Elizabeth M. Murphy,
Secretary Securities and Exchange Commission
100 F Street, NE Washington, DC 20549-1090

Re: File Number S7-33-10
(Title IX — Investor Protection and Improvements to the Regulation of Securities)
Proposed Rules for Implementing the Whistleblower Provisions of Section 21F of the Securities Exchange Act of 1934

Dear Ms. Murphy,

I have read the "Proposed Rules for Implementing the Whistleblower Provisions of Section 21F of the Securities Exchange Act of 1934" and the publicly available comments submitted to date. This letter is my response to your request for comments, first with general comments and then specifics.

I am a citizen investor and shareholder advocate. I fear the corporate lobby will work diligently to water down and make ineffective the Dodd-Frank Act and its components. I wish to reiterate the concerns of other commenter's that I specifically support.

From the National Whistleblowers Center dated November 1, 2010,

> *"Corporate internal compliance programs have not worked. They did not work to prevent the Enron, WorldCom and the other corporate scandals that resulted in the enactment of Sarbanes-Oxley Act. Nor did the Audit Committees set up by SOX work to prevent the scandals and financial crisis that resulted in the passage of the Dodd-Frank Act.*
>
> *The United States Government has fully recognized that the current framework most companies employ when establishing and managing internal compliance programs is deficient"*

From Evelynn Brown, J.D., LL.M, Whistleblower Advocacy Group

> *"Any public policy, agency rule and regulation should include serious discussions with public policy experts and quite frankly, experienced whistleblowers."*

From Robin McLeish

> *". . . allow them to use Freedom of Information Act information to prove their case"*

If there is one thing we know about the raid on our public money it is that the foxes were responsible and they are still in charge of the hen house. The SEC is in the position to do what is right and good for the hens. Please don't let us down.

There is substantial evidence of growing unrest and lack of tolerance for the synergistic corruption and bad monetary policies that have resulted in massive debt and now hold the American people hostage. It will be a lengthy process to fix all that is broken with our system, and those, whom the system currently favors, will resist mightily any attempt to repair the system if it reduces their advantage. Since a "win-win" or "for the good of all" or "fair play" argument will not work to change the mind of the bad actors that operate on greed, we must have an effective Whistleblower program.

I propose that the rules include provisions for the participation of a citizen investor/shareholder advocate contingency at the outset rather than have to respond with reactionary rules and regulations later. The proposed Whistleblower provisions are employee-centric. While it may statistically be true that the

majority of cases will be from corporate employees the citizen investor/shareholder advocate must be considered.

As the details of our financial meltdown continue to unfold and recovery takes longer, more citizens will want join the ranks of the citizen investor/shareholder advocate demanding accountability and transparency. Many will want to recover their lost pensions and retirements. Other than hiring an attorney and spending money they don't have on costly and long litigation, the Whistleblower program, while not specifically designed for that use, could provide citizens with an avenue for recovery. If you think this is an unlikely scenario please see SEC file number ES#133072/HO::~00007555~::HO.

While the information in that case was not exclusively derived from public documents it was the primary source for initially putting the puzzle pieces of the crime together. Because transparency is yet another broken part of our system, the only information available to citizen investors *is* public information, otherwise we would be insiders. The language pertaining to original information needs to reflect this contingency. The burden of proof is on the plaintiffs. Where are we supposed to get our information?

Here are responses to specific questions of particular importance to the Citizen Investor:

> *Definition: Citizen Investor – An individual, representing him/herself, having invested in the stock market either by way of self-directed account or as a part of a fund or employment (401K), taking action on their own behalf to recover losses incurred by questionable actions of bad actors.*

7. Is it appropriate to include knowledge that is not direct, first-hand knowledge, but is instead learned from others, as "independent knowledge," subject only to an exclusion for knowledge learned from publicly-available sources?

> Yes it is appropriate to include knowledge that is not direct, first-hand knowledge.
>
> "Subject only to" needs to specifically include the circumstance, whereby the submission is from a citizen investor:
>
> > Unless the publicly-available sources provided the necessary information used to create new and original analysis provided by a citizen investor (exclusive of non corporate employee and other seven exemptions).
>
> The need for allowing this is alluded to in the statement *"This definition recognizes that there are circumstances where individuals can review publicly available information, and, through their additional evaluation and analysis, provide vital assistance to the Commission staff in understanding complex schemes and identifying securities violations."* (on page 19, 2rd paragraph, last sentence)

8. Is there a different or more specific definition of "analysis" that would better effectuate the purposes of Section 21F?

> Analysis: The sum of the parts of information of high quality information that provides a forensic background sufficient to initiate an investigation or a preponderance of high quality, reliable, and specific evidence that facilitates action by the SEC.
>
> 9, 10: Yes.

11. Should the exclusion for "independent knowledge" or "independent analysis" go beyond attorneys and auditors, and include other professionals who may obtain information about potential securities violations in the course of their work for clients? If so, are there appropriate

ways to limit the nature or extent of the exclusion so that any recognition of relationships of professional trust does not undermine the purposes of Section 21F?

Yes, if the professional services or work product has any direct or indirect connection to,or impact on the shareholders of their client. Professionals hired by a company have a fiduciary responsibility to the client-company who has a fiduciary responsibility to the shareholders to correct any violations.

12. Is the exclusion for knowledge obtained through violations of criminal law appropriate?

Absolutely yes. Rule of law must prevail.

13. Should a "reasonable time" be defined in the rule and, if so, what period should be specified (e.g., three months, six months, one year)?

Yes. It should mirror the Sarbanes Oxley Act of 2002
Section 804 -- Statute of Limitations for Securities Fraud
Section 1658 of title 28, United States Code

"(b) Notwithstanding subsection (a), a private right of action that involves a claim of fraud, deceit, manipulation, or contrivance in contravention of a regulatory requirement concerning the securities laws, as defined in section 3(a)(47) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(47)), may be brought not later than the earlier of—

(1) 2 years after the discovery of the facts constituting the violation; or
(2) 5 years after such violation.

14. Should the exclusion extend to violations of the criminal laws of foreign countries?

Rule of law. The point is to eliminate illegal activity.

15. How should our rules treat information that may be provided to us in violation of judicial or administrative orders such as protective orders in private litigation? Should we exclude from whistleblower awards persons who provide information in violation of such orders? What would be the policy reason for this proposed exclusion?

The policy reason is not to condone or encourage illegal activity. Do not accept the information or allow the provider of that information eligibility for whistleblower reward. If information was accepted and then found to be in violation, apply rule of law.

21.(b). If yes, should the proposed rule define with greater specificity when information "significantly contributed" to enforcement action? In what way should the phrase be defined?

The terms "significantly contributed" to or "led to" should be used as a measure with other criteria listed in 21F-6 to determine the whistleblower award amount. A scale of significance could mitigate subjective or arbitrary decisions as to award amounts and provide accountability.

23. The Commission requests comment on the proposed definition of the word "action." Are there other ways to define an "action" that are consistent with the text of Section 21F and that will better effectuate the purposes of the statute?

Action should not be "singular captioned" from the perspective of the federal court and litigation but should apply to the scope, depth and breath of the crime or fraud and it's players in order to be

consistent with the purpose of Section 21F. There is potential for abuse by not aggregating all successful single captioned sanctions that stemmed from whistleblower information.

If a citizen investor provides information that exposes a "scheme" involving many entities, it may prove cost effective, less legally complex, and a better strategy for the SEC to pursue single captioned proceedings against some of the entities (Milken). This could be used as to ursurp the whistleblower of the benefit of the award.

Why should the whistleblower responsible for providing critical information be penalized in this manner or the victims that would stand to benefit

If citizen investors were attorneys with subpoena privileges or insiders with information we wouldn't need the SEC to complete the case for us. We could use all our resources to pursue all aspects of the fraud/scheme/crime and expose it ourselves. Bottom line, if information provided by the whistleblower "led to" facilitating all the single captioned actions in separate judicial or administrative actions, then the monetary sanctions should be aggregated to the benefit of the whistleblower.

As the aggregate threshold is met, the award should be paid and any subsequent single captioned actions in separate judicial or administrative actions that result in sanction stemming from information provided by the whistleblower should be paid when collected per the other terms in 21F – the Investor protection Fund and 21F-11 related actions.

24. Is the provision stating that the percentage amount of an award in a Commission action may differ from the percentage awarded in a related action appropriate?

See last paragraph in response to question 23.

27. Should the Commission identify, by rule, additional criteria that it will consider in determining the amount of an award? If so, what criteria should be included? Should we include as a criterion the consideration of whether, and the extent to which, a whistleblower reported the potential violation through effective internal whistleblower, legal or compliance procedures before reporting the violation to the Commission? Should we include any of the other considerations described above?

Especially with regard to the citizen investor: The amount of time and resources the SEC would have had to employ to produce the quality and quantity of the original information and analysis provided by the whistleblower from the starting point of only having a notion of wrongdoing should be considered. This would help or possibly inspire an army of citizens to invest their own time and resources to help the SEC stop the corruption.

29. Because representation of whistleblowers constitutes practice before the Commission by an attorney, should the Commission consider adopting rules governing conduct by attorneys engaged in this type of practice? In some contexts, courts have disallowed excessive fee requests to attorneys for whistleblowers.[64] Should we adopt a rule regarding fees in the representation of whistleblower clients? Would such a rule encourage or discourage whistleblower submissions?

Yes. Attorney fees should be limited. Otherwise, what would be the benefit or the incentive for employees or citizen investors to even try to participate in fixing the system? Ultimately, what would be the benefit to the victims? U.S. litigation is notorious for attorney's fees devouring the victims awards, the very people they are sworn to represent. There is no justice for victims if they are at the mercy of attorney fees seeking resolution for wrongdoing.

36. Are there any ways we can streamline and make the required procedures more user-friendly?

The SEC should be required to provide “like” receipt with a date and time stamp and itemized materials received from the whistleblower. If the submission was by email, an email receipt should be sent along with a checklist of any further requirements for the whistleblower, how and where to find the “Notice of Covered Action” on the SEC website, a contact for any further questions, and a ranking of whether the information has already been reported or is first and new information.

Or, there should be a method by which the whistleblower can check on the progress of the claims process (**transparency**) in order to file the necessary forms on time and participate in the appeals process if necessary as outlined in the flow-chart in 21F-10. For example: The case is assigned a file number used to access a secure website that provides a status of progress and alerts the whistleblower to an upcoming deadline with required action. This is especially important for the citizen investor who submitted information and does not have legal representation familiar with the process. Independent citizen investor whistleblowers should be afforded any advantages that are available to attorneys representing whistleblowers if there are any, such as access to the SEC and communication.

The burden should be on the SEC to proactively inform the whistleblower since only the SEC knows where they are in the process. We shouldn’t have to rely on public news or wait to read it in the newspaper.

Help the whistleblower to facilitate faster and better access to the system through the Freedom of Information Act on behalf of evidence gathering for the SEC. To ignore provisions for the citizen investor in this process is to shut us out. As I understand it, that is counter to the mandate of the SEC.

“The only remedies against the misuse of public power by private individuals lie in the public realm itself, in the light which exhibits each deed enacted within its boundaries, in the visibility to which it exposes all those who enter it.” Hannah Arendt

Sincerely,
Wanda Bond