

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN**

**U.S. SECURITIES AND
EXCHANGE COMMISSION,**

Plaintiff,

v.

**ROY N. COOK, JEFFREY A. NATROP,
PETER S. RENNER, JAMES RUDOLPH
and PETER WILLIAMS,**

Defendants.

Civil Case No. 2:24-cv-313

JURY TRIAL DEMANDED

COMPLAINT

Plaintiff Securities and Exchange Commission (the “Commission” or “SEC”) files this Complaint against Roy N. Cook, Jeffrey A. Natrop, Peter S. Renner, James Rudolph and Peter Williams (collectively, “Defendants”) and alleges as follows:

SUMMARY

1. This case concerns insider trading in the securities of Tallgrass Energy, LP (“Tallgrass” or “the Company”). Roy Cook, through his position as a Tallgrass independent director, obtained material nonpublic information in advance of two public announcements in 2019 concerning an offer by Blackstone Infrastructure Partners (“Blackstone”) to purchase all of Tallgrass’s outstanding publicly traded shares it and its co-investors did not already own and take the Company private. Cook knowingly or recklessly breached a duty he owed to Tallgrass and its shareholders through a purchase of Tallgrass securities made in a securities account for a family trust, and by tipping his friends Jeffrey Natrop, Peter Renner, James Rudolph and

Peter Williams, who benefitted by purchasing Tallgrass securities in the weeks and days before the announcements. Both public announcements caused the price of Tallgrass stock to increase significantly.

2. On August 27, 2019, Tallgrass announced that Blackstone, which at the time held a controlling interest in the general partner of Tallgrass, had made an offer to purchase all of the outstanding public shares of Tallgrass at \$19.50 per share (the “August Announcement”). After three months of negotiations, Tallgrass and Blackstone announced on December 16, 2019, that they had reached agreement on a final price of \$22.45 per share (the “December Announcement”). At the time of the announcements, Cook was an independent director on the Tallgrass Board of Directors and also was the chair of Tallgrass’s Conflicts Committee, which was tasked with assessing Blackstone’s initial offer and negotiating the final terms of the transaction. By virtue of his positions, Cook learned material nonpublic information about the Blackstone offer.

3. Natrop, Renner, Rudolph and Williams (the “Tippees”) knew, or were reckless in not knowing, that the information they received from Cook was material, nonpublic information and that Cook disclosed the information in breach of his duty to Tallgrass and its shareholders. On the basis of the material nonpublic information they received from Cook, the Tippees purchased Tallgrass shares and/or call options in advance of the announcements, resulting in illicit profits totaling approximately \$613,000. Also, Cook knowingly or recklessly breached a duty he owed to Tallgrass and its shareholders through a purchase of 20,000 shares of Tallgrass in advance of the December Announcement in a family trust, resulting in profits of \$88,800. This trade was based on material nonpublic information he learned in connection with his role in ongoing negotiations with Blackstone in advance of the December Announcement. In addition,

Cook failed to file the required forms with the Commission to publicly report this and other 2019 and 2020 transactions of Tallgrass stock in family trusts.

VIOLATIONS AND RELIEF SOUGHT

4. Through the conduct alleged in this Complaint, Defendants Cook, Natrop, Renner, Rudolph and Williams violated, and unless restrained and enjoined will continue to violate, Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

5. In addition, Defendant Cook violated Section 16(a) of the Exchange Act [15 U.S.C. § 78p(a)] and Rule 16a-3 thereunder [17 C.F.R. § 240.16a-3].

6. The Commission seeks a permanent injunction against Defendants, enjoining them from engaging in the transactions, acts, practices, and courses of business alleged in this Complaint, civil penalties pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1], an officer and director bar against Cook pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], a civil penalty against Cook pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], and such other relief as the Court may deem just and proper.

JURISDICTION AND VENUE

7. This Court has jurisdiction over this action pursuant to Sections 21(d), 21(e), 21A and 27 of the Exchange Act [15 U.S.C. §§ 78u(d)(1), 78u(e), 78u-1, and 78aa]. In connection with the conduct described herein, Defendants directly or indirectly made use of a means of instrumentality of interstate commerce, or of the mails, or of a facility or a national securities exchange.

8. Venue is proper in this district pursuant to Section 27 of the Exchange Act [15 U.S.C. § 78aa] because certain of the acts constituting the violations in this Complaint occurred in this district, and the majority of the Defendants reside or resided in this district.

DEFENDANTS

9. **Roy N. Cook**, age 66, resides in Hartland, Wisconsin. At all relevant times, Cook was an independent member of the Tallgrass Board of Directors and a member of the Tallgrass Audit Committee. Cook asserted his Fifth Amendment right against self-incrimination and refused to answer questions concerning the subject matter of this complaint during the SEC's investigation.

10. **Jeffrey A. Natrop**, age 73, resides in Wauwatosa, Wisconsin. At all relevant times, Natrop was a principal of Renner Architects, LLC in Milwaukee, Wisconsin, and a friend and business associate of Cook's. Natrop asserted his Fifth Amendment right against self-incrimination and refused to answer questions concerning the subject matter of this complaint during the SEC's investigation.

11. **Peter S. Renner**, age 73, resides in Cedarburg, Wisconsin. At all relevant times, Renner was a principal of Renner Architects, LLC in Milwaukee, Wisconsin, and a friend and business associate of Cook's. Renner asserted his Fifth Amendment right against self-incrimination and refused to answer questions concerning the subject matter of this complaint during the SEC's investigation.

12. **James Rudolph**, age 79, resides in Palm Beach Gardens, Florida. Rudolph is retired and is a friend of Cook's.

13. **Peter Williams**, age 56, resides in Pewaukee, Wisconsin. Williams, an accountant, is a friend and business associate of Cook's, and at all relevant times Williams acted as Cook's personal accountant. During all relevant times Williams also served as an agent for

various trusts Cook had created in his name and in the names of his family members, and was an authorized trader for many of Cook's trust accounts. Williams asserted his Fifth Amendment right against self-incrimination and refused to answer questions concerning the subject matter of this complaint during the SEC's investigation.

COMMONLY-USED TRADING TERMS

14. A "call option" is a type of contract that gives the owner the right, but not the obligation, to buy 100 shares of the underlying security at a specified price within a specified time. The "strike price" is the price per share at which the option owner can buy the underlying security if he chooses to exercise the option. The "expiration date" is the last day that an option contract is valid. If the option owner chooses not to exercise the option (in other words, not to buy 100 shares of the underlying stock), the option expires and becomes worthless, and the owner loses the money he paid to buy the option.

15. If the strike price of a call option is above the price at which the stock is trading, the call option is "out-of-the-money" because the exercise of the option to purchase the stock at the strike price and immediately sell the stock at a lower price would result in a trading loss. For an "out-of-the-money" call option to be exercised profitably, the market price of the stock has to rise above the strike price prior to the expiration of the option.

FACTS

Background of the Blackstone Take-Private Offer

16. Prior to April 2020, Tallgrass Energy, LP ("Tallgrass") was a public company whose Class A shares, representing limited partner interests, traded on the New York Stock Exchange under the symbol "TGE."

17. Blackstone Infrastructure Partners (“Blackstone”), a private equity fund managed by Blackstone, Inc., is located in New York, New York, and makes targeted investments across all infrastructure sectors, including energy.

18. In March 2019, Blackstone, together with co-investors, purchased 44% of Tallgrass’s outstanding public shares, and a controlling interest in the general partner of Tallgrass. Thereafter, there was speculation in the media that Blackstone ultimately would seek to purchase all public shares of Tallgrass and take the company private.

19. Throughout June and July 2019, Blackstone was working with legal counsel and outside economic advisors to analyze a potential take-private transaction and the price at which to make an offer for Tallgrass’ outstanding shares. Blackstone initially contemplated making an offer by August 5, 2019, but delayed its schedule while it continued collecting information, including an updated financial forecast from Tallgrass management, similar to the forecast it had received from Tallgrass management while it was evaluating its initial purchase of the controlling interest.

Blackstone Prepares to Make a Take-Private Offer

20. On July 29, 2019, two Blackstone employees who served as Tallgrass directors and were involved in Blackstone’s analysis of the potential take-private transaction reached out to Tallgrass’s Chief Financial Officer and asked for Tallgrass management’s long-term forecast. The CFO discussed the request with Tallgrass’s Chief Executive Officer and its General Counsel. Tallgrass management viewed the July 29, 2019 request as an indicator that Blackstone likely was actively considering making the take-private offer. Tallgrass insiders considered this request for information from Blackstone to be confidential inside information.

21. At that time, and until the closing of the take-private transaction in April 2020, Roy Cook was an independent member of Tallgrass’s Board of Directors. Cook attended Board

meetings and was in regular communication with several of Tallgrass's executives, as well as his fellow board members. Cook also chaired previously constituted Conflicts Committees of the Tallgrass board. These Conflicts Committees, comprised of independent board members, generally were formed to represent the interests of Tallgrass shareholders in evaluating potential related-party transactions or transactions between parties with common ownership, to guard against potential conflicts of interest. Cook later chaired the Conflicts Committee formed to evaluate the Blackstone take-private offer.

22. On Tuesday, July 30, 2019, the day after Tallgrass management received the request for management's long-term forecast from the Blackstone directors on Tallgrass's Board, Cook spoke via telephone with Tallgrass's CEO and had a separate phone call with a fellow independent Tallgrass board member. On July 31, 2019, Cook again spoke with the CEO and on August 1, 2019, Cook exchanged text messages with another of Tallgrass's independent board members. Cook was on vacation the week of August 2, 2019, but was in contact with one of the other independent board members. Tallgrass management provided the Blackstone directors with a draft of the requested long-term forecast on August 6, 2019. Blackstone incorporated the forecast into its financial models analyzing the potential take-private transaction and discussed it with its financial advisors later that month.

23. On the morning of Friday August 9, 2019, Cook had telephone calls with Tallgrass's CEO and its General Counsel, including a discussion with the General Counsel regarding whether he was at that time permitted to trade Tallgrass securities. Shortly after the call with the General Counsel, Cook texted a fellow independent board member and told him that the General Counsel informed him that they were not permitted to purchase Tallgrass securities because they were still in a "blackout" period. The next day, when the fellow

independent board member asked Cook via text why they were still in a blackout period, Cook replied “BIP,” which was shorthand for Blackstone.

24. On August 14, 2019, nearly two weeks before the public announcement of the take-private offer, Cook reached out to a law firm and an advisory firm to inquire about their ability to provide guidance in the event of a potential transaction involving Blackstone. Both firms had served as advisors to previous Tallgrass Conflicts Committees chaired by Cook.

25. On August 27, 2019, Tallgrass announced via a press release that Blackstone was offering to acquire all of the outstanding public shares of TGE for \$19.50 per share. The price of Tallgrass stock rose 36% the next day, closing at \$19.46 per share.

26. The next day, at a special Tallgrass board meeting, a Conflicts Committee was formed to analyze the offer. Cook was appointed to chair the committee. The committee retained the law firm and financial adviser Cook had previously spoken to in mid-August about a potential transaction involving Tallgrass.

Cook Tipped Friends and Associates in Advance of the August Announcement

27. Between July 30, 2019, when, upon information and belief, Cook learned that Blackstone was considering making a take-private offer, and the August Announcement, Cook communicated material nonpublic information to the Tippees, who traded based on that information.

28. When Cook conveyed this information, he breached his duty to Tallgrass to keep the information confidential. Cook knew, or was reckless in not knowing, that the information he conveyed to the Tippees, including material nonpublic information, was disclosed in breach of his duty to Tallgrass, and that the Tippees would use the information for trading.

29. Cook received a personal benefit from his tip of material nonpublic information to Tippees, including the benefit of providing a gift of information to his close friends.

Renner and Natrop

30. At all relevant times, Cook was friends and business associates with Renner and Natrop. Cook and Renner have been friends for about fifteen years and would meet frequently to discuss both oil and gas investments (Cook's expertise) and real estate investments (Renner's expertise). Renner and Natrop knew that Cook was a member of Tallgrass's Board of Directors. Since at least 2010, Cook has served as a trustee for trusts for the benefit of Renner's children. In July 2019 Renner attended a wedding reception for Cook's daughter. In the summer of 2019 Cook was engaged in a business venture with Renner and Natrop to build a condominium development in Oconomowoc, Wisconsin. The three exchanged emails and met in person on a regular basis.

31. On July 31, August 1, August 6, August 7, 2019, August 8, and August 9, 2019, there were telephone calls between Cook and the main phone line for Renner Architects, the firm owned by Renner and Natrop. During the course of one of these conversations or other conversations around this time, Cook, upon information and belief, tipped Renner and/or Natrop material nonpublic information about Tallgrass, specifically that Blackstone was considering making a take-private offer.

32. Based on the material nonpublic information from Cook, on August 8, 2019, Renner purchased 200 out-of-the-money Tallgrass call options (representing the right to purchase 20,000 Tallgrass shares) with a strike price of \$20 per share and an expiration date of October 18, 2019. Tallgrass common stock closed that day at \$17.20 per share. In addition, on August 9, 2019, again based on material nonpublic information from Cook, Renner purchased 100 out-of-the-money Tallgrass call options with a strike price of \$18 per share and an expiration date of January 17, 2020. Tallgrass common stock closed that day at \$17.35 per share. Renner's trades resulted in illicit profits of \$13,520.

33. At the time he purchased these securities, Renner knew, or was reckless in not knowing, that the information from Cook was material nonpublic information, and that Cook disclosed this information in breach of Cook's duty to Tallgrass.

34. Renner had previously traded Tallgrass common stock but had never before purchased stock options.

35. Based on material nonpublic information from Cook, on August 9, 2019, Natrop purchased 482 out-of-the-money Tallgrass call options, with a strike price of \$18 per share and an expiration date of January 17, 2020. Tallgrass common stock closed that day at \$17.35 per share. Natrop's trades resulted in illicit profits of \$43,862.

36. At the time he purchased these securities, Natrop knew, or was reckless in not knowing, that the information from Cook was material nonpublic information, and that Cook disclosed this information in breach of Cook's duty to Tallgrass.

37. Natrop's purchase of Tallgrass call options was both the first time he had purchased call options since 2017, and also his largest purchase of any type of option since 2017.

Rudolph

38. At all relevant times, Cook and Rudolph were friends and were in regular communication. Though they lived in different states, they would meet in person approximately three or four times a year and spoke on the phone at least once a week, including conversations about investments. Rudolph knew that Cook was a member of Tallgrass's Board of Directors.

39. To celebrate his birthday, Rudolph invited Cook to join him on his yacht in the Bahamas for a week-long sailing trip in August 2019. Rudolph and Cook spent the week of August 2, 2019, on Rudolph's yacht, visiting several different ports in the Bahamas. While on the trip together, Cook, upon information and belief, tipped Rudolph material nonpublic

information about Tallgrass, specifically that Blackstone was considering making a take-private offer.

40. On August 6, 2019, while the yacht was docked at a resort on Chubb Cay, Rudolph purchased 15,000 shares of Tallgrass common stock at \$17.39 per share, based the material nonpublic information he had learned from Cook, resulting in illicit profits of \$31,035.

41. At the time he purchased these securities, Rudolph knew, or was reckless in not knowing, that the information Cook conveyed to him was material nonpublic information, and that Cook disclosed this information in breach of Cook's duty to Tallgrass.

42. This trade was the first time Rudolph had ever purchased Tallgrass securities.

Williams

43. At all relevant times, Williams and Cook were friends and business associates. The two became friends when Williams worked for two companies owned by Cook. Williams subsequently became Cook's personal accountant. Williams acted as an agent for several of Cook's family trusts, directing trading in securities accounts held by the trusts. They regularly spoke on the telephone and communicated via text message. Williams knew that Cook was a member of Tallgrass's Board of Directors.

44. Williams and Cook spoke on the telephone on August 14, 2019, shortly after Cook's telephone calls with the law firm and economic advisor that were subsequently retained by the Conflicts Committee after the Blackstone take-private offer was announced on August 27.

45. Both Cook and Williams were in Cook's hometown of Hartland, Wisconsin, early in the evening on Sunday August 18, 2019. The population of Hartland is approximately 9,500.

46. Between August 14 and 18, 2019, Cook, upon information and belief, tipped Williams material nonpublic information about Tallgrass, specifically that Blackstone was considering making a take-private offer.

47. Based on the material nonpublic information he received from Cook, on August 19, 2019, Williams purchased 166 out-of-the-money call options: 151 with a strike price of \$19 per share and an expiration date of October 18, 2019, and another 15 with a strike price of \$18 per share and an expiration date of September 20, 2019. Tallgrass common stock closed that day at \$15.94 per share.

48. Williams purchased additional Tallgrass securities on August 21, 2019, based on the material nonpublic information he learned from Cook. On that day, Williams purchased 4,134 out-of-the-money call options: 1,849 with a strike price of \$19 per share and an expiration date of October 18, 2019; 1,985 with a strike price of \$18 per share and an expiration date of September 20, 2019; and 300 with a strike price of \$20 per share and an expiration date of September 20, 2019. Tallgrass common stock closed that day at \$15.70 per share.

49. Williams's trades resulted in illicit profits of \$463,000.

50. At the time he purchased these securities, Williams knew, or was reckless in not knowing, that the information Cook conveyed to him was material nonpublic information, and that Cook disclosed this information in breach of Cook's duty to Tallgrass.

51. Prior to these trades, Williams had never purchased options of any issuer.

Negotiations with Blackstone Continue after the August Announcement

52. As chair of the Conflicts Committee, Cook led negotiations with Blackstone after the August Announcement. Throughout September, October, November, and December 2019, the Conflicts Committee met regularly and was in frequent communication with its advisors.

53. On October 22, 2019, the Conflicts Committee determined that the \$19.50 per share initial price offered by Blackstone was inadequate. A few days later Blackstone increased its offer to \$20 per share, which the Conflicts Committee rejected on October 30. On December 10, 2019, the Conflicts Committee reviewed an announcement to be made in the event the parties were unable to reach an agreement. Later that day, with the transaction in doubt, the Conflicts Committee made a counter-offer to Blackstone of \$23 per share. On December 11, 2019, Blackstone responded with its final offer, at \$22.45 per share, bringing the deal much closer to reality. It informed the Conflicts Committee that the offer would be valid until 5:00 pm on December 13, 2019. On December 13, 2019, at 3:39 pm, the Conflicts Committee informed Blackstone that it would accept the \$22.45 per share offer and recommend that Tallgrass shareholders approve the transaction.

54. On December 16, 2019, Blackstone and TGE publicly announced that they had entered into a definitive merger agreement, pursuant to which Blackstone would purchase the outstanding shares of TGE for \$22.45 per share. Following this news, on December 17, 2019, the price of TGE stock rose 21% to close at \$22.14 per share. After a Tallgrass shareholder vote, the take-private transaction closed in April 2020.

The Cook And Williams Trades in Advance of the December Announcement

55. Between December 1, 2019, and the December Announcement, Cook, upon information and belief, communicated material nonpublic information to Williams, who traded based on that information in his personal account and in a Cook family trust. Cook knew, or was reckless in not knowing, that trading on the basis of material nonpublic information breached his duty to Tallgrass. Cook also knew, or was reckless in not knowing, that the information he conveyed to Williams was disclosed in breach of his duty to Tallgrass, and that Williams would use the information for trading. Cook received a personal benefit from his tip of material

nonpublic information to Williams, including the benefit of providing a gift of information to his close friend.

56. On December 1, 2019, Cook had a call with a Blackstone representative. Immediately afterward, Cook had a telephone call with one of the Conflicts Committee members. On December 2, 2019, Cook had a telephone call with the other Conflicts Committee member.

57. On December 3, 2019, Williams and Cook had a telephone call and exchanged several text messages. During one of those communications, upon information and belief, Cook updated Williams on the status of negotiations between Tallgrass and Blackstone.

58. Following those communications, on December 3, 2019, Williams purchased 20,000 shares of Tallgrass at \$17.70 per share in an account held by a trust called the RNC 2017 Grat Trust (Cook's initials are RNC). Cook was the settlor of the RNC 2017 Grat Trust, which named his children as beneficiaries, and had received annuity payments from the trust. Williams had trading authority for the trust's securities account. The trust held the stock through the closing of the take-private transaction in April 2020. The December 3 trade resulted in profits of \$88,800. Cook knowingly or recklessly breached a duty he owed to Tallgrass and its shareholders through this purchase.

59. On the morning of December 9, 2019, when it appeared to members of the Conflicts Committee that a deal might not be reached, Cook had two telephone calls with Williams. Later that day, Williams placed two bearish trades in Tallgrass securities in his personal account: he sold 50 previously purchased call options with a strike price of \$18 per share and 91 previously purchased call options with a strike price of \$19 per share, all with an expiration date of December 20, 2019. The price of Tallgrass common stock closed that day at \$18.39 per share.

60. Cook left Wisconsin for a vacation in Chile on December 9, 2019. While in Miami on a layover that evening, he had telephone calls with an outside advisor for the Conflicts Committee, and with each of his fellow Conflicts Committee members. The Conflicts Committee met telephonically the morning of December 10 and discussed the possibility that the deal might not close.

61. On the morning of December 10, Williams placed bearish limit orders to sell 160,000 shares of Tallgrass stock across four of the Cook family trusts. On the afternoon of December 10, 2019, while in Chile, Cook had a three-minute telephone call with Williams. Upon information and belief, during the conversation Cook provided Williams with material nonpublic information regarding the status of negotiations.

62. On the morning of December 12, 2019, after Blackstone had significantly increased its offer, Williams cancelled the unfilled remainder of his previously ordered Tallgrass sales.

63. On December 13, 2019, Williams again began bullish purchases of Tallgrass securities. He purchased 200 out-of-the-money Tallgrass call options in his personal account: 100 call options with a strike price of \$20 per share and an expiration date of December 20, 2019, and another 100 call options with a strike price of \$20 per share and an expiration date of January 17, 2020. Williams and Cook exchanged two text messages later that day. The Conflicts Committee also informed Blackstone that it would accept the \$22.45 per share offer at 3:59 pm on December 13, 2019. The stock closed at \$18.38 per share that day.

64. On the morning of December 16, 2019, Williams bought another 110 call options in his personal account: 100 call options with a strike price of \$19 per share and an expiration date of January 17, 2020, and another 10 call options with a strike price of \$20 per share and an expiration date of January 17, 2020.

65. When Williams purchased Tallgrass securities in December 2019, he knew, or was reckless in not knowing, that the information Cook conveyed to him was material nonpublic information, and that Cook disclosed this information in breach of Cook's duty to Tallgrass.

66. On December 17, 2019, after the previous night's announcement of the agreed-upon price for the take-private transaction, Williams closed out his Tallgrass options positions that he had opened in December 2019. Williams's trades resulted in profits of \$61,525.

Cook was Aware of Tallgrass's Prohibitions Against Insider Trading and His Duty to Keep Nonpublic Information Confidential

67. At all relevant times, Tallgrass had an Insider Trading Policy that prohibited Tallgrass officers, directors, and employees of Tallgrass from purchasing or selling securities while in the possession of material, nonpublic information, and from tipping "material nonpublic information to anyone who may trade while in possession of such information." The policy also prohibited Company insiders from communicating material nonpublic information about Tallgrass to "anyone outside the Company, or to anyone within the Company other than on a need-to-know basis." All Tallgrass officers, directors and employees were required to "review and comply" with the Policy.

68. The Tallgrass Board of Directors, including Cook, was responsible for reviewing and approving the Insider Trading Policy, and would review it periodically.

69. The Company also instituted regular "blackout" periods, during which all officers, directors, and employees were prohibited from trading Tallgrass stock. Blackout periods typically started at the end of each quarter and ended one or two days after the public release of earnings information for that quarter. In addition, the Company's Insider Trading Policy provided that a smaller group of individuals at Tallgrass—which included executives and

Board members—were not permitted to trade in Tallgrass securities at any time without consent from the Company’s general counsel.

Cook Failed to File Required Forms in Connection with Certain Purchases and Sales of TGE Securities in Family Trusts

70. At all relevant times, Cook was a director of Tallgrass, which had stock registered under Section 12 of the Exchange Act. As such, Cook was required to report to the SEC changes in beneficial ownership of his Tallgrass shares, such as through purchases, sales, or gifts, within two business days, in an SEC Form 4, and within 45 days of the end of Tallgrass’s fiscal years in an SEC Form 5, unless the transactions were previously reported.

71. The purpose of Forms 4 and 5 is to provide the investing public with reliable information about company insiders’ various transactions in company securities, including the date of such transactions, the amount of securities purchased or sold, and the price per share.

72. Cook failed to file Forms 4 or 5 to disclose numerous purchases and sales of Tallgrass stock in 2019 and 2020 by family trusts for which he had a reporting obligation.

73. Specifically, Cook failed to report the following transactions:

Trust	Date	Transaction	Quantity
RNC 2004 Irrev Trust	6/26/19	Purchase	25,000
	12/10/19	Sale	14,919
	12/12/19	Sale	800
	2/28/20	Sale	2,553
	3/17/20	Purchase	3,000
RNC 2011 Irrevocable Trust	6/26/19	Purchase	25,000
	12/10/19	Sale	11,180
	12/11/19	Sale	38,820
RMC Irrevocable Trust of 2014	12/10/19	Sale	8,441
	12/11/19	Sale	14,324
	2/28/20	Sale	35,114
	3/17/20	Purchase	45,000
RNC 2014 GRAT	11/25/19	Sale	40,000
RNC 2017 GRAT	12/3/19	Purchase	20,000
TMC 2014 GRAT	11/25/19	Sale	40,000

FIRST CLAIM FOR RELIEF

Violations of Exchange Act Section 10(b) and Rule 10b-5 Thereunder (All Defendants)

74. The Commission re-alleges and incorporates by reference each and every allegation contained in the paragraphs above.

75. All of the Tallgrass shares and call options Defendants purchased are securities.

76. Cook learned material, nonpublic information about a potential Blackstone take-private offer as a result of his position as an independent director of the Tallgrass Board. Cook also learned material nonpublic information about the negotiations between Tallgrass and Blackstone as Chair of the Tallgrass Conflicts Committee. Cook owed a fiduciary or similar duty of trust and confidence to Tallgrass and its shareholders to keep the information confidential and refrain from trading in Tallgrass securities or tipping the information to others. Cook knowingly or recklessly breached that duty through a purchase of Tallgrass securities. In breach of that duty, Cook also communicated material, nonpublic information to the Tippees, knowing, or recklessly disregarding, that they would use the information in connection with securities trading. Cook communicated material, nonpublic information to the Tippees in exchange for a personal benefit or with the expectation of receiving a benefit.

77. The Tippees purchased Tallgrass securities on the basis of material nonpublic information they learned from Cook, who had obtained the information as a result of his position as an independent director of the Tallgrass Board and Chair of the Tallgrass Conflicts Committee. The Tippees purchased Tallgrass securities knowing, or being reckless in not knowing, that the information they received from Cook was material and nonpublic, and that by conveying this information to them, Cook had breached his duty to Tallgrass to keep the information confidential.

78. By engaging in the conduct described above, Defendants, directly or indirectly, in connection with the purchase or sale of securities, by use of means or instrumentalities of interstate commerce, or of the mails, with scienter: (a) employed devices, schemes or artifices to defraud; (b) made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons, including purchasers and sellers of securities.

79. By reason of the foregoing, Defendants, directly or indirectly, violated, and, unless enjoined, are reasonably likely to continue to violate, Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

SECOND CLAIM FOR RELIEF

Violations of Exchange Act Section 16(a) and Rule 16a-13 Thereunder (Cook)

80. The Commission re-alleges and incorporates by reference each and every allegation contained in the paragraphs above.

81. Cook, as an officer or director of an issuer with a class of equity securities registered pursuant to Exchange Act Section 12 [15 U.S.C. § 78l], failed to timely and accurately file Forms 4 and Forms 5 with the Commission containing the information required therein.

82. By reason of the foregoing, Cook violated and, unless enjoined, will again violate Exchange Act Section 16(a) [15 U.S.C. § 78p(a)] and Rule 16a-3 [17 C.F.R. § 240.16a-3] thereunder.

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court enter a final judgment:

Permanently restraining and enjoining Defendants from, directly or indirectly, violating Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b) and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5];

Ordering Defendants to pay civil monetary penalties pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u(d)(2)] and, as to Cook, Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)];

Ordering Defendants to disgorge all ill-gotten gains by which they were unjustly enriched, with prejudgment interest thereon, as a result of the alleged violations pursuant to Exchange Act Sections 21(d)(3), 21(d)(5), and 21(d)(7) [15 U.S.C. §§ 78u(d)(3), 78u(d)(5), and 78u(d)(7)];

Imposing an officer and director bar against Cook pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)]; and

Granting any other and further relief this Court may deem just and proper.

DEMAND FOR JURY TRIAL

Pursuant to Rule 38 of the Federal Rules of Civil Procedures, the Commission demands trial by jury in this action of all issues so triable.

Date: March 12, 2024

Respectfully submitted,

s/ Dean M. Conway

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