

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 102247 / January 17, 2025

ADMINISTRATIVE PROCEEDING
File No. 3-22437

In the Matter of

WILLIAM R. RUFFALO,

Respondent.

**ORDER INSTITUTING CEASE-AND-
DESIST PROCEEDINGS PURSUANT TO
SECTION 21C OF THE SECURITIES
EXCHANGE ACT OF 1934, MAKING
FINDINGS, AND IMPOSING 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 William R. Ruffalo (“Ruffalo” 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 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:

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.

Summary

1. This matter concerns insider trading in the securities of PGT Innovations, Inc. (“PGT”) and Masonite International Corporation (“Masonite”) by William Ruffalo based on material nonpublic information tipped to him by his father, Barry Ruffalo, a former member of the Masonite board of directors. Using that information, William Ruffalo generated a total of \$61,268 in illicit profits by trading in advance of the December 18, 2023, public announcement of Masonite’s planned acquisition of PGT and the February 9, 2024, public announcement of Masonite’s acquisition by Owens Corning. William Ruffalo also unlawfully communicated the confidential information to Robert Ruffalo, his grandfather, Kathrine Ruffalo, his sister, and Charlie Harte, his sister’s fiancé, each of whom traded, enabling them to generate cumulative illicit profits of \$46,981. By engaging in this conduct, William Ruffalo violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

Respondent

2. William R. Ruffalo, age 28, resides in Omaha, Nebraska. He is currently unemployed.

Relevant Entities and Individuals

3. Masonite International Corporation was a British Columbia corporation, headquartered in Tampa, Florida, which designed, manufactured, and distributed residential and non-residential doors and door systems. Until May 15, 2024, when it was acquired by Owens Corning, Masonite’s common stock was listed on the New York Stock Exchange, trading under the symbol “DOOR.”

4. PGT Innovations, Inc. was a Delaware corporation headquartered in North Venice, Florida, which manufactured windows and doors. Until March 28, 2024, when it was acquired by MITER Brands (“MITER”), PGT’s common stock was listed on the New York Stock Exchange, trading under the symbol “PGTI.”

5. Owens Corning, a Delaware corporation headquartered in Toledo, Ohio, is a manufacturer of building and construction materials. Owens Corning’s common stock is listed on the New York Stock Exchange, trading under the symbol “OC.”

6. Barry Ruffalo, age 54, resides in Chattanooga, Tennessee and is William Ruffalo’s father. He served on the Masonite’s board of directors between July 27, 2021 and May 15, 2024.

7. Robert L. Ruffalo, age 78, resides in Plainfield, Wisconsin. Robert Ruffalo is the father of Barry Ruffalo, and the grandfather of William Ruffalo.

8. Kathrine R. Ruffalo, age 27, resides in Omaha, Nebraska, where she is a physician assistant student. Kathrine Ruffalo is the daughter of Barry Ruffalo, sister of William Ruffalo, granddaughter of Robert Ruffalo, and fiancée of Charlie Harte.

9. Charlie L. Harte, age 27, resides in Omaha, Nebraska, where he works in mechanical engineering. Charlie Harte is the fiancé of Kathrine Ruffalo.

Facts

10. As a member of Masonite's board of directors, Barry Ruffalo owed a fiduciary duty to Masonite's shareholders and was subject to the company's trading policies, which prohibited him from disclosing confidential information that he obtained through his role as a board member and from using the information for his personal benefit.

Tipping and Trading in Advance of the Announcement of the PGT Acquisition

11. In the fall of 2023, Masonite was engaged in discussions with PGT concerning a potential acquisition. On November 17, 2023, the Masonite board of directors authorized the company to increase its previous non-binding offer to PGT from \$38 per share to \$40 per share, and on November 21, 2023, the board authorized the company to enter into an exclusivity agreement with PGT in anticipation of potentially closing the PGT transaction as early as mid-December 2023. Barry Ruffalo participated in both board meetings and knew that the information relating to Masonite's plan to acquire PGT (the "PGT Acquisition") was material and nonpublic.

12. On or before November 26, 2023, Barry Ruffalo disclosed to his son, William Ruffalo, material nonpublic information concerning the PGT Acquisition in breach of a fiduciary or similar duty of trust and confidence he owed to Masonite. William Ruffalo knew, or was reckless in not knowing, or consciously avoided knowing that the information was material and nonpublic and that it had been obtained in breach of a duty.

13. On or before November 26, 2023, William Ruffalo communicated the material nonpublic information concerning the PGT Acquisition received from Barry Ruffalo to Robert Ruffalo, Katharine Ruffalo, and Charlie Harte (the "Tippees"). William Ruffalo knew, was reckless in not knowing, or consciously avoided knowing that the Tippees would use this information to trade in PGT securities. The Tippees, in turn, knew, were reckless in not knowing, or consciously avoided knowing that the information was material and nonpublic and that it had been obtained in breach of a duty.

14. On November 27, 2023, the Tippees cumulatively purchased 1,096 shares of PGT stock based on the material nonpublic information concerning the PGT Acquisition at total cost of \$36,439.

15. Between November 28, 2023, and December 4, 2023, William Ruffalo purchased 2,342 shares of PGT based on the material nonpublic information concerning the PGT Acquisition at a cost of \$77,112.

16. On December 18, 2023, before the market open, Masonite and PGT jointly announced the PGT Acquisition. As a result of the announcement, PGT's share price closed at \$39.48, an increase of 9.4% from the previous day's closing price.

17. William Ruffalo generated illicit profits of \$15,350 and his Tippees generated illicit profits of \$6,527 from their unlawful trading in PGT shares.

Tippling and Trading in Advance of the Announcement of the Masonite Acquisition

18. Notwithstanding that Masonite and PGT had announced the PGT Acquisition, another company (MITER) separately was pursuing an acquisition of PGT, while a different company (Owens Corning) sought to acquire Masonite. On January 2, 2024, MITER made a public unsolicited offer to acquire PGT for \$41.50 per share in cash.

19. On January 3, 2024, Owens Corning made a nonpublic offer to acquire Masonite for \$132 per share, a \$47.01 premium over the previous day's closing price, contingent upon the termination of Masonite's proposed transaction with PGT (the "Masonite Acquisition").

20. On January 13, 2024, the Masonite board of directors concluded that Masonite would not raise its offer price for PGT in the event PGT's board declared MITER's offer a superior proposal. Masonite's board also discussed the Owens Corning proposal and authorized management to take additional steps in anticipation of the Masonite Acquisition.

21. Barry Ruffalo participated in the January 13, 2024, Masonite board meeting and knew that the information discussed relating to the Masonite Acquisition was material and nonpublic.

22. On or before January 14, 2024, in breach of a fiduciary duty he owed to Masonite's shareholders, Barry Ruffalo disclosed to William Ruffalo material nonpublic information relating to the Masonite Acquisition. William Ruffalo knew, or was reckless in not knowing, or consciously avoided knowing that the information was material and nonpublic and that it had been obtained in breach of a duty.

23. On January 14, 2024, after receiving the material nonpublic information related to the Masonite Acquisition, William Ruffalo communicated this information to the Tippees. William Ruffalo knew, was reckless in not knowing, or consciously avoided knowing that the Tippees would use this information to trade in Masonite securities. The Tippees, in turn, knew, were reckless in not knowing, or consciously avoided knowing that the information was material and nonpublic and that it had been obtained in breach of a duty.

24. Between January 14, 2024, and February 2, 2024, the Tippees cumulatively purchased 918 shares of Masonite stock based on the material nonpublic information concerning the Masonite Acquisition at a total cost of \$80,265.

25. Between January 16, 2024, and January 22, 2024, William Ruffalo purchased 1,109 shares of Masonite stock based on the material nonpublic information concerning the Masonite Acquisition at a cost of \$98,252.

26. On February 9, 2024, before the market open, Masonite and Owens Corning jointly announced that Owens Corning had agreed to acquire Masonite for \$133 per share. As a result of the announcement, Masonite's share price closed at \$130.51, an increase of 35% from the previous day's closing price.

27. William Ruffalo generated illicit profits of \$45,918 and his Tippees cumulatively generated illicit profits of \$40,454 from their unlawful trading in Masonite shares.

28. As a result of the conduct described above, William Ruffalo 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.

Disgorgement and Civil Penalties

29. The disgorgement and prejudgment interest ordered in Section IV is consistent with equitable principles, does not exceed Respondent's net profits from his violations, and returning the money to Respondent would be inconsistent with equitable principles. Therefore, in these circumstances, distributing disgorged funds to the U.S. Treasury is the most equitable alternative. The disgorgement and prejudgment interest ordered in Section IV shall be transferred to the general fund of the U.S. Treasury, subject to Section 21F(g)(3) of the Exchange Act.

IV.

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

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 21C of the Exchange Act, Respondent William Ruffalo 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.

C. William Ruffalo shall, within 10 days of the entry of this Order, pay disgorgement of \$61,268, prejudgment interest of \$2,275, and civil penalties of \$108,249, totaling \$171,792, 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 of disgorgement and prejudgment interest is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600. If timely payment of a civil money penalty is not made, additional interest shall accrue 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 William Ruffalo 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 Brendan P. McGlynn, Assistant Regional Director, Securities and Exchange Commission, Philadelphia Regional Office, 1617 John F. Kennedy Blvd., Suite 520, Philadelphia, PA 19103.

D. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

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.

Vanessa A. Countryman
Secretary