I am providing these comments with regards to the proposed Whistleblower rules.

1. There is a question as to what time period any changes to the rules should effect. It is my belief that any changes to the rules should be implemented Modified Retrospectively. What I mean by Modified Retrospectively is that if the rule change is positive for the whistleblower it should be enacted retrospectively, but if it would reduce an award or otherwise make a whistleblower or other informant ineligible for an award it should not be retrospective. This would provide for a seamless transition from old to new rules for already submitted TCR’s and would more than likely avoid issues that may arise with whistleblowers.

2. I believe the question presented if the SEC should have discretion to provide for awards if whistleblowers would not otherwise qualify under current rules is a very good proposal. I believe that this can only be a positive as a way for the SEC to recognize a whistleblower in their discretion if for some reason they are not eligible for an award but have contributed to an enforcement effort. Since such an award (similar to the IRS program) would be in the SEC’s discretion, I do not see any negative outcome. I believe the SEC would be well within their rights to pay for information. I am not aware of any legal standard or law that would prohibit payments and the Commission should implement this on a Modified Retrospective basis for all TCR’s filed after the initial effective date of the law (i.e. if there is a benefit to a someone that has already submitted a TCR the SEC should be permitted to grant them with an award at the Commission’s discretion).

3. I also want to make a very important note regarding the public disclosure bar. When the SEC rules were implemented Congress intentionally added language that allowed for Independent Knowledge and Independent Analysis based on public information. This is a far cry from the FCA Public Disclosure bar and the difference was intentional. I believe, in the financial services industry where participants have specialized knowledge and/or experience reviewing financial statements, contracts, and filings and might be able to identify fraud this is important. The FCA public bar was implemented so relators would not take advantage of the system, whereas Congress specifically wanted industry professionals to add their analysis with regards to the SEC program to help root out fraud. I believe the Commission should keep the definitions as broad as possible to encourage outside whistleblowers to compile research and analysis that the Commission may otherwise never have seen or would otherwise never have come to their attention.

4. With regards to the specific discussion on independent analysis, I believe it leaves out a number of key items. First, the Commission provides an example of independent analysis based on mathematical calculations, but there are many other ways to provide independent analysis – including qualitatively. Qualitative analysis is incredibly important and the skill, training, and experience involved in reviewing documents can certainly be
considered Independent Analysis. I urge the Commission to provide greater leeway for defining Independent Analysis as the key hurdle should be whether or not the submission led to an enforcement action. I can agree that the submission of a public news article would not qualify, but providing insights and analysis of complex situations based on detailed review of other public source material certainly is Independent Analysis and should be recognized by the Commission accordingly. Let us all not forget the main goal of the program – to encourage people to bring forward and root out securities violations and Congress certainly intended that outsiders with certain skills and background should be and are encouraged to participate.

5. Lastly, I comment regarding the requirement that an outside attorney or accountant “be expected to contribute insights or revelations that would not be reasonably evident to an accountant or attorney on the Enforcement staff who reviewed the same publicly available information”. This footnote appears to me that the Commission is attempting to continue to narrow the definition of Independent Analysis further than was originally intended. This definitional language was not included in the original rules and appears to try to set a new, higher bar for analysis. Nowhere do I see where this high of a bar was originally contemplated. In fact, the Commissions own example of Markopolis that the Commission itself believes was Independent Analysis might have been reasonably evident to Enforcement Staff if they had reviewed the various items that Markopolis himself reviewed. In fact, I believe the bar not only should be – but by the current rules, is much lower than the Commission has articulated in this footnote. I encourage the Commission to maintain that the rules read in plain English – did the submission provide independent analysis or not? The Commission surely needs to disregard whether someone else theoretically could have performed such an analysis only whether the Whistleblower performed the analysis that led to an enforcement action.

In general I encourage the Commission to widen the definitions and expand the access to the Whistleblower program so we can root out as many securities violations as possible. I believe the intention was to include outsiders and I hope that the Commission recognizes the substantial value and contributions that outsiders with deep financial knowledge can provide in this process.

Thank you for your time.