

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 93685 / December 1, 2021

WHISTLEBLOWER AWARD PROCEEDING
File No. 2022-19

In the Matter of the Claims for an Award

in connection with

Redacted

Redacted

Notice of Covered Action Redacted

and

Redacted

Redacted

Notice of Covered Action Redacted

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIMS

The Claims Review Staff (“CRS”) issued a Preliminary Determination recommending that Redacted (“Claimant”) receive a whistleblower award of more than \$175,000, which represents Redacted (%) of the monetary sanctions collected in the above-referenced Covered Actions (the “Covered Actions”).¹

¹ The court-appointed receiver distributed recovered funds to harmed investors. Amounts returned to harmed investors by receivers as relief for the securities law violation will ordinarily be treated as collected monetary sanctions for the purpose of paying a whistleblower award. See Adopting Release for Amendments to Whistleblower Rules, Release No. 34-89963 (Sept. 23, 2020) (“Adopting Release”) at n.63.

The recommendation of the CRS is adopted. The record demonstrates that Claimant voluntarily provided original information² to the Commission that led to the successful enforcement of the Covered Actions.³

Rule 21F-6(c) establishes a presumption of a statutory maximum award of 30% where (1) the maximum award would be \$5 million or less; (2) none of the negative award factors under Rule 21F-6(b)—*i.e.*, culpability, unreasonable reporting delay, or interference with an internal compliance and reporting system—are present; and (3) the award claim does not trigger Rule 21F-16.⁴ The Commission may depart from the presumption if (1) the assistance provided by the whistleblower was, “under the relevant facts and circumstances, limited,” or (2) a maximum award “would be inconsistent with the public interest, the promotion of investor protection, or the objectives of the whistleblower program.”⁵ The Commission finds that the presumption does not apply in this instance given Claimant’s “limited assistance” in the Covered Actions under the relevant facts and circumstances of the case, including, *inter alia*, that Claimant’s tip was one of several tips the Commission staff had received that contributed to the opening of the investigation and Claimant did not provide additional information or assistance after the initial submission of the tip.

Pursuant to Rule 21F-6, to determine the amount of an award, we consider the following factors as they apply to the facts and circumstances of Claimant’s applications: (1) the significance of information provided to the Commission; (2) the assistance provided in the Covered Actions; (3) the law enforcement interests 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.

Here, Claimant performed calculations and otherwise assembled information that provided important insights about the company’s conduct that was not otherwise apparent. However, while Claimant’s information played a role in the Commission staff’s decision to open an investigation, the Commission received several other tips from multiple other sources that also contributed to the staff’s decision to open an investigation. Further, after submitting the tip,

² Claimant satisfied the original information requirement by providing his/her independent analysis based on publicly available information. To be credited with providing “independent analysis,” the whistleblower’s examination and evaluation should contribute significant information that “bridges the gap” between the publicly available information and the possible securities violations. “[I]n each case, the touchstone is whether the whistleblower’s submission is revelatory in utilizing publicly available information in a way that goes beyond the information itself and affords the Commission with important insights or information about possible violations.” Adopting Release at 112-13. Here, Claimant’s analysis of information from public sources revealed possible violations that were not apparent from the face of the publicly available materials.

³ See Securities Exchange Act of 1934 (“Exchange Act”) Section 21F(b)(1), 15 U.S.C. § 78u-6(b)(1); Exchange Act Rule 21F-3(a), 17 C.F.R. § 240.21F-3(a).

⁴ Rule 21F-16 concerns whistleblowers who engage in culpable conduct. See 17 C.F.R. § 240.21F-16.

⁵ Rule 21F-6(c)(1)(iv); 17 C.F.R. § 240.21F-6(c)(1)(iv).

Claimant had no communication with Commission staff responsible for the investigation and provided no additional information or assistance.

Accordingly, it is hereby ORDERED that Claimant shall receive an award of ^{Redacted}
(^{***} %) of the monetary sanctions collected or to be collected in the Covered Actions.

By the Commission.

Vanessa A. Countryman
Secretary