

UNITED STATES OF AMERICA  
before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 93370 / October 18, 2021

WHISTLEBLOWER AWARD PROCEEDING  
File No. 2022-7

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In the Matter of the Claim for an Award

in connection with

Redacted

Redacted

Notice of Covered Action: Redacted

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**ORDER DETERMINING WHISTLEBLOWER AWARD CLAIM**

The Claims Review Staff (“CRS”) issued a Preliminary Determination recommending that Redacted (“Claimant”) receive a whistleblower award of approximately \$400,000, which is equal to Redacted percent ( %\*) of the monetary sanctions collected in the above-referenced Covered Action (“Covered Action”). Claimant provided written notice, through counsel, that Claimant did 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.<sup>1</sup>

Rule 21F-6(c) establishes a presumption of a statutory maximum award of 30% where (1) the 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.<sup>2</sup> The Commission may depart from the

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<sup>1</sup> 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).

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

presumption if (1) the assistance provided 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.”<sup>3</sup>

The presumption, however, does not apply here because two negative factors – unreasonable reporting delay and culpability – under Rule 21F-6(b) are present. Based on the facts and circumstances of this matter, the Commission finds that Claimant unreasonably delayed in reporting to the Commission and was culpable in some of the underlying misconduct. In particular, Claimant’s information was submitted approximately four years from the date on which he/she first became aware of the underlying misconduct, during which time investors continued to suffer harm. In addition, Claimant was a <sup>Redacted</sup> who facilitated the underlying misconduct by, for example, <sup>Redacted</sup> in an effort to hide the misconduct.

Applying the award criteria in Rule 21F-6 to the facts and circumstances here, we find the <sup>\*\*\*</sup> % award determination to be appropriate.<sup>4</sup> In coming to this determination, we considered that (i) Enforcement staff was unaware of the misconduct until Claimant submitted the tip, (ii) Claimant’s documents and assistance allowed the staff to conserve considerable resources, (iii) the charges brought by the Commission were based on conduct that was the subject of the information provided by Claimant, (iv) Claimant unreasonably delayed reporting to the Commission while investors continued to be harmed, and (v) Claimant was a <sup>Redacted</sup> who facilitated the underlying misconduct by <sup>Redacted</sup> and was therefore culpable.

Accordingly, it is hereby ORDERED that Claimant shall receive an award of <sup>Redacted</sup> percent (<sup>\*\*\*</sup> %) of the monetary sanctions collected, or to be collected, in the Covered Action.

By the Commission.

Vanessa A. Countryman  
Secretary

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

<sup>4</sup> In assessing the appropriate award amount, Exchange Act Rules 21F-6(a) and (b) provide that the Commission consider: (1) the significance of information provided to the Commission; (2) the assistance provided in the Commission action; (3) 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. Rules 21F-6(a) and (b); 17 C.F.R. § 240.21F-6(a) and (b).