

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 93648 / November 23, 2021

WHISTLEBLOWER AWARD PROCEEDING
File No. 2022-18

In the Matter of the Claims for an Award

in connection with

Redacted

Notice of Covered Action Redacted

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIMS

The Claims Review Staff (“CRS”) issued Preliminary Determinations recommending that Redacted (“Claimant”) receive a whistleblower award of almost \$400,000, which is equal to Redacted percent () of the amounts collected, or to be collected, in both the above-referenced Covered Action (“Covered Action”), and in the related Redacted (“Related Action”).

Claimant provided notice that Claimant would not contest the Preliminary Determinations.

The recommendations of the CRS are adopted. The record demonstrates that Claimant voluntarily provided original information to the Commission, which in turn, provided the information to the Redacted and that this information led to the successful enforcement of both the Covered Action and the Related Action.¹ Further, under newly adopted

¹ See Securities Exchange Act of 1934 (“Exchange Act”) Section 21F(b)(1), 15 U.S.C. § 78u-6(b)(1); Exchange Act Rules 21F-3(a) & (b), 17 C.F.R. § 240.21F-3(a) & (b). See also *In the Matter of Claim for Award*, Release No. 34-84046 (Sept. 6, 2018) (for a whistleblower to obtain an award in connection with a potential related action, the whistleblower must “demonstrate [that he or she] directly (or through the Commission) voluntarily provided the governmental agency, regulatory authority or self-

Rule 21F-9(e), a claimant must file a TCR within 30 days of providing the Commission with the original information to be relied upon as a basis for claiming an award. However, the Commission shall waive noncompliance with Rules 21F-9(a) and (b)² if the claimant demonstrates to the satisfaction of the Commission that he/she complied with the requirements of Rules 21F-9(a) and (b) within 30 days of first obtaining actual or constructive notice about those requirements or 30 days from the date he/she retains counsel to represent him/her in connection with his/her submission of original information, whichever comes first. Here, Claimant satisfies Rule 21F-9(e) because Claimant submitted a Form TCR within two weeks of learning of the TCR filing requirement, and would otherwise be eligible for an award.

Applying the award criteria in Rule 21F-6 of the Securities Exchange Act of 1934 to the specific facts and circumstances here, we find the proposed award amount is appropriate.³ In reaching that determination, we positively assessed the following facts: (1) Claimant's information alerted Enforcement staff to the potential wrongdoing, which, in part, prompted Enforcement staff to open the investigation; (2) Claimant provided significant ongoing assistance to Enforcement staff during the investigation that saved Commission time and resources; (3) there are high law enforcement interests here as money was returned to harmed investors; (4) Claimant's information and cooperation helped the Commission to shut down an ongoing Ponzi-like scheme preying on retail investors and obtain emergency relief in the action.

Against these positive factors, we also believe that Claimant's award percentage should be reduced for culpability. While Claimant was not charged in the matter, the record reflects that Claimant became aware of Redacted

We also recognize there are several mitigating factors, including that Claimant Redacted were harmed investors, that Claimant was unaware of certain fraudulent aspects of the Redacted investment scheme, and took some steps to help remediate the harm, including Redacted

Redacted Accordingly, we believe that a Redacted award strikes the appropriate balance between Claimant's significant contributions to the success of the Covered Action and Claimant's level of culpability.

regulatory organization the same original information that led to the Commission's successful covered action, and that this information led to the successful enforcement of the related action.") (citing Exchange Act Rule 21F-11(c); 17 C.F.R. § 240.21F-11(c)).

² Rule 21F-9(a) requires that the information be submitted online through the Commission's TCR portal or by mailing or faxing a Form TCR to OWB. Rule 21F-9(b) requires a representation, under penalty of perjury, that the information is true and correct.

³ In assessing the appropriate award amount, Exchange Act Rule 21F-6 provides 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. 17 C.F.R. § 240.21F-6.

Accordingly, it is hereby ORDERED that Claimant shall receive an award of ^{Redacted} percent (%) of the monetary sanctions collected, or to be collected, in both the Covered Action and the Related Action.⁴

By the Commission.

Eduardo A. Aleman
Deputy Secretary

⁴ We have treated those amounts distributed to injured investors by the court-appointed receiver in the Covered Action as collected monetary sanctions on which Claimant's award can be based. *See Order Determining Claim for Award*, Rel. No. 34-77530 (April 5, 2016). There have been no collections to date in the Related Action.