

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 75848 / September 4, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16785

In the Matter of

DONALD E. ROBAR,

Respondent.

ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), against Donald E. Robar (“Robar” or “Respondent”).

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 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, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds¹ that:

Summary

1. This matter involves insider trading by Respondent in the securities of Pioneer Behavioral Health, Inc. ("PHC") in advance of the May 24, 2011 announcement that Acadia Healthcare Company, Inc. ("Acadia") had agreed to acquire PHC.
2. On or about January 31, 2011, through his role as a director on PHC's board, Robar received material nonpublic information about the proposed acquisition of PHC by Acadia. Robar knew that he had a fiduciary duty to maintain this information in confidence.
3. On February 10, 2011, Respondent placed trades in a family member's brokerage account on the basis of the information he had received. As a result of his improper use of the insider information, Respondent generated gains of \$4,617.25.
4. As a result of the conduct described above, Robar violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

Respondent

5. *Donald E. Robar*, age 77, resides in New London, NH. During the relevant time, Robar was a director on the board of PHC and resided in New London, NH.

Other Relevant Persons

6. *Pioneer Behavioral Health, Inc.* was a Massachusetts company headquartered in Peabody, MA. It provided behavioral health services. Its common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act until after it was acquired by Acadia. PHC's common stock traded on the American Stock Exchange (former ticker symbol PHC).
7. *Acadia Healthcare Company, Inc.* is an SEC reporting company incorporated in Delaware and headquartered in Franklin, TN. It provides behavioral health services. Its common stock is quoted on NASDAQ Global Market under the ticker symbol ACHC.
8. *Individual A* is a member of Robar's family. Individual A resided in Minnesota during the relevant time period, and currently resides in Minnesota. Individual A holds an

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

individual retirement account at a brokerage firm. Individual A provided Robar with login and password to this IRA account, for the purpose of permitting Robar to make trades in the account.

Facts

9. On or around January 31, 2011, Acadia's Chief Executive Officer contacted PHC's Chief Executive Officer to discuss Acadia's proposed acquisition of PHC. That same day, the PHC CEO updated the PHC board of directors, including Donald Robar, on the discussions with Acadia and the proposed acquisition. Discussions continued throughout the next few months. Negotiations culminated in the execution of a final agreement on May 23, 2011. The agreement was announced publicly on the morning of May 24, 2011.

10. Donald Robar learned of the possible acquisition of PHC by Acadia on January 31, 2011, through a discussion between PHC's CEO and the PHC board of directors, of which Robar was a member. Robar knew that the information about the possible acquisition of PHC by Acadia was material and nonpublic, and that he had an obligation to maintain the confidentiality of the information. Robar violated his fiduciary duty to PHC and PHC's shareholders by trading while in possession of this information.

11. Between February 1 and February 5, 2011, Robar visited family members in Minnesota. During this visit, Robar discussed with Individual A the sale of all of the securities held in the IRA retirement account at that time, and the purchase of PHC shares in the same account.

12. On February 9, 2011, Robar used Individual A's login and password to access Individual A's brokerage account. Robar proceeded to sell all of the securities held in Individual A's IRA account at that time.

13. On February 10, 2011, Robar again used Individual A's login and password to access the IRA account. He used the funds in the account, made available by the previous day's sales, to purchase shares of PHC.

14. On May 23, 2011, PHC and Acadia executed the merger agreement. At 8:45 a.m. on May 24, 2011, PHC and Acadia issued joint press releases announcing that the companies had entered into a definitive merger agreement.

15. The market reacted positively to the news. The closing last sale price of PHC on the day of the announcement was \$3.61, an increase of approximately 20% over the prior day's close. Trading volume on the day of the announcement was 1.8 million shares, compared to PHC's historical average daily volume of approximately 56,700 shares.

16. On May 24, 2011, at approximately 7:30 p.m., Robar used Individual A's login and password to access the brokerage account. As of the close of market on May 24, 2011, the PHC shares purchased on February 10, 2011 had increased in value by \$4,617.25.

17. Robar's purchase of PHC shares on February 10, 2011 was while in possession of material, nonpublic information about the proposed acquisition of PHC. Robar had learned this information through his role as a PHC director, and knew that he had a fiduciary duty to maintain the information in confidence and to refrain from trading on it.

18. As a result of the conduct described above, Robar violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in connection with the purchase or sale of securities.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent Robar's Offer.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 21C of the Exchange Act, Respondent Robar cease and desist from committing or causing any violations and any future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

B. Respondent Robar is prohibited from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78j] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

C. Respondent shall, within 10 days of the entry of this Order, pay disgorgement of \$4,617.25, which represents profits gained as a result of the conduct described herein; prejudgment interest of \$446.72; and a civil money penalty in the amount of \$4,617.25 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600 or pursuant to 31 U.S.C. § 3717. Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Donald Robar as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Scott Friestad, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549-5010.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Brent J. Fields
Secretary