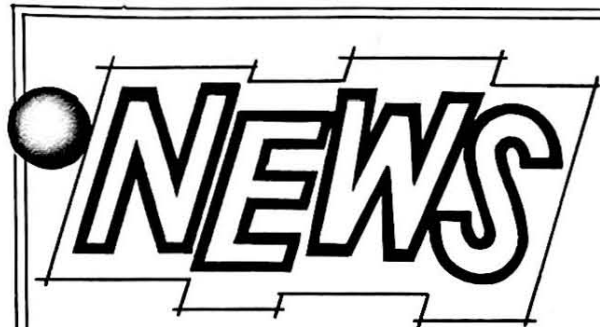




SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

(202) 755-4846



FOR RELEASE: 2 p.m., Wednesday, October 26

77-27

PERSONNEL MOVES AND FUNCTIONAL REORGANIZATION ANNOUNCED FOR DIVISION OF MARKET REGULATION

Chairman Harold M. Williams announced today a series of key appointments made by Andrew M. Klein, Director of the Division of Market Regulation. In addition, he announced that Mr. Klein had determined to reorganize certain functions within the Division.

Mr. Klein has appointed Sheldon Rappaport, subject to Civil Service Commission approval, to the position of Deputy Director of the Division. His former position was as Associate Director of the Division in charge of the Office of Self-Regulatory Oversight. As Deputy Director, Mr. Rappaport will share with the Director, as his second in command, overall responsibility for the Division's work, especially in recommending policy with respect to and implementing those provisions of the Securities Exchange Act of 1934, as amended by the Securities Acts Amendments of 1975, relating to establishment of a national clearing system, financial responsibility, recordkeeping, inspections, regulation of options trading, equal regulation and removal of unjustified burdens on competition.

Mr. Rappaport joined the staff of the Commission in 1961 as a staff attorney for the Special Study of the Securities Markets. He later was a member of the staff responsible for preparation of the Commission's 1966 report on the Public Policy Implications of Investment Company Growth. Since becoming a member of the staff, Mr. Rappaport has served the Commission in increasingly responsible positions, first in the Division of Trading and Markets, as Associate Director (Regulation), and then in the Division of Market Regulation, as Associate Director in charge of the Office of Self-Regulatory Oversight. Mr. Rappaport received his B.A. degree from Temple University in 1951 and his L.L.B. degree from the University of Pennsylvania in 1955. He is a member of the Pennsylvania and Florida bars.

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Mr. Klein has also appointed subject to Civil Service Commission approval, Kathryn B. McGrath, formerly Associate General Counsel, to the position of Associate Director of the Division in charge of the Office of Self-Regulatory Oversight. In her new position, Ms. McGrath will be responsible for recommending policy and implementing programs and procedures relating to oversight of the self-regulatory organizations, including all registered national securities exchanges and the National Association of Securities Dealers, Inc., oversight of the Municipal Securities Rulemaking Board, securities trading by market professionals (including options trading) and related matters.

Municipal securities regulation, formerly a responsibility of the Office of Legal Policy and Municipal Securities, has been reassigned to the Office of Self-Regulatory Oversight in recognition of completion of the initial phase of establishing a regulatory program for municipal securities and of the need to continue development of Commission policy and rules to govern municipal securities activities in a manner consonant with regulation of other securities professionals. This transfer of responsibility is also necessary to free the Chief Counsel of the Division from exclusive responsibility for specific regulatory programs in order to concentrate the efforts of his office fully on the increasingly complex legal problems associated with administration of all of the Division's regulatory responsibilities.

Ms. McGrath joined the Commission's staff as an attorney in the Office of General Counsel in 1970. Since that time, she has served the Commission in positions of increasing responsibility, as Special Counsel to the Chairman, Assistant Director of the Division of Corporation Finance and as Assistant and Associate General Counsel. Ms. McGrath received her A.B. degree from Mt. Holyoke College in 1966 and her J.D. degree from the Georgetown University Law Center in 1969. She is a member of the District of Columbia bar.

Mr. Klein also has reconstituted the Office of Legal Policy and Municipal Securities as the Office of the Chief Counsel and has appointed Roger D. Blanc as head of that office, effective immediately. As noted above, line responsibility for municipal securities regulation has been transferred to the Office of Self-Regulatory Oversight in order, among other things, to permit Mr. Blanc and his staff to devote their full energies exclusively to the increasingly difficult and burgeoning legal problems confronting the Division in assisting the Commission to carry out its regulatory

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responsibilities with respect to trading in the securities markets, the conduct of securities professionals, and facilitation of a national market system and a national system for clearance and settlement of securities transactions. As chief legal officer for and advisor to the Division, Mr. Blanc is responsible for coordinating the development and implementation of legal policy throughout the Division as well as a broad range of interpretive functions under the Act. Mr. Blanc's office, in carrying out these responsibilities, ensures conformity of the Division's programs and actions to the requirements of the Act and other applicable Federal laws and advises all of the other offices of the Division as to the legal aspects of their particular programs.

Mr. Blanc joined the Commission's staff in 1974 as a staff attorney in the Division's Office of Market Structure and Trading Practices. He has served the Commission since that time in positions of increasing responsibility, first as Assistant Chief Counsel and then as Chief Counsel under the Associate Director for the former Office of Legal Policy and Municipal Securities. Mr. Blanc received his B.A. degree from Yale University in 1967 and his J.D. degree from the Columbia University School of Law in 1970. He is a member of the New York bar.

Finally, Mr. Klein has appointed Mr. Mark Fitterman as Special Counsel to the Director, effective immediately, to assist the Director in carrying out special project assignments within the Division's various regulatory programs of an especially urgent, complex and sensitive nature. Mr. Fitterman joined the Division's Office of Market Structure and Trading Practices in 1974, and has served the Commission most recently as Branch Chief, Market Structure, for that office.

Mr. Fitterman received his A.B. degree, cum laude, from Oberlin College in 1964 and his M.B.A. degree from Wright State University in 1971. He received his J.D. degree from the Georgetown University Law Center in 1974 and is a member of the Ohio and District of Columbia bars.

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