

UNITED STATES OF AMERICA  
before the  
SECURITIES AND EXCHANGE COMMISSION  
SECURITIES EXCHANGE ACT OF 1934  
Release No. 93637 / November 22, 2021  
WHISTLEBLOWER AWARD PROCEEDING  
File No. 2022-16

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In the Matter of the Claim for Award

in connection with

Redacted

Notice of Covered Action Redacted

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**ORDER DETERMINING WHISTLEBLOWER AWARD CLAIMS**

The Claims Review Staff (“CRS”) issued Preliminary Determinations recommending that Redacted (“Claimant 1”) receive a whistleblower award equal to Redacted percent (\*\*\* %), of the monetary sanctions collected or to be collected in the above-referenced Covered Action, and that Redacted (“Claimant 2,” and collectively with Claimant 1, “Claimants”) receive a whistleblower award equal to \*\*\* percent (\*\* %) of the monetary sanctions collected or to be collected in the above-referenced Covered Action. Claimant 1 filed a timely response contesting the Preliminary Determinations, and Claimant 2 did not contest the Preliminary Determinations.<sup>1</sup> For the reasons discussed below, the CRS’s recommendation is adopted with respect to Claimant 1 and Claimant 2. Based upon current collections, the Commission anticipates the combined initial payment to Claimants will be approximately \$2.4 million.

**I. Background**

**A. The Covered Action**

On Redacted the Commission filed an Redacted action in Redacted against Redacted

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<sup>1</sup> The CRS also recommended the denial of the award applications from two other claimants, neither of whom contested the Preliminary Determinations. Accordingly, the Preliminary Determinations with respect to those award claims became the Final Orders of the Commission through operation of Exchange Act Rule 21F-10(f), 17 C.F.R. §240.21F-10(f).

Redacted

Redacted (collectively, the “Defendants”). The Commission alleged that Redacted

Redacted According to the complaint, Redacted

Redacted

On Redacted the Court entered Redacted against the Defendants. On Redacted the court entered final judgments Redacted in disgorgement and Redacted ordering them to pay, Redacted in pre-judgment interest. Redacted were also ordered to pay Redacted in civil penalties, and Redacted was ordered to pay Redacted in disgorgement and interest.

On Redacted the Office of the Whistleblower (“OWB”) posted the above-referenced Notice of Covered Action on the Commission’s website, inviting claimants to submit whistleblower award applications within 90 days.<sup>2</sup> Claimants 1 and 2 filed timely whistleblower award claims.

## **B. The Preliminary Determinations**

The CRS issued Preliminary Determinations<sup>3</sup> recommending that: (1) Claimant 1 receive an award of \*\*\* % of the monetary sanctions collected or to be collected in the Covered Action; and (2) Claimant 2 receive an award of \*\* % of the monetary sanctions collected or to be collected in the Covered Action.

## **C. Claimant 1’s Response to the Preliminary Determinations**

Claimant 1 submitted a timely written response contesting Claimant 1’s award of \*\*\* % in the Preliminary Determinations.<sup>4</sup> Claimant 1 contends that he/she warrants a larger award on the grounds that Claimant 2 does not appear to be eligible for an award on the grounds that Claimant 2 did not appear to provide information that led to a successful enforcement action pursuant to Exchange Act Rule 21F-4(c), or in the alternative, if Claimant 2 is eligible for an award, Claimant 1’s relative contribution to the Covered Action warrants an award greater than \*\*\* % because Claimant 1 provided information to the Commission that caused Enforcement staff to

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<sup>2</sup> See Exchange Act Rule 21F-10(a), 17 C.F.R. § 240.21F-10(a).

<sup>3</sup> See Exchange Act Rule 21F-10(d), 17 C.F.R. § 240.21F-10(d).

<sup>4</sup> See Exchange Act Rule 21F-10(e), 17 C.F.R. § 240.21F-10(e).

open the investigation that led to the Covered Action and provided more critical information and assistance as compared to Claimant 2.

## II. Analysis

### A. Claimant 1

The record demonstrates that Claimant 1 voluntarily provided original information to the Commission that led to the successful enforcement of the Covered Action. Accordingly, Claimant 1 qualifies for a whistleblower award. Applying the award criteria as specified in Rule 21F-6 of the Exchange Act based on the specific facts and circumstances here, as well as our review of Claimant 1's response to the Preliminary Determinations, we find that an award of <sup>Redacted</sup> percent (\*\*\* %) is appropriate.<sup>5</sup> Claimant 1's information caused the staff to open the investigation that led to the Covered Action, and Claimant 1 provided significant assistance to Commission staff during the investigation by providing documents and making himself/herself available for interviews. Claimant 1 also provided additional assistance as the investigation progressed, including key pieces of evidence that allowed the staff to complete the investigation more quickly.

We decline to accept the contentions raised in Claimant 1's response to the Preliminary Determinations. As discussed below, the record demonstrates that Claimant 2 is eligible for an award, and a \*\*\* % award to Claimant 1 is appropriate given the relative value of each of the Claimants' contributions.

### B. Claimant 2

Claimant 2 did not contest the Preliminary Determinations. The record demonstrates that Claimant 2 voluntarily provided original information to the Commission that led to the successful enforcement of the Covered Action. Accordingly, Claimant 2 qualifies for a whistleblower award. Applying the award criteria as specified in Rule 21F-6 of the Exchange Act based on the specific facts and circumstances here, we find that an award of \*\*\* percent (\*\* %) is appropriate. Claimant 2 provided new information that significantly contributed to the success of the Covered Action. <sup>Redacted</sup>

<sup>Redacted</sup> Because Claimant 2's information was of substantially less value than that of Claimant 1, whose information alerted staff to the violations, we believe that a significantly lower award of \*\* % is warranted here.

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<sup>5</sup> 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.

### III. Conclusion

Accordingly, it is hereby ORDERED that Claimant 1 shall receive an award equal to <sup>Redacted</sup> percent (\*\*\* %) of the monetary sanctions collected or to be collected in the Covered Action, and that Claimant 2 receive an award equal to \*\*\* percent (\*\* %) of the monetary sanctions collected or to be collected in the Covered Action.

By the Commission.

Eduardo A. Aleman  
Deputy Secretary