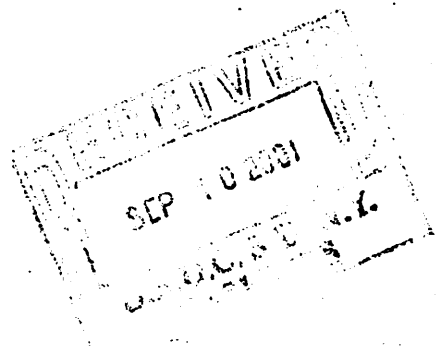


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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

**PATRICK JOSEPH DANAHER,
JOHN THOMAS DOHERTY,
ROBERT PAUL WITTMAN, and
TIMOTHY FREDRICK WARD,**

Defendants.

COMPLAINT

Plaintiff Securities and Exchange Commission alleges:

1. This Complaint alleges that each defendant used insider information to purchase, to tip others to purchase, or to both purchase and tip others to purchase, the securities of Mapco Incorporated ("Mapco") prior to the November 24, 1997 public announcement that The Williams Companies ("Williams") would acquire Mapco in a transaction valued at approximately \$3.46 billion. The four defendants named in this Complaint – including a Mapco employee and a

former securities professional – each engaged in illegal trading or tipping prior to the November 24, 1997 announcement while in possession of material, nonpublic information concerning the pending takeover of Mapco.

2. Patrick Joseph Danaher (“Danaher”), a Mapco employee, knew about the merger during the week prior to the November 24, 1997 public announcement. During that week, he repeatedly tipped his friend, John Thomas Doherty (“Doherty”), concerning the pending acquisition. Among other things, Danaher told Doherty (i) that Mapco was going to be taken over; (ii) the expected price per share at which Mapco would be acquired; and (iii) when the deal would be announced. Doherty traded on this information and tipped others, including the other two defendants, Robert Paul Wittman (“Wittman”) and Timothy Fredrick Ward (“Ward”). In taped phone calls to one of his tippers, a securities professional, Doherty expressly stated that the source for his information was a Mapco employee. All told, Doherty, his tippers, and one individual who was tipped by one of Doherty’s tippers made \$90,985 in profits as a result of their trades in the securities of Mapco.

3. By engaging in the conduct described herein, Danaher, Doherty, Wittman, and Ward each violated Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], and unless permanently enjoined, will continue to engage in such acts and practices and courses of business of similar purport and object.

4. The Commission seeks a judgment permanently enjoining each defendant from future violations and directing disgorgement of their illegal profits and all illegal profits made by any tippee, together with prejudgment interest thereon, and civil monetary penalties, pursuant to

Sections 21(d)(1) and (e), and 21A of the Exchange Act [15 U.S.C. §§ 78u(d)(1) and (e), and 78u-1].

JURISDICTION AND VENUE

5. This Court has jurisdiction over this action, and venue is proper, pursuant to Sections 21(d)(1), 21(e), 21A and 27 of the Exchange Act [15 U.S.C. §§ 78u(d)(1), 78u(e), 78u-1 and 78aa].

6. Defendants directly or indirectly used the means or instrumentalities of interstate commerce or the mails, or the facilities of a national securities exchange, in connection with the transactions, acts, practices and courses of business described herein.

DEFENDANTS

7. Danaher, age 38, is a resident of Kingwood, Texas. At the time of the conduct alleged herein, Danaher was a general manager of supply and trading at a Mapco subsidiary in Houston, Texas. His employment with Mapco ended in April 1998.

8. Doherty, age 42, is a resident of Hewlett, New York. At the time of the conduct alleged herein, Doherty was employed as an oil futures broker at the New York City offices of Syntex Energy Resources, LLC ("Syntex").

9. Wittman, age 43, is a resident of Stewart Manor, New York. At the time of the conduct alleged herein, Wittman was employed as an oil futures broker in the New York City offices of Syntex. Wittman is registered as a securities professional with the NASD.

10. Ward, age 51, is a resident of Denver, Colorado. At the time of the conduct alleged herein, Ward was employed as an oil futures broker at Syntex in New York City, where he worked with both Doherty and Wittman.

OTHER RELEVANT PERSON AND ENTITIES

11. Mapco, until its merger with Williams, was a Delaware corporation headquartered in Tulsa, Oklahoma. Through its various business units, Mapco was engaged primarily in the transportation and processing of natural gas liquids and petroleum products, and utilized an extensive network of natural gas pipelines. Mapco's stock was registered with the Commission under Section 12(b) of the Exchange Act and listed on the New York Stock Exchange.

12. Williams is a Delaware corporation headquartered in Tulsa, Oklahoma. Through its subsidiaries, Williams engages primarily in the gathering, processing, transportation, and sale of natural gas; the transportation of petroleum; and hydrocarbon exploration. Williams has an extensive network of natural gas pipelines. Williams' stock is registered with the Commission under Section 12(b) of the Exchange Act and is listed on the New York Stock Exchange.

13. Robert Bruce Lohmann ("Lohmann"), age 43, is a resident of Amityville, New York. At the time of the conduct alleged herein, he was a securities professional registered with the NASD and employed as a supervisor of equity trading at Royal Alliance Associates, Inc. ("Royal Alliance"), a registered broker-dealer and investment adviser.

COUNT I (Violations of Exchange Act Section 10(b) and Rule 10b-5)

14. Plaintiff Commission repeats and realleges Paragraphs 1 through 13 above.

Mapco and Williams Announce a Merger

15. On or about October 15, 1997, Williams approached Mapco with an acquisition proposal. Discussions between the companies continued into November 1997. On the morning of Monday, November 24, 1997, the companies publicly announced a merger agreement.

Williams agreed to acquire Mapco for approximately \$2.46 billion in Williams' stock and the assumption of approximately \$1 billion in Mapco debt. Pursuant to the merger agreement, each Mapco shareholder was to receive 0.8325 share of Williams stock for each share of Mapco stock. Based on Williams' closing price of \$55.4375 on Friday, November 21, 1999, the merger agreement valued each Mapco share at \$46.15. On the day of the announcement, Mapco shares increased \$5.3125, or 13.93 percent, to close at \$43.4375.

Patrick Danaher, a Mapco Employee, Learns of the Merger

16. In November 1997, Danaher was employed by Mapco as a crude oil trader in Mapco's Houston subsidiary.

17. On or before November 20, 1997, Danaher, through his employment at Mapco, learned material, nonpublic information concerning Williams' pending acquisition of Mapco. By the morning of November 20, 1997, he had learned that Mapco was in merger negotiations. He further knew that the merger agreement contemplated a stock for stock transaction that valued Mapco shares at approximately \$46. He also knew that a public announcement concerning the merger was imminent.

Danaher tips his friend Doherty, Who Trades

18. By 1997, Danaher and Doherty had been friends for over 10 years. Danaher secured crude oil for Mapco and Doherty worked for Syntex Energy as an oil futures broker. In those capacities, the two men spoke numerous times a day, buying and brokering crude oil for Mapco.

19. On or before November 20, 1997, Danaher tipped Doherty and passed on the material, nonpublic information that he had learned concerning the pending merger. Danaher

told Doherty that Mapco was going to be acquired in a stock-for-stock transaction that valued each Mapco share at approximately \$46 per share, representing a \$12.375 premium, equal to more than 36 percent, over the stock's closing price of \$33.625 on November 19, 1997. Danaher also told Doherty that the acquisition would be announced soon.

20. Based on the material, nonpublic information relayed to him by Danaher, Doherty purchased 50 Mapco call options on November 20, 1997. Doherty sold all 50 option contracts within two days of the announcement, making a profit of \$20,375.00.

21. As a Mapco employee, Danaher owed a fiduciary duty to Mapco and its shareholders. Danaher had a duty to safeguard the confidentiality of material, nonpublic information he obtained concerning Williams' impending acquisition of Mapco and not to use it for his personal benefit.

22. In breach of these duties, and for his personal benefit, Danaher communicated material, nonpublic information concerning Williams' impending acquisition of Mapco to Doherty. Danaher knew, or was reckless in not knowing, the information he disclosed was nonpublic and that his disclosure of the information was improper and in breach of the duties he owed to Mapco. Danaher's disclosure of this information was made under circumstances in which he knew, or acted with reckless disregard of the fact, that Doherty was likely to effect transactions in Mapco stock, or tip others, or both.

23. Doherty knew, or was reckless in not knowing, that the information he received about the Mapco acquisition from Danaher was nonpublic, and that the information was disclosed to him in violation of a fiduciary or other duty of trust and confidence Danaher owed to Mapco. Accordingly, Doherty inherited Danaher's duty not to trade on the information or to

pass it along to others. Doherty knowingly or recklessly breached this duty, for his personal benefit, by purchasing Mapco options and by tipping others.

Doherty Tips His Friend Lohmann, Who Then Tips a Co-Worker

24. In a series of conversations beginning the morning of November 20, 1997, Doherty tipped his friend Robert Lohmann, who was a supervisor of equity trading at Royal Alliance. In those conversations, Doherty told Lohmann that he had learned from a Mapco insider that Mapco was going to be acquired in a deal that valued Mapco's common stock at approximately \$46 per share.

25. On November 20, 1997, after Doherty told Lohmann about the impending merger, but before Doherty explicitly revealed to Lohmann that he had obtained the information from a Mapco insider, Lohmann purchased 20 Mapco call option contracts expiring in April. Lohmann sold the options after the announcement, for a profit of \$12,875. Doherty breached the duty of confidentiality he inherited from the Mapco insider when he provided Lohmann material, nonpublic information about the acquisition and knew, or was reckless in not knowing, that Lohmann would use the information to buy Mapco securities or tip others.

26. After Doherty tipped Lohmann about the impending acquisition, including the fact that the information came from a Mapco insider, Lohmann tipped a co-worker, who then purchased Mapco securities. Lohmann's tippee sold these securities at a profit after the announcement was made.

Doherty Also Tips Wittman and Ward

27. On or about November 20, 1997, Doherty also told Wittman that Mapco was about to be acquired. Wittman worked with Doherty at Syntex and had known Doherty for

years.

28. Based on the information told to him by Doherty, Wittman purchased 1,000 Mapco shares on November 20, 1997. Wittman sold this Mapco stock on November 24, 1997, the day of the merger announcement, and profited by \$10,062.50.

29. Wittman knew, or was reckless in not knowing, that the information he received from Doherty was nonpublic and was disclosed to him in violation of a fiduciary or other duty of trust and confidence that Doherty had inherited from an insider at Mapco. Accordingly, through Doherty, Wittman inherited Danaher's duty not to trade on the information. Wittman knowingly or recklessly breached this duty by purchasing Mapco stock.

30. On November 20, 1997, Doherty also told Ward that Mapco was going to be acquired. Ward worked with Doherty at Syntex and had known Doherty for about 10 years.

31. Based on the information Doherty told him, Ward purchased 500 shares of Mapco stock on November 20, 1997, and purchased another 1,500 shares on November 21, 1997. He sold the stock on December 15, 1997, for a profit of \$15,506.25.

32. Ward knew, or was reckless in not knowing, that the information he received from Doherty was nonpublic and was disclosed to him in violation of a fiduciary or other duty of trust and confidence that Doherty had inherited from an insider at Mapco. Accordingly, through Doherty, Ward inherited Danaher's duty not to trade on the information. Ward knowingly or recklessly breached this duty by purchasing Mapco stock.

***After Being Tipped by Danaher, Doherty Also Tips Another Co-Worker,
His Account Representative, and a Friend, All of Whom Trade***

33. After being tipped by Danaher, Doherty also recommended Mapco's stock to at least three others -- another co-worker at Syntex, Doherty's account representative, and a childhood friend. After being tipped by Doherty, each of them directly or indirectly purchased Mapco securities. These three individuals profited by \$775, \$11,281.25, and \$20,000, respectively, as a result of their Mapco securities purchases.

34. By reason of the foregoing, defendants, directly and indirectly, violated 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].

PRAYER FOR RELIEF

Plaintiff requests that the Court enter a judgment:

- (i) permanently enjoining defendants Danaher, Doherty, Wittman and Ward from 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];
- (ii) ordering defendants Danaher, Doherty, Wittman and Ward to disgorge all profits made by them, and if applicable, their respective tippees, as a result of the unlawful trading described above, together with prejudgment interest;
- (iii) ordering defendants Danaher, Doherty, Wittman and Ward to pay civil monetary penalties under Section 21A of the Exchange Act [15 U.S.C. § 78u-1]; and

(iv) granting such other relief as the Court may deem just and appropriate.

Dated:

Robert Blackburn

James A. Kidney / JK5830

James A. Kidney, Trial Counsel (JK5830)

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