

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION
SECURITIES EXCHANGE ACT OF 1934
Release No. 89124 / June 23, 2020
WHISTLEBLOWER AWARD PROCEEDING
File No. 2020-22

In the Matter of the Claim for Award

in connection with

Redacted

Notice of Covered Action Redacted

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIMS

The Claims Review Staff (“CRS”) issued a Preliminary Determination recommending that Claimant Redacted (“Claimant”) receive a whistleblower award in the amount of Redacted of the monetary sanctions collected, or to be

collected, in Redacted (“Covered Action”) and Redacted of the monetary sanctions collected, or to be collected, in a related enforcement action, Redacted

*** (“Related Action”).¹ These proposed awards would yield a likely payout to the Claimant of approximately \$125,000.² Claimant subsequently provided written notice of Claimant’s decision not to contest the Preliminary Determination.

¹ The Related Action constitutes a “related action” to the Covered Action within the meaning of Section 21F(a)(5) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. § 78u-6(a)(5), and Rule 21F-3(b) promulgated thereunder, 17 C.F.R. § 240.21F-3(b), as a Redacted

Redacted and is based on the same original information that the whistleblower voluntarily provided to the Commission, and that led the Commission to obtain monetary sanctions totaling more than \$1,000,000.

² Redacted Applying Section 21F(b)(1) of the Exchange Act, 15 U.S.C. 78u-6(b)(1), which provides for payment of awards based on “what has been collected of the monetary sanctions imposed” in a Commission covered action or a related action, amounts obtained from the defendant in satisfaction of monetary sanctions ordered in the Related Action (not the entire amount ordered) shall be included in the calculation of any award payment. *See In the Matter of Claims for Award*, Release No. 72301, at n.1 (June 3, 2014) (providing for the payment of an award when monetary sanctions ordered in a covered action are deemed satisfied by payment of an amount in an action

The recommendation of the CRS is adopted. The record demonstrates that Claimant voluntarily provided the same original information to the Commission and to ^{Redacted} (“Other Agency”), and that

this information led to the successful enforcement of both the Covered Action and the Related Action.³ Applying the award criteria specified in Rule 21F-6 of the Securities Exchange Act of 1934 to the specific facts and circumstances here, we find that the proposed award percentages for both the Covered Action and the Related Action are appropriate.⁴ In reaching that determination, we positively assessed the facts that (i) Claimant’s information was highly significant because Claimant’s tip caused the opening of both the Commission’s and the Other Agency’s investigations and provided both staffs with important information about the company’s fraudulent securities offering; (ii) Claimant reported information that resulted in the Commission and the Other Agency discovering a fraudulent scheme that preyed on a vulnerable investor community; (iii) Claimant provided assistance to both the SEC and the Other Agency during the investigation; and (iv) collections from the defendants of the monetary sanctions ordered in both the Covered Action and the Related Action were low.

Finally, we find that the contributions made by Claimant to the Covered Action are similar to Claimant’s contributions to the success of the Related Action, and, therefore, it is appropriate that Claimant receive the same award percentage for both actions.

Accordingly, it is hereby ORDERED that Claimant shall receive an award of ^{Redacted} of the monetary sanctions collected in the Covered Action, and ^{***} ^{Redacted} of the monetary sanctions collected in the Related Action, as well as any monetary sanctions collected in either action after the date of this Order.

By the Commission.

Vanessa A. Countryman
Secretary

by another governmental authority). Further, amounts paid by the defendant will not be double-counted in both the Covered Action and the Related Action for purposes of calculating any award payment. *See Order Determining Whistleblower Award Claim*, Release No. 34-77530, at 2, note 1 (April 5, 2016) (ordering that monetary sanctions collected in the covered action or in the related criminal action that are either deemed to satisfy or are in fact used to satisfy any payment obligations of the defendants in the other action shall not be double counted for purposes of paying an award); *Order Determining Whistleblower Award Claim*, Release No. 34-88015 (Jan. 22, 2020) (same).

³ See Exchange Act Section 21F(b)(1), 15 U.S.C. § 78u-6(b)(1); Exchange Act Rule 21F-3(a), 17 C.F.R. § 240.21F-3(a).

⁴ In assessing the appropriate award amount, Rule 21F-6 provides that the Commission consider: (1) the significance of information provided to the Commission; (2) the assistance provided in the Covered Action; (3) the law enforcement interest in deterring violations by granting awards; (4) participation in internal compliance systems; (5) culpability; (6) unreasonable reporting delay; and (7) interference with internal compliance and reporting systems. 17 C.F.R. § 240.21F-6.