms, Inc., defrauded investors of more than \$400,000 by offering and selling unregistered shares of the company's stock based on false, deceptive and misleading statements made on Cellular Video's Internet website, and in the print media; that Cellular Video purportedly makes a car alarm system that transmits images and sounds from a camera connected to a cell phone inside an automobile to either a video phone or any other receiver the owner may choose; that Cellular Video does not have even a working prototype of the product; that the defendants have also falsely claimed, at various times, to have co-marketing agreements with "AT&amp;T" and "Nokia." Allegedly, Cellular Video raised money from investors by making unsubstantiated optimistic financial projections about the potential sales and profitability of the company.</p> <p>In coordination with the Commission's action, the Attorneys General of two states also commenced actions against the defendants. The Attorney General of New York brought an action against the same defendants seeking and obtaining an injunction preventing the company from using the Internet to solicit New York investors. The Attorney General of Maryland brought an administrative proceeding against the same defendants alleging violations of the Maryland securities laws, including fraud in connection with the sale of securities.</p>



<i>Filing Date</i>	<i>Matter</i>	<i>Number of Defendants or Respondents</i>	<i>Place of Filing</i>	<i>Net component</i>	<i>Summary</i>
10/5/2000	SEC v. TLC Investments & Trade Co., TLC America, Inc. d/b/a Brea Development Company, et al., Civil Action No. SACV 00-960 DOC (EEX) (C.D. Cal.)	9 Defendants	U.S. District Court for the Central District of California	Sale of Fraudulent Securities over the Internet	<p><i>Please note that these summaries represent synopses of the SEC's allegations. Review of SEC filings, court documents, administrative proceeding files, and other relevant documents is required for a complete understanding of each action.</i></p> <p>Civil action. The SEC alleges defendants Ernest F. Cossey, Gary W. Williams, entities controlled by them, and Thomas G. Cloud and his company have used the Internet to raise at least \$156 million from more than 2,600 investors, including numerous senior citizens, purportedly for the purpose of investing in distressed real estate. The SEC alleges that in fact, Cossey, Williams and the TLC Entities are currently operating an undisclosed Ponzi scheme using client funds to make interest payments; that Cossey and Williams have misused at least \$28.3 million in investor funds to pay other investors, invest in a prime bank scheme, buy racehorses, make charitable contributions for Cossey's son and wire funds overseas; and that Cloud and his company, Cloud &amp; Associates Consulting, Inc. ("C&amp;A"), misrepresented, among other things, the commissions they received on sales of interests in the TLC Entities, falsely claiming C&amp;A had received no commissions when, in fact, C&amp;A has received at least \$1 million in commissions through July 2000.</p>

<i>Filing Date</i>	<i>Matter</i>	<i>Number of Defendants or Respondents</i>	<i>Place of Filing</i>	<i>Net component</i>	<i>Summary</i>
10/5/2000	SEC v. Robert F. Moore, individually and d/b/a The Kingdom of Enenkio, No. CV-0000651-SOM (D. Haw.)	2 Defendants	U.S. District Court for the District of Hawaii	Internet Website, E-mail and Internet Bulletin Board Postings	<p><i>Please note that these summaries represent synopses of the SEC's allegations. Review of SEC filings, court documents, administrative proceeding files, and other relevant documents is required for a complete understanding of each action.</i></p> <p>Civil action. The SEC alleges that Moore, a resident of Honolulu, Hawaii, is holding himself out to be the head of State of The Kingdom of Enenkio; that Moore is currently conducting a \$1 billion offering of "Enenkio Gold War bonds" on an Internet Web site (www.Enenkio.org), through e-mail solicitations sent worldwide, and in postings to various Internet bulletin boards; that Enenkio asserts ancestral tribunal rights to Wake Island and atolls in the Marshall Islands chain and claims an intention to develop its territories; that, the Kingdom of Enenkio is not recognized in any international forum as a sovereign state nor is it a corporate or statutory entity; that Moore's offering materials represent that the bonds will pay a compound interest rate of ten percent after 5 years; that Moore represents that the bonds are "backed by gold reserves, guarantees, real property or other assets"; that in fact Moore has no gold reserves and no security, real property or otherwise, exists for the bonds; and that the bonds have not been registered with the Commission and no exemption for registration applies.</p>