

**BEFORE THE
SECURITIES EXCHANGE COMMISSION**

2025-04-10 Black Motion Withdrawal Complaint.pdf

Motion by: :

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John Gardner Black :

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PETITION FOR WITHDRAWAL OF COMPLAINT

John G. Black

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Over twenty-seven years ago, on September 26, 1997, the Securities Exchange Commission (“SEC” or “Commission”) introduced a complaint (“Complaint”), *ex parte*, accusing John G Black (“Black”) and his two companies, Devon Capital Management (“Devon”) and Financial Management Sciences (“FMS” collectively, “Defendants”), of violating of the Securities Act of 1934, the Exchange Act of 1934 and the Investment Advisor’s Act of 1940 (“Securities Regulations”). The Commission knew, should have known or was willfully blind in not knowing that Defendants were not subject to the Securities Regulation because their controlling regulations were Arbitrage Regulations issued by the Internal Revenue Service in 1993.

Pursuant to those regulation, the tax-exempt clients (“Clients”) of Defendants were precluded from investing in taxable investments without following the requirements detailed in 26 CFR § 1.148 *et. seq.* Some of the requirements imposed on the Clients are enumerated at 26 CFR 1.148-5(d)(6)(iii)(A) while those imposed on Defendants are at 26 CFR 1.148-5(d)(6)(iii)(B). Numerous other restrictions were imposed at various other sections of the regulations.

According to the Federal Rules of Civil Procedure, Rule 54 (b), no final judgment has been entered. Defendants have not and will not agree that they defrauded their Clients. The Commission’s complaint fails to identify a single instance where a security was bought or sold at prices that were disadvantageous to the Clients or not in compliance with the arbitrage regulations. Defendants always represented the value of the Clients’ holdings as required by the arbitrage regulations. There is no record that the SEC informed the court that the Clients’ funds were proceeds from the sale of tax-exempt bonds; that the funds were yield restricted; and, that the schedule for the expenditure of funds was determined by the Clients.

Since Defendants acted pursuant to the federal arbitrage regulations as agents for the Clients, the Complaint against Defendants is not cognizable under the securities laws. Therefore, Defendants hereby request the Commission to withdraw its Complaint.

/s/ John G Black

April 8, 2025

John G Black