

**FINAL ORDER- THIS PRELIMINARY DETERMINATION BECAME
THE FINAL ORDER OF THE COMMISSION ON AUGUST 23, 2025
PURSUANT TO RULE 21F-10(f) OF THE SECURITIES EXCHANGE ACT OF 1934**

Notice of Covered Action [REDACTED]
[REDACTED]

Reference No: 08232025

PRELIMINARY DETERMINATIONS OF THE CLAIMS REVIEW STAFF

In response to the above-referenced Notice of Covered Action, the Securities and Exchange Commission (“Commission”) received whistleblower award claims from [REDACTED] (“Claimant 1”) and [REDACTED] (“Claimant 2”). Pursuant to Section 21F of the Exchange Act and Rule 21F-10 promulgated thereunder, the Claims Review Staff has evaluated the claims in accordance with the criteria set forth in Rules 21F-1 through 21F-18. The Claims Review Staff (“CRS”) sets forth its preliminary determinations as follows:

Claimant 1

The CRS has preliminarily determined to recommend to the Commission that it deny Claimant 1’s claim for an award.

Exchange Act Rule 21F-16 requires that, in determining whether the \$1,000,000 threshold under Rule 21F-10 has been satisfied for making an award, the Commission will not take into account any monetary sanctions that are ordered against any entity whose liability is based substantially on conduct that the whistleblower directed, planned, or initiated.

The record supports the conclusion that the liability of [REDACTED] (the “Firm”) was substantially based on conduct Claimant 1 directed. Claimant 1 was a senior officer at the Firm, holding the roles of [REDACTED] and [REDACTED] and understood that the illicit activities in this case were wrong. Claimant 1 was nevertheless an active participant in the wrongdoing, instructing subordinates to carry out the scheme and personally making misrepresentations and omissions in furtherance of the misconduct charged in the Covered Action.

Applying Rule 21F-16, the Commission will not take into account the monetary sanctions levied against the Firm for the purposes of determining whether the \$1,000,000 threshold under Rule 21F-10 has been satisfied. If the sanctions against the Firm are excluded, the Covered Action does not meet the \$1,000,000 threshold and, as such, we recommend that Claimant 1’s claim be denied.

Claimant 2

The CRS has preliminarily determined to recommend to the Commission that it deny Claimant 2’s claim for an award. A claimant may satisfy the “leads to” requirement by giving the Commission original information that was sufficiently specific, credible, and timely to cause the staff to open an investigation, reopen an investigation that had closed, or to inquire concerning different conduct as part of a current examination or investigation, and the Commission brought a successful judicial action based in whole or in part on conduct that was

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the subject of the original information.¹ A claimant may also satisfy the “leads to” requirement if he or she provided original information about conduct that was already under investigation by the Commission, and the submission significantly contributed to the success of the action.² Claimant’s information here neither caused the investigation giving rise to the Covered Action to be opened or caused a closed investigation to be reopened,³ nor caused staff to inquire concerning different conduct as part of the investigation, or significantly contributed⁴ to the success of the Covered Action.

By: Claims Review Staff

Date: June 24, 2025

¹ Rule 21F-4(c)(1).

² Rule 21F-4(c)(2). A whistleblower may also satisfy the “leads to” requirement in certain circumstances where he/she reports internally, and the results of an audit or investigation initiated in response to such an internal report are reported to the Commission, *see* Rule 21F-4(c)(3), but this scenario is not relevant here.

³ The investigation giving rise to the Covered Action was opened based on information from another source and not from Claimant 2.

⁴ Claimant 2 submitted a tip late in the Commission’s investigation, and the information provided was duplicative of information Commission staff was already aware. Claimant 2’s information did not significantly contribute to the Commission investigation which led to the Covered Action.