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UNITED STATES DISTRICT COURT
SOUTHERN DISTICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. HARRY PARKER DAILY, JAMES FRANCIS HEALEY, PAUL MICHAEL HEALEY, and ROBERT GEORGE VAN HOECKE, Defendants.	:	COMPLAINT

Plaintiff Securities and Exchange Commission (the "Commission") alleges:

NATURE OF THE ACTION

1. Each defendant used insider information to purchase, or tip others to purchase, securities of Mapco Incorporated ("Mapco") prior to the November 24, 1997 public announcement that Mapco would be acquired by The Williams Companies ("Williams") in a transaction valued at approximately $3.46 billion. The four defendants named in this Complaint – two Mapco Vice Presidents, a Mapco consultant, and the brother of one of the Mapco Vice

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

2. Harry Parker Daily ("Daily"), a Mapco employee, was told by his supervisor about the pending merger on November 14, 1997 and then traded Mapco stock through his company-sponsored retirement account, making a profit of $11,895.15.

3. James Francis Healey ("James Healey"), another Mapco employee, was told of the pending merger by his supervisor on November 20, 1997 and then tipped his brother, defendant Paul Michael Healey ("Paul Healey"), and his aunt, both of whom traded in Mapco stock and collectively made $13,796.43.

4. Robert George Van Hoecke ("Van Hoecke"), an outside consultant to Mapco, learned about the pending merger during a trip to Mapco's headquarters in Tulsa, Oklahoma on November 17, 1997. The next day, he purchased Mapco call options and made profits of $17,531.92.

5. By engaging in the conduct described herein, Daily, James Healey, Paul Healey and Van Hoecke 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.

6. 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

7. 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].

8. 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.

THE DEFENDANTS

9. Daily, age 52, is a resident of Germantown, Tennessee. At the time of the conduct alleged herein, Daily was a Vice President of marketing at a Mapco subsidiary in Memphis, Tennessee and had worked for Mapco for over seven years. His employment with the company was terminated in March 1998.

10. James Healey, age 50, is a resident of Kingwood, Texas. At the time of the conduct alleged herein, James Healey was a Vice President of distribution and transportation for a Mapco subsidiary in Houston, Texas and had worked for Mapco for approximately 20 years.

11. Paul Healey, age 45, is a resident of Henderson, Nevada. He is a licensed Certified Public Accountant and sole practitioner in Las Vegas, Nevada. He is the brother of James Healey.

12. Van Hoecke, age 38, is a resident of Clifton, Virginia. At the time of the conduct alleged herein, he was employed by the consulting firm of Klick, Kent & Allen Inc. and provided consulting services to Mapco.

OTHER RELEVANT ENTITIES

13. 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 pipeline. Mapco's stock was registered with the Commission under Section 12(b) of the Exchange Act and was listed on the New York Stock Exchange. Mapco's options were listed on the Pacific Exchange.

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

CLAIM FOR RELIEF
(Violations of Exchange Act Section 10(b) and Rule 10b-5)

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

16. On or about October 15, 1997, Williams approached Mapco with a merger 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 every share of Mapco stock. Based on Williams' closing price of $55.4375 on Friday, November 21, 1997, 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.

Pete Daily, a Mapco Vice President, learns about the merger, and trades through his Mapco profit-sharing account

17. In November 1997, Daily was a Vice President of Mapco. On June 19, 1997, Daily signed a letter of commitment to Mapco's Code of Business Conduct, which included a section describing the prohibitions against insider trading. Much earlier, on April 16, 1990, Daily signed an agreement with Mapco not to disclose confidential information.

18. On the evening of Friday, November 14, 1997, Daily's supervisor told him that Mapco and Williams were engaged in serious merger negotiations. The supervisor said that he had attended at least one meeting with Williams officials and that negotiations between the two companies were moving "fairly quickly and seriously." He told Daily that Williams was planning to conduct certain due diligence activities on the premises of Mapco. Daily's supervisor further cautioned him that the information was "extremely confidential and not to tell anyone" about it.

19. The next week, on or about November 19, 1997, Daily asked his supervisor if he could purchase Mapco in his account with the company's profit-sharing retirement plan ("PSSP"). Daily's supervisor responded that Daily could not – explaining that Daily had inside

information concerning the merger.

20. Despite his supervisor's admonitions, on November 19, 1997, Daily ordered that $55,848.13 in his PSSP account, representing his entire balance of non-restricted assets, be used to purchase units of the Mapco stock fund.

21. As a Mapco employee, Daily owed a fiduciary duty to Mapco and its shareholders not to trade while in possession of the material, nonpublic information he obtained during the course of his employment concerning Williams' pending acquisition of Mapco.

22. Daily breached his duty when he, for his personal benefit, used the material, nonpublic information he obtained to purchase Mapco securities through his PSSP account, even after he had been told explicitly by his supervisor that he had inside information and was not permitted to do so.

James Healey, a Mapco employee, learns of the merger and tips others

23. In November 1997, James Healey was a Vice President of distribution and transportation in Mapco's Houston subsidiary. James Healey was provided with a copy of the Mapco Code of Conduct, which contains a section that describes and prohibits insider trading.

24. On Thursday, November 20, 1997, James Healey's supervisor informed him that Mapco was about to be taken over by Williams. James Healey was told to be available the next day to answer questions that might be posed by Williams employees during the due diligence process. James Healey's supervisor told him that the information concerning the proposed takeover was confidential.

25. During the evening of November 20, 1997, approximately two hours after his

supervisor told him there would be a merger and that it was confidential, James Healey told his brother, Paul Healey, that Mapco was going to be acquired.

26. The next morning, November 21, 1997, Paul Healey opened a new brokerage account and purchased 1,500 shares of Mapco stock. Paul Healey sold his entire position after the public announcement, for a profit of $10,568.30.

27. Also on November 20, 1997, James Healey tipped his aunt by telling her to purchase Mapco securities. Based on the information provided by her nephew, James Healey's aunt purchased a total of 350 Mapco shares, which she sold after the announcement, realizing a profit of $3,228.13.

28. As a Mapco employee, James Healey owed a fiduciary duty to Mapco and its shareholders not to use for his own benefit material, nonpublic information he obtained concerning Williams' impending acquisition of Mapco.

29. In breach of this duty, and for his personal benefit, James Healey communicated material, nonpublic information concerning Williams' pending acquisition of Mapco to his brother, Paul Healey, and to his aunt. James Healey knew, or was reckless in not knowing, that the information he disclosed was material and nonpublic and that his disclosure of the information was in breach of the duty he owed his employer. James Healey's disclosure of this information was made under circumstances in which he knew, or was reckless in not knowing, that his brother and his aunt were likely to effect transactions in Mapco stock.

30. Paul Healey knew, or was reckless in not knowing, that the information he received, directly or indirectly, from James Healey was material and nonpublic, and that the

information was disclosed to him in violation of a fiduciary or other duty of trust and confidence. Accordingly, Paul Healey inherited James Healey's duty not to trade on the information concerning the pending takeover. Paul Healey knowingly or recklessly breached this duty, for his direct or indirect benefit, by purchasing Mapco securities.

Van Hoecke Learns of the Merger and Trades Mapco Options

31. On Monday, November 17, 1997, Van Hoecke visited Mapco's premises in his capacity as a consultant to Mapco. While there, he learned that the Williams Board of Directors would soon be voting on the proposed merger.

32. On the morning of Tuesday, November 18, 1997, Van Hoecke telephoned a broker-dealer in Alexandria, Virginia, where his consulting practice was based, and opened a new brokerage account. He then purchased 25 Mapco call option contracts expiring in January 1998 with a strike price of 35 – a price that was then above the market price for Mapco stock. Van Hoecke sold his option contracts after the announcement and realized a profit of $17,531.92.

33. As a consultant to Mapco, Van Hoecke owed a fiduciary duty to Mapco and its shareholders not to use for his own benefit material, nonpublic information he obtained during the course of his employment as a consultant concerning Williams' impending acquisition of Mapco.

34. Van Hoecke knowingly or recklessly breached his duty when he used the material, nonpublic information to purchase Mapco securities.

35. By reason of the foregoing, each of the defendants, directly or 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 Commission requests judgment:

(i) permanently enjoining defendants Harry Parker Daily, James Francis Healey, Paul Michael Healey, and Robert George Van Hoecke 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 Harry Parker Daily, James Francis Healey, Paul Michael Healey, and Robert George Van Hoecke to disgorge all profits made by them and their tippees as a result of the unlawful trading described above, together with prejudgment interest thereon;

(iii) ordering defendants Harry Parker Daily, James Francis Healey, Paul Michael Healey, and Robert George Van Hoecke 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:

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