

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

NELSON MOLINA,

Defendant.

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Case No.

COMPLAINT

Plaintiff Securities and Exchange Commission (the “Commission” or the “SEC”) files this Complaint against Defendant Nelson Molina, and alleges as follows:

SUMMARY

1. Between October 25th and October 31st, 2016, Molina violated the federal securities laws by trading in the securities of his employer, ClubCorp Holdings Inc. (“ClubCorp” or the “Company”) based on material, non-public information.

2. Molina, then ClubCorp’s Senior Vice-President of Investor Relations and Treasury, learned in the course of his employment that ClubCorp was exploring strategic alternatives, including a potential sale of the company. Based on this material non-public information, and in breach of his fiduciary or other duty of trust and confidence to ClubCorp and its shareholders, Molina purchased a total of 13,600 shares of ClubCorp stock at an average price of \$11.58 per share, between October 25 and October 31, 2016, in three brokerage accounts he controlled.

3. On January 12, 2017, a news service reported that ClubCorp’s management was exploring a sale of the Company. In response to this report, ClubCorp immediately issued a

press release announcing that the Company's Board had established a review committee to evaluate strategic alternatives to enhance shareholder value. On January 12, ClubCorp's stock rose from its closing price on January 11 of \$15.00 per share to close at \$17.35 per share, an increase of approximately 15.6 percent. Molina continued to hold his shares, eventually selling in four transactions occurring in May and June 2017, at prices ranging from \$13.20 to \$13.35.

4. As an executive in ClubCorp's investor relations and treasury departments, Molina owed a fiduciary duty, or other duty of trust or confidence, to ClubCorp and its shareholders to maintain the confidentiality of material nonpublic information that he obtained in the course of his employment. This included a duty not to trade ClubCorp shares on the basis of material, nonpublic information provided to him in confidence due to his employment. He violated his duties to the Company and its shareholders when he traded based on inside information.

5. By engaging in the conduct alleged in this Complaint, Molina violated, and unless enjoined, will continue violating, Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]. The Commission requests that the Court permanently enjoin Molina from further violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, order him to disgorge his unlawful gains and pay prejudgment interest thereon, and impose a civil penalty.

JURISDICTION AND VENUE

6. The Commission brings this action pursuant to Sections 21(d) and 21A of the Exchange Act [15 U.S.C. §§ 78u(d) and 78u-1] to enjoin such transactions, acts, practices, and courses of business, and to obtain disgorgement, prejudgment interest, civil money penalties, and such other and further relief as the Court may deem just and appropriate.

7. This Court has jurisdiction over this action pursuant to Sections 21(e) and 27 of the Exchange Act [15 U.S.C. §§ 78u(e) and 78aa]. Certain of the acts, practices, transactions, and courses of business alleged in this Complaint were effected, directly or indirectly, by making use of the means, instruments, or instrumentalities of transportation or communication in interstate commerce, or of the mails, or the facilities of a national securities exchange.

8. Venue is proper in this Court under Section 27 of the Exchange Act [15 U.S.C. § 78aa] because certain of the transactions, acts, practices, and courses of business constituting the violations alleged herein occurred within the Northern District of Texas. Among other things, Molina's conduct as alleged herein occurred while employed in the Company's Dallas headquarters.

RELEVANT PARTIES

9. Plaintiff SEC is an agency of the United States government.

10. Defendant Nelson Molina, age 47, resides in Frisco, Texas. At all relevant times, Molina was the Senior Vice President, Investor Relations and Treasury, at ClubCorp. Molina worked at ClubCorp until he resigned his position effective March 30, 2017.

11. ClubCorp, based in Dallas, Texas, is a membership-based leisure business and an owner-operator of private golf and country clubs and business, sports and alumni clubs located across North America. During the relevant period, the company's common stock traded on the

New York Stock Exchange (NYSE) under the stock symbol “MYCC.” In September 2017, affiliates of certain funds managed by a private equity firm completed a take-private transaction in which they acquired all of the outstanding common stock of ClubCorp.

FACTUAL ALLEGATIONS

A. Molina’s Role at ClubCorp

12. From 2014 to 2017, Molina was ClubCorp’s Senior Vice President for Investor Relations and Treasury. In this role, Molina was the primary point of contact between ClubCorp and the investment community. He was responsible for educating investors and analysts on ClubCorp’s business strategies and performance. He developed and prepared communications directed to the investment community, including earnings announcements, conferences, investor visits, one-on-one meetings, and external presentations. He assisted in preparing for quarterly earnings releases, analyst and shareholder meetings, conferences, and financial community presentations.

B. Molina Traded ClubCorp Stock Based on Material Non-Public Information

13. In the course of his employment, Molina learned that ClubCorp was exploring strategic alternatives to maximize the value of the Company. On September 29, 2016, Molina attended a regularly scheduled meeting of Company’s board of directors where investment banks presented potential strategic alternatives available to the Company, including a potential sale of the Company.

14. In the course of his employment, Molina was aware that ClubCorp’s management and representatives had continued meeting with investment banks and other advisors following the Company’s board meeting in September. From October 21, 2016 to April 12, 2017, members of ClubCorp’s Strategic Review Committee were in regular communication

and held multiple meetings with their advisors regarding the strategic review process. Molina participated in these discussions from November 2, 2016 through March 28, 2016.

15. Based on material non-public information, and in breach of his fiduciary or other duty of trust and confidence to ClubCorp and its shareholders, Molina purchased a total of 13,600 shares of ClubCorp stock in three brokerage accounts he controlled at an average price of \$11.58 per share. He purchased 600 shares on October 25, 2016; and 9,000 shares and 4,000 shares, respectively, in separate transactions on October 31, 2016.

16. On or around January 12, 2017, a news service reported that ClubCorp's management was exploring a sale of the Company. In response to this report, ClubCorp issued a press release revealing that the Company's Board had established a review committee to evaluate strategic alternatives "to further unlock the value inherent in the Company." On January 12, ClubCorp's stock rose from its closing price on January 11 of \$15.00 per share, to close at \$17.35 per share. Following the public dissemination of this news, the 13,600 shares Molina purchased for an aggregate price of \$157,500, increased in value to \$235,960.

17. After ClubCorp's January 12, 2017 news announcement, the Financial Industry Regulatory Authority ("FINRA") opened an inquiry into trading in ClubCorp securities. In connection with its inquiry, FINRA contacted ClubCorp, who in turn contacted Molina in March 2017 to inquire about his stock transactions. Molina acknowledged to ClubCorp that he traded in the Company's securities during FINRA's inquiry period (September 19, 2016 through January 12, 2017).

18. Molina resigned from ClubCorp effective March 30, 2017. Molina eventually sold his shares in transactions occurring between May 31, 2017 and June 1, 2017.

C. Molina Breached His Duty to ClubCorp, and He Knew That His Trading Violated the Company's Securities Trading Policy

19. As an executive in ClubCorp's investor relations and treasury departments, Molina owed a fiduciary duty, or other duty of trust or confidence, to ClubCorp and its shareholders to maintain the confidentiality of material nonpublic information that he obtained in the course of his employment. This included a duty not to trade ClubCorp shares on the basis of material, nonpublic information provided to him in confidence due to his employment. He violated his duties to the Company and its shareholders when he traded based on inside information.

20. As an executive, Molina was subject to and signed the Company's "Corporate Policy and Procedures for Compliance With United States Securities Laws and Securities Trading," which prohibited him from buying or selling ClubCorp securities at any time when he had "material non-public information concerning the Company."

21. ClubCorp's securities trading policy also restricted trading by certain insiders to "windows" of time during the fiscal year during which securities transactions were allowed. Certain employees, like Molina, who wished to trade during these trading windows, were still required to obtain pre-clearance from the Company's general counsel.

22. Molina knew that he was prohibited from buying and selling securities of ClubCorp when he was in possession of material nonpublic information. He also knew that he was prohibited from trading during blackout periods and that he was required to seek pre-clearance for his trades. He failed to comply with these requirements.

CLAIM FOR RELIEF

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

23. The Commission re-alleges and incorporates by reference each and every allegation in paragraphs 1-22, as if fully set forth herein.

24. By engaging in the conduct described above, Molina, directly or indirectly, by use of means or instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security, knowingly or recklessly, (a) employed devices, schemes, or artifices to defraud; (b) made untrue statements of material facts and 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; and/or (c) engaged in acts, practices, and courses of business which operate or would operate as a fraud or deceit upon other persons.

25. Accordingly, Molina violated, and unless enjoined, will again violate, 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].

RELIEF REQUESTED

The Commission respectfully requests that the Court:

- a. Permanently enjoin Molina from violating 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].
- b. Order Molina to disgorge all ill-gotten gains and/or benefits obtained, or to which he was not otherwise entitled, as a result of the conduct alleged in this Complaint, plus

prejudgment interest thereon, pursuant to Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)].

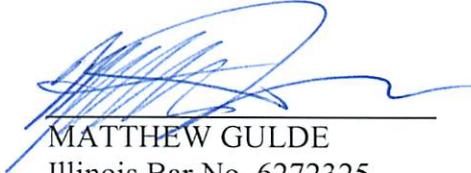
c. Order Molina to pay a civil monetary penalty in an amount determined by the Court pursuant to Sections 21A and 21(d) of the Exchange Act [15 U.S.C. § 78u(d)].

d. Order such other and further relief as this Court may deem just and appropriate.

Dated: July 5, 2018

Respectfully submitted,

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION



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