

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 59960 / May 21, 2009

ADMINISTRATIVE PROCEEDING
File No. 3-13480

In the Matter of

MATTHEW J. BROWNE, Attorney,
Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO RULE
102(e) OF THE COMMISSION’S RULES OF
PRACTICE, MAKING FINDINGS, AND
IMPOSING REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Matthew J. Browne (“Respondent” or “Browne”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.¹

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any . . . attorney . . . who has been by name . . . permanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III., paragraph 3, below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Browne, age 56, is a banking and oil and gas attorney admitted to the Oklahoma State Bar. Browne was employed by a law firm in Tulsa, Oklahoma (the "law firm") from 2000 until his termination on October 31, 2008.

2. SemGroup Energy Partners ("SGLP") is a Tulsa-based limited partnership that owns and operates a portfolio of energy assets and provides midstream oil services, such as transportation and storage. SGLP is a reporting company under Section 12(b) of the Securities Exchange Act of 1934 ("Exchange Act"). Its common units representing limited partnership interests trade on the NASDAQ National Market.

3. On April 28, 2009, the Commission filed a complaint against Browne in *SEC v. Browne* (Civil Action No. 4:09-cv-00248), in the United States District Court for the Northern District of Oklahoma. On May 6, 2009, the court entered an order permanently enjoining Browne, by consent, from future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. Browne was also ordered to pay \$81,773 in disgorgement of ill-gotten gains from insider trading and \$1,505.98 in prejudgment interest, and a civil money penalty in the amount of \$81,773.

4. The Commission's Complaint alleged that, among other things, on July 14, 2008, Browne, an attorney at the law firm, learned through his representation of a longstanding law firm client who was a large, SemGroup, LP lender ("the bank"), that SGLP's privately-held parent company and largest customer, SemGroup, LP, was experiencing liquidity issues. Specifically, the Complaint alleges Browne learned that: (1) the bank had made a \$50 million margin call on SemGroup, LP in connection with certain derivatives trading transactions; (2) SemGroup, LP failed to satisfy the margin demand; (3) the bank was seeking to setoff amounts owed by SemGroup, LP against other SemGroup, LP accounts maintained at the bank; and (4) the bank was looking to exercise its right to terminate its International Swaps and Derivatives Association Master Agreement with SemGroup, LP, which would result in closing out all open swap and derivatives transactions between the parties, thereby making \$110 million owed to the bank by SemGroup, LP immediately due and payable. The Complaint alleges that shortly after learning this information, Browne directed the sale of his entire SGLP position. On July 17, 2008, SGLP announced that SemGroup, LP was "experiencing liquidity issues" and was considering

bankruptcy. On July 18, SGLP's unit price closed at \$8.30 per share, 65.5% lower than Browne's July 14 average sale price. According to the Complaint, by liquidating his SGLP holdings before the negative news announcement, Browne avoided losses of \$81,773.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Browne's Offer.

Accordingly, it is hereby ORDERED, effective immediately, that:

A. Browne is suspended from appearing or practicing before the Commission as an attorney.

B. After 5 years from the date of this order, Respondent may request that the Commission consider his reinstatement by submitting an application (attention: Office of the General Counsel) to resume appearing or practicing before the Commission as an attorney.

C. The Commission will consider an application by Respondent to resume appearing or practicing before the Commission provided that his state law license is current and he has resolved all other disciplinary issues with the applicable state boards. However, if state licensure is dependent on reinstatement by the Commission, the Commission will consider an application on its other merits. The Commission's review may include consideration of, in addition to the matters referenced above, any other matters relating to Respondent's character, integrity, professional conduct, or qualifications to appear or practice before the Commission.

By the Commission.

Elizabeth M. Murphy
Secretary