UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA

Newport News Division

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. STEWART P. "TOM" MITCHELL, Defendant.	C.A. No. __-____ ( ) **COMPLAINT**

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

SUMMARY

1. This case concerns insider trading by Defendant Stewart P. "Tom" Mitchell in the securities of Noland Company. The trading occurred in advance of an announcement on April 12, 2005 by Noland that it was going to be acquired by WinWholesale, Inc.

2. Defendant Mitchell was then the Chief Financial Officer of Ferguson Enterprises, which was first solicited on or about January 11, 2005, by an investment banker to make an offer to buy Noland. Mitchell learned of this solicitation and subsequent discussions between the parties in the course of his duties as Chief Financial Officer of Ferguson. On January 11, 2005, Mitchell misappropriated the information and purchased Noland common stock in an account in his own name. Over the course of the next two months, as he supervised the due diligence process for a possible cash tender

offer for the shares of Noland, Mitchell continued to purchase Noland common stock in family members' accounts, for which he was custodian or had full power of attorney.

3. After the public announcement that Noland had been sold to another bidder, Mitchell sold his Noland shares and the shares bought in his family members' accounts. The accounts made a profit of $35,214 from his illegal trading.

JURISDICTION AND VENUE

4. Defendant engaged in acts, practices, and courses of business that violate Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78j(b) and 78n(e)], and Rules 10b-5 and 14e-3 [17 C.F.R. §§ 240.10b-5 and 240.14e-3] promulgated thereunder, through the means or instrumentalities of interstate commerce, the mails, or facilities of a national securities exchange.

5. This Court has jurisdiction over this action pursuant to Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), u(e), and aa]. The Defendant resides in Newport News, Virginia, and venue is proper pursuant to Section 27 of the Exchange Act [15 U.S.C. § 78aa].

6. The SEC seeks a judgment permanently enjoining the Defendant from future violations and directing disgorgement of his illegal profits, pursuant to Section 21(d) and 21(e) of the Exchange Act [15 U.S.C. §§ 78u(d) and 78u(e)]. The SEC also brings this action for an award of civil penalties, pursuant to Section 21A of the Exchange Act [15 U.S.C. §§ 78u-1].

THE DEFENDANT

7. Defendant Mitchell, age 56, is a resident of Newport News, Virginia. At all relevant times herein, he was the Chief Financial Officer of Ferguson Enterprises, one of the largest suppliers of plumbing and heating products in the country. Ferguson is a subsidiary of Wolseley PLC, a public company.

MITCHELL'S DUTY TO FERGUSON AND ACCESS TO INFORMATION

8. Mitchell joined Ferguson Enterprises in January 1978. In the time period from January through April, 2005, and at all relevant times herein, Mitchell was employed by Ferguson as the Chief Financial Officer. As Chief Financial Officer, Mitchell supervised the company's merger and acquisition activity. In this capacity, he considered possible acquisitions of companies by Ferguson. Ferguson's Code of Ethics protects confidential information obtained from other companies. As such, Mitchell understood that the work he did on possible acquisitions was confidential.

9. The Chief Executive Officer ("CEO") of Ferguson informed Mitchell that Noland was for sale on January 11, 2005, prior to Mitchell's first purchase of Noland common stock. Later in January 2005, the CEO informed Mitchell about the confidential nature of the information that Noland was for sale.

10. On January 13, 2005, Mitchell received a draft confidentiality agreement from the investment banker to Noland, which Mitchell subsequently signed on January 28, 2005 on behalf of Ferguson. The agreement required that information about Noland obtained either before or after the date of the signing of the agreement be kept confidential and be used in no way detrimental to Noland or its shareholders.

11. On February 9, 2005, prior to a meeting between the management of Noland and Ferguson to discuss a possible cash tender offer for the shares of Noland, the CEO of Ferguson again informed Mitchell about the sensitive nature of the information that Noland was for sale.

ILLEGAL TRADING BEFORE THE APRIL 2005 ANNOUNCEMENT

12. On January 11, 2005, after the CEO of Ferguson told him that Noland was for sale, Mitchell placed an order to purchase 800 shares of Noland common stock in his own account (the trade was executed on January 12 at $51.00 a share). On April 15, 2005, Mitchell sold the 800 shares of Noland common stock at $73.60 and realized a profit of approximately $18,080.

13. On January 18, 2005, after Mitchell received a draft confidentiality agreement, Mitchell placed an order for 100 shares of Noland common stock in an account in the name of his son ("son #1") (99 of which was executed on January 18 for $46.50 a share). On January 26, 2005, Mitchell placed an order for 100 shares of Noland stock in the same account (which was executed on January 31 for $46.00 a share). On April 15, 2005, Mitchell sold the 199 shares of Noland common stock at $73.60 and realized a profit of approximately $5,443.

14. On February 15, 2005, after he signed the confidentiality agreement on behalf of Ferguson, attended a management meeting with Noland to discuss a possible tender offer, and began preparing due diligence materials for a possible tender offer, Mitchell placed an order for 140 shares of Noland common stock in an account in the name of another of his sons ("son #2") (100 of which was executed February 15 for $46.45 a share and 40 of which was executed February 15 for $46.49 a share). On April

15, 2005, Mitchell sold the 140 shares of Noland common stock at $73.60 and realized a profit of approximately $3,799.

15. On March 9, 2005, as he supervised the preparation of due diligence materials and an analysis for Wolseley's board of directors recommending a tender offer on Noland, Mitchell placed an order for 120 shares of Noland common stock in an account in the name of son #2 (which was executed March 10 for $50.25 a share). On April 15, 2005, Mitchell sold the 120 shares of Noland common stock at $73.60 and realized a profit of approximately $2,802.

16. On April 7, 2005, after Ferguson's parent company decided not to proceed with a bid on Noland, Mitchell, who was aware of the fact that several other entities were invited to bid for Noland, that the tender offers were due April 1, and that Noland hoped to make a decision and public announcement approximately 10 days thereafter, placed two orders, one in an account in the name of son #1, and one in an account in the name of son #2, for a total of 195 shares of Noland common stock (both of which were executed April 8 for $47.50 a share). On April 15, 2005, Mitchell sold the 195 shares of Noland common stock at $73.60 and realized a profit of approximately $5,090.

17. On April 12, 2005, Noland publicly announced that it had signed a merger agreement with WinWholesale. Under the terms of the agreement, which was approved by both companies' boards of directors, all outstanding shares of Noland would be acquired in a cash tender offer by WinWholesale for $74 per share. The tender offer price represented a premium of more than 50% over Noland's pre-announcement stock price. Following the announcement, Noland's stock price rose $25.23 to $73.70 by the close of trading on April 12.

COUNT ONE

Fraud in the Purchase and Sale of Securities in Violation of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder

18. Plaintiff SEC repeats and realleges Paragraphs 1 through 17 above.

19. In January through April, 2005, defendant Mitchell, directly or indirectly, by use of the means or instrumentalities of interstate commerce, of the mails or of the facilities of national securities exchanges, in connection with the purchase of sale of securities: (a) employed devices, schemes, or artifices to defraud; (b) made untrue statements of material fact, 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/or (c) engaged in acts, practices or courses of business which operated or would operate as a fraud or deceit upon the purchasers or sellers of the securities of Noland or upon other persons.

20. Defendant Mitchell knew or recklessly disregarded the fact that he possessed material nonpublic information concerning the likely sale of Noland described above. Mitchell further knew or recklessly disregarded the fact that he owed Ferguson a fiduciary duty and Noland a contractual duty to maintain such information in confidence until it was publicly disseminated.

21. Defendant Mitchell, in violation of his fiduciary duty to Ferguson and contractual duty to Noland, misappropriated such material nonpublic information for personal benefit by purchasing Noland securities in the accounts described above.

22. By the conduct described above, the defendant violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

COUNT TWO

Fraud in Connection With a Tender Offer in Violation of Section 14(e) of the Exchange Act and Rule 14e-3 Thereunder

23. Plaintiff SEC repeats and realleges Paragraphs 1 through 17 above.

24. Defendant Mitchell knew or had reason to know the fact that the information he possessed concerning a possible tender offer for Noland, as described above, (1) constituted material nonpublic information relating to a tender offer; and (2) had been acquired directly or indirectly from an offering entity.

25. Defendant Mitchell, while in possession of such information, and knowing or having reason to know the fact that such information had been acquired directly or indirectly from an offering entity, purchased Noland securities, as set forth above.

26. By the dates after February 9, 2005, on which Defendant Mitchell traded Noland securities, offering entities had taken substantial steps toward commencing a possible tender offer for Noland securities.

27. By the conduct described above, the Defendant violated Section 14(e) of the Exchange Act and Rule 14e-3 promulgated thereunder.

PRAYER FOR RELIEF

28. WHEREFORE, Plaintiff SEC requests that this Court enter final judgment:

(a) Finding that Defendant Stewart P. "Tom" Mitchell has engaged in the conduct described above, and that in so doing, he has violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder;

(b) Finding that Defendant Stewart P. "Tom" Mitchell has engaged in the conduct described above, and that in so doing, he has violated Section 14(e) of the Exchange Act and Rule 14e-3 thereunder;

(c) Permanently restraining and enjoining Defendant Stewart P. "Tom" Mitchell from future violations of Section 10(b) and 14(e) of the Exchange Act and Rules 10b-5 and 14e-3 thereunder;

(d) Ordering Defendant Stewart P. "Tom" Mitchell to disgorge $35,214, representing the trading profits he received or is responsible for by trading in the accounts of others as a result of the illegal conduct described above, together with prejudgment interest;

(e) Ordering Defendant Stewart P. "Tom" Mitchell to pay civil penalties, pursuant to Section 21A of the Exchange Act [15 U.S.C. §§ 78u-1]; and

(f) Granting such other and further relief as to the Court may seem just and equitable.

Date: August 28, 2006

Respectfully submitted,

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