

UNITED STATES OF AMERICA

Before the

SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 103172 / June 3, 2025

WHISTLEBLOWER AWARD PROCEEDING

File No. 2025-31

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 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”). Claimant filed a timely response contesting the preliminary denial in the Covered Action.¹ For the reasons discussed below, Claimant’s award claim is denied.

I. Background

A. The Covered Action

On Redacted, the Commission filed an action in the Redacted Redacted alleging that Redacted (collectively, “Defendants”) violated the antifraud provisions of the federal securities laws. On Redacted, the court ordered the Defendants to pay more than \$1 million in monetary sanctions.

¹ The CRS also preliminarily determined to deny Claimant’s award claim in Covered Action Redacted, relating to Redacted. Claimant did not seek reconsideration of the preliminary denial in that action, which has therefore become final through operation of law.

The Office of the Whistleblower (“OWB”) posted the Notice for the 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 for the Covered Action.

B. The Preliminary Determination

The CRS issued a Preliminary Determination recommending that Claimant’s claim for award 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 Securities Exchange Act of 1934 (“Exchange Act”) and Rules 21F-3(a)(3) and 21F-4(c) thereunder. As stated in the Preliminary Determination, the Covered Action investigation was opened in response to a referral from the ^{Redacted} (“Other Agency”) and staff’s efforts in connection with the referral. Further, Claimant did not provide information that was used in or that had any impact on the investigation or resulting Covered Action.

C. Claimant’s Response to the Preliminary Determination

Claimant submitted a timely written response (the “Response”) contesting the Preliminary Determination.² Claimant makes the following principal arguments: (i) Claimant asks when Commission staff first obtained information about the Defendants in the Covered Action, and (ii) submits that he/she provided information to the ^{Redacted} and to the ^{Redacted} (collectively, “foreign regulators”), which in turn, may have provided his/her information to the Commission.

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.” Exchange Act Section 21F(b)(1).³ 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 . . . investigation” or “[y]ou gave the Commission original information about conduct that was already under . . . investigation by the Commission . . . and your submission significantly contributed to the success of the action.”⁴

² See Exchange Act Rule 21F-10(e), 17 C.F.R. § 240.21F-10(e).

³ Exchange Act Section 21F(b)(1), 15 U.S.C. § 78u-6(b)(1).

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. For example, the Commission will consider a claimant’s information to have

Claimant's information did not cause staff to open the Covered Action investigation, as staff opened the investigation based on a referral from the Other Agency and its investigative efforts in connection with the referral.

Nor did Claimant's information cause Enforcement staff to inquire into different conduct or significantly contribute to the success of the Covered Action. According to an initial declaration, as well as a supplemental declaration from Enforcement staff responsible for the Covered Action, which we credit, staff received Claimant's information for the first time on ^{Redacted}, after the filing of the Commission's complaint in the Covered Action.⁵ While Enforcement staff received information from Claimant concerning the Defendants, it was tangential and not pursued by Enforcement staff.

Turning to the points raised in Claimant's Response, Enforcement staff responsible for the Covered Action did not receive information from the foreign regulators identified in the Response, and as such, did not receive Claimant's information through those foreign regulators. Additionally, the issue of when Enforcement staff first obtained information about the Defendants is irrelevant to Claimant's eligibility determination, because staff did not receive any information from Claimant until after the filing of the Covered Action, and did not indirectly receive Claimant's information through the foreign regulatory authorities identified in Claimant's reconsideration request.⁶

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*, Release 90922 (Jan. 14, 2021) at 4; *see also Order Determining Whistleblower Award Claims*, Release 85412 (Mar. 26, 2019) at 9 (same).

⁵ While the Preliminary Determination states that Enforcement staff did not receive information from, or have communications with, Claimant prior to ^{Redacted}, the staff declarations confirm that Enforcement staff responsible for the Covered Action did not receive Claimant's information until after the filing of the Covered Action. Regardless, the record supports the conclusion that Claimant's information did not advance the investigation or resulting Covered Action.

⁶ Moreover, even if Claimant's information was provided to Enforcement staff by foreign regulators, and even if that information was helpful during an earlier period in the investigation, there is still no cognizable path to an award because foreign regulators are not entities that could trigger a look back under Exchange Act Rule 21F-4(b)(7) allowing Claimant's information to be credited as having been provided earlier.

III. Conclusion

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

By the Commission.

Vanessa A. Countryman
Secretary