

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 92810 / August 30, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20498

In the Matter of

SCOTT AND LISA
CHASIN

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 Scott Chasin and Lisa Chasin (collectively “Respondents” or the “Chasins”).

II.

In anticipation of the institution of these proceedings, each Respondent has submitted an Offer 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:

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

Summary

This matter involves insider trading by Scott and Lisa Chasin, who traded in the securities of Peak Resorts, Inc. (“Peak Resorts”) ahead of a merger announcement after receiving a tip from their friend Beth Mueller (“Mueller”), who was Peak Resorts’ senior director of corporate reporting. On July 18, 2019, while in possession of material, nonpublic information concerning the merger, Mueller recommended to Lisa Chasin that she should purchase Peak Resorts’ stock. The Chasins, who rarely invested in any individual stock and had never owned Peak Resorts stock before receiving the tip, acted immediately, buying 2,500 shares of Peak Resorts stock on July 19, 2019, the last trading day before the merger was announced on July 22, realizing about \$14,000 in trading profits.

Respondents

1. **Scott Chasin**, age 57, resides in Troy, Missouri and manages his own healthcare and medical device business.
2. **Lisa Chasin**, age 55, resides in Troy, Missouri, is Scott Chasin’s wife and currently not employed.

Other Relevant Person and Entity

3. **Beth Mueller**, age 55, resides in Wildwood, Missouri, was Peak Resorts’ senior director of corporate reporting before the merger, and continued to serve as Vail’s senior director of corporate reporting until retiring from the company in October 2020. Her husband was a Peak Resorts senior executive.
4. **Peak Resorts, Inc.**, was a Missouri corporation with its principal place of business in Wildwood, Missouri, owned and operated ski resorts in the Northeast, Mid-Atlantic and Midwest regions. Its common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on the NASDAQ until September 24, 2019, when it became a wholly-owned subsidiary of Vail.

Facts

5. At the time of the trading described in this Order, the Chasins and the Muellers had been friends and neighbors for over 10 years. Lisa Chasin and Mueller communicated frequently over text messages and shared confidences about work and family.
6. As of March 2019, Peak Resorts and Vail began discussing a potential merger transaction.

7. As part of her job as the senior director of corporate reporting at Peak Resorts, Mueller had access to confidential information about the proposed merger with Vail. She knew that both the federal securities laws and Peak Resorts' policy prohibited her from providing material, non-public information to anyone outside the company.

8. The Chasins knew what Mueller's position was at Peak Resorts. When Peak Resorts became a publicly traded company in December 2014, the Muellers put the Chasins on their family and friends list for access to discounted pre-IPO shares, which the Chasins ultimately did not purchase.

9. On the morning of July 18, 2019, while the Chasins were traveling to attend a wedding in Memphis, Mueller and Lisa Chasin exchanged text messages, after which Mueller called Lisa. During the call, Mueller told Lisa Chasin that it would be a good time for the Chasins to buy stock. Based on the urgency in Mueller's voice, it was clear to Lisa Chasin that it was a tip to buy Peak Resorts stock as soon as possible. Lisa Chasin told Scott Chasin about what Mueller said, and they inferred that something big was about to happen at Peak Resorts.

10. The Chasins immediately acted on the tip. Scott Chasin contacted his brokerage firm in order to retrieve his user ID for an idle account he had opened three years prior but had never used. He then wired \$12,900 into the account that afternoon, and called the brokerage to ensure the money was available before the close of the trading day on Friday. On Friday, July 19, 2019, Scott purchased 2,500 shares of Peak Resorts at an average price of \$5.16 per share.

11. On Monday, July 22, 2019, following the merger announcement, Peak Resorts' stock closed at \$10.78 per share, a 113% increase from the prior trading day, on heavy trading volume.

12. After learning of the announcement, Lisa texted Mueller and congratulated her on the transaction. Mueller texted back that it "[w]ill help pay for your new kitchen☺", an apparent reference to the farm house the Chasins had bought two months prior and were planning to renovate.

13. The Chasins never sold the shares, which automatically converted into cash on September 26, 2019 upon the completion of the acquisition.

14. Before receiving the tip from Mueller, the Chasins seldom invested in individual stock, never owned any shares of Peak Resorts stock, and would not have purchased the stock had Lisa Chasin not received the tip of material nonpublic information from Mueller.

15. When the Chasins bought the stock, they knew or were reckless in not knowing that the information Mueller had provided Lisa Chasin was material, nonpublic information that Mueller tipped in breach of a duty of trust and confidence owed to Peak Resorts, and that they, the Chasins, were not permitted to trade upon.

Violation

16. 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.

Respondents' Cooperation

17. In determining to accept the Offers, the Commission considered Respondents' cooperation afforded the Commission staff.

IV.

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

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 21C of the Exchange Act, Respondents Scott and Lisa Chasin 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. Respondents Scott and Lisa Chasin shall, within 10 days of the entry of this Order, pay, on a joint and several basis, a civil money penalty in the amount of \$27,996 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 31 U.S.C. §3717.

C. Payment must be made in one of the following ways:

- (1) Respondents may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondents 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) Respondents 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

D. Payments by check or money order must be accompanied by a cover letter identifying Scott Chasin and Lisa Chasin as Respondents 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 Katharine Zoladz, Associate Regional Director, Division of Enforcement, Securities and Exchange Commission, Los Angeles Regional Office, 444 South Flower Street, Suite 900, Los Angeles, CA 90071.

E. 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, Respondents Scott and Lisa Chasin agree that in any Related Investor Action, they shall not argue that they are entitled to, nor shall they benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondents' payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondents Scott and Lisa Chasin agree that they 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 either or both Respondents 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 each Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by both 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 the Respondents 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