

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 105167 / April 8, 2026

WHISTLEBLOWER AWARD PROCEEDING
File No. 2026-10

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 Office of the Whistleblower (“OWB”) issued a Preliminary Summary Disposition¹ (“PSD”) recommending the denial of the whistleblower award claim submitted by ^{Redacted} (“Claimant 1”) in connection with the above-referenced covered action (the “Covered Action”).² Claimant 1 filed a timely response contesting the preliminary denial. For the reasons discussed below, Claimant 1’s award claim is denied.

I. BACKGROUND

A. The Covered Action

On ^{Redacted}, the Commission filed a civil injunctive action against ^{Redacted} and several relief defendants. The Commission’s ^{Redacted} Complaint alleged that ^{Redacted} engaged in a fraudulent scheme to illegally sell stock ^{Redacted}

¹ See Securities Exchange Act of 1934 (“Exchange Act”) Rule 21F-18, 17 C.F.R. § 240.21F-18.

² In the PSD, OWB also recommended that the Commission deny the whistleblower award claim of another claimant (“Claimant 2”). Because Claimant 2 did not seek reconsideration, the PSD became the Final Order of the Commission through operation of Exchange Act Rule 21F-18(b)(4), 17 C.F.R. § 240.21F-18(b)(4).

Redacted

Redacted . The Complaint further alleged that Redacted *** participated in Redacted's scheme with respect to Redacted .

The court entered final judgments ordering the defendants to pay more than \$1 million in monetary sanctions. OWB posted the Notice for the Covered Action on the Commission's public website inviting claimants to submit whistleblower applications within 90 days. Claimant 1 submitted a timely whistleblower award claim.

B. The PSD

Pursuant to the PSD process under Exchange Act Rule 21F-18, OWB recommended that the whistleblower award claim of Claimant 1 be denied because Claimant 1's information did not lead to the success of the Covered Action. OWB noted that the information provided by Claimant 1 was neither received nor reviewed by staff handling the Covered Action or underlying investigation ("the Investigation"), and those staff members (the "Investigative staff") had no contact with Claimant 1. OWB also noted that Investigative staff responsible for the Investigation that resulted in the Covered Action declared that the Investigation was not opened based on information provided by Claimant 1 and confirmed that Claimant 1 provided no information that was used in or that significantly contributed to the success of the Investigation or the Covered Action. Therefore, Claimant 1 did not provide information that led to the successful enforcement of the above-referenced Covered Action within the meaning of Section 21F(b)(1) of the Exchange Act and Rules 21F-3(a)(3) and 21F-4(c) thereunder because the information did not: (1) cause the Commission to (i) commence an examination, (ii) open or reopen an investigation, or (iii) inquire into different conduct as part of a current Commission examination or investigation under Rule 21F-4(c)(1) of the Exchange Act; or (2) significantly contribute to the success of a Commission judicial or administrative enforcement action under Rule 21F-4(c)(2) of the Exchange Act.

C. Claimant 1's Response to the Preliminary Summary Disposition

Claimant 1 submitted a timely written response ("Response") contesting the PSD.³ Claimant 1 first contends that while the Investigation was opened in Redacted, the complaint in the Covered Action was not filed until three years later in Redacted, suggesting that his/her December Redacted tip ("December TCR") was the "informational trigger" that caused the Investigation to progress. Second, Claimant 1 argues that it is irrelevant that the Enforcement staff responsible for the Investigation did not receive or review his/her information because his/her December TCR was not "directly related" to the Investigation, but instead concerned a different individual, Redacted,⁴ which then "led sequentially to the discovery of illegal

³ See Exchange Act Rule 21F-18(b)(3), 17 C.F.R. § 240.21F-18(b)(3).

⁴ Claimant 1 submitted a claim for an award in Notice of Covered Action Redacted, related to Redacted Redacted

*** ("Other Covered Action"). The Commission denied Claimant 1's award claim in the Other Covered Action because Claimant 1's information did not lead to the success of the Other Covered Action and his/her award

activities” of another individual, ^{Redacted},⁵ and then subsequently, ^{Redacted}, one of the defendants in the Covered Action. Claimant 1 refers to this as the “chain of investigation” theory. Finally, Claimant 1 argues that the administrative record is not sufficient to deny his/her award claim because the Enforcement staff declaration lacks “documentary and circumstantial evidence” and is not reliable because it is based on recollections from many years ago and fails to include contemporaneous evidence.

II. Analysis

To qualify for an award under Section 21F of the Exchange Act, a whistleblower must have “voluntarily provided original information to the Commission that led to the successful enforcement of the covered . . . action.”⁶ Exchange Act Rules 21F-4(c)(1) and (c)(2) specify that this “led to” requirement is satisfied if either “you gave the Commission original information that cause[d] the staff to . . . open an investigation . . . or to inquire concerning different conduct as part of a current examination or investigation” or “[y]ou gave the Commission original information about conduct that was already under examination or investigation by the Commission . . . and your submission significantly contributed to the success of the action”.⁷ “[B]oth Rule 21F-4(c)(1) and Rule 21F-4(c)(2) require that a claimant’s *submission* of information to the Commission prove helpful to the Enforcement staff in the covered action.”⁸ For the reasons discussed below, Claimant 1’s submission does not merit a whistleblower award in the Covered Action because the record does not support the conclusion that the submission led to a successful enforcement action, as required by Exchange Act Rule 21F-4(c).

As an initial matter, we note the record includes two declarations, an initial declaration and a supplemental declaration, prepared by one of the primary Enforcement attorneys assigned to the Investigation, which we credit. The record shows that the Commission opened the Investigation in ^{Redacted} based on information obtained by Enforcement staff in connection

application was submitted untimely. *See* Order Determining Whistleblower Award Claim, Exchange Act Rel. No. 100498 (July 11, 2024). Claimant 1 filed a petition for review with a U.S. Court of Appeals which was denied.

⁵ ^{Redacted} was the defendant in ^{Redacted} No Notice of Covered Action was posted for the settled action because the monetary sanction was less than \$1,000,000.

⁶ *See* Exchange Act Section 21F(b)(1), 15 U.S.C. § 78u-6(b)(1). *See also Kilgour v. SEC*, 942 F.3d 113, 122-23 (2d Cir. 2019) (reading the “led to” language in Section 21F(b)(1) as “seem[ing] to require that the information as provided by the whistleblower must have ‘led to the successful enforcement action.’”).

⁷ In determining whether the information “significantly contributed” to the success of the action, the Commission will consider whether the information was “meaningful” in that it “made a substantial and important contribution” to the success of the covered action. For example, the Commission will consider a claimant’s information to have significantly contributed to the success of an enforcement action if it allowed the Commission to bring the action in significantly less time or with significantly fewer resources, or to bring additional successful claims or successful claims against additional individuals or entities. Order Determining Whistleblower Award Claims, Exchange Act Rel. No. 90922 (Jan. 14, 2021) at 4; *see also* Order Determining Whistleblower Award Claims, Exchange Act Rel. No. 85412 (Mar. 26, 2019) at 9 (same).

⁸ Order Determining Whistleblower Award Claims, Exchange Act Rel. No. 102987 (May 5, 2025) at 8 (emphasis in original).

with two earlier enforcement actions, neither of which were the Redacted and Redacted cases referred to by Claimant 1 in his/her Response. The Investigation was not opened because of any information provided by Claimant 1. The record also shows that the Investigation had been open for more than one year prior to Claimant 1's submitting his/her December TCR to the Commission. Thus, Claimant 1 cannot be credited with providing information that caused the Commission to open the Investigation. Nor did Claimant 1 provide information that caused Enforcement staff to inquire into different conduct or that significantly contributed to the success of the Covered Actions because the record supports the conclusion that Enforcement staff responsible for the Investigation and resulting Covered Action did not receive or review Claimant's information and had no communications with Claimant 1 before or during the Covered Action.

Turning to the arguments raised by Claimant 1 in his/her Response, we find them to be without merit. Contrary to Claimant 1's assertions, his/her December TCR could not have been the "informational trigger" that fueled the Investigation because Enforcement staff responsible for the Investigation never received or reviewed the December TCR before or during the Investigation or Covered Action. The Commission's Tips, Complaints, and Referrals System ("TCR System")⁹ reflects that Claimant 1's December TCR was forwarded to other staff in the Boston Regional Office ("BRO") in connection with a different investigation and was not forwarded to Enforcement staff responsible for the Investigation. Additionally, Enforcement staff responsible for the Investigation did not receive Claimant 1's information from other Commission staff, including BRO staff. The record supports the conclusion that Enforcement staff responsible for the Investigation never received or reviewed Claimant 1's information, and as such, Claimant 1's information could not have been used in the Investigation or resulting Covered Action.

We disagree with Claimant 1's argument that the administrative record is insufficient to support the denial of his/her award claim. Two declarations from the Enforcement staff primarily responsible for the Covered Action, including a supplemental declaration prepared in response to Claimant 1's Response, support the conclusion that Claimant 1's information had no impact on the Investigation or Covered Action. In determining whether a claimant is eligible for an award, the Commission's rules expressly provide that sworn declarations from the Commission staff may be relied upon,¹⁰ and courts have consistently upheld the Commission's reliance on sworn Commission staff declarations as substantial evidence in making award determinations.¹¹ Here, Investigative staff provided sworn declarations indicating that the Investigation was opened based on information obtained by Enforcement staff in connection with two earlier enforcement actions and not because of information provided by Claimant 1. The

⁹ Under standard practice, whenever members of the public provide the Commission with information about possible violations of the securities laws pursuant to the procedures set forth at 17 C.F.R. §240.21F-9(a), that information is uploaded and preserved in the Commission's TCR System, where it is retrievable by the submitter's name or TCR submission number. In addition, the TCR System records staff action taken with regard to tips, complaints, and referrals entered into the system.

¹⁰ See Exchange Act Rule 21F-12(a)(4), 17 C.F.R. § 240.21F-12(a)(4).

¹¹ See, e.g., *Doe v. SEC*, 846 F. App'x 1, 3-4 (D.C. Cir. 2021).

sworn declarations also indicate that the TCR System does not reflect that Claimant 1's TCR was forwarded to Enforcement staff responsible for the Investigation; none of the members of the team recall receiving or reviewing any information provided by Claimant 1 or communicating with Claimant 1 before or during the Investigation; and it was not until after the action was settled and Claimant 1 applied for a whistleblower award that Investigative staff became aware that Claimant 1 submitted a TCR. Finally, the sworn declarations by the primary Enforcement staff responsible for the Investigation are based not only on staff's recollection, but also on documents they reviewed in the course of the Investigation, interviews and testimony they conducted or witnessed, other information they received from other Commission staff and/or other authorities, and their review of the Commission's TCR system; all of which support the conclusion that Claimant 1's information was not used in the Covered Action.

For the above-mentioned reasons, Claimant 1 did not provide information that led to the success of the Covered Action and is therefore not entitled to a whistleblower award in connection with the Covered Action.

III. Conclusion

Accordingly, it is hereby ORDERED that the whistleblower award application of Claimant 1 in connection with the Covered Action be, and it hereby is, denied.

By the Commission.

Vanessa A. Countryman
Secretary