

C L A S S A C T I O N R E P O R T E R

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ACRES GAMING: NV Court Refuses Motion To Enjoin Merger With IGT

The Nevada Supreme Court refused to enjoin the merger between Acres Gaming, Inc. and International Game Technology (IGT), as requested by plaintiffs in a class action filed against Acres Gaming and its directors, titled "Paul Miller v. Acres Gaming Incorporated, et al., Case No. 470016.

The suit was filed in the Clark County, Nevada District Court against the Company and its directors, alleging that the Company's directors breached their fiduciary duties to stockholders in connection with the approval of the merger transaction between the Company and IGT and seeks to enjoin and/or void the merger agreement among other forms of relief.

On September 19, 2003, the judge presiding over the case denied plaintiff's motion for a temporary restraining order (TRO) to prevent Acres stockholders from voting on the merger. On September 24, 2003, plaintiff petitioned the Nevada Supreme Court to vacate the denial of the TRO and to enjoin the Company from holding its stockholder vote on the merger.

ANALYTICAL SURVEYS: SEC Files Cease-And-Desist Order Over Fraud

The Securities and Exchange Commission entered an Order Instituting Cease-and-Desist Proceedings, Making Findings, and Imposing a Cease-and-Desist Order Pursuant to Section 21C of the Securities Exchange Act of 1934 against Analytical Surveys, Inc. (ASI).

ASI consented to the entry of the Order without admitting or denying the findings of the Commission. In the Order, the Commission found that ASI violated reporting, books and records, and internal controls provisions of the federal securities laws.

More specifically, the Commission found that on or about October 1, 1998 through on or about December 31, 1999, ASI's employees misallocated direct contract costs to overhead on certain contracts, improperly shifted costs from contract to contract, and improperly lowered estimates of total direct costs on certain contracts.

The Commission also found that as a result of this conduct, ASI filed fiscal 1999 quarterly reports and a fiscal 1999 annual report that contained inflated revenue and earnings figures. The Commission further found that ASI employees frequently changed estimates of total direct costs with no review by others and no written record of the reason for the change; that each of ASI's facilities was supposed to review its direct cost estimates monthly, but one facility essentially stopped conducting reviews in or about 1998; that ASI's accounting staff did not regularly review charges to overhead or fluctuations in cost estimates for propriety and accuracy; and that ASI had no internal audit function.

AKORN INC.: Cease-And-Desist Proceeding Over Stock Fraud Filed

The United States Securities and Exchange Commission ordered Akorn, Inc., a Louisiana corporation headquartered in Buffalo Grove, Illinois that manufactures and markets pharmaceuticals, to cease and desist from violating certain federal securities laws that require companies to file accurate periodic reports with the Commission and to keep accurate books and records and to maintain sufficient internal controls.

In the Order, the commission found that, in Akorn's Form 10-K for the fiscal year ended December 31, 2000, Akorn issued audited financial statements that were not accurate and were not in accordance with generally accepted accounting principles. Akorn's problems resulted from numerous internal control and books and records deficiencies that prevented the company from accurately recording, reconciling and aging its receivables from its wholesale drug distributor customers who comprised 60 percent of Akorn's accounts receivables during 2000.

Despite these problems, Akorn did not establish a reserve for those accounts receivable nor did it disclose any impairment of those receivables. In its 2000 Form 10-K, Akorn failed to disclose this impairment to its accounts receivable, Akorn's largest asset, and materially overstated its accounts receivable balance by at least \$7 million. Thereafter, in its Form 10-Q for the quarter ended March 31, 2001, Akorn increased its accounts receivable reserve for doubtful accounts by \$7.5 million or 10 percent of reported net sales for fiscal year 2000, but explained the increase as resulting from a change in estimate "(b)ased upon its recent unsuccessful efforts to collect past due balances."

Akorn did not disclose that the reserve increase resulted from its lack of internal controls and its failure to accurately compute, age and monitor its accounts receivable.

Akorn consented to the entry of the Order Instituting Cease-and-Desist Proceedings, Making Findings and Imposing a Cease-and-Desist Order without admitting or denying the Commission's findings. In addition, Akorn undertook to hire an independent consultant to report on internal controls involving the company's accounts receivable.

AUSTRALIA: Ruling Issued v. Mass-Marketed Tax Scheme Promoters

A group of small investors who lost \$2 million in a Queensland cotton project have won a class action that could open the way for a wave of litigation against the promoters of mass-marketed tax schemes, the Australian Financial Review reports. A recent Federal Court decision is one of the first judgments against a promoter of the mass-marketed tax schemes that caught up more than 40,000 people and put \$2 billion in tax revenue at risk during the late 1990s.

"The decision will send a message to the promoters and operators of managed investment schemes," said plaintiff lawyer Michael Duffy of Maurice Blackburn Cashman, the law firm which represented 83 investors.

The findings apply to the responsible entity of the scheme, Corporate Investment Australia Funds Management Ltd (CIAFM), and the project's custodian, Cardinal Financial Securities Limited (now in liquidation). Former federal agriculture minister John Kerin was a director of CIAFM, but Judge Ray Finkelstein made no findings against him.

CIAFM and Cardinal are also being sued by dozens of investors in TrackNet, a failed tax-effective technology venture. The cotton case was brought by investor Justin Spangaro, who put \$56,940 into the project after learning about the scheme from his financial planner. Mr. Spangaro bought shares and participating interests in the Australian Cotton Project, which was to operate a cotton farm on the banks of the Condamine River in southern Queensland.

"But the project failed to attract enough investor interest by the declared deadline," Mr. Duffy, plaintiffs' lawyer, said. "Despite the fact that the company failed to buy the land, plant the seed or get anywhere close to harvesting cotton, it has not returned any money to investors. The court found that most of the investor monies should have been returned when the project failed to reach its minimum subscription by the publicized deadline."

Under the existing system of "joint and several liability," investors can try to recover the full amount of their loss from "deep pockets" defendants such as the insurance company behind a financial planner or promoter, who often may be insolvent.

Under the principle of "proportionate liability," defendants will be liable only for the share of the loss they have caused,

shifting the risk of insolvency from defendants to the plaintiffs.

While the federal government is pushing through a financial licensing regime to protect consumers, Mr. Duffy said those reforms "will be outweighed by proportionate liability, which shifts the risk from promoters to investors."

AVANEX CORPORATION: Agrees To Settle Securities Suit in S.D. NY

Avanex Corporation agreed to settle a consolidated securities class action filed against it, certain of its officers and directors, and various underwriters in its initial public offering (IPO) in the United States District Court for the Southern District of New York, captioned "In re Avanex Corp. Initial Public Offering Securities Litigation, Civil Action No. 01 Civ. 6890."

The consolidated amended complaint in the action generally alleges that various investment bank underwriters engaged in improper and undisclosed activities related to the allocation of shares in Avanex's IPO. Plaintiffs have brought claims for violation of several provisions of the federal securities laws against those underwriters, and also against Avanex and certain of its directors and officers, seeking unspecified damages on behalf of a purported class of purchasers of Avanex's common stock between February 3, 2000, and December 6, 2000.

Various plaintiffs have filed similar actions asserting virtually identical allegations against more than 40 investment banks and 250 other companies. All of these "IPO allocation" securities class actions currently pending in the Southern District of New York have been assigned to Judge Shira A. Scheindlin for coordinated pretrial proceedings as "In re Initial Public Offering Securities Litigation, 21 MC 92."

On October 9, 2002, the claims against the Company's directors and officers were dismissed without prejudice pursuant to a tolling agreement. The issuer defendants filed a coordinated motion to dismiss all common pleading issues, which the Court granted in part and denied in part in an order dated February 19, 2003. The court's order did not dismiss the Section 10(b) or Section 11 claims against the Company.

A proposal has been made for the settlement and release of claims against the issuer defendants, including Avanex, which has been approved (subject to the conditions noted below) by a special committee of the Company's Board of Directors. The settlement is subject to a number of conditions, including approval of the proposed settling parties and the court.

BARNEY'S NEW YORK: Reaches Settlement For CA Unfair Trade Suit

Barney's New York, Inc. settled a class action filed against it in the Superior Court for the State of California, County of

San Diego. The complaint alleged two causes of action for purported violations of California's Civil Code and Business and Professions Code relating to the alleged requesting by the Company of certain information.

The complaint sought relief on a class basis under the statutes permitting a plaintiff to recover a fine, in the discretion of the court, and such other damages, which each member of the class may have suffered as a result of our alleged conduct. The complaint further sought an accounting of all moneys and profits received by the Company in connection with the alleged violations as well as injunctive relief with respect to the alleged practices. Certification of the class and attorneys fees were sought by the complaint as well.

BOTTOMLINE TECHNOLOGIES: Reaches Agreement For Securities Suit

Bottomline Technologies, Inc. agreed to settle the securities class action filed in the United States District Court for the Southern District of New York against it and:

- (1) Daniel M. McGurl,
- (2) Robert A. Eberle,
- (3) FleetBoston Robertson Stephens, Inc.,
- (4) Deutsche Banc Alex Brown Inc.,
- (5) CIBC World Markets and J.P. Morgan Chase & Co.

The consolidated suit, titled "In re Bottomline Technologies Inc. Initial Public Offering Securities Litigation," asserts claims under Sections 11, 12(2) and 15 of the Securities Act of 1933, as amended, and Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended.

The amended complaint asserts, among other things, that the description in the Company's prospectus for its initial public offering was materially false and misleading in describing the compensation to be earned by the underwriters of its offering, and in not describing certain alleged arrangements among underwriters and initial purchasers of the Company's common stock from the underwriters.

The amended complaint seeks damages (or, in the alternative, tender of the plaintiffs' and the class' Bottomline common stock and rescission of their purchases of the Company's common stock purchased in the initial public offering), costs, attorneys' fees, experts' fees and other expenses.

In July 2002, Bottomline, Mr. McGurl and Mr. Eberle joined in an omnibus motion to dismiss, which challenged the legal sufficiency of plaintiffs' claims. The motion was filed on behalf of hundreds of issuer and individual defendants named in similar lawsuits. Plaintiffs opposed the motion, and the court

heard oral argument on the motion in early November 2002.

On February 19, 2003, the court issued an order denying the motion to dismiss as to the Company. In addition, in early October 2002, Daniel M. McGurl and Robert A. Eberle were dismissed from this case without prejudice.

A special litigation committee of the board of directors of Bottomline has authorized Bottomline to negotiate a settlement of the pending claims substantially consistent with a memorandum of understanding negotiated among class plaintiffs, all issuer defendants and their insurers. Any such settlement would be subject to approval by the court.

CATHOLIC CHURCH: VT Diocese Working To Settle Sex Abuse Lawsuits

Vermont's Roman Catholic Church is working to settle a lawsuit filed last December by 34-year-old former Massachusetts resident Paul Babeu, who alleges that as a teenager he was abused by former Ludlow pastor, Rev. George Paulin on an overnight visit to Vermont's Northeast Kingdom, in the late 1980s, AP Newswire reports.

According to a report published last year by the New Yorker magazine, former Massachusetts priest Richard Lavigne, a convicted child molester, drove Mr. Babeu to Vermont to leave him alone with Rev. Paulin. Mr. Babeu said that family members reported the incident to then-Vermont Catholic Bishop John Marshall, who responded in a letter to them dated March 13, 1987, "I was disappointed and disturbed in learning about the allegations against Paulin, inasmuch as I have never heard any rumor, innuendo or complaint directly or indirectly that would indicate that he possessed pedophilic tendencies."

Mr. Babeu heard nothing more for 16 years. Then Vermont's Catholic diocese said last year it was placing Rev. Paulin on leave at the same time as the state attorney general's office began investigating decades of alleged priest misconduct.

The diocese's lawyer, William M. O'Brien of Winooski, said he hoped the church could move on to settle at least three other lawsuits. "We are anxious to resolve every case," Mr. O'Brien said, "but that has to do a lot with the plaintiffs' expectations and demands."

The Diocese of Burlington doesn't have insurance for such cases, so it will have to be able to pay for any settlements with resources on hand. The diocese has about \$23.4 million in assets, not including property held by individual parishes, according to a 2002 audit.

"We are in negotiations with the Burlington Diocese," Plaintiff's attorney Thomas Bixby told the Rutland Herald.

CATHOLIC CHURCH: Advocates Laud Landmark Sex Abuse Settlement

The \$500,000 settlement proposed by the Archdiocese of Miami for a lawsuit filed on behalf of an 11-year old boy who accused Diocese priest Rev. Trevor Smith of molesting him in a nursing home, could lead to other settlements. The offer represents the first settlement of its kind for the archdiocese, which faces more than two dozen similar lawsuits, the SunSentinel.com reports.

When a case like this is settled it says, `Yes, we believe you. We made some mistakes and we're trying to correct them,' said Hollywood attorney Jeff Herman, who represents the family. "This was a number that we believe was fair and provides closure for this young victim."

Atty. Herman filed the lawsuit on the child's behalf in Miami-Dade County Circuit Court in September 2002, shortly after the boy told his mother that Rev. Smith, the priest they had turned to for years for spiritual guidance, had been molesting him when they visited a relative at the Villa Maria Nursing and Rehabilitation Center in Miami.

Unlike the hundreds of settlements that have been reached between church officials and their accusers nationwide, in this case the boy's family is not bound by the confidentiality agreements that typically accompany such agreements.

"It's important that everything is transparent so that the victims know that there's no reason to be afraid or to hide anything," said Atty. Herman, who is pursuing 11 other cases of sexual abuse against the Miami Archdiocese. "I don't believe in hush money."

In a statement released Thursday, the Miami Archdiocese said the settlement was not an admission of guilt. "However, based on the advice of our legal counsel and factoring in the cost of protracted litigation, the Archdiocese decided to resolve this matter without further litigation," the statement said.

The boy's mother said, in a statement, that her son was doing better and hoped "with time he will put all of this behind him." She said that her sons have decided to discontinue their plans for confirmation and communion "or attending church for that matter. We are still hurt Catholics that can no longer trust the people that run the Catholic church," she wrote.

Atty. Herman reached the settlement with the archdiocese in only one year, which advocates for alleged victims of abuse by priests said was rare.

"In a case like this, with a younger priest and younger victims, church officials, I think, have a great incentive to settle before multiple victims come forward," said David Clohessy, executive director of Survivor's Network of Those Abused by Priests, an advocacy organization for victims of priests' sexual abuses.

A civil settlement does not protect Smith from any possible criminal investigation. "Civil issues are civil issues," said Ed Griffith, a spokesman for the Miami-Dade State Attorney's Office, which is investigating the case. "Every priest allegation that has been brought to our attention has been reviewed."

CHILDREN'S HOSPITAL: Negative State Review Scores Patient Care

The Children's Hospital of Boston faces a negative state review, which criticized its handling of four cases in the past 13 months, the Associated Press reports.

Three people died, including a 5-year old boy having an epileptic seizure, where doctors thought someone else was in charge. Two years ago, the hospital was blamed for "systems problems" that partially caused the death of a toddler, who suffered fatal brain damage while waiting overnight for surgery.

The Harvard-affiliated teaching hospital is regarded as the finest in its field and as a place of cutting-edge medicine and apparent miracles, but it is now facing one of its lowest moments after the state review criticized the way it is operating. The hospital now faces a license review for Medicare treatment.

The hospital apologized in a statement, saying it was "profoundly saddened that we did not provide the high level of care to these patients." It has promised changes to make sure the same problems are never repeated, AP reports.

Several prominent hospitals have faced similar challenges in the past few months. The Duke University Medical Center in North Carolina is also under investigation by the federal Medicare agency, after 17-year-old Jesica Santillan died after a transplant operation there in which she was given organs that did not match her blood type.

At Duke University Hospital, a flash fire that burned a 2-day-old baby, and an infant suffered burns from overheated air in an incubator. Last year, New York's Mount Sinai Hospital suspended its liver transplant program using living donors when a donor died from an infection due in part to inadequate supervision. The program was allowed to resume this year, AP reports.

According to the Institute of Medicine, an estimated 98,000 people die each year from preventable medical errors. Experts say these incidents only show a problem afflicting even the best institutions - providing exceptional treatment to a few patients is often easier than guaranteeing adequate routine care for each of the thousands they treat every year.

"Being at a place like Emory or Harvard, we often look at quality and safety in terms of the brilliant things we do," William Bornstein, chief quality officer at Atlanta's Emory Healthcare, which includes Emory University Hospital told AP.

"That's very important, but an equally important part is the routine stuff, the communications, the systems we put in place to ensure safety."

Experts add that teaching hospitals are more vulnerable to breakdowns, because their expertise attracts particularly complex medical problems and their teaching mission requires them to involve medical students and young doctors as part of their training.

Several experts on medical organizations say the problems at Children's are no surprise. They assume them to be present elsewhere because hospital procedures are still too vulnerable to human error.

"You can bet at that hospital and any hospital there are people all day long who are being heroes, protecting people from errors," Dr. Donald Berwick, president and chief executive of the Institute for Healthcare Improvement and a professor of pediatrics and health care policy at Harvard Medical School told AP. "A test gets lost, but they find it. There's a miscommunication, but they try again and get it. A wrong drug gets sent, but they see it and go back to the pharmacy."

Children's spokeswoman Michelle Davis agreed the issue was systems, not people. "We have outstanding staff that are some of the most skilled and experienced people in caring for children, but we need to have systems that support them, and our systems failed," she told AP.

CUTTER & BUCK: SEC Settles Administrative Proceeding V. Ex-CFO

The United States Securities and Exchange Commission instituted, and simultaneously settled, administrative proceedings against Stephen Scott Lowber, the former Chief Financial Officer of Cutter & Buck Inc. (Cutter), an upscale sportswear company based in Seattle, Washington.

Mr. Lowber consented, without admitting or denying the Commission's findings, to a Commission order suspending him from appearing or practicing before the Commission as an accountant. The proceedings were based on a federal court injunction entered against Mr. Lowber, by consent, on August 29, 2003.

The Commission's complaint in the federal action had alleged that Mr. Lowber, a certified public accountant, engaged in actions that resulted in Cutter filing materially false financial statements for the fiscal years ended April 30, 2000 and April 30, 2001.

According to the complaint, Cutter shipped \$5.7 million in products to three distributors who had no obligation to pay for the goods unless Cutter found customers for the goods, improperly recognizing revenue in violation of Generally Accepted Accounting Principles (GAAP).

According to the complaint, Mr. Lowber knew or was reckless in not knowing that the distributors did not have the financial ability to pay for the products. The complaint further alleged that, when the distributors subsequently returned the products to Cutter, Mr. Lowber directed Cutter personnel to record the returns in a manner that would conceal them from the company's independent auditors.

DAIMLERCHRYSLER AG: To Settle Lawsuit Over Dust Damage Claims

German automaker DaimlerChrysler AG has agreed to pay \$200,000 to settle a class action brought by mobile home residents, who blamed the automaker's Trenton Engine Plant for spewing paint-eating dust over their homes and vehicles, the Detroit News reports.

Wayne Circuit Court Judge Michael F. Sapala last month ordered that the suit, filed by Detroit attorney Peter W. Macuga II, in October 2002, on behalf of three residents in Parkview Estates Mobile Home Park on West Jefferson near Van Horn in Trenton, be elevated to class action status, meaning the original plaintiffs and all others so affected. If the settlement is approved during a hearing scheduled for Wednesday, October 8, each of the 140 plaintiffs will receive \$800.

The dispute began back in August 2002, according to Robert Demyanovich, chairman of the Trenton Environmental Advisory Board, when about 27 residents of Parkview Estates attended a meeting of the advisory board complaining about a dust that damaged the paint on their cars and mobile homes.

"Some of us had to have our cars rubbed out," Parkview Estates resident Bob Williams, 64, one of the original plaintiffs in the case told the Detroit News. "Some people were worried about their health."

DaimlerChrysler contends the dust did not come from its Trenton operations. "We really don't believe it was coming from us," Chrysler Group spokeswoman Kathy Graham told the Detroit News. "We'll go through with it so we can close the chapter on this and move on."

ERNST & YOUNG: SEC Files Securities Proceedings V. Ex-Employees

The Securities and Exchange Commission (SEC) instituted two administrative proceedings against three current and former Ernst & Young (E&Y) employees, alleging that the three engaged in unethical and improper professional conduct under Rule 102(e)(1) of the Commission's Rules of Practice.

The Commission's orders instituting the proceedings allege that former E&Y audit partner Thomas Trauger, assisted by senior manager Oliver Flanagan and manager Michael Mullen, altered the E&Y working papers for the fiscal year 2000 audit of E&Y client

NextCard, Inc. The alterations and deletions were made months after the audit had been completed and the working papers had been signed and archived. NextCard was a publicly-traded, San Francisco-based issuer of credit cards over the Internet.

The orders allege that Mr. Trauger directed Mr. Flanagan and Mr. Mullen to alter the NextCard working papers as well as delete information from them. He also instructed Mr. Flanagan to destroy documents inconsistent with the changes he was directing, and Mr. Flanagan complied in part. The alterations and deletions made it appear as though E&Y had thoroughly considered all of the appropriate issues and available facts relating to NextCard's allowance for loan losses (allowance) and NextCard's securitization of receivables.

The Order further alleges that the alterations and deletions were in response to the October 2001 announcement by NextCard that the Office of the Comptroller of the Currency (OCC) and Federal Deposit Insurance Corporation (FDIC) were requiring NextCard's bank subsidiary, NextBank, to revise certain accounting treatments affecting the allowance and securitizations. After altering the working papers for NextCard's 2000 audit, Mr. Trauger, Mr. Flanagan, and Mr. Mullen provided the altered documents to E&Y's legal department for production in response to a subpoena from the OCC and later subpoenas from the FDIC and SEC.

The SEC seeks an order denying Mr. Trauger and Mr. Mullen the privilege of appearing or practicing before the SEC. Simultaneously with the institution of the separate administrative proceedings against him, Mr. Flanagan agreed to settle with the SEC. Without admitting or denying the findings of the SEC, Mr. Flanagan, who resides in Ireland, consented to an order denying him the privilege of appearing or practicing before the Commission. Pursuant to the order, Mr. Flanagan may request that the SEC consider his reinstatement after three (3) years.

EXTREME NETWORKS: Agrees To Settle Securities Lawsuit in S.D. NY

Extreme Networks, Inc. reaches agreement to settle the consolidated securities class action filed in the United States District Court for the Southern District of New York, captioned as "In re Extreme Networks, Inc. Initial Public Offering Securities Litigation, Civ. No. 01-6143 (SAS) (S.D.N.Y.), related to In re Initial Public Offering Securities Litigation, 21 MC 92 (SAS) (S.D.N.Y.)." on behalf of all persons who purchased the Company's common stock from April 8, 1999 through December 6, 2000.

It names as defendants the Company, six of its present and former officers and/or directors, including its CEO and several investment banking firms that served as underwriters of its initial public offering and October 1999 secondary offering. Subsequently, plaintiffs and one of the individual defendants stipulated to a dismissal of that defendant without prejudice.

The complaint alleges liability under Sections 11 and 15 of the Securities Act of 1933 and Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, on the grounds that the registration statement for the offerings did not disclose that:

- (1) the underwriters had agreed to allow certain customers to purchase shares in the offerings in exchange for excess commissions paid to the underwriters; and
- (2) the underwriters had arranged for certain customers to purchase additional shares in the aftermarket at predetermined prices.

The Securities Act allegations against the Company defendants are made as to the secondary offering only. The amended complaint also alleges that false analyst reports were issued. No specific damages are claimed. Similar allegations were made in other lawsuits challenging over 300 other initial public offerings and follow-on offerings conducted in 1999 and 2000. The cases were consolidated for pretrial purposes.

On February 19, 2003, the Court ruled on all defendants' motions to dismiss. The court denied the motions to dismiss the claims in its case under the Securities Act of 1933. The court denied the motion to dismiss the claim under Section 10(a) of the Securities Exchange Act of 1934 against the Company and 184 other issuer defendants, on the basis that the complaints alleged that the respective issuers had acquired companies or conducted follow-on offerings after their initial public offerings.

The court denied the motion to dismiss the claims under Section 10(a) and 20(a) of the Securities Exchange Act of 1934 against the remaining Company Defendants and 59 other individual defendants, on the basis that the respective amended complaints alleged that the individuals sold stock.

The Company has decided to accept a settlement proposal presented to all issuer defendants. In this settlement, plaintiffs will dismiss and release all claims against the Extreme Network Defendants, in exchange for a contingent payment by the insurance companies collectively responsible for insuring the issuers in all of the IPO cases, and for the assignment or surrender of control of certain claims the Company may have against the underwriters.

The settlement will require approval of the court, which cannot be assured, after class members are given the opportunity to object to the settlement or opt out of the settlement. If the settlement is not approved, the Company cannot assure you that it will prevail in the lawsuit. Failure to prevail could have a material adverse effect on the Company's consolidated financial position, results of operations and cash flows in the future.

FEN-PHEN LITIGATION: Attorneys Say Many of Fund Claims Were Fake

A "huge number" of claimants in the \$3.75 billion trust fund set up by Wyeth, Inc. for people who took the fen-phen diet drugs Pondimin and Redux may not have suffered heart-valve damage as claimed, and shouldn't be paid, an attorney for the trust revealed, the Associated Press reports.

About 6 million people took the two druges before Wyeth recalled them in 1997. Several lawsuits later, Wyeth agreed to set up the trust fund for the class. Wyeth has already paid more than \$13 billion in claims related to the drugs.

More than 100,000 people applied for the claims, and sent telltale echocardiograms that would entitle them to be part of the fund. However, last fall, federal judge Harvey J. Bartle III ordered a total review after finding a high percentage of unjustified claims, causing payments to hundreds to be tossed out. He also blocked two New York law firms from collecting shares of the settlement after ruling that they had submitted unjustified claims.

"A huge number were problematic," Richard L. Scheff, an attorney for the Philadelphia-based trust handling the distribution of the settlement told the Associated Press. "There is an enormous task to be done to separate the wheat from the chaff."

The trust also sued a Kansas City doctor who had been assisting with the filing of claims, saying she diagnosed thousands of people as being ill without properly evaluating their health. Trust officials also set up a toll-free hotline for people to report fraud, threatened to turn over evidence of wrongdoing to prosecutors and asked lawyers to have doctors reevaluate thousands of cases to confirm their diagnoses.

Some lawyers with clients who applied for a share of the settlement have been surprised by the ferocity of the crackdown. Attorney Joseph Langston, who represents about 2,000 clients in the settlement, told AP he plans to have all of his claims re-examined to avoid running into problems with the auditors.

"We're instructing our cardiologists to read these echocardiograms again, and only certify cases where there is no question that the person suffered some damage," Mr. Langston said. "We are going to do this more strictly, more narrowly."

Under the original terms of the settlement, the trust largely left the work of determining who had been hurt by the drugs to cardiologists hired by the law firms, and only 15 percent of the claims submitted were audited. The rest were to be paid without question or review, AP reports.

"The assumption was that everyone would be honest," Mr. Scheff said. Now, every claim must go through the audit process. Mr. Scheff declined to say what percentage of claims was being rejected, but he described the number as "zillions."

Wyeth spokesman Lowell Weiner declined to comment on the audit, AP states.

HANDSPRING INC.: Reaches Settlement For IPO Lawsuit in S.D. NY

Handspring, Inc. agreed to settle the consolidated securities class action filed in the United States District Court for the Southern District of New York against it, two of its officers, the underwriters for the Company's initial public offering.

The suit asserted that the prospectus for the Company's June 20, 2000 initial public offering failed to disclose certain alleged actions by the underwriters for the offering. The suit alleged claims against the Company and two of its officers under Sections 11 and 15 of the Securities Act of 1933, as amended, and under Section 10(b) and Section 20(a) of the Securities Exchange Act of 1934, as amended.

On October 9, 2002, the Company officers named as defendants were dismissed without prejudice from these cases by court order. On July 9, 2003, a committee of the Company's Board of Directors conditionally approved a proposed partial settlement with the plaintiffs in this matter. The settlement would provide, among other things, a release of the Company and its officers, and the Company's agreement to assign to the plaintiffs certain potential claims Handspring may have against its underwriters.

HANDSPRING INC.: Faces Two DE Securities Suits Over Palm Merger

Handspring, Inc. faces two class actions filed in the Delaware Chancery Court, New Castle County, on behalf of Handspring stockholders against it, Palm, and a number of individuals alleged to be directors of Handspring.

Both actions contain substantially identical allegations that the individual defendants breached their fiduciary duties to the Company and its stockholders in connection with the proposed merger of Handspring and Palm that was publicly announced on June 4, 2003, and that Palm aided and abetted these breaches of fiduciary duty.

On June 23, 2003, an amended complaint was filed in one the two lawsuits. This amended complaint did not change the substantive allegations, but omitted as individual defendants persons who were not directors of Handspring.

The complaints seek to enjoin the proposed merger, to rescind the merger if it is not enjoined, to recover unspecified compensatory damages, and award unspecified attorneys' fees and costs. There is no date fixed for the defendants to respond either to the complaints or to plaintiffs' written discovery requests. Plaintiffs have not filed a motion for preliminary injunction, and there is no trial date.

HANDSPRING INC.: Dismissed as Defendant in CSFB Securities Suit

Handspring, Inc., one of its current officers and one of its former officers were dismissed as defendants in the class action filed against Credit Suisse First Boston Corporation and approximately 50 of its clients, in the United States District Court for the Southern District of Florida.

The complaint asserted wrongdoing relating to various initial public offerings in which Credit Suisse First Boston was involved between 1999 and 2001. Among other things, the complaint alleges that the Company and/or its named current and former officers, violated Section 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and under Section 15 of the Securities Act of 1933, as amended.

IBM: Cancer Scare Suit Could Influence Similar Future Litigation

The case to be filed next week against IBM, the world's largest computer maker, on behalf of former factory employees who contracted cancer allegedly caused by chemicals used in one of its San Jose plants could settle longstanding questions about the safety of electronics manufacturing and influence the way semiconductor and electronics firms do business, the Mercury News.com reports.

The suit was filed on behalf Alida Hernandez, James Moore and Maria Santiago, who have been battling breast cancer or non-Hodgkin's lymphoma, and the survivors of a fourth Suzanne Rubio, who died from cancer in 1991. The suit alleges that the Company knew cancer-causing chemicals used in one of its San Jose plants poisoned the four while they worked on a disk drive assembly line, and then masterfully covered it up.

"The case could be precedent-setting," said Craig Bloomgarden, a toxic tort and environmental litigator with Steefel, Levitt & Weiss LLP, a San Francisco-based legal firm that has defended large corporations in similar cases.

If the plaintiffs win, more lawsuits will follow, Bloomgarden said. If they lose, he said, hundreds of other pending lawsuits -- and the evidence they might bring to light -- will disappear.

Retired IBM employee Sammie Burch, who keeps in touch with more than 100 of her former colleagues from the Cottle Road plant in San Jose, where she spent 15 years working in the manufacturing "clean rooms," says that, these days, her group e-mails center more on "gloom and doom," the health problems of many of her former co-workers.

Plaintiff James Moore, who still wears a Rolex watch IBM gave him for 25 years of service, says that IBM betrayed workers by not fully informing them of the dangers presented by the chemicals they handled and inhaled, Mercury News reports. Mr. Moore now suffers from non-Hodgkin's lymphoma.

Richard Clapp, an epidemiologist at Boston University who analyzed an IBM "corporate mortality file" detailing the causes of death for more than 30,000 workers, said in his review that IBM workers have died of lymph, blood and breast cancer at rates higher than the general population. He also said IBM must have known this for decades.

However, health and legal experts insist this case could be difficult for the plaintiffs to win. "It's difficult to prove that particular health effects are traceable to particular exposures," said Lorenz Rhomberg, a highly regarded cancer risk assessor who often testifies on behalf of both corporations and workers in lawsuits regarding chemical exposure. "Cancer has been linked to myriad factors, including age, genetics, individual lifestyle and home environment."

It is so prevalent that the average person has a roughly 1 in 3 chance of developing cancer in his or her lifetime, he said.

However, Ms. Hernandez, who suffered from headaches, blackouts, liver troubles and eye problems while working for IBM and developed breast cancer after retiring, is convinced her job made her sick. "I wish," she told the Mercury News, "I could turn back the clock where I'd never known IBM."

IBM officials, who say their company did nothing wrong, believe the case - scheduled to go to trial October 14 in Santa Clara County Superior Court - should already be closed. "These cases simply do not belong in court," IBM spokesman Bill Hughes told Mercury News. "There is no legal or scientific support for them."

The semiconductor industry has never sponsored a study of the link between cancer and fab workers, and has fought outside inquiries. The largest public study was in 2001 when the Health and Safety Executive of the United Kingdom responded to employees' concerns at a National Semiconductor site in Scotland. The well-regarded study found elevated rates of breast, lung, brain and stomach cancer in 4,388 workers.

JAPAN: Court Orders \$1.7 Mil Compensation For Poison Gas Victims

In what lawyers for the plaintiffs call a historic verdict, Tokyo District Court Judge Yoshihiro Katayama awarded \$1.7 million in damages to a group of Chinese nationals for injuries or deaths of relatives caused by chemical shells and other weapons abandoned in China by the Japanese army after World War II, AP Newswire reports.

The decision came months after another Japanese court rejected a similar claim by a different group of Chinese - the first legal ruling on a legacy of the war that remains a sore spot between Japan and China five decades later.

"We were finally given justice," said 58-year old, Li Chen, one of 13 plaintiffs who were awarded a total of \$1.7 million. "I strongly urge the Japanese government to not appeal this ruling."

Mr. Chen, 58, said he has suffered from respiratory difficulties, dizziness and nausea since he dug up a World War II-era Japanese poison gas shell while dredging a river bed in 1974. He and the 12 other plaintiffs, including the relatives of two men who were killed when a buried explosive shell in a road building site went off, sued the Japanese government in 1996.

According to Japanese estimates, over 700,000 Japanese chemical weapons abandoned by the Imperial Japanese Army after its defeat in World War II, have killed China at least 2,000 Chinese since 1945.

Japan has admitted it produced about 7,000 tons of poison gas, mainly mustard gas and lewisite - an arsenic-based fluid that causes blisters - and stockpiled large amounts in China during the 1930s.

Bound by a 1999 international convention, the Japanese government has promised to dispose of these weapons but holds that all Chinese claims to war-related compensation were settled in 1972 when Tokyo established diplomatic relations with Beijing's communist leaders.

The Tokyo District Court echoed that argument in May when it rejected a demand by five Chinese for compensation in the first such ruling.

Japanese government officials said they would study the decision before deciding whether to appeal.

MICROSOFT CORPORATION: Poised To Settle Burst.Com Antitrust Suit

Microsoft Corporation might eventually settle the antitrust suit filed against it by Burst.com, over the manufacture of its multimedia software named "Corona," AP Newswire reports.

Following months of failed talks on multimedia transfer over the internet, Burst.com finally filed suit, alleging that Corona, announced in late 2001 and now known as Windows Media 9, does the same thing and uses ideas Burst shared with Microsoft during the discussions. The lawsuit also accuses Microsoft of shutting out potential competitors like Burst through exclusive deals and other practices that build on Microsoft's dominance with Windows. The suit seeks unspecified damages and an end to Microsoft's use of the technology.

Though Microsoft denies any wrongdoing, experts believe it's a matter of time before Microsoft seeks a settlement. This follows a ruling last month from the bench of US District Judge Frederick Motz in Baltimore who ordered the world's largest

software company to search its database for any deleted e-mails relating to those discussions with Burst.

"Microsoft has been lately on a sort of settling spree, and I think they might take a serious look at settling this case with Burst," Matt Rosoff, an analyst with Directions on Microsoft, an independent research firm in Kirkland, Washington, near Microsoft's Redmond headquarters, told AP.

In December, Judge Motz ordered Microsoft to ship Windows with the latest version of Sun's Java programming language. The preliminary injunction was later overturned on appeal, though the case itself is pending.

Bob Lande, director of the American Antitrust Institute in Washington, told AP Judge Motz's past actions indicate the judge is leery of Microsoft's arguments. "This judge hasn't believed them in the past, so he's going to approach their arguments with a bit of skepticism," he said.

The case, moved from San Francisco to Baltimore as part of a consolidation of similar lawsuits against Microsoft, is not expected to go to trial for another year, barring a settlement.

Microsoft has already settled antitrust lawsuits with the federal government and all but one state that had sued over its use of the Windows operating system to muscle out rivals, including competitors to its Web browser. The settlement gives rivals more room to offer competing software features on Windows computers.

Microsoft also faces an antitrust lawsuit from Sun Microsystems Inc., along with 12 private, state class actions filed on behalf of consumers.

In separate settlements, the company has agreed to pay AOL Time Warner Inc., \$750 million over a drop in the market share of its Netscape browser as Microsoft's Internet Explorer grew, and have come to terms with rival operating systems developer Be Inc. who argued they could not compete with Microsoft who had agreements with major computer makers to use Windows.

Microsoft spokesman Jim Desler won't comment on the likelihood of a settlement with Burst, AP states, but said, "We're always open to looking at reasonable ways to settle ongoing litigation."

The Burst dispute is over technology it believes could potentially power next-generation video-on-demand services. Its' streaming technology pushes data, through compression and other means, faster than what consumers are able to watch or hear. The extra information is stored on the user's computer and gets called upon to smooth out any disruptions resulting from network congestion.

The e-mail dispute is over evidence Burst is trying to get from Microsoft as part of the pretrial discovery process. Burst

attorney Spencer Hosie contends there are "profound gaps" in e-mails that Microsoft had produced. Mr. Hosie wants e-mails, mostly from fall 1999 through early 2001, relating to meetings about Burst's technology.

Mr. Hosie said he has 70 e-mails that went back and forth between the companies but has not been produced by Microsoft during discovery. He believes even more e-mails exist. "These were e-mails that absolutely undeniably existed once, but for some reason are no longer at Microsoft System," Mr. Hosie told the judge during an August hearing.

Mr. Desler told AP the company has cooperated and has already submitted more than 300,000 pages of documents. "This is essentially Burst's speculation that a large group of e-mails may exist," Mr. Desler said. "And that's just what it is - speculation."

Microsoft attorney John Treece argued at the time that "looking for e-mails on file server backup tapes is highly unlikely to be successful, but absolutely certain to be enormously time-consuming and expensive."

NETWORK ASSOCIATES: Agrees to Settle Securities Suits For \$70M

Securities software-maker Network Associates, Inc. agreed to settle for US\$70 million several securities class actions, filed in the United States District Court for the Northern District of California, against the Company and:

- (1) William Larson,
- (2) Prabhat Goyal and
- (3) Peter Watkins

The suit, filed on behalf of a putative class of persons who purchased the Company's stock between July 19 and December 26, 2000, asserts causes of action (and seeks unspecified damages) for alleged violations of Exchange Act Section 10(b)/ SEC Rule 10b-5 and Exchange Act Section 20(a), an earlier Class Action Reporter story (February 4, 2003) states.

In particular, the complaint alleges that defendants engaged in improper practices designed to increase the Company's revenues and earnings and that, as a result of those practices, the Company's class period financial statements were false and misleading and failed to comply with Generally Accepted Accounting Principles (GAAP).

The settlement is subject to completion of final settlement documentation and court approval following notice to members of the class and an opportunity for class members to object.

"This settlement represents a significant milestone in Network Associates' move from past issues to future opportunities," said

George Samenuk, chairman and chief executive officer of Network Associates. "I am incredibly proud of the team who has worked tirelessly to resolve these historical issues, and I look forward to a great future for Network Associates as we move ahead with the business and our focus on our customers."

NORTH CAROLINA: Approves Compensation For Sterilization Victims

North Carolina Gov. Mike Easley quietly approved a list of recommendations to compensated survivors from among the thousands of North Carolina residents who were involuntarily sterilized by the state over five decades, in the form of education benefits through the University of North Carolina and access to a health care fund, AP Newswire reports.

Gov. Easley also approved a plan to help those who were sterilized negotiate the maze of medical records needed to confirm their stories. He apologized in December for the actions of the Eugenics Board of North Carolina, which ordered sterilizations of about 7,600 people from 1929 through 1974.

Most of the victims were poor women who were often talked into sterilization by social workers. Inaccurate labels of "feeble-mindedness" were often used as justification based on eugenics, the movement to solve social problems by preventing the "unfit" from having children.

The cost of the measures hasn't been determined. Several victims, who say they are not happy with the way Gov. Easley handled the process, deciding on the compensation package without notifying either the public or the victims and the members of the study committee, continue to push for financial reparations. State Rep. Larry Womble has introduced a bill that would create a legislative study commission to consider this.

Some people say reparations are unrealistic at a time when the state is dealing with falling revenues, climbing unemployment and the recovery from Hurricane Isabel. However, Rep. Womble said he is "keeping hope alive".

"I'm not so naive as to not realize that there are other priorities, but at the same time this should take top priority," he told AP.

NVIDIA CORPORATION: SEC Settles Proceeding Against Former CFO

The United States Securities and Exchange Commission instituted, and simultaneously settled, an administrative proceeding against Christine B. Hoberg (Hoberg), former CFO of Nvidia Corporation.

Without admitting or denying the Commission's allegations, Ms. Hoberg consented to the entry of the Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing

Remedial Sanctions (Order), suspending her from appearing or practicing before the Commission as an accountant, with a right to request reinstatement after a period of five years.

The Order finds that Ms. Hoberg, pursuant to a separately filed district court action, was permanently enjoined from violating Sections 10(b) and 13(b)(5) of the Securities Exchange Act of 1934, and was ordered to pay \$494,332.84 in disgorgement of ill-gotten gains, and \$75,000 in civil penalties.

The Commission's complaint in the separate district court action alleges that Ms. Hoberg engaged in actions that resulted in Nvidia filing a materially false financial statement in the Company's Form 10-Q for the quarter ended April 30, 2000. The complaint alleged that Ms. Hoberg engaged in improper accounting practices that materially increased Nvidia's gross profit, net income and earnings per share for the quarter in a departure from generally accepted accounting principles. As alleged, these practices included participating in structuring a transaction to conceal Nvidia's obligation to repay certain cost reductions from a supplier in future periods.

In addition, the complaint alleged that Hoberg failed to disclose material information regarding Nvidia's books and records to Nvidia's independent auditors.

OHIO: Black Firefighter Candidates Commence Race Bias Lawsuit

Four black firefighter candidates have filed a discrimination lawsuit against the city of Akron, Ohio, after learning they will not be hired despite their having passed the Fire Department's exam, the Akron Beacon Journal reports. The lawsuit which was filed recently in Summit County Common Pleas Court, claims a history of discrimination aimed at keeping black candidates from becoming city firefighters, and asks for class action status.

Leveall Foster, William Graham, Aaron Prude and Deshawn Walton are asking Judge James Williams to stop Akron from certifying the results of the June examination given to the candidates. Each of the plaintiffs claims he scored a passing grade but was told he would not advance to the next steps in the hiring process.

Akron attorney Dennis R. Thompson, who filed the lawsuit on behalf of the candidates, said he wants 13 years of firefighter hiring tests reviewed before the latest class is certified. Mr. Thompson said past tests have resulted in few black hires and a great disparity in scores between black and white candidates.

"We have no problem with them hiring firefighters, just as long as they hire the best candidates. We are not looking for a leg up. We are just asking for a level playing field," said plaintiffs' attorney Dennis Thompson.

In a hearing last Friday before Judge Jane Bond, the city agreed to delay certifying the class until a hearing can be held sometime this week.

The lawsuit is also seeking a determination on whether "past discriminatory practices exist and what corrective measures are necessary." The lawsuit also asks for an order mandating that the city hire and give back-pay to blacks who have taken the test since 1990, but were "not hired due to past discriminatory practices" by the city.

The lawsuit further claims that since a consent decree regarding the hiring of blacks lapsed in 1988, the city "has returned in its practices of not recruiting or hiring qualified" blacks within the Fire Department. Since 1995, only five of the 95 firefighters hired have been black, the suit claims, and since 2000, none of the 32 hires has been black. The lawsuit questions the fairness of the exam and cited statistics that appear to show black candidates fail the test at a greater rate than whites.

In June, about 200 candidates took the written exam, the first step in the Fire Department's hiring process. The scores are ranked and the results are certified, allowing some to advance to background checks and physical fitness exams.

OPLINK COMMUNICATIONS: Agreed To Settle Securities Lawsuit in NY

Oplink Communications, Inc. agreed to settle the consolidated securities class action filed against it and certain of its officers and directors in the United States District Court for the Southern District of New York, now captioned, "In re Oplink Communications, Inc. Initial Public Offering Securities Litigation, Case No. 01-CV-9904."

In the amended complaint, the plaintiffs allege that the Company, certain of its officers and directors and the underwriters of its initial public offering (IPO) violated section 11 of the Securities Act of 1933 based on allegations that our registration statement and prospectus failed to disclose material facts regarding the compensation to be received by, and the stock allocation practices of, the IPO underwriters.

The complaint also contains a claim for violation of section 10(b) of the Securities Exchange Act of 1934 based on allegations that this omission constituted a deceit on investors. The plaintiffs seek unspecified monetary damages and other relief.

Similar complaints were filed by plaintiffs, the Plaintiffs, against hundreds of other public companies, or Issuers, that went public in the late 1990s, the IPO Lawsuits. On August 8, 2001, the IPO Lawsuits were consolidated for pretrial purposes before United States Judge Shira Scheindlin of the Southern District of New York.

On July 15, 2002, the Company joined in a global motion to dismiss the IPO Lawsuits filed by all of the Issuers (among others). On October 9, 2002, the court entered an order dismissing its named officers and directors from the IPO lawsuits without prejudice, pursuant to an agreement tolling the statute of limitations with respect to these officers and directors until September 30, 2003.

On February 19, 2003, the Court issued a decision denying the motion to dismiss the Section 11 claims against the Company and almost all of the Issuers, and granting the motion to dismiss the Section 10(b) claim against it. The Section 10(b) claim was dismissed without leave to amend.

In June 2003, Issuers and Plaintiffs reached a tentative settlement agreement that would, among other things, result in the dismissal with prejudice of all claims against the Issuers and their officers and directors in the IPO Lawsuits. In addition, the tentative settlement guarantees that, in the event that the Plaintiffs recover less than \$1 billion in settlement or judgment against the Underwriter defendants in the IPO Lawsuits, the Plaintiffs will be entitled to recover the difference between the actual recovery and \$1 billion from the insurers for the Issuers. Although the Company have approved this settlement proposal in principle, it remains subject to a number of procedural conditions, as well as formal approval by the court.

PENNSYLVANIA: Philadelphia Agrees To Pay \$206,000 to Diabetics

Under a settlement approved by a federal judge, the city of Philadelphia has agreed to pay \$206,000 to diabetics who allege they were denied proper medical care while detained by police, AP Newswire reports.

The lawsuit, which included more than 250 diabetics, was first brought by Stephen Rosen, the diabetic owner of an adult cabaret, who said he nearly died when denied medical care after a 1999 arrest for a liquor code violation.

The city will send checks to 256 claimants ranging from \$200 to \$5,000, Alan Yatvin, the lawyer who filed the original lawsuit on behalf of Mr. Rosen, told AP. Eight of the most seriously injured plaintiffs, including Mr. Rosen, chose not to participate in the settlement, which also calls for police and city lockup staff to undergo new training on how to handle people with diabetes.

As part of the agreement, the city will provide all diabetic adults who are arrested or detained a blood-glucose test, medically needed food or medicine, and hospital care if needed.

Police changed procedures for handling people with diabetes after the lawsuit was filed, and people who are arrested and identify themselves as diabetic are taken to facilities with

medical care, Jeffrey Scott, divisional deputy city solicitor, told the judge.

TRADE-WINDS ENVIRONMENTAL: Agrees To Settle NY Employee Lawsuit

Trade-Winds Environmental Restoration, Inc. agreed to settle a class action, titled "Nicolai Grib and Vladislav Kazarov v. Trade-Winds Environmental Restoration, Inc. and Gulf Insurance Company" filed in the New York State Supreme Court, County of New York, where it was named as a third party defendant. The suit was filed on behalf of a class of plaintiffs claiming to be entitled to additional wages while working for a subcontractor of Trade-Winds.

The Company settled this dispute in fiscal 2003 for approximately \$500,000. Such settlement is included in accrued expenses and is expected to be paid in fiscal 2004.

VERISIGN: Consumers Lodge Antitrust Lawsuit over Domain Redirect

Internet redirection service VeriSign, Inc. faces a lawsuit filed by longtime Internet litigator Ira Rothken, on behalf of a California e-mail and device synchronization software provider, who allege that VeriSign is abusing its power over the domain name system, ZDWire Plus reported.

"VeriSign's redirection of .com and .net traffic not only is earning, or is intended to earn, profits for VeriSign, but it subverts the basic infrastructure of the Internet, to the detriment of numerous entities," the suit says. Its actions have exceeded and continue to exceed the scope of its authorized monopoly status--its establishment of SiteFinder redirection service was not acting in compliance with any clearly articulated government program, the suit states.

"The action violates many of the architectural principles that have so successfully supported the phenomenal growth of the Internet to date," Lynn St. Amour, president of the Internet Society, wrote in a letter Friday to the Internet Corporation for Assigned Names and Numbers (ICANN), the body responsible for domain name policy.

Criticism has been harsh and bitter from competitors and many broad Internet technical circles which say the action interferes with other Net applications. Ordinarily, a Web browser translates a domain name such as www.news.com into an Internet address by checking domain name servers across the world that hold this information, much like a phone directory that equates names with telephone numbers. Previously, if a name did not exist - whether misspelled or simply unassigned - Web browsers would find themselves at the familiar DNS (domain name system) error page. Some Web browsers and browser add-ons would redirect these mistakes to another search page or suggest possible alternatives.

The new VeriSign service points all misspellings to the same SiteFinder search page, however, making it difficult or impossible for other companies to provide those browser redirection services. Critics say it also could harm spam filters, some of which relied on the old system to block e-mail that came from false addresses. The service appeared on the Web as a surprise last week, replacing the familiar error pages typically found when a Web surfer mistypes an Internet address.

Other suits have been filed against the domain name company on behalf of private companies or individuals, but Friday's was the first to seek class-action status.

A VeriSign representative declined to comment, saying the company does not remark on pending litigation, ZDWire reports.

VERTEX PHARMACEUTICAL: MA Attorney Lodges Securities Charges

The United States Attorney for the District of Massachusetts filed a one-count Information charging Andrew S. Marks, of Wayland, Massachusetts, with unlawful insider trading in connection with his September 2001 sale of stock in Vertex Pharmaceuticals, Inc., a Cambridge-based biotechnology company.

The Information alleges that Mr. Marks, who at the time was Vertex's highest-ranking attorney, learned on September 20, 2001, that Vertex planned to announce the suspension of clinical trials of one of its promising drugs on September 24. According to the Information, on September 21, Mr. Marks liquidated all of his Vertex stock despite having previously acknowledged in writing that the impending release would not be viewed favorably by Wall Street and that he should not sell his Vertex shares.

According to the Information, at the time he traded, Mr. Marks was the designated attorney for employees to contact regarding compliance with Vertex's employee securities trading policy. In that capacity, the Information alleges, Mr. Marks wrote Vertex's CEO an email on September 20, advising him to make sure that an employee who had requested permission to trade had no knowledge of the impending press release.

According to the Information, Marks' email went on to say, "I guess I am troubled about any employee trading prior to that release because it is likely to have an effect on the stock (looks like I can't sell any shares) and, depending on the degree of that effect, could create the perception of insider trading."

The Information alleges that, on September 21, less than 24 hours after writing this email to the CEO, Mr. Marks sold 20,900 shares of Vertex at an average price of \$22.81 per share, receiving \$476,765. According to the Information, Mr. Marks traded in breach of a fiduciary duty not to trade in Vertex's stock while in possession of material, nonpublic information regarding Vertex.

As a result of the conduct described in the Information, the US Attorney has charged Mr. Marks with violating the antifraud provisions of federal securities laws, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.

On December 3, 2002, the Commission filed a complaint against Marks in the US District Court for the District of Massachusetts, alleging that Mr. Marks violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Section 17(a) of the Securities Act of 1933 in connection with the same trades that are the subject of the Information. The Commission's complaint seeks injunctive relief, disgorgement, plus prejudgment interest, and civil penalties and seeks an order barring Mr. Marks from acting as an officer or director of any publicly-traded company. That litigation is currently pending.

Meetings, Conferences & Seminars

* Scheduled Events for Class Action Professionals

October 2-3, 2003
SECURITIES LITIGATION & ENFORCEMENT 2003
Practising Law Institute
PLI New York Center
Contact: 800-260-4PLI; info@pli.edu.

October 8-9, 2003
ASBESTOS LITIGATION
American Conference Institute
New York City
Contact: 1-888-224-2480; <http://www.americanconference.com>

October 13, 2003
MASS TORT LITIGATION TOOLS FOR PARALEGALS
Mealey Publications
The Ritz-Carlton Hotel, Atlanta
Contact: 1-800-MEALEYS; 610-768-7800;
mealeyseminars@lexisnexus.com

October 13-14, 2003
SILICA LITIGATION CONFERENCE
Mealey Publications
The Ritz-Carlton Hotel, Atlanta
Contact: 1-800-MEALEYS; 610-768-7800;
mealeyseminars@lexisnexus.com

October 15, 2003
LEXISNEXIS PRESENTS WALL STREET FORUM:
PHARMACEUTICAL & MEDICAL DEVICE INDUSTRY LITIGATION
Mealey Publications
The Ritz-Carlton New York, Battery Park

Contact: 1-800-MEALEYS; 610-768-7800;
mealeyseminars@lexisnexis.com

October 16-17, 2003
LEAD LITIGATION CONFERENCE
Mealey Publications
Westin Copley Plaza, Boston
Contact: 1-800-MEALEYS; 610-768-7800;
mealeyseminars@lexisnexis.com

October 20, 2003
FUNDAMENTALS OF INSURANCE COVERAGE LAW
Mealey Publications
The Westin Chicago River North
Contact: 1-800-MEALEYS; 610-768-7800;
mealeyseminars@lexisnexis.com

October 21, 2003
FUNDAMENTALS OF REINSURANCE AND INSOLVENCY
Mealey Publications
The Westin Chicago River North
Contact: 1-800-MEALEYS; 610-768-7800;
mealeyseminars@lexisnexis.com

October 23 - 24, 2003
THE SECOND INTERNATIONAL ADVANCED FORUM ON RUN-OFF AND
COMMUTATIONS
American Conference Institute
New York Marriott East Side
Contact: 1-888-224-2480; <http://www.americanconference.com>

October 24, 2003
7TH ANNUAL NATIONAL INSTITUTE ON CLASS ACTIONS
American Bar Association
San Francisco, CA
Contact: 800-285-2221; abacle@abanet.org

October 27-28, 2003
INSURANCE COVERAGE DISPUTES CONCERNING CONSTRUCTION DEFECTS
Mealey Publications
The Westin Chicago River North
Contact: 1-800-MEALEYS; 610-768-7800;
mealeyseminars@lexisnexis.com

November 6-7, 2003
SECURITIES, DRUGS & ENVIRONMENTAL LITIGATION
MassTortsMadePerfect.Com
Ritz Carlton, New Orleans, Louisiana
Contact: 1-800-320-2227; register@masstortsmadeperfect.com

November 7, 2003
7TH ANNUAL NATIONAL INSTITUTE ON CLASS ACTIONS
American Bar Association
Washington, DC
Contact: 800-285-2221; abacle@abanet.org

November 10-11, 2003

FEN-PHEN LITIGATION CONFERENCE
Mealey Publications
The Four Seasons Hotel, Houston
Contact: 1-800-MEALEYS; 610-768-7800;
mealeyseminars@lexisnexis.com

November 13-14, 2003
MASS TORT LITIGATION TOOLS FOR PARALEGALS
Mealey Publications
The Westin Bonaventure Hotel, Los Angeles
Contact: 1-800-MEALEYS; 610-768-7800;
mealeyseminars@lexisnexis.com

November 13-14, 2003
ASBESTOS LITIGATION IN THE 21ST CENTURY
ALI-ABA
New Orleans
Contact: 215-243-1614; 800-CLE-NEWS x1614

November 17, 2003
WATER CONTAMINATION LITIGATION CONFERENCE
Mealey Publications
Pasadena
Contact: 1-800-MEALEYS; 610-768-7800;
mealeyseminars@lexisnexis.com

November 17-18, 2003
INSURANCE ALLOCATION CONFERENCE
Mealey Publications
The Ritz-Carlton Golf Resort, Naples, FL
Contact: 1-800-MEALEYS; 610-768-7800;
mealeyseminars@lexisnexis.com

November 18, 2003
MEDICAL MONITORING CONFERENCE
Mealey Publications
The Ritz-Carlton Huntington Hotel & Spa, Pasadena
Contact: 1-800-MEALEYS; 610-768-7800;
mealeyseminars@lexisnexis.com

November 18, 2003
DAUBERT CONFERENCE
Mealey Publications
The Ritz-Carlton Huntington Hotel & Spa, Pasadena
Contact: 1-800-MEALEYS; 610-768-7800;
mealeyseminars@lexisnexis.com

December 8-9, 2003
ASBESTOS PREMISES LIABILITY CONFERENCE
Mealey Publications
The Fairmont Hotel, San Francisco
Contact: 1-800-MEALEYS; 610-768-7800;
mealeyseminars@lexisnexis.com

December 8-9, 2003
CALIFORNIA SECTION 17200 CONFERENCE
Mealey Publications

The Fairmont Hotel, San Francisco
Contact: 1-800-MEALEYS; 610-768-7800;
mealeyseminars@lexisnexis.com

December 11-13, 2003
CONSTRUCTION DEFECT AND MOLD LITIGATION CONFERENCE
Mealey Publications
The Ritz-Carlton, Lake Las Vegas, Las Vegas
Contact: 1-800-MEALEYS; 610-768-7800;
mealeyseminars@lexisnexis.com

December 11, 2003
MOLD LITIGATION 101 CONFERENCE
Mealey Publications
The Ritz-Carlton, Lake Las Vegas, Las Vegas
Contact: 1-800-MEALEYS; 610-768-7800;
mealeyseminars@lexisnexis.com

December 11-13, 2003
EMERGING SECURITIES LITIGATION CONFERENCE
Mealey Publications
The Westin Kierland Resort & Spa, Scottsdale
Contact: 1-800-MEALEYS; 610-768-7800;
mealeyseminars@lexisnexis.com

December 11-13, 2003
CONSTRUCTION DEFECT AND MOLD LITIGATION CONFERENCE
Mealey Publications
The Ritz-Carlton, Lake Las Vegas, Las Vegas
Contact: 1-800-MEALEYS; 610-768-7800;
mealeyseminars@lexisnexis.com

December 14-16, 2003
DRUG AND MEDICAL DEVICE LITIGATION
American Conference Institute
The Plaza Hotel, New York City
Contact: 1-888-224-2480; <http://www.americanconference.com>

January 22-23, 2004
ENVIRONMENTAL AND TOXIC TORT MATTERS: ADVANCED CIVIL LITIGATION
ALI-ABA
Orlando (Walt Disney World)
Contact: 215-243-1614; 800-CLE-NEWS x1614

March 18-19, 2004
SECURITIES, DRUGS & ENVIRONMENTAL LITIGATION
MassTortsMadePerfect.Com
The Fairmont, San Francisco, California
Contact: 1-800-320-2227; register@masstortsmadeperfect.com

April 14-17, 2004
INSURANCE INSOLVENCY AND REINSURANCE ROUNDTABLE
Mealey Publications
The Scottsdale Princess, Scottsdale, AZ
Contact: 1-800-MEALEYS; 610-768-7800;
mealeyseminars@lexisnexis.com

June 10 & 11, 2004
SECURITIES, DRUGS & ENVIRONMENTAL LITIGATION
MassTortsMadePerfect.Com
Atlantis, Paradise Island, Bahamas
Contact: 1-800-320-2227; register@masstortsmadeperfect.com

TBA
FAIR LABOR STANDARDS CONFERENCE
Mealey Publications
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mealeyseminars@lexisnexis.com

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* Online Teleconferences

October 06-30, 2003
DAMAGES IN TEXAS INSURANCE LITIGATION:
EVALUATING, PLEADING, AND PROVING
CLEOnline.Com
Contact: 512-778-5665; info@cleonline.com

October 06-30, 2003
NBI PRESENTS "EMERGING ISSUES IN CALIFORNIA
INDOOR AIR QUALITY AND TOXIC MOLD LITIGATION
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ASBESTOS BANKRUPTCY - PANEL OF CREDITORS COMMITTEE MEMBERS
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EXPERT WITNESS ADMISSIBILITY IN MOLD CASES

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INTRODUCTION TO CLASS ACTIONS AND LARGE RECOVERIES
Big Class Action
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NON-TRADITIONAL DEFENDANTS IN ASBESTOS LITIGATION
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PAXIL LITIGATION
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SELECTION OF MOLD LITIGATION EXPERTS: WHO YOU NEED ON YOUR TEAM
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LawCommerce.Com/Mealey's
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SHOULD I FILE A CLASS ACTION?
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TRYING AN ASBESTOS CASE
LawCommerce.Com
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THE IMPACT OF LORILLAR ON STATE AND LOCAL REGULATION OF TOBACCO
SALES
AND ADVERTISING
American Bar Association
Contact: 800-285-2221; abacle@abanet.org

The Meetings, Conferences and Seminars column appears in the Class Action Reporter each Wednesday. Submissions via e-mail to carconf@beard.com are encouraged.

BANK ONE: Milberg Weiss Commences Securities Fraud Lawsuit in NJ

Milberg Weiss Bershad Hynes & Lerach LLP initiated a securities class action in the United States District Court for the District of New Jersey on behalf of purchasers of the securities of the One Group family of funds owned and operated by Bank One Corporation (NYSE: ONE), and its subsidiaries and affiliates, between October 1, 1998 and July 3, 2003, inclusive, seeking to pursue remedies under the Securities Exchange Act of 1934, the Securities Act of 1933 and the Investment Advisers Act of 1940.

The Funds, and the symbols for the respective Funds named below, are as follows:

- (1) One Group Technology Fund (Nasdaq:OGTAX),
(Nasdaq:OGTBX), (Nasdaq:OGTCX), (Nasdaq:OGTIX);
- (2) One Group Health Sciences Fund (Nasdaq:OHSAX),
(Nasdaq:OHSBX), (Nasdaq:OHSCX), (Nasdaq:OHSIX);
- (3) One Group Diversified International Fund
(Nasdaq:PGIEX), (Nasdaq:ONIBX), (Nasdaq:OGDCX),
(Nasdaq:WOIEX);
- (4) One Group International Equity Index Fund
(Nasdaq:OEIAX), (Nasdaq:OGE BX), (Nasdaq:OIICX),
(Nasdaq:OIEAX);
- (5) One Group Small Cap Growth Fund (Nasdaq:PGSCX),
(Nasdaq:OGFBX), (Nasdaq:OSGCX), (Nasdaq:OGGFX);
- (6) One Group Small Cap Value Fund (Nasdaq:PSOAX),
(Nasdaq:PSOBX), (Nasdaq:OSVCX), (Nasdaq:PSOPX);
- (7) One Group Market Expansion Index Fund (Nasdaq:OMEAX),
(Nasdaq:OMEBX), (Nasdaq:OMECX), (Nasdaq:PGMIX);
- (8) One Group Mid Cap Growth Fund (Nasdaq:OSGIX),
(Nasdaq:OGO BX), (Nasdaq:OMGCX), (Nasdaq:HLGEX);
- (9) One Group Mid Cap Value Fund (Nasdaq:OGDIX),
(Nasdaq:OGDBX), (Nasdaq:OMVCX), (Nasdaq:HLDEX);
- (10) One Group Diversified Mid Cap Fund (Nasdaq:PECAX),
(Nasdaq:ODMBX), (Nasdaq:ODMCX), (Nasdaq:WOOPX);
- (11) One Group Large Cap Growth Fund (Nasdaq:OLGAX),
(Nasdaq:OLGX), (Nasdaq:OLGCX);

- (12) One Group Large Cap Value Fund (Nasdaq:OLVAX),
(Nasdaq:OLVBX), (Nasdaq:OLVCX), (Nasdaq:HLQVX);
- (13) One Group Diversified Equity Fund (Nasdaq:PAVGX),
(Nasdaq:OVBGX), (Nasdaq:ODECX), (Nasdaq:OGVFX);
- (14) One Group Equity Index Fund (Nasdaq:OGEAX),
(Nasdaq:OGEIX), (Nasdaq:OEICX), (Nasdaq:HLEIX);
- (15) One Group Equity Income Fund (Nasdaq:OIEIX),
(Nasdaq:OGIBX), (Nasdaq:OINCX), (Nasdaq:HLEIX);
- (16) One Group Balanced Fund (Nasdaq:OGASX), (Nasdaq:OAMAX),
(Nasdaq:OAMBX), (Nasdaq:OGAFX);
- (17) One Group Investor Growth Fund (Nasdaq:ONGAX),
(Nasdaq:OGIGX), (Nasdaq:OGGCX), (Nasdaq:ONIFX);
- (18) One Group Investor Growth & Income Fund (Nasdaq:ONGIX),
(Nasdaq:ONEBX), (Nasdaq:ONECX), (Nasdaq:ONGFX);
- (19) One Group Investor Balanced Fund (Nasdaq:OGIAX),
(Nasdaq:OGBBX), (Nasdaq:OGBCX), (Nasdaq:OIBFX);
- (20) One Group Investor Conservative Growth Fund
(Nasdaq:OICAX), (Nasdaq:OICGX), (Nasdaq:OCGCX),
(Nasdaq:ONCFX);
- (21) One Group Tax-Free Bond Fund (Nasdaq:PMBAX),
(Nasdaq:PUBBX), (Nasdaq:PRBIX);
- (22) One Group Arizona Municipal Bond Fund (Nasdaq:OAMAX),
(Nasdaq:OAMBX), (Nasdaq:OGAFX);
- (23) One Group Kentucky Municipal Bond Fund (Nasdaq:OKYAX),
(Nasdaq:ONKBX), (Nasdaq:TRKMX);
- (24) One Group Louisiana Municipal Bond Fund (Nasdaq:PGLAX),
(Nasdaq:ONLBX), (Nasdaq:OGLFX);
- (25) One Group Michigan Municipal Bond Fund (Nasdaq:PEIAX),
(Nasdaq:OMIBX), (Nasdaq:WOMBX);
- (26) One Group Ohio Municipal Bond Fund (Nasdaq:ONOHX),
(Nasdaq:OOHBX), (Nasdaq:HLOMX);
- (27) One Group West Virginia Municipal Bond Fund
(Nasdaq:OQWAX), (Nasdaq:OGWBX), (Nasdaq:OGWFX);
- (28) One Group Municipal Income Fund (Nasdaq:OTBAX),
(Nasdaq:OTBBX), (Nasdaq:OMICX), (Nasdaq:HLTAX);
- (29) One Group Intermediate Tax-Free Bond Fund
(Nasdaq:ONTAX), (Nasdaq:ONFBX), (Nasdaq:HLTIX);
- (30) One Group Short-term Municipal Bond Fund

- (Nasdaq:OGLUX), (OVBXB), (Nasdaq:OSTCX),
(Nasdaq:HLLVX);
- (31) One Group High Yield Bond Fund (Nasdaq:OHYAX),
(Nasdaq:OGHBX), (Nasdaq:OGHGX), (Nasdaq:OHYFX);
- (32) One Group Income Bond Fund (Nasdaq:ONIAX),
(Nasdaq:OINBX), (Nasdaq:OBDCX), (Nasdaq:HLIPX);
- (33) One Group Bond Fund (Nasdaq:PGBOX), (Nasdaq:OBOBX),
(Nasdaq:OBOCX), (Nasdaq:WOBDX);
- (34) One Group Government Bond Fund (Nasdaq:OGGAX),
(Nasdaq:OGGBX), (Nasdaq:OGVCX), (Nasdaq:HLGAX);
- (35) One Group Mortgage Backed Securities Fund
(Nasdaq:OMBAX), (Nasdaq:OMBIX);
- (36) One Group Intermediate Bond Fund (Nasdaq:OGBAX),
(Nasdaq:OBDBX), (Nasdaq:OIMCX), (Nasdaq:SEIFX);
- (37) One Group Treasury & Agency Fund (Nasdaq:OTABX),
(Nasdaq:ONTBX), (Nasdaq:OGTFX);
- (38) One Group Short-Term Bond Fund (Nasdaq:OGLVX), (OVBXB),
(Nasdaq:OSTCX), (Nasdaq:HLLVX);
- (39) One Group Ultra Short-Term Bond Fund (Nasdaq:ONUAX),
(Nasdaq:ONUBX), (Nasdaq:OGUCX), (Nasdaq:HLGFX);
- (40) One Group Market Neutral Fund (Nasdaq:OGNAX);
- (41) One Group Ohio Municipal Money Market Fund
(Nasdaq:HLOMX), (Nasdaq:ONOHX), (Nasdaq:OOHBX);
- (42) One Group Michigan Municipal Money Market Fund
(Nasdaq:WMIXX), (Nasdaq:PEMXX);
- (43) One Group Municipal Money Market Fund (Nasdaq:HTOXX),
(Nasdaq:OGIXX);
- (44) One Group Prime Money Market Fund (Nasdaq:HLPXX),
(Nasdaq:HPIXX), (Nasdaq:OPBXX), (Nasdaq:OPCXX);
- (45) One Group U.S. Government Securities Money Market Fund
(Nasdaq:OMAXX), (Nasdaq:OMIXX); and
- (46) One Group U.S. Treasury Securities Money Market Fund
(Nasdaq:HGOXX), (Nasdaq:HTIXX), (Nasdaq:OTBXX),
(Nasdaq:OTCXX).

The action is pending in the United States District Court for the District of New Jersey against defendants Bank One Corporation; Banc One Investment Advisers; One Group (R) Mutual Funds; Canary Capital Partners, LLC; Canary Investment Management, LLC; Canary Capital Partners, Ltd; each of the Funds; and John Does 1-100.

The Complaint alleges that defendants violated Sections 11 and 15 of the Securities Act of 1933; Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder; and Section 206 of the Investment Advisers Act of 1940.

The Complaint charges that, throughout the Class Period, defendants failed to disclose that they improperly allowed certain hedge funds, such as Canary, to engage in "late trading" and "timing" of the Funds' securities. Late trades are trades received after 4:00 p.m. EST that are filled based on that day's net asset value, as opposed to being filled based on the next day's net asset value, which is the proper procedure under SEC regulations. Late trading allows favored investors to make use of market-moving information that only becomes available after 4:00 p.m. and has been compared to betting on a horse race that already has been run.

Timing is excessive, arbitrage trading undertaken to turn a quick profit and which ordinary investors are told that the funds police. Late trading and timing injure ordinary mutual fund investors -- who are not allowed to engage in such practices -- and are acknowledged as improper practices by the Funds. In return for receiving extra fees from Canary and other favored investors, Bank One Corporation and its subsidiaries allowed and facilitated Canary's timing and late trading activities, to the detriment of class member

s, who paid, dollar for dollar, for Canary's improper profits. These practices were undisclosed in the prospectuses of the Funds, which falsely represented that the Funds actively police against timing and represented that post-4:00 p.m. EST trades will be priced based on the next day's net asset value and that premature redemptions will be assessed a charge.

For more details, contact Steven G. Schulman, Peter E. Seidman or Andrei V. Rado by Mail: One Pennsylvania Plaza, 49th fl., New York, NY, 10119-0165 by Phone: (800) 320-5081 or by E-mail: onegroupfundscase@milbergNY.com or visit the firm's Website: <http://www.milberg.com>

CHECK POINT: Goodkind Labaton Lodges Securities Suit in S.D. NY

Goodkind Labaton Rudoff & Sucharow LLP initiated a securities class action in the United States District Court for the Southern District of New York, on behalf of persons who purchased or otherwise acquired publicly traded securities of Check Point Software Technologies, Ltd. (NASDAQ:CHKP) between July 10, 2001 and April 4, 2002, inclusive. The lawsuit was filed against Check Point and certain officers of the Company.

The complaint alleges that defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and rule 10b-5 promulgated thereunder, by issuing false and misleading statements concerning the Company's business. Specifically, the

complaint alleges that defendants issued numerous statements concerning Check Point's revenue growth, product and marketing initiatives, and increasing revenues and profits while failing to disclose that demand for the Company's products was materially declining.

When this information was belatedly disclosed to the market on April 4, 2002, shares of Check Point fell more than 24% on extremely heavy trading volume.

For more details, contact Henry Young by Phone: 800-321-0476 or by E-mail: investorrelations@glrslaw.com

CHECK POINT: Marc Henzel Lodges Securities Fraud Suit in S.D. NY

The Law Offices of Marc S. Henzel initiated a securities class action in the United States District Court for the Southern District of New York, on behalf of all persons who purchased securities of Check Point Software Technologies, Ltd. (Nasdaq:CHKP) between July 10, 2001 and April 4, 2002, inclusive, against Check Point and certain officers and directors of the Company.

During the Class Period, Defendants made public statements regarding Check Point's increasing profits and revenue growth, and various product marketing initiatives. The complaint alleges that these statements were issued despite the fact that demand for Check Point's products was in sharp decline.

The complaint also alleges that several Individual Defendants engaged in significant insider selling during the Class Period, selling approximately 228,000 shares and realizing \$8.8 million in illegal proceeds.

On April 4, 2002, the truth was revealed. Check Point announced a revenue shortfall of approximately \$15 million for the first quarter 2002, and lowered its revenue and earnings guidance by approximately 10% for fiscal year 2002. The Company further disclosed that a number of its customers had delayed purchase decisions and/or reduced the dollar amount of their purchases.

Market reaction to Check Point's announcement was swift and severe. Check Point shares dropped over 19% in heavy trading, closing at \$22.07 on April 4, 2002.

For more details, contact Marc S. Henzel by Mail: 273 Montgomery Ave, Suite 202 Bala Cynwyd, PA 19004-2808, by Phone: 888-643-6735 or 610-660-8000, by Fax: 610-660-8080, by E-mail: Mhenzell182@aol.com or visit the firm's Website: <http://members.aol.com/mhenzell182>.

EMERSON RADIO: Schiffrin & Barroway Lodges Securities Suit in NJ

Schiffrein & Barroway, LLP initiated a securities class action in the United States District Court for the District of New Jersey on behalf of all purchasers of the common stock of Emerson Radio Corporation (AMEX:MSN) from January 29, 2003 through August 12, 2003, inclusive.

The complaint alleges that defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder, by issuing numerous positive statements throughout the Class Period regarding the Company's growth and demand for the Company's products.

As alleged in the complaint, these statements were each materially false and misleading when made as they misrepresented and omitted the following adverse facts which then existed and disclosure of which was necessary to make the statements not false and misleading, including, but not limited to, the following:

- (1) that Emerson customers were deferring and foregoing purchases of product and reducing inventory levels as they shifted to just-in-time stocking;
- (2) that since at least March 2003, the outbreak of severe acute respiratory syndrome in Asia was dramatically reducing Emerson's product demand and supply;
- (3) that Emerson was planning to, and did, discontinue Mary-Kate and Ashley and NASCAR brands and business; and
- (4) that based on the foregoing, Emerson had no reasonable basis to project ``significant'' and ``strong'' growth and revenues for fiscal 2004.

On August 12, 2003, the last day of the Class Period, Emerson shocked the investing public when it released its financial and operational results for the first quarter of fiscal 2004, ended June 30, 2003, announcing, among others, a 44.3% revenue decline in its consumer electronics segment. In response to this announcement, shares of Emerson stock fell more than 49% on August 12, 2003, on heavy trading volume.

For more details, contact Marc A. Topaz or Stuart L. Berman by Mail: Three Bala Plaza East, Suite 400, Bala Cynwyd, PA 19004 by Phone: 1-888-299-7706 (toll free) or 1-610-667-7706 or by E-mail: info@sbclasslaw.com

EMERSON RADIO: Marc Henzel Lodges Securities Fraud Lawsuit in NJ

The Law Offices of Marc S. Henzel initiated a securities class action in the United States District Court for the District of New Jersey on behalf of purchasers of Emerson Radio Corporation (Amex:MSN) publicly traded securities during the period between January 29, 2003 and August 12, 2003, inclusive.

The complaint alleges that defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder, by issuing numerous positive statements throughout the Class Period regarding the Company's growth and demand for the Company's products.

As alleged in the complaint, these statements were each materially false and misleading when made as they misrepresented and omitted the following adverse facts which then existed and disclosure of which was necessary to make the statements not false and misleading, including, but not limited to, the following:

- (1) that Emerson customers were deferring and foregoing purchases of product and reducing inventory levels as they shifted to just-in-time stocking;
- (2) that since at least March 2003, the outbreak of severe acute respiratory syndrome in Asia was dramatically reducing Emerson's product demand and supply;
- (3) that Emerson was planning to, and did, discontinue Mary-Kate and Ashley and Nascar brands and business; and
- (4) that based on the foregoing, Emerson had no reasonable basis to project "significant" and "strong" growth and revenues for fiscal 2004.

On August 12, 2003, the last day of the Class Period, Emerson shocked the investing public when it released its financial and operational results for the first quarter of fiscal 2004, ended June 30, 2003, announcing, among others, a 44.3% revenue decline in its consumer electronics segment. In response to this announcement, shares of Emerson stock fell more than 49% on August 12, 2003, on heavy trading volume.

For more details, contact Marc S. Henzel by Mail: 273 Montgomery Ave, Suite 202 Bala Cynwyd, PA 19004-2808, by Phone: (888) 643-6735 or (610) 660-8000, by Fax: (610) 660-8080, by E-mail: Mhenzel182@aol.com or visit the firm's Website: <http://members.aol.com/mhenzel182>.

JANUS CAPITAL: Schiffrin & Barroway Files Securities Suit in NJ

Schiffrin & Barroway, LLP initiated a securities class action in the United States District Court for the District of New Jersey on behalf of all purchasers, redeemers and holders of shares of the Janus Mercury Fund (Nasdaq:JAMRX), Janus High-Yield Fund (Nasdaq:JAHYX), and other funds managed by wholly-owned subsidiaries of Janus Capital Group Inc. between April 1, 2002 and July 3, 2003.

The following funds may be subject to the above lawsuit:

- (1) Janus Fund (Nasdaq:JANSX)
- (2) Janus Enterprise Fund (Nasdaq:JAENX)
- (3) Janus Olympus Fund (Nasdaq:JAOLX)
- (4) Janus Global Technology Fund (Nasdaq:JAGTX)
- (5) Janus Orion Fund (Nasdaq:JORNX)
- (6) Janus Twenty Fund (Nasdaq:JAVLX)
- (7) Janus Venture Fund (Nasdaq:JAVTX)
- (8) Janus Global Life Sciences Fund (Nasdaq:JAGLX)
- (9) Janus Global Value Fund (Nasdaq:JGVAX)
- (10) Janus Overseas Fund (Nasdaq:JAOSX)
- (11) Janus Worldwide Fund (Nasdaq:JAWWX)
- (12) Janus Balanced Fund (Nasdaq:JABAX)
- (13) Janus Core Equity Fund (Nasdaq:JAEIX)
- (14) Janus Growth and Income Fund (JAGIX)
- (15) Janus Special Equity Fund (Nasdaq:JSVAX)
- (16) Janus Risk-Managed Stock Fund (Nasdaq:JRMSX)
- (17) Janus Mid Cap Value Fund (NASDAQ: JMCVX, JMIVX)
- (18) Janus Small CapValue Fund (NASDAQ: JSCVX, JSIVX)
- (19) Janus Federal Tax-Exempt Fund (Nasdaq:JATEX)
- (20) Janus Flexible Income Fund (Nasdaq:JAFIX)
- (21) Janus Short-Term Bond Fund (Nasdaq:JASBX)
- (22) Janus Money Market Fund (Nasdaq:JAMXX)
- (23) Janus Government Money Market Fund (Nasdaq:JAGXX)
- (24) Janus Tax-Exempt Money Market Fund (JATXX)

The complaint charges the Janus Funds, Janus Capital Group Inc., and certain of its wholly-owned subsidiaries with violations of the Investment Company Act of 1940 and common law breach of fiduciary duties in return for substantial fees and other income for themselves and their affiliates.

The Complaint alleges that during the Class Period, the Janus Funds and the other defendants engaged in illegal and improper trading practices, in concert with certain institutional

traders, which caused financial injury to the shareholders of the Janus Funds.

According to the Complaint, the Defendants surreptitiously permitted certain favored investors, including Defendant Canary Capital Partners, LLC and Canary Investment Management, LLC (collectively, ``Canary'') to illegally receive the prior day's price for orders placed after 4 p.m. This allowed Canary and other mutual fund investors who engaged in the same wrongful course of conduct to capitalize on post 4:00 p.m. information, while those who bought their mutual fund shares lawfully could not.

The complaint further alleges that defendants permitted Canary and other favored investors to engage in ``timing'' of the Janus Funds whereby these favored investors were permitted to conduct short-term, ``in and out'' trading of mutual fund shares, despite explicit restrictions on such activity in the Janus Funds' prospectuses.

For more details, contact Marc A. Topaz, or Stuart L. Berman by Phone: 1-888-299-7706 (toll free) or 1-610-667-7706 or by E-mail: info@sbclasslaw.com

STRONG FINANCIAL: Rabin Murray Lodges Securities Suit in S.D. NY

Rabin Murray & Frank LLP initiated a securities class action in United States District Court for the Southern District of New York, case number 03-CV-7438, on behalf of all persons or entities who purchased or otherwise acquired Strong Funds family of funds owned and operated by Strong Financial Corporation, and its subsidiaries and affiliates, between October 1, 1998 and July 3, 2003, inclusive.

The complaint names as defendants Strong Financial Corporation, Strong Capital Management, Inc., and each of the Funds' registrants and issuers, Edward J. Stern, Canary Capital Partners, LLC, Canary Investment Management, LLC, Canary Capital Partners, Ltd, each of the Funds, and John Does 1-100.

The Funds, and the symbols for the respective Funds named below, are as follows:

- (1) Strong Advisor Bond Fund (SVBDX, SADBX, SABCX, SIBNX, F008W1, SBDIX)
- (2) Strong Advisor Municipal Bond Fund (SAMAX, SMBBX, F00BH8)
- (3) Strong Advisor Municipal Select Fund (SMUIX, STAEX, F005LZ, F005M9)
- (4) Strong Advisor Short Duration Bond A Fund (STSDX, SSDKX, SSHCX, STGBX)

- (5) Strong Advisor Common Stock Fund (SCSAX, SCSKX, STSAX, STCSX)
- (6) Strong Advisor Endeavor Large Cap Fund (STALX, F008GO)
- (7) Strong Advisor Focus Fund (F005MO, F005M7, F005LT)
- (8) Strong Advisor International Core Fund (F008GQ, F008GR, F008GS)
- (9) Strong Advisor Large Company Core Fund (SLGAX, F00AO2, F00AO3, SLCKX)
- (10) Strong Advisor Mid-Cap Growth Fund (F005LQ, F005M1, F005LO, SMDCX)
- (11) Strong Advisor Small Cap Value Fund (SMVAX, SMVBX, SMVCX, SSMVX)
- (12) Strong Advisor Strategic Income Fund (SASAX, F005L7, SASCX)
- (13) Strong Advisor Technology Fund (SASCX, F005LM, F005LM)
- (14) Strong Advisor U.S. Small/Mid Cap Growth Fund (F009D0, F009D1)
- (15) Strong Advisor U.S. Value (F005M2, F005M5, F005MA, SEQKX, SEQIX)
- (16) Strong Advisor Utilities and Energy Fund (SUEAX, F00AED, F00AEE, F009D5)
- (17) Strong All Cap Value Fund (F009D5)
- (18) Strong Asia Pacific Fund (SASPX)
- (19) Strong Balanced Fund (STAAX)
- (20) Strong Blue Chip Fund (SBCHX)
- (21) Strong Discovery Fund (STDIX)
- (22) Strong Dividend Income Fund (SDVIX, F008VY)
- (23) Strong Dow 30 Value Fund (SDOWX)
- (24) Strong Endeavor Fund (SENDX)
- (25) Strong Energy Fund (SENGX)
- (26) Strong Enterprise Fund (SENAX, F04ANX, SENTX, SEPKX)
- (27) Strong Growth & Income Fund (SGNAX, SGNIX, SGRIX, SGIKX)

- (28) Strong Growth 20 Fund (SGTWX, SGRTX, SGRAX, F00B67, SGRNX)
- (29) Strong Growth Fund (SGROX, SGRKX)
- (30) Strong Index 500 Fund (SINEX)
- (31) Strong Large Cap Core Fund (SLCRX)
- (32) Strong Large Cap Growth Fund (STRFX)
- (33) Strong Large Company Growth Fund (SLGIX, F04ANY)
- (34) Strong Mid Cap Disciplined Fund (SMCDX)
- (35) Strong Multi-Cap Value Fund (SMTVX)
- (36) Strong Opportunity Fund (SOPVX, SOPFX, F00AH2)
- (37) Strong Overseas Fund (F00B4I, SOVRX)
- (38) Strong Small Company Value Fund (F009D3)
- (39) Strong Technology 100 Fund (STEKX)
- (40) Strong U.S. Emerging Growth Fund (SEMRX)
- (41) Strong Value Fund (STVAX)
- (42) Strong Life Stages - Aggressive Portfolio Fund (SAGGX)
- (43) Strong Life Stages - Conservative Portfolio Fund (SCONX)
- (44) Strong Life Stages - Moderate Portfolio Fund (SMDPX)
- (45) Strong Corporate Bond Fund (SCBDX, SCBNX, STCBX)
- (46) Strong Corporate Income Fund (SCORX)
- (47) Strong High-Yield Bond Fund (SHBAX, SHYYX, STHYX)
- (48) Strong Government Securities Fund (SGVDX, F00B66, SGVIX, STVSX)
- (49) Strong High-Yield Municipal Bond Fund (SHYLX)
- (50) Strong Intermediate Municipal Bond Fund (SIMBX)
- (51) Strong Municipal Bond Fund (SXFIX)
- (52) Strong Minnesota Tax-Free Fund (F00B64, F00B65, F00B63)
- (53) Strong Wisconsin Tax-Free Fund (F0068K)
- (54) Strong Short-Term High-Yield Municipal Bond Fund (SSHMX, SSTHX, STHBX)

- (55) Strong Short-Term Municipal Bond Fund (F00B62, STSMX)
- (56) Strong Short-Term Income Fund (F00B1K)
- (57) Strong Short-Term Bond Fund (SSTVX, SSHIX, SSTBX)
- (58) Strong Ultra Short-Term Income Fund (SADAX, SADIX, STADX)
- (59) Strong Ultra Short-Term Municipal Income Fund (SMAVX, SMAIX, SMUAX)
- (60) Strong Florida Municipal Money Market Fund (SLFXX)
- (61) Strong Heritage Money Fund (SHMXX)
- (62) Strong Money Market Fund (SMNXX)
- (63) Strong Municipal Money Market Fund (SXFXX)
- (64) Strong Tax-Free Money Fund (STMXX)

The Complaint alleges that defendants violated Sections 11 and 15 of the Securities Act of 1933; Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder; and Section 206 of the Investment Advisers Act of 1940.

The Complaint charges that, throughout the Class Period, defendants failed to disclose that they improperly allowed certain hedge funds, such as Canary, to engage in the ``timing'' of their transactions in the Funds' securities. Timing is excessive, arbitrage trading undertaken to turn a quick profit. Timing injures ordinary mutual fund investors -- who are not allowed to engage in such practices -- and is acknowledged as an improper practice by the Funds.

In return for receiving extra fees from Canary and other favored investors, Strong Financial Corporation and its subsidiaries allowed and facilitated Canary's timing activities, to the detriment of class members, who paid, dollar for dollar, for Canary's improper profits. These practices were undisclosed in the prospectuses of the Funds, which falsely represented that the Funds actively police against timing.

For more details, contact Eric J. Belfi or Gregory Linkh by Phone: (800) 497-8076 or (212) 682-1818 by Fax: (212) 682-1892 or by E-mail: email@rabinlaw.com

TYCOM LTD.: Lasky & Rifkind Launches Securities Suit in NJ Court

Lasky & Rifkind, Ltd. initiated a securities class action in the United States District Court for District of New Jersey, on behalf of persons who purchased or otherwise acquired publicly traded securities of TyCom Ltd. between July 26, 2000 and

December 18, 2001, inclusive. TyCom is now a wholly owned subsidiary of Tyco Intl. (NYSE:TYC). The lawsuit was filed against the Company and:

- (1) Tyco International,
- (2) L. Dennis Kozlowski,
- (3) Mark H. Swartz, and
- (4) Neil Garvey

TyCom became a public company on July 26, 2000 by the issuance of approximately 60 million shares of its common stock in an initial public offering pursuant to a Registration Statement. Each of the defendants were signatories to that Registration Statement.

The complaint alleges, among other things, that during the class period, defendants made materially false and misleading statements about the underlying purpose for TyCom's July 26, 2000 initial public offering and failed to disclose the true purpose of the offering was to generate "bonuses" that would be used by Kozlowski and Swartz and approximately 40 other Tyco officers to repay approximately \$100 million in undisclosed and unauthorized loans from Tyco.

The complaint further alleges that the Registration failed to disclose in its summary compensation table, millions of dollars of other unauthorized loans and payments from Tyco to the individual defendants.

On December 18, 2001, having realized their goals of generating bonuses to repay the outstanding loans, defendants caused Tyco to acquire the minority interest of TyCom at a price approximately 50% below the offering price of those shares in July 2000. Members of the class suffered a decline in value of those shares of roughly \$1 billion.

For more details, contact Leigh Lasky by Phone: 800-321-0476

A list of Meetings, Conferences and Seminars appears in each Wednesday's edition of the Class Action Reporter. Submissions via e-mail to carconf@beard.com are encouraged.

Each Friday's edition of the CAR includes a section featuring news on asbestos-related litigation and profiles of target asbestos defendants that, according to independent researches, collectively face billions of dollars in asbestos-related liabilities. The Asbestos Defendant Profiles is backed by an online database created to respond to custom searches. Go to http://litigationdatasource.com/asbestos_defendant_profiles.html

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