

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 91649 / April 23, 2021

WHISTLEBLOWER AWARD PROCEEDING
File No. 2021-41

In the Matter of the Claim for an Award

in connection with

Redacted

Redacted

Notice of Covered Action Redacted

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIM

The Claims Review Staff (“CRS”) issued a Preliminary Determination recommending that Redacted (“Claimant”) receive a whistleblower award in the amount of approximately \$3.2 million, which equals Redacted percent (***) of the monetary sanctions collected, or to be collected, in the above-referenced Covered Action (the “Covered Action”). Claimant provided written notice stating that Claimant will not contest the Preliminary Determination.

The recommendation of the CRS is adopted. The record demonstrates that Claimant voluntarily provided original information to the Commission that led to the successful enforcement of the Covered Action.¹

Rule 21F-6(c) establishes a presumption of a statutory maximum award of 30% where (1) the statutory maximum award would be \$5 million or less; (2) none of the negative award factors under Rule 21F-6(b)—i.e., culpability, unreasonable reporting delay, or interference with an internal compliance and reporting system—are present; and (3) the award claim does not trigger Rule 21F-16.² The Commission may depart from the presumption if (1) the assistance provided

¹ See Securities Exchange Act of 1934 (“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).

² Rule 21F-16 concerns whistleblowers who engage in culpable conduct. See 17 C.F.R. § 240.21F-16.

by the whistleblower was, “under the relevant facts and circumstances, limited,” or (2) a maximum award “would be inconsistent with the public interest, the promotion of investor protection, or the objectives of the whistleblower program.”³

The presumption, however, does not apply here because one negative factor – unreasonable reporting delay – under Rule 21F-6(b) is present.⁴ Based on the facts and circumstances of this matter, we find that Claimant unreasonably delayed in reporting to the Commission. In particular, Claimant’s information was submitted approximately four years from the date on which Claimant first noticed that ^{Redacted}, and 17 months from the date ^{Redacted} first understood that there could possibly be a securities law violation occurring. While Claimant may not have fully understood the significance of the misconduct, investors continued to suffer harm during the period of delay. The CRS also concluded that this criterion under Rule 21F-6(c)(1)(iii) should not be waived.⁵

We find the ^{Redacted} % award determination to be appropriate. In coming to this determination, we considered that (i) Enforcement staff was unaware of the misconduct until Claimant submitted the tip, (ii) Claimant provided a “roadmap” for staff to focus on key issues, (iii) Claimant provided staff with subject matter expertise on a ^{Redacted}, which helped staff interpret and understand information received in document productions and testimony, (iv) Claimant’s documents and assistance allowed the staff to conserve considerable resources, (v) the charges brought by the Commission were based in significant part on conduct that was the subject of the information provided by Claimant and (vi) Claimant unreasonably delayed reporting to the Commission while investors continued to be harmed.

Accordingly, it is hereby ORDERED that Claimant shall receive an award of ^{Redacted} percent (^{Redacted} %) of the monetary sanctions collected, or to be collected, in the Covered Action.

By the Commission.

Vanessa A. Countryman
Secretary

³ Rule 21F-6(c)(1)(iv); 17 C.F.R. § 240.21F-6(c)(1)(iv).

⁴ Rule 21F-6(b) provides that in determining whether to decrease the amount of an award, the Commission will consider the following negative factors – culpability, unreasonable reporting delay, and interference with an internal compliance and reporting system.

⁵ Rule 21F-6(c)(1)(iii) provides that the Commission, in its sole discretion, “may in certain limited circumstances determine to waive this criterion if the claimant can demonstrate that doing so based on the facts and circumstances of the matter is consistent with the public interest, the promotion of investor protection, and the objectives of the whistleblower program.” 17 C.F.R. § 240.21F-6(c)(1)(iii).