

FILED
U.S. DISTRICT COURT
DISTRICT OF COLORADO

2007 DEC -3 PM 12:43

GREGORY C. LANGHAM
CLERK

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

07 - CV - 02507 - LTB-KLM

Civil Action No.:

BY _____ DEP. CLK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

JAMES R. BELCHER,

Defendant.

COMPLAINT

Plaintiff, Securities and Exchange Commission ("Commission"), alleges as follows for its complaint:

I. SUMMARY

1. Defendant James R. Belcher ("Defendant" or "Belcher"), a partner in the Cheyenne, Wyoming office of a large regional law firm based in Denver, Colorado, purchased stock on the basis of material nonpublic information and realized \$15,537 in profits.

2. Between approximately June 8 and June 14, 2006, Western Gas Resources, Inc. ("Western") provided to Belcher material nonpublic information with respect to Western's consideration of merging into another entity.

3. Thereafter, on June 19, 2006, Belcher purchased 800 shares of Western common stock for approximately \$41 per share.

4. On June 23, 2006, Western and Anadarko Petroleum Corporation ("Anadarko") announced that Western would merge into Anadarko. Following the announcement, the price of

Western stock increased from a closing price of approximately \$41 per share on June 22, 2006 to approximately \$60 per share on June 23, 2006, an increase of 46 percent.

5. On July 14, 2006, Belcher sold his Western stock and realized profits of \$15,537.

6. The Commission brings this action pursuant to the authority conferred upon it by Sections 21(d), 21(e) and 21A(a) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78u(d), 78u(e) and 78u-1(a)] to permanently restrain and enjoin Belcher from engaging in the acts, practices and courses of business alleged in this Complaint, for disgorgement of illegal profits by Belcher, for imposition of civil penalties against Belcher, and for other relief.

7. Belcher, directly or indirectly, has engaged, is engaged, or is about to engage in transactions, acts, practices and courses of business which constitute violations of 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].

8. Belcher will, unless restrained and enjoined, continue to engage in acts, practices, and courses of business alleged herein, and in acts, practices and courses of business of similar object and purpose.

II. JURISDICTION AND VENUE

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

10. Defendant Belcher, directly and indirectly, has made use of the means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange, in connection with the transactions, acts, practices, and courses of business alleged herein, certain of which have occurred in the District of Colorado.

11. Venue lies in this Court pursuant to Sections 27 and 21A(d)(4) of the Exchange

Act [15 U.S.C. §§ 78aa and 78u-1(d)(4)] because certain of the acts, transactions, practices, and courses of business constituting the violations of law alleged herein occurred within the District of Colorado.

III. DEFENDANT

12. Defendant James R. Belcher resides in Cheyenne, Wyoming. At all relevant times, Belcher was a partner in the Cheyenne, Wyoming office of a large regional law firm based in Denver, Colorado.

IV. RELEVANT ENTITIES

13. Western Gas Resources, Inc. was a Delaware corporation with its principal place of business in Denver, Colorado. At all relevant times, Western explored for, developed, and produced natural gas from properties located primarily in Wyoming. Western's common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and was quoted on the New York Stock Exchange ("NYSE") under the symbol WGR. On August 23, 2006, Western merged into Anadarko Petroleum Corporation in an all cash transaction in which the former stockholders of Western had the right to receive \$61 for each share of Western common stock.

14. Anadarko Petroleum Corporation ("Anadarko") is a Delaware corporation with its principal place of business in The Woodlands, Texas. Anadarko's common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and is quoted on the NYSE under the symbol APC.

V. FACTUAL ALLEGATIONS

15. In approximately May 2006, Western and Anadarko began discussing a merger

transaction. On or about June 6, 2006, a draft merger agreement was circulated between Western and Anadarko. Thereafter, Western and Anadarko continued to discuss the terms of the merger transaction.

16. At all relevant times, because information about a merger transaction is highly confidential, Western was careful to disclose any information related to the contemplated merger only to Western's board of directors and senior executive ranks, and, outside of Western, only to its lawyers and advisors.

17. On or about June 8, 2006, Western engaged Belcher to render legal advice regarding whether approval by the Wyoming Public Service Commission ("PSC") was required in the event of a merger transaction involving Western given the PSC's regulation of Western's pipelines in Wyoming. Thereafter, between approximately June 8 and June 14, 2006, Western's attorneys, without identifying Anadarko, provided Belcher with more detailed information related to a contemplated merger transaction involving Western.

18. Based on the information he received from Western, Belcher knew or should have known that the contemplated merger transaction would change the ownership or control of Western, and that it involved Western merging into another entity.

19. The information that Belcher received from Western was material nonpublic information.

20. Belcher knew or should have known that the information he received from Western was material nonpublic information.

21. On June 19, 2006, Belcher purchased 800 shares of Western at \$40.83 per share for \$32,664.

22. On June 23, 2006, Western and Anadarko publicly announced that Western would

merge into Anadarko.

23. Following the announcement, the price of Western stock increased from a closing price of approximately \$41 per share on June 22, 2006, to approximately \$60 per share on June 23, 2006, an increase of 46 percent.

24. On July 14, 2006, Belcher sold his Western stock.

25. Through his trading in Western stock, on the basis of material nonpublic information, Belcher made total profits of approximately \$15,537.

VI. CLAIM FOR RELIEF

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

26. Plaintiff realleges and incorporates by reference paragraphs 1 through 25 above.

27. On or about June 19, 2006, Defendant, directly or indirectly, by use of the means and instrumentalities of interstate commerce, of the mails or of the facilities of a national securities exchange, in connection with the purchase and sale of Western securities, with scienter: (1) employed devices, schemes, or artifices to defraud; (2) made untrue statements of material fact, or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (3) engaged in acts, practices or courses of business which have operated as a fraud or deceit upon purchasers or sellers of securities or upon other persons.

28. Defendant, through breach of fiduciary duties owed to Western's shareholders, or breach of duties arising out of a relationship of trust and confidence, or other wrongful acts, and with scienter, traded on the basis of material nonpublic information concerning Western, and traded while in possession of, and using, that nonpublic information when he traded in Western stock.

29. By reason of the foregoing acts, practices, and courses of business, Defendant violated Exchange Act Section 10(b) and Rule 10b-5 thereunder [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5], and unless restrained and enjoined will continue to do so.

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court:

I.

Find that Defendant committed the violations alleged.

II.

Enter injunctive relief permanently restraining and enjoining the Defendant from, directly or indirectly to the full extent provided by Rule 65(d) of the Federal Rules of Civil Procedure, violating the provisions of law and rules alleged in this Complaint.

III.

Order Defendant to disgorge and pay over, as the Court may direct, all ill-gotten gains received, or benefits in any form derived, from the illegal conduct alleged in this Complaint, together with pre-judgment and post-judgment interest as provided by law.

IV.

Order Defendant to pay civil money penalties pursuant to Section 21A of the Exchange Act.

V.

Grant other relief as this Court may deem just or appropriate.

Dated this 3rd day of December, 2007.

Respectfully submitted,

s/ Ian S. Karpel

Mary S. Brady - bradym@sec.gov

Ian S. Karpel - karpeli@sec.gov

Attorneys for the Plaintiff

Securities and Exchange Commission

1801 California Street, Suite 1500

Denver, CO 80202

Phone: (303) 844-1000

Facsimile: (303) 844-1010

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO**

CERTIFICATE OF SERVICE

I hereby certify that on December 3, 2007, I electronically filed the foregoing with the Clerk of Court using the CM/ECF system which will send notification of such filing to the following email addresses:

Attorneys for Defendant

Daniel F. Shea, Esq.
Andrew R. Shoemaker, Esq.
Hogan & Hartson, LLP
One Tabor Center
1200 Seventeenth Street, Suite 1500
Denver, Colorado 80202
Phone: 303-899-7300
Fax: 303-899-7333
Email: DFShea@HHLAW.com
ARShoemaker@HHLaw.com

Dated: December 3, 2007

Respectfully submitted,

s/ Ian S. Karpel
Ian S. Karpel
Mary S. Brady
Attorneys for Plaintiff
Securities and Exchange Commission
1801 California Street, Suite 1500
Denver, CO 80202
Phone: (303) 844-1000
Fax: (303) 844-1010