

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 75847 / September 4, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16784

In the Matter of

Robert A. Hanner,

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 Robert A. Hanner (“Hanner” 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:

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. In late March 2011, while at Acadia's headquarters discussing a potential business relationship between Hanner and Acadia, Hanner learned material nonpublic information about the proposed acquisition of PHC by Acadia. Hanner knew that this information about the proposed acquisition was material and nonpublic.

3. On May 4, 2011, Respondent made his first purchase of PHC shares. Respondent made additional purchases of PHC shares on May 12, 13, and 16. Respondent purchased these shares based on the information he had received that Acadia would be acquiring PHC. As a result of his improper use of the insider information, Respondent generated gains of \$20,805.

4. As a result of the conduct described above, Hanner violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

Respondent

5. *Robert A. Hanner*, age 51, resides in Columbia, SC. During the relevant time, Hanner was engaged in confidential discussions with Acadia and then was employed by Acadia as a Vice-President of Development.

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 registered with the Commission pursuant to Section 12(b) of the Exchange Act. Acadia's common stock is quoted on NASDAQ Global Market under the ticker symbol ACHC.

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.

Facts

8. For several years, until approximately November 2010, Hanner worked at another behavioral health company. While there, Hanner worked closely with several other individuals, many of whom were executives at the behavioral health company.

9. In January 2011, Hanner's former colleagues joined Acadia, many of them in senior executive positions.

10. 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. Discussions concerning Acadia's proposed acquisition of PHC 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.

11. In March and April 2011, Hanner engaged in discussions with his former colleagues, who were then senior executives at Acadia. These discussions initially concerned Hanner's proposal that Acadia participate in the acquisition of a proposed behavioral health facility that Hanner was developing, and later culminated in Acadia offering Hanner in April a position as its Vice-President of Development.

12. In late March 2011, Hanner traveled to Acadia's headquarters in Franklin, TN to discuss with his former colleagues the potential business relationship. While Hanner was at Acadia's headquarters, he learned that Acadia would be acquiring PHC soon. Hanner knew that the information about the impending acquisition was confidential.

13. On May 2, 2011, Hanner traveled to Acadia's Atlanta office, where he met with the co-President of Acadia and accepted his offer of employment.

14. On May 4, 2011, Hanner made his first purchase of PHC securities. On May 12, 13 and 16, 2011, Hanner purchased additional shares of PHC. Hanner purchased these shares on the basis of the material nonpublic information he had learned regarding Acadia's impending acquisition of PHC. On May 17, Respondent began work at Acadia as Vice President of Development.

15. 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.

16. 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.

17. As of the close of market on May 24, 2011, the PHC shares Hanner had purchased in May 2011 had increased in value by \$20,805.

18. At the time that he purchased PHC securities, Hanner had a duty to Acadia to maintain the information about Acadia's impending acquisition of PHC in confidence and to refrain from trading on it. Hanner knew or was reckless in not knowing that he violated that duty when he traded on the basis of material nonpublic information about PHC.

19. As a result of the conduct described above, Hanner 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 Hanner's Offer.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 21C of the Exchange Act, Respondent Hanner 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 shall, within 10 days of the entry of this Order, pay disgorgement of \$20,805, which represents profits gained as a result of the conduct described herein; prejudgment interest of \$2,490; and a civil money penalty in the amount of \$20,805 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 Robert A. Hanner 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