

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 102248 / January 17, 2025

ADMINISTRATIVE PROCEEDING
File No. 3-22438

In the Matter of

**ROBERT L. RUFFALO,
BOBBI J. RUFFALO,
KATHRINE R. RUFFALO,
AND CHARLIE L. HARTE,**

Respondents.

**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 Robert L. Ruffalo, Bobbi J. Ruffalo, Kathrine R. Ruffalo, and Charlie L. Harte (collectively “Respondents”).

II.

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (the “Offers”) 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 them and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondents consent 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 Respondents' Offers, the Commission finds¹ that:

Summary

1. These proceedings concern insider trading by Robert L. Ruffalo, Bobbi J. Ruffalo, Kathrine R. Ruffalo, and Charlie L. Harte in the securities of PGT Innovations, Inc. ("PGT") and Masonite International Corporation ("Masonite"), based on material nonpublic information originating from Masonite board member, Barry Ruffalo, and communicated to the Respondents by his son, William Ruffalo. The Respondents received material nonpublic information and traded on two separate occasions. The first was in advance of the December 18, 2023, public announcement of Masonite's planned acquisition of PGT and the second was in advance of the February 9, 2024, public announcement of Masonite's acquisition by Owens Corning. Robert Ruffalo, Bobbi Ruffalo, Kathrine Ruffalo, and Charlie Harte generated illicit trading profits of \$21,722, \$11,674, \$5,587, and \$19,672, respectively. By engaging in this conduct, the Respondents violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

Respondents

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

3. Bobbi J. Ruffalo, age 58, resides in Hancock, Wisconsin, where she is employed as a real estate broker. Bobbi Ruffalo is the sister of Barry Ruffalo, daughter of Robert Ruffalo, and aunt of William Ruffalo and Kathrine Ruffalo.

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

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

Other Relevant Persons and Entities

6. Barry Ruffalo, age 54, resides in Chattanooga, Tennessee. Ruffalo served on Masonite's board of directors from July 27, 2021 through May 15, 2024. Barry Ruffalo is the father of Kathrine and William Ruffalo, son of Robert Ruffalo, and brother of Bobbi Ruffalo.

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

7. William Ruffalo, age 28, resides in Omaha, Nebraska, and is the son of Barry Ruffalo, brother of Kathrine Ruffalo, nephew of Bobbi Ruffalo, and grandson of Robert Ruffalo.

8. 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."

9. 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. PGT's common stock was listed on the New York Stock Exchange, trading under the symbol "PGTI."

10. 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."

Background

11. As a member of Masonite's board of directors, Barry Ruffalo owed a fiduciary duty to Masonite's shareholders and was subject to Masonite'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

12. 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.

13. 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, 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.

14. On or before November 26, 2023, William Ruffalo communicated the material nonpublic information concerning the PGT Acquisition that he received from Barry Ruffalo to Kathrine Ruffalo, Charlie Harte, and Robert Ruffalo. William Ruffalo knew, was reckless in not

knowing, or consciously avoided knowing that Kathrine Ruffalo, Charlie Harte, and Robert Ruffalo would use this information to trade in PGT securities.

15. On or before November 26, 2024, Robert Ruffalo communicated the material nonpublic information concerning the PGT Acquisition that he received from William Ruffalo to Bobbi Ruffalo. Robert Ruffalo knew, was reckless in not knowing, or consciously avoided knowing that Bobbi Ruffalo would use this information to trade in PGT securities.

16. All the Respondents knew that the information they obtained concerning the PGT Acquisition was material and nonpublic and that it had been obtained in breach of a duty.

17. On November 27, 2023, based on the material nonpublic information concerning the PGT Acquisition:

- a. Robert Ruffalo bought 592 shares of PGT stock at a cost of \$19,610;
- b. Bobbi Ruffalo bought 53 shares of PGT stock at a cost of \$1,754;
- c. Kathrine Ruffalo bought 204 shares of PGT stock at a cost of \$6,812; and
- d. Charlie Harte bought 300 shares of PGT stock at a cost of \$10,017.

18. 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 \$3.39, or 9.4%, from the previous day's closing price. Respondents generated the following illicit profits from their unlawful trading in PGT shares:

Robert Ruffalo	\$3,458
Bobbi Ruffalo	\$283
Kathrine Ruffalo	\$1,242
Charlie Harte	\$1,827

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

19. 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.

20. 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").

21. 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.

22. 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.

23. 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 concerning the Masonite Acquisition. William Ruffalo knew, 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.

24. On or before January 14, 2024, William Ruffalo communicated the material nonpublic information concerning the Masonite Acquisition obtained from Barry Ruffalo to Kathrine Ruffalo, Charlie Harte, and Robert Ruffalo. William Ruffalo knew, was reckless in not knowing, or consciously avoided knowing that Kathrine Ruffalo, Charlie Harte, and Robert Ruffalo would use this information to trade in Masonite securities.

25. On or before January 14, 2024, Robert Ruffalo communicated material nonpublic information concerning the Masonite Acquisition to Bobbi Ruffalo. Robert Ruffalo knew, was reckless in not knowing, or consciously avoided knowing that Bobbi Ruffalo would use this information to trade in Masonite securities.

26. All the Respondents knew, were reckless in not knowing, or consciously avoided knowing that the information concerning the Masonite Acquisition was material and nonpublic and that it had been obtained in breach of a duty.

27. On January 14, 2024, Charlie Harte purchased 370 shares of Masonite stock based on material nonpublic information concerning the Masonite Acquisition at a cost of \$32,082.

28. On January 15, 2024, Kathrine Ruffalo purchased 98 shares of Masonite stock based on material nonpublic information concerning the Masonite Acquisition at a cost of \$8,404.

29. Between January 16, 2024, and February 2, 2024, Robert Ruffalo purchased 450 shares of Masonite stock based on material nonpublic information concerning the Masonite Acquisition at a cost of \$39,779.

30. On January 16, 2024, Bobbi Ruffalo purchased 250 shares of Masonite stock based on material nonpublic information concerning the Masonite Acquisition at a cost of \$21,236.

31. On or about January 18, 2024, Bobbi Ruffalo communicated material nonpublic information concerning the Masonite Acquisition to a close relative, who purchased 15 shares of Masonite stock on the basis of that information, ultimately generating illicit profits of \$556.

32. On February 9, 2024, before the market open, Masonite and Owens Corning jointly announced the Masonite Acquisition. As a result of the announcement, Masonite's share price

closed at \$130.51, an increase of \$33.90, or 35%, from the previous day's closing price. Respondents generated the following illicit profits from their unlawful trading in Masonite shares:

Robert Ruffalo	\$18,264
Bobbi Ruffalo	\$11,391
Kathrine Ruffalo	\$4,345
Charlie Harte	\$17,845

33. As a result of the conduct described above, Respondents 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

The disgorgement and prejudgment interest ordered in Section IV is consistent with equitable principles, does not exceed each Respondent's net profits from his or her violations, and returning the money to Respondents 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 Respondents' Offers.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 21C of the Exchange Act, Respondents Robert Ruffalo, Bobbi Ruffalo, Kathrine Ruffalo, and Charlie Harte 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 Robert Ruffalo shall, within 10 days of the entry of this Order, pay disgorgement of \$21,722, prejudgment interest of \$485, and a civil money penalty in the amount of \$33,396, totaling \$55,603 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 and if timely payment of a civil money penalty is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

C. Respondent Bobbi Ruffalo shall, within 10 days of the entry of this Order, pay disgorgement of \$11,674, prejudgment interest of \$240, and a civil money penalty in the amount of \$12,230, totaling \$24,144, 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 and if timely payment of a civil money penalty is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

D. Respondent Kathrine Ruffalo shall, within 10 days of the entry of this Order, pay disgorgement of \$5,587, prejudgment interest of \$129, and a civil money penalty in the amount of \$5,587, totaling \$11,303, 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 and if timely payment of a civil money penalty is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

E. Respondent Charlie Harte shall, within 10 days of the entry of this Order, pay disgorgement of \$19,672, prejudgment interest of \$422, and a civil money penalty in the amount of \$19,672, totaling \$39,766, 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 and 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 Respondent 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.

F. 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, each Respondent agrees that in any Related Investor Action, he or she shall not argue that he or she is entitled to, nor shall he or she 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, each Respondent agrees that he or she 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 a 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 Respondents 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