

UNITED STATES OF AMERICA

Before the

SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 103208 / June 9, 2025

WHISTLEBLOWER AWARD PROCEEDING

File No. 2025-35

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In the Matter of the Claim for an

Award in connection with

Redacted

Redacted

Notice of Covered Action <sup>Redacted</sup>

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**ORDER DETERMINING WHISTLEBLOWER AWARD CLAIM**

The Office of the Whistleblower (“OWB”) issued a Preliminary Summary Disposition (“PSD”) recommending the denial of the whistleblower award claim submitted by <sup>Redacted</sup> (“Claimant”) in connection with the above-referenced covered action (the “Covered Action”). 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 <sup>Redacted</sup>, the Commission filed settled administrative and cease-and-desist proceedings against <sup>Redacted</sup> (“Respondent”) for allegedly <sup>Redacted</sup> by <sup>Redacted</sup> (“Company”) without disclosing the <sup>Redacted</sup>. According to the Commission’s Order, the Respondent’s failure to disclose this <sup>Redacted</sup> violated Section 17(b) of the Securities Act of 1933. The Respondent was ordered to pay more than \$1 million.

OWB posted the Notice for the Covered Action on the Commission’s public website inviting claimants to submit whistleblower award applications. Claimant submitted a timely award application.

### B. The Preliminary Summary Disposition

OWB issued a PSD recommending that Claimant’s claim be denied because Claimant’s information did not lead to the success 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.

The PSD provided the following reasons for the denial: Enforcement staff responsible for the Covered Action did not receive or review information from, or have communication with, Claimant before or during the course of the Covered Action investigation.

### C. Claimant’s Response to the Preliminary Summary Disposition

Claimant submitted a timely written response contesting the PSD.<sup>1</sup> Claimant makes the following principal arguments on reconsideration: (1) he/she submitted a tip to the Commission on <sup>Redacted</sup>, just one day before the investigation was opened; (2) while he/she did not mention the Respondent in the tip, he/she did identify two individuals involved in the Company who Commission staff spoke to and who Claimant believes went relatively unnoticed; (3) he/she sent relevant <sup>Redacted</sup> to Commission staff that were no longer publicly available, but admits that he/she sent them after the filing of the Covered Action; and (4) the Company needs to be further investigated.

## **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.<sup>2</sup> As relevant here, original information will be deemed to lead to a successful enforcement action if either: (i) the original information caused the staff to “open an investigation . . . or to inquire concerning different conduct” as part of a current investigation and the Commission brought a successful action based in whole or in part on conduct that was the subject of the original information;<sup>3</sup> or (ii) the conduct was already under investigation, and the original information “significantly contributed to the success of the action.”<sup>4</sup>

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

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<sup>1</sup> See Exchange Act Rule 21F-18(b)(3).

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

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

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

a substantial and important contribution” to the success of the covered action.<sup>5</sup> 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.<sup>6</sup>

The record supports the conclusion that Claimant’s information did not lead to the success of the Covered Action. According to a declaration provided by Enforcement staff responsible for the Covered Action, which we credit, the investigation was opened based on multiple news articles and not because of information provided by Claimant. While Claimant’s tip was submitted close in time to the opening of the investigation, Claimant’s tip was general in nature and consisted of publicly available information without further examination or evaluation. Claimant’s tip was closed with a No Further Action (or “NFA”) disposition and not forwarded to investigative staff.<sup>7</sup>

The record also supports the conclusion that Claimant’s information did not cause Enforcement staff responsible for the Covered Action to inquire into different conduct or significantly contribute to the ongoing investigation. Enforcement staff stated that they did not receive or review any information from Claimant; nor did they recall communicating with Claimant before or during the Covered Action investigation. Finally, any information Claimant provided after the filing of the Covered Action could not have contributed to the success of the action.<sup>8</sup>

### III. CONCLUSION

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

By the Commission.

Vanessa A. Countryman  
Secretary

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

<sup>6</sup> Release No. 85412 at 8-9.

<sup>7</sup> An “NFA” disposition means that the staff will not take any additional steps with respect to a TCR unless subsequent information leads staff to reopen or reexamine that TCR. *See Order Determining Whistleblower Award Claim*, Release No. 101451 (Oct. 28, 2024). Claimant submitted another tip in <sup>Redacted</sup>, which was likewise closed with an NFA disposition and not sent to investigative staff.

<sup>8</sup> Claimant’s argument that Commission staff should further investigate the Company is not relevant to whether Claimant’s information led to the success of the Covered Action.