

UNITED STATES OF AMERICA

Before the

SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 105166 / April 8, 2026

WHISTLEBLOWER AWARD PROCEEDING

File No. 2026-9

In the Matter of the Claim for an Award

in connection with

Redacted

Notice of Covered Action Redacted

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIM

The Claims Review Staff (“CRS”) issued a Preliminary Determination recommending the denial of the whistleblower award claim submitted by Redacted (“Claimant”) in connection with the above-referenced covered action (the “Covered Action”).¹ Claimant filed a timely response contesting the preliminary denial. For the reasons discussed below, Claimant’s award claim is denied.

I. Background

A. The Covered Action

On Redacted, the Commission filed a complaint in the Covered Action in federal district court alleging that Redacted an Redacted, and Redacted an entity Redacted (collectively, “Defendants”) defrauded a Redacted and its investors. The Commission alleged that the Defendants violated Redacted Redacted

¹ In the Preliminary Determination, Claimant is referred to as Claimant 2. The CRS also preliminarily denied the award claim of two other joint claimants who did not seek reconsideration. Accordingly, their preliminary denial became the Final Order of the Commission pursuant to Exchange Act Rule 21F-10(f), 17 C.F.R. § 240.21F-10(f).

Redacted

Among other relief, the Court ordered the Defendants to pay monetary sanctions of more than \$1 million.

The Office of the Whistleblower posted a Notice of Covered Action on the Commission's public website inviting claimants to submit whistleblower award applications within 90 days. Claimant filed a timely whistleblower award claim.

B. The Preliminary Determination

The Preliminary Determination recommended that Claimant's award claim be denied because Claimant did not provide information that led to the successful enforcement of the 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.

As stated in the Preliminary Determination, Enforcement staff opened the Covered Action investigation based on publicly-available information gathered from a news article and not based on Claimant's submission. Enforcement staff responsible for the Covered Action does not recall receiving or reviewing information provided by Claimant; nor do they recall communicating with Claimant before or during the Covered Action investigation. None of Claimant's information was used in, or was helpful to, the success of the Covered Action investigation or Covered Action.

C. Claimant's Response to the Preliminary Determination

Claimant submitted a timely request for reconsideration. Claimant argues in his/her reconsideration request that his/her TCR submission provided early and corroborative evidence of the misconduct charged and supported the Covered Action. Claimant argues that his/her TCR submission identified the same fraudulent practices later charged in the Covered Action and that Exchange Act Rule 21F does not require "staff memory – only that the submission materially contributed." Claimant also argues that "corroborative information qualifies when it strengthens the evidentiary record," and cites to "Release No. 80447" as support.

II. Analysis

To qualify for an award under Section 21F of the Exchange Act, a whistleblower must voluntarily provide the Commission with original information that leads to the successful enforcement of a covered action.² As relevant here, under Exchange Act Rules 21F-4(c)(1) and (2), respectively, the Commission will consider a claimant to have provided original information that led to the successful enforcement of a covered action if either (1) the original information caused the staff to commence an examination, open an investigation, or inquire into different conduct as part of a current examination or investigation and the Commission brought a

² Exchange Act Section 21F(b)(1), 15 U.S.C. § 78u-6(b)(1).

successful action based in whole or in part on conduct that was the subject of the original information;³ or (2) the conduct was already under examination or investigation, and the original information “significantly contributed to the success of the action.”⁴

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.⁵ 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.⁶

Based on the record, which includes a detailed declaration, which we credit, from one of the members of the Covered Action investigative team, Claimant did not provide information that led to the success of the Covered Action.

Claimant’s information did not cause staff to open the Covered Action investigation. Enforcement staff opened the investigation in ^{Redacted} based on a publicly available news article. Nor did Claimant provide information that caused staff to inquire into different conduct or significantly contribute to the success of the Covered Action.

The Covered Action investigative team does not recall receiving or reviewing any information provided by Claimant; nor do any members of the Covered Action investigative team recall communicating with Claimant before or during the Covered Action investigation. The Commission’s Tips, Complaints, and Referrals (“TCR”) System further supports the conclusion that Enforcement staff responsible for the Covered Action did not receive or review Claimant’s tip. The TCR System reflects that Claimant’s tip went to different Enforcement staff in connection with an earlier, separate investigation. The record supports the conclusion that the Covered Action investigative team did not receive Claimant’s information from the other Enforcement staff responsible for the earlier, separate investigation, which was closed without enforcement action.

Claimant argues that because his/her information had a factual nexus to the charges in the Covered Action, his/her information must have been used in some way by the responsible Enforcement staff. However, the standard for award eligibility is not what the staff would have or could have done in hypothetical circumstances, but, rather, what impact a claimant’s

³ See Exchange Act Rule 21F-4(c)(1), 17 C.F.R. § 240.21F-4(c)(1).

⁴ See Exchange Act Rule 21F-4(c)(2), 17 C.F.R. § 240.21F-4(c)(2).

⁵ *Order Determining Whistleblower Award Claims*, Release No. 34-90922 (Jan. 14, 2021) at 4; *see also Order Determining Whistleblower Award Claims*, Release No. 34-85412 (Mar. 26, 2019) at 9.

⁶ Release No. 34-85412 at 8-9.

information had on its investigation.⁷ That Claimant’s information bears some factual nexus to the charges in the Covered Action does not mean that his/her information “led to” the success of the Covered Action. Rather, the record supports the conclusion that Claimant did not provide information to the Commission that caused Enforcement staff responsible for the Covered Action to open the investigation, to inquire into the conduct underlying the Covered Action, or significantly contributed to the success of the Covered Action.

Furthermore, the record does not support the conclusion that Claimant provided corroborative information that strengthened the evidentiary record. According to the Enforcement staff responsible for the Covered Action investigation, they did not receive or review Claimant’s information, and none of Claimant’s information was used in or was helpful to the success of the Covered Action. Although Claimant cites “Release No. 80447” as precedential support, Release No. 34-80447 is not associated with a whistleblower matter and does not bear on the award claims analysis.⁸

We therefore conclude that Claimant’s information did not lead 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. For this reason, Claimant is not eligible for an award.

III. Conclusion

Accordingly, it is hereby ORDERED that Claimant’s whistleblower award application be, and hereby is, denied.

By the Commission.

Vanessa A. Countryman
Secretary

⁷ *Order Determining Whistleblower Award Claims*, Release No. 34-99670 (Mar. 5, 2024); *Order Determining Whistleblower Award Claim*, Release No. 34-98655 (Sept. 29, 2023); *Order Determining Whistleblower Award Claim*, Release No. 34-97408 (May 1, 2023); *Order Determining Whistleblower Award Claim*, Release No. 34-96657 (Jan. 13, 2023).

⁸ In any event, we note that information that is merely corroboratory or confirmatory of information already known by the Commission does not qualify as “original information.” Exchange Act Rule 21F-4(b)(1)(ii) (defining “original information” to mean, among other things, information that is “[n]ot already known to the Commission from any other source, unless you are the original source of the information”); *see also Order Determining Whistleblower Award Claim*, Release No. 34-89551 (Aug. 13, 2020) n. 24 (observing that “[i]nformation from a whistleblower that merely corroborates information already known to the Commission ordinarily does not qualify for an award”).