
ADMINISTRATIVE PROCEEDINGS**U.S. SECURITIES AND
EXCHANGE COMMISSION**

INITIAL DECISION REVOKES REGISTRATION OF
POTOMAC INVESTMENT ADVISORS, IMPOSES SANCTIONS ON
WILLARD AND SCOTT MILLER

Administrative Law Judge Max O. Regensteiner has issued an initial decision revoking the registration of Potomac Investment Advisors, of McLean, Virginia, as an investment adviser and barring Willard J. Miller, the firm's president and principal stockholder, from association with an investment adviser. Scott Miller, W. Miller's son and the only other officer of the firm, was also barred from such association, but may apply after six months for permission to become so associated in a non-supervisory position, upon an adequate showing that he will be properly supervised. The initial decision is subject to Commission review on petition of a party or on the Commission's own initiative.

W. Miller admitted, among other things, that in violation of antifraud provisions of the Investment Advisers Act and Securities Exchange Act, he had converted to his own use some \$135,000 of funds which Potomac's clients had entrusted to the firm. Miller used clients' funds over an extended period to finance his own securities transactions, in which he sustained substantial losses. In addition, as found in the initial decision, to the extent profits were realized, Miller siphoned them out through a nominee. By borrowing from friends and relatives after the shortages were discovered, Miller was able to restore the funds taken from clients. Potomac and both Millers were also found to have violated recordkeeping provisions of the Advisers Act. In May 1978, Potomac and W. Miller had been permanently enjoined from violating the antifraud provisions and Potomac and both Millers from violating the recordkeeping provisions.

INVESTMENT COMPANY ACT RELEASES

INSTITUTIONAL LIQUID ASSETS

A notice has been issued giving interested persons until February 26 to request a hearing on an application of Institutional Liquid Assets (ILA), a "money market fund" registered under the Act as an open-end, diversified, management investment company, for an order pursuant to Sections 6(c) and 38(a) of the Act: (1) rescinding, as to ILA, the Commission's order of October 26, 1978 (Rel. IC-10451) which order (a) permitted ILA and its principal underwriter to calculate ILA's per share price to the nearest one cent on a \$1.00 share value, and (b) cancelled the hearing previously ordered with respect to ILA's application for exemptions to enable it to utilize amortized cost valuation; (2) reinstating ILA's application for exemptions to enable the use of amortized cost valuation; (3) reinstating, as to ILA, the Commission's order of November 28, 1977 (Rel. IC-10027) which order granted, on a temporary basis, ILA's application for exemptions to enable the use of amortized cost valuation; and (4) reinstating, as to ILA, the Commission's order of April 12, 1978 (Rel. IC-10201) which set down for a consolidated hearing, ILA's application for exemptions to enable the use of amortized cost valuation. (Rel. IC-10579 - Feb. 6)

HUSCO BROADCASTING

A notice has been issued giving interested persons until March 2 to request a hearing on an application of Husco Broadcasting and Electronics Corporation and Husco Cablevision Corporation for certain exemptions from Sections 8(b), 10, 12(d)(1), 13, 16, 17(h), 18 (except 18(i)), 19, 20, 30, 31, 32 and 34(a) of the Act in connection with their registration under the Act. (Rel. IC-10580 - Feb. 6)

SCUDDER CASH INVESTMENT TRUST

A notice has been issued giving interested persons until March 2 to request a hearing on an application of Scudder Cash Investment Trust for an order amending a previous order which permitted Scudder to calculate, subject to certain conditions, its price per share to the nearest one cent on a share value of one dollar. The amendment would modify a quality condition to permit Scudder to purchase instruments issued by London branches of U.S. banks. (Rel. IC-10581 - Feb. 6)

HOLDING COMPANY ACT RELEASES

EASTERN UTILITIES ASSOCIATES

An order has been issued authorizing a proposal of Eastern Utilities Associates, a registered holding company, that it issue and sell \$22,500,000 of notes and that it be granted an exemption from competitive bidding in connection therewith. (Rel. 35-20916 - Feb. 7)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF EFFECTIVENESS OF A RULE CHANGE

Fee changes filed by Midwest Clearing Corporation pursuant to Rule 19b-4 (SR-MCC-79-1) have become effective in accordance with Section 19(b)(3)(A) of the Securities Exchange Act of 1934. Publication of the proposal is expected to be made in the Federal Register during the week of February 12. (Rel. 34-15557)

NOTICE OF PROPOSED RULE CHANGE

The following have filed proposed rule changes pursuant to Rule 19b-4: The Municipal Securities Rulemaking Board (SR-MSRB-79-1) to modify MSRB rules G-12 and G-15 to require that the confirmation of a transaction effected on a yield basis show the yield at which the transaction was effected rather than the yield to maturity. (Rel. 34-15554) and The Options Clearing Corporation (SR-OCC-79-2) which would alter the computation of the clearing fund contribution required of a Clearing Member. Currently, each Clearing Member is required to make a \$10,000.00 "base contribution" plus a "variable contribution" based on the value of positions maintained by OCC. OCC proposes to require a contribution equal to the greater of \$10,000.00 or the "variable contribution." OCC feels that to require the "variable contribution" plus \$10,000.00, regardless of the size of the Clearing Members' positions, places an unnecessary burden on its members. (Rel. 34-15558)

Publication of the above proposals are expected to be made in the Federal Register during the week of February 12.

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved proposed rule changes filed by the following stock exchanges: The Chicago Board Options Exchange, Inc. (SR-CBOE-78-33) which will expand the scope of claims by members that can be satisfied out of the proceeds of the sale of a CBOE membership, and reduces the time during which members suspended due to financial difficulty may seek reinstatement. (Rel. 34-15561) and The American Stock Exchange, Inc. (SR-Amex-78-26) authorizing the Amex to charge issuers the continuing annual listing fee during the initial calendar year of listing. (Rel. 34-15562)

SECURITIES ACT REGISTRATIONS

The following registration statements have been filed with the SEC pursuant to the Securities Act of 1933. The information noted below has been taken from the cover page and the facing sheet of the prospectus and registration statement and will appear as follows: Form; Name, address and phone number (if available) of the issuer of the security; Title and the number or face amount of the securities being offered; Name of the managing underwriter (if applicable); Whether the offering is a rights offering; and File number and date filed.

- (S-14) THE FLUOROCARBON COMPANY, 1754 South Clementine St., Anaheim, Cal. 92803 (714) 772-7920 - 298,760 shares of common stock. (File 2-63537 - Feb. 9)
- (S-16) PENGU INDUSTRIES, INC., 1400 Everman Pkwy., Fort Worth, Tex. 76140 (817) 293-7110 - approximately 878,690 shares of common stock. (File 2-63538 - Feb. 9)
- (S-6) NUVEEN TAX-EXEMPT BOND FUND, SERIES 125, 209 South La Salle St., Chicago, Ill. 60604 - an indefinite number of units. Depositor: John Nuveen & Co. Inc. (File 2-63539 - Feb. 9)
- (S-1) AGRICULTURAL ASSET MANAGEMENT CO., INC., Main St., Salem, N.Y. - 350 dairy cattle management contracts. (File 2-63540 - Feb. 9)
- (S-14) APCO ARGENTINA, INC., 2412 Houston Natural Gas Bldg., Houston, Tex. 77002 (713) 658-0610 - 4,249,612 shares of common stock. (File 2-63541 - Feb. 9)
- (S-6) HANSEATIC MONEY MARKET TRUST, SHORT TERM SERIES, 55 Broad St., New York, N.Y. 10004 - 2,100 units of beneficial interest. Depositors: Stuart Brothers, 55 Broad St., New York, N.Y. 10004, Advest, Inc., Butcher & Singer Inc. and The Robinson-Humphrey Co., Inc. (File 2-63542 - Feb. 9)
- (S-6) MUNICIPAL INVESTMENT TRUST FUND, FIFTEENTH NEW YORK SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - 25,000 units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10080, Bache Halsey Stuart Shields Inc. and Dean Witter Reynolds Inc. (File 2-63543 - Feb. 9)
- (S-6) MUNICIPAL INVESTMENT TRUST FUND, ONE HUNDRED FIRST MONTHLY PAYMENT SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - 25,000 units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10080, Bache Halsey Stuart Shields Inc. and Dean Witter Reynolds Inc. (File 2-63544 - Feb. 9)
- (S-8) CORNING GLASS WORKS, Corning, N.Y. 14830 (607) 974-9000 - 300,000 shares of common stock. (File 2-63545 - Feb. 9)

In a separate statement the company seeks registration of 150,000 shares of options to purchase common stock under 1974 plan and 400,000 shares of options to purchase common stock under 1978 plan. (File 2-63546 - Feb. 9)

REGISTRATIONS EFFECTIVE

Feb. 5: Cordis Corp., 2-63314; First United Bancorporation, Inc., 2-63212; Phoenix Leasing Income Fund 1977, 2-63001 (90 days).
 Feb. 6: Intersil, Inc., 2-63308; Pacific Gold & Uranium, Inc., 2-62640 (90 days); R. G. Barry Corp., 2-63468.
 Feb. 7: Delorean Motor Co., 2-63125; First International Bancshares, Inc., 2-63283; The Pacific Telephone and Telegraph Co., 2-63436; R. R. Donnelly & Sons Co., 2-63327; West Driefontein Gold Mining Co. Ltd., 2-63464.

NOTE TO DEALERS. When applicable the 90-day period of time dealers are required to use the prospectus is noted above in parentheses after the name of the issuer. As to the other issuers, there may be no such requirement to use a prospectus, or the requirement may be for a period of only 40 days; see Section 4(3) of the Securities Act of 1933 and Rule 174 (17 CFR 230.174) thereunder.



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NOTICE

Many requests for copies of documents referred to in the SEC News Digest have erroneously been directed to the Government Printing Office. Copies of such documents and of registration statements may be ordered from the Public Reference Section, Securities and Exchange Commission, Washington, D.C. 20549. When you are ordering more than one, we prefer that the documents be listed in alphabetical order to expedite service. The reproduction cost is 10c per page plus postage (\$3.50 minimum); 20c per page plus postage for expedited service (\$5.00 minimum) and 30c per page plus postage for priority service (\$5.00 minimum). Cost estimates are given or request. All other reference material is available in the SEC Docket.

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The News Digest, the Docket, and the Statistical Bulletin are for sale by the superintendent of Documents, Government Printing Office, Washington, D.C. 20402.