

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

SECURITIES AND EXCHANGE COMMISSION )  
 450 5<sup>th</sup> Street, N.W. )  
 Washington, D.C. 20549, )  
 )  
 Plaintiff, )  
 )  
 v. )  
 )  
 JOHN G. BLACK, )  
 DEVON CAPITAL MANAGEMENT, )  
 INC. and FINANCIAL MANAGEMENT )  
 SCIENCES, INC., )  
 )  
 Defendants. )

97-2257 <sup>81</sup> JS

Civil Action No. ~~97-2653~~

ORDER

AND NOW, this 27th day of October, 1997, upon consideration of the joint Motion of the Trustee and the SEC and having heard argument thereon, it is hereby adjudicated, adjudged and decreed that the proposed interim distribution will avoid unnecessary harm to Devon's investment advisory clients and will not interfere with the Court's ability to effect an ultimate distribution that is fair and equitable.

THEREFORE, it is ORDERED that:

The Court's Order of September 26, 1997, <sup>docket no. 5,</sup> and hereby is modified to permit each bank that holds funds or securities over which Devon or FMS had investment authority for an investment advisory client, in accordance with the schedule attached to this Order, to distribute up to 50% of the market

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value of said funds and securities to the Devon investment advisory client in whose name said bank is or was holding funds and securities; similarly, each bank that is holding funds and securities purportedly as collateral for a repurchase agreement between Devon and a Devon client may distribute, in accordance with the schedule~~s~~ attached to this Order, up to 50% of the market value of said funds and securities to the Devon investment advisory client in whose name the bank maintained the account; and the Trustee may distribute to each Devon investment advisory client, in accordance with the schedule attached to this Order, that client's pro rata share of 50% of the aggregate market value of the funds and securities held by Mid-State Bank, provided, however, that each investment advisory client to whom any interim distribution is made consent in writing to the continuation of this Court's Order of September 26, 1997 in all respects as to the remaining balance in its respective bank.

The Trustee and the bank appointed by the Trustee to succeed a prior bank holding funds for a Devon investment advisory client will file with the Court a schedule showing the total amount available for interim distribution to each Devon client whose assets or cash were held in the pooled

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*Devon Investment advisory*  
account at Mid-State. Each ~~such~~ client will have 10 days to  
file objections, if any, to the scheduled amount available for  
interim distribution. PNC Bank, N.A., as custodian bank  
for the Trustee, shall have no liability for any distributions  
up to the amounts scheduled for each such Devon client.

By the Court

  
United States District Judge

cc: All Parties of Record