

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 105154 / April 7, 2026

WHISTLEBLOWER AWARD PROCEEDING

File No. 2026-7

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

and

Redacted

Redacted

Notice of Covered Action Redacted

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIMS

The Claims Review Staff (“CRS”) issued Preliminary Determinations (“Initial Preliminary Determinations”) recommending that Redacted (“Claimant 1”) receive ***
percent (Redacted %) of the monetary sanctions collected in Redacted
Redacted (“Covered Action 1”), Redacted
Redacted (“Covered Action 2”), and Redacted

Redacted (“Covered Action 3”) (collectively referred to herein as “Covered Actions”), for a payment of more than \$50 million.

The CRS also recommended that Claimant 1 receive *** percent (** %) of the monetary sanctions collected in connection with a Redacted entered into between Redacted (“Company”) and Redacted (“Other Agency 1”) (“Related Action 1”). In addition to Related Action 1, the Company and Other Agency 1 entered into an agreement to release civil claims Redacted (“Civil Settlement”). The Company resolved Related Action 1 and reached the Civil Settlement by agreeing to pay a net amount of Redacted to Other Agency 1; however, the agreements themselves did not state how much of the Redacted was being paid to resolve Related Action 1 and how much of the Redacted was being paid to satisfy the Civil Settlement. As such, the CRS initially recommended that one-half (or \$ Redacted) of the total payment be treated as the collected monetary sanctions for purposes of paying an award on Related Action 1, and that a *** % award on that amount, equal to \$ Redacted , be made to Claimant 1.

The CRS also recommended that Claimant 1 receive awards equal to *** percent (** %) of the amounts collected in connection with actions brought by Redacted (“Other Agency 2”) against *** former employees of the Company (collectively, “Related Action 2”)¹, which would equal a payment of more than \$3 million. Claimant 1 did not seek reconsideration of the Initial Preliminary Determinations.

The CRS issued a subsequent Preliminary Determination with respect to Related Action 1 (“Superseding Preliminary Determination”).² After further review and consideration, the CRS recommended that Claimant 1’s award claim in Related Action 1 be denied because there was insufficient record evidence as to the amount collected in connection with Related Action 1. The Superseding Preliminary Determination did not alter any of the other recommendations in the Initial Preliminary Determination. Claimant 1 submitted a timely request for reconsideration of the Superseding Preliminary Determination.

In the Initial Preliminary Determinations, the CRS also preliminarily determined to recommend that the whistleblower award claims submitted by joint claimants Redacted Redacted (collectively, “Claimant 2”) for Covered Actions 1 and 2 be

1 Redacted Redacted

Redacted The actions brought by Other Agency 2 constitute a “related action” to the Covered Actions within the meaning of Section 21F(a)(5) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. § 78u-6(a)(5), and Rule 21F- 4(f) promulgated thereunder, 17 C.F.R. § 240.21F- 4(f), which provides that “[a]ppropriate regulatory agency means... *** Redacted ...and any other agencies that may be defined as appropriate regulatory agencies under Section 3(a)(34) of the Exchange Act.”

² Claimant 1’s application is ambiguous as to whether it is requesting a related-action award in connection with the Civil Settlement. For the reasons discussed herein, the Civil Settlement does not qualify as a related action so we find it unnecessary to resolve the ambiguity concerning Claimant 1’s application.

denied; that the award claims of [Redacted] (“Claimant 3”) for Covered Actions 1, 2, and 3 be denied; and that the award claim of [Redacted] (“Claimant 4”) for Covered Action 1 be denied.³ Each of these claimants submitted timely requests for reconsideration.

Separately, the Office of the Whistleblower (“OWB”) issued Preliminary Summary Dispositions (“PSD”) in connection with Covered Action 1 recommending the denial of the whistleblower award claims submitted by joint claimants [Redacted] (collectively “Claimant 5”), [Redacted] (“Claimant 6”), [Redacted] (“Claimant 8”), [Redacted] (“Claimant 9”), and [Redacted] (“Claimant 11”). OWB also preliminarily denied Claimant 8’s award claim for Covered Action 2.⁵ Each of these claimants submitted timely requests for reconsideration.

For the reasons discussed herein, the CRS’s recommendations in the Initial Preliminary Determinations with respect to Covered Actions 1, 2, and 3, and Related Action 2 are adopted, and the CRS’s recommendations in the Superseding Preliminary Determination as to Related Action 1 is adopted.

I. BACKGROUND

On [Redacted], the Commission instituted Covered Action 1, a settled cease-and-desist proceeding against the Company. In its Order, the Commission found that the Company had misled investors about the success of the [Redacted] of the Company’s [Redacted] (“Business Unit”). [Redacted] publicly stated on numerous occasions that its [Redacted]. The Company published a Business Unit [Redacted] in its filings with the Commission and characterized its [Redacted] strategy to investors as a key component of its financial success. The Company referred to the Business Unit’s [Redacted] as proof of its success at executing on this [Redacted]. According to the Order, from [Redacted] to [Redacted], the Company [Redacted] that were unauthorized or fraudulent and also [Redacted]. [Redacted] that were not consistent with the Company’s [Redacted]. In contrast to those public statements and disclosures about the [Redacted] the Company’s Business Unit had employed a [Redacted] [Redacted]. [Redacted] By [Redacted] the Business Unit’s [Redacted] had led to [Redacted].

³ The CRS also preliminarily denied the award claims of several other claimants for Covered Action 1. Because those claimants did not seek reconsideration, the preliminary denial of their claims is now deemed to be the Final Order of the Commission pursuant to operation of law. *See* Exchange Act Rule 21F-10(f).

⁴ Claimant 5 was previously identified as Claimant 3 in the PSD.

⁵ OWB also preliminarily denied the award claims of several other claimants for Covered Actions 1 and 2. Because those claimants did not seek reconsideration, the preliminary denial of their claims is now deemed to be the Final Order of the Commission pursuant to operation of law. *See* Exchange Act Rule 21F-18(b)(4).

Executive 2 was ordered to pay
Redacted

Redacted

OWB posted the Notice of Covered Action on the Commission's public website inviting claimants to submit whistleblower award applications within 90 days. Claimants 1 and 3 filed timely whistleblower claims for Covered Action 3.

II. CLAIMS FOR AWARDS

A. Claimant 1

1. Preliminary Determinations

The CRS preliminarily determined that Claimant 1 voluntarily provided original information that led to the success of Covered Actions 1, 2, and 3, and Related Actions 1 and 2, and that Claimant 1 should receive *** percent (***) of the amounts collected in these Covered and Related Actions.⁶ The CRS observed that in addition to Related Action 1, the Company and Other Agency 1 entered a Civil Settlement based on the same conduct. In settlement of these two matters with Other Agency 1, the Company agreed to pay Redacted with a Redacted offset attributable to the Company's payment to the Commission in connection with Covered Action 1, for a net payment of \$ Redacted to Other Agency 1. The CRS reasoned that the text of Related Action 1 and Civil Settlement did not allocate the Redacted between the two matters, but did refer to each other without suggesting any primacy of one over the other. The CRS therefore inferred that Related Action 1 and the Civil Settlement stood on equal footing and that an equal split best effectuated the text and structures of the agreements as written. As such, the CRS recommended that after subtracting the \$ Redacted offset for Covered Action 1, Claimant 1's award claim for Related Action 1 be based on half of the amounts attributable to the Other Agency 1's actions, or \$ Redacted.⁷ Claimant 1 did not seek reconsideration of the Initial Preliminary Determinations.

Upon further consideration, a Superseding Preliminary Determination was issued revising the recommendation with respect to Claimant 1's award claim for Related Action 1.⁸ The Superseding Preliminary Determination recommended denying an award to Claimant 1 for

⁶ The CRS also preliminarily determined to deny the claim submitted by Claimant 1 in connection with a *** Redacted brought by Other Agency 2 because that action did not concern the same misconduct that was the subject of the information Claimant 1 provided to the Commission that led to the success of the Covered Actions. Claimant 1 did not seek reconsideration of that denial, which is now deemed to be the Final Order of the Commission by operation of law.

⁷ The Initial Preliminary Determination was not formally provided to the Commission for purposes of Rule 21F-10(h).

⁸ The Superseding Preliminary Determination was issued in this matter to avoid the potential of a Commission final order that might deviate from the reasoning in the Preliminary Determination without Claimant 1 having been afforded an opportunity to address the potential new reasoning. As discussed below, nothing in the Commission's rules forecloses, in such circumstances, providing claimants with additional process to obtain the views of a claimant before the Commission issues its final order.

Related Action 1 due to insufficient record evidence that could be used as the basis for an award determination under Exchange Act Rule 21F-3(b)(2). The Superseding Preliminary Determination observed that an allocation of the \$ ^{Redacted} payment between Related Action 1 and the Civil Settlement was necessary to the Initial Preliminary Determination because the Civil Settlement is not a related action under the Commission’s whistleblower program rules and thus could not be the basis for an award. However, following further internal agency consideration,⁹ the Superseding Preliminary Determination explained that the administrative record does not contain sufficient evidence to permit allocation of the \$ ^{Redacted} collected by Other Agency 1 from the Company between Related Action 1 and the Civil Settlement because it contains no evidence of how Other Agency 1 actually allocated the \$ ^{Redacted} between these two matters. Indeed, despite the Commission staff’s request, Other Agency 1 staff were unable to share any record evidence concerning how the \$ ^{Redacted} was allocated between the two matters. Absent such record evidence of the actual allocation, the Superseding Preliminary Determination explained that inferring an equal allocation based on the lack of primacy in the settlement documents would be, at best, inappropriately speculative.

Because the record evidence was insufficient to permit allocation between Related Action 1 and the Civil Settlement, the Superseding Preliminary Determination explained that there is no evidentiary basis for determining the amount collected by Other Agency 1 in Related Action 1, which is essential to the calculation of any related action award in connection with Related Action 1. Exchange Act Section 21F(b)(1) directs the Commission to pay eligible whistleblowers an award of between 10 and 30 percent “in total, of what has been collected of the monetary sanctions imposed in the [covered] action or related actions.” Likewise, the whistleblower rules state that related action awards must be calculated based on the amounts collected in the respective related actions.¹⁰ The Superseding Preliminary Determination concluded that the record contains insufficient reliable information on which to base a related

⁹ At the time the Superseding Preliminary Determination was issued, OWB had not circulated a proposed final determination to the Commission for its consideration in accordance with Rules 21F-10(h) and 21F-11(h). Although Claimant 1 had not sought reconsideration of the Initial Preliminary Determination, other claimants had requested reconsideration and all of the award claims remained pending before the CRS as a result. Award claims involving the same Notice of Covered Action (“NoCA”) are generally processed together with the staff providing the Commission one omnibus proposed final determination for its consideration in connection with issuing an omnibus final order. To the extent that Claimant 1 is reading Rules 21F-10(f) and (h) to require that an unopposed preliminary determination recommending an award will become a proposed final determination for the Commission’s review, and to suppose that Claimant 1’s unopposed Initial Preliminary Determination must therefore have been presented to the Commission and may have become a final order of the Commission, is incorrect and is not consistent with how the Commission has applied those rules in the context of a NoCA involving multiple claimants where some have sought reconsideration of their preliminary determination. To be clear, at no time prior to 2026 has the Commission received a proposed final determination from OWB in connection with any of Claimant 1’s award applications that are the subject of this final order.

¹⁰ See Exchange Act Rule 21F-3(b) (The Commission “will also pay an award *based on amounts collected* in certain related actions.”) (emphasis added); Exchange Act Rule 21F-14(b) (“[A] recipient of a whistleblower award is entitled to payment on the award *only to the extent that a monetary sanction is collected* in the Commission action or in a related action upon which the award is based.”) (emphasis added).

action award determination in connection with Related Action 1. In this situation, Rule 21F-3(b)(2) provides for denial of the related action award:

The Commission will deny an award in connection with the related action if . . .

(ii) The Commission is unable to make a determination because the Office of the Whistleblower could not obtain sufficient and reliable information that could be used as the basis for an award determination pursuant to § 240.21F-12(a) of this chapter.¹¹

Claimant 1 submitted a timely request for reconsideration of the Superseding Preliminary Determination.

2. Claimant 1's Response to the Superseding Preliminary Determination

Claimant 1 argues in his/her request for reconsideration that the Superseding Preliminary Determination denying Claimant 1 a related action award in connection with Related Action 1 was arbitrary and capricious. Claimant 1 makes the following four principal arguments: (1) there is no basis in statute or regulation for issuing a Superseding Preliminary Determination; (2) the Commission withheld relevant aspects of the record from Claimant 1 that he/she is legally entitled to; (3) the Civil Settlement is not a comparable award program under the SEC rules, and (4) the Superseding Preliminary Determination violates the Commission's mandate to award at least 10% for related actions.

First, Claimant 1 argues that the Superseding Preliminary Determination is an invented mechanism with no basis in statutory or regulatory text and that a Final Order should have been issued instead of the Superseding Preliminary Determination. Claimant 1 argues that once a claimant chooses not to contest a Preliminary Determination, it converts to a Proposed Final Determination. Claimant 1 argues that the Commission's regulations do not provide for a Superseding Preliminary Determination, and assumes that the real motivation in issuing the Superseding Preliminary Determination was the change in federal administration and new agency leadership.

Second, Claimant 1 next argues that the Commission withheld relevant aspects of the record that he/she was entitled to receive. Specifically, Claimant 1 argues that he/she asked for information as to whether the Commission received a Proposed Final Determination after he/she accepted the Initial Preliminary Determination, whether a Commissioner requested a review of a Proposed Final Determination, and when other claimants' appeals were resolved, but that he/she was only given a brief supplemental declaration in support of the Superseding Preliminary Determination. Claimant 1 notes in his/her request for reconsideration that claimants are not entitled to internal deliberative process materials but argues that "deliberative process" refers

¹¹ 17 C.F.R. § 240.21F-3(b)(2). See *Order Determining Whistleblower Award Claims*, Release No. 34-84046, 2018 WL 4488273, at *7 n.32 (Sept. 6, 2018) (applying Rule 21F-3(b)(2)).

only to advisory opinions, recommendations, and deliberations that help formulate government decisions and policies.

Third, Claimant 1 argues that the Superseding Preliminary Determination assumes without explanation that the Civil Settlement was not a related action because Claimant 1 had received a \$ *** million whistleblower award in connection with the Civil Settlement. Claimant 1 argues that the CRS provided no analysis to support the proposition that the ^{Redacted} whistleblower award program applicable to the Civil Settlement is a comparable award program other than a footnote citing to Rule 21F-3(b)(3)(iii)(A). Claimant 1 argues that the ^{Redacted} whistleblower award program is unambiguously not a comparable award program under the Commission rules because it has a \$ *** million cap and because it is discretionary. Claimant 1 also asserts that in the Initial Preliminary Determination, the CRS did not describe why the Civil Settlement would not be a related action and did not undertake a comparable award program analysis, thus denying Claimant 1 an award of 10% of the full \$ ^{Redacted} collected by Other Agency 1. Claimant 1 claims that the Commission promised that by Claimant 1 not contesting the Initial Preliminary Determination, the Commission's ability to make the recommended award payment would be accelerated. For that reason, Claimant 1 asserts that he/she did not contest the Initial Preliminary Determination, which erred in denying Claimant 1 a related action award on the full \$ ^{Redacted} the Company was required to pay pursuant to the Civil Settlement and Related Action 1. Claimant 1 argues that despite not contesting the Initial Preliminary Determination, no action was taken by the Commission for months on his/her claim.

Finally, Claimant 1 argues that the Superseding Preliminary Determination violates the statutory mandate to provide qualifying whistleblowers with awards of at least 10% for related actions. Claimant 1 asserts that he/she is plainly entitled to 10% of the full \$ ^{Redacted} collected by Other Agency 1.

3. Analysis

a. Covered Actions 1, 2, and 3, and Related Action 2

The record demonstrates that Claimant 1 voluntarily provided original information to the Commission that led to the success of Covered Actions 1, 2, and 3. In determining the amount of award to recommend, we considered the following factors set forth in Exchange Act Rule 21F-6 as they apply to Claimant 1: (1) the significance of information provided to the Commission; (2) the assistance provided in the Commission action; (3) the 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.

Claimant 1 provided significant information early in the Commission staff's investigation that demonstrated the scope and severity of ^{Redacted} violations occurring at the Company and that its senior management was aware of the ^{Redacted} these violations. After

submitting his/her tip to the Commission, Claimant 1 provided extensive ongoing assistance throughout the course of the investigation, participating in numerous meetings with the staff and providing sworn testimony to both the Commission and Other Agency 1. Claimant 1 also internally reported his/her concerns directly to senior management. Claimant 1, however, also unreasonably and substantially delayed in reporting to the Commission. Claimant 1 was a senior employee responsible for all ^{Redacted} including the violations at issue in the Covered Actions.¹² Despite receiving confirmation of the wrongdoing for years, Claimant 1 did not report the conduct to the Commission until after leaving the Company, and during the period of delay, the conduct continued unabated and investors continued to be harmed.

We further find that Related Action 2 constitutes a “related action” to the Covered Actions within the meaning of Exchange Act Section 21F(a)(5) and Rule 21F-3(b) promulgated thereunder, that the original information Claimant 1 provided to the Commission that led to the Covered Actions also led to Related Action 2, and that Claimant 1 otherwise satisfies the award criteria for “related actions” set forth in Exchange Act Section 21F and the rules promulgated thereunder. Claimant 1 provided information to Other Agency 2 concerning the Company’s ^{Redacted} misconduct, the same information he/she provided to the Commission, and Claimant 1’s information contributed to the success of Related Action 2. For the same reasons articulated above, we find that a ***% award to Claimant 1 in connection with Related Action 2 is appropriate.

b. Related Action 1

We adopt the recommendation in the Superseding Preliminary Determination that Claimant 1’s award claim for Related Action 1 should be denied. As an initial matter, the Civil Settlement does not qualify as a “related action” under the Exchange Act or the Commission’s whistleblower program rules. Under Exchange Act Section 21F(a)(5), a “related action” is defined, in part, as a “judicial or administrative action” brought by an enumerated entity, including Other Agency 1. The Commission’s rules likewise define a “related action” as a “judicial or administrative action” brought by an enumerated governmental entity.¹³ In the 2020 whistleblower rule amendments, the Commission amended the definition of “administrative action” to expressly include DPAs and non-prosecution agreements (“NPAs”) entered into by Other Agency 1, such as Related Action 1.¹⁴

The Civil Settlement, however, does not qualify as a “related action” because it was not an action filed in federal court or before any administrative tribunal nor did it resolve any such

¹² Claimant 1 satisfies the 120-day exception under Exchange Act Rule 21F-4(b)(4)(v)(C) because Claimant 1 reported to the Commission more than 120 days after reporting concerns internally.

¹³ Exchange Act Rule 21F-3(b)(1).

¹⁴ Rule 21F-4(d)(3)(i); Whistleblower Program Rules, 85 Federal Register 70898, 70901 (Nov. 5, 2020) (“2020 Adopting Release”).

action. Rather, it was an out-of-court agreement between the Company and Other Agency 1 in which Other Agency 1 released certain enumerated claims against the Company, including under ^{Redacted}. Unlike for DPAs and NPAs entered into by Other Agency 1, the Commission did not define “administrative action” to include the Civil Settlement. Nor is the Civil Settlement an NPA or DPA with Other Agency 1, both of which implicate criminal charges, whereas the Civil Settlement is limited to a resolution of civil claims. Accordingly, it is not a “judicial or administrative action” as required by Exchange Act Section 21F(a)(5) and Rule 21F-3(b).

Because Related Action 1 is a related action under the Commission’s whistleblower rules, and the Civil Settlement is not, to make an award we must, as required by statute, determine the amount collected in connection with Related Action 1.¹⁵ The documents underlying Related Action 1 and the Civil Settlement do not attempt to allocate the \$ ^{Redacted} payment by the Company between the two matters. Despite attempts by OWB staff to obtain such information, Other Agency 1 was unable to share any record evidence concerning how the \$ ^{Redacted} was allocated between the two matters. We therefore conclude that the record contains insufficient reliable information on which to base a related-action award determination for Related Action 1. In such circumstances, Exchange Act Rule 21F-3(b)(2) provides for denial of the related-action award claim.

Turning to Claimant 1’s arguments in his/her request for reconsideration, we find them to be without merit. While the issuance of a Superseding Preliminary Determination is not required by the Commission’s rules, by issuing it the staff provided Claimant 1 the opportunity to set forth his/her objections to the revised recommendation on Related Action 1. Had the CRS sent the Proposed Final Determination to the Commission without issuing another preliminary determination, Claimant 1 would not have had the ability to present the arguments that he/she is making now for the Commission’s consideration. We further note that while issuance of a subsequent, superseding preliminary determination is rare, it has been done in other instances to ensure that the claimant has the opportunity to present objections to a revised recommendation, and the Commission has the benefit of considering those objections in reaching its final determination.¹⁶

¹⁵ Exchange Act Section 21F(b)(1) directs the Commission to pay eligible whistleblowers an award of between 10 and 30 percent “in total, *of what has been collected* of the monetary sanctions imposed in the [covered] action or related actions.” (emphasis added).

¹⁶ To the extent that Claimant 1 argues that the uncontested Initial Preliminary Determination may not have been formally presented to the Commission as a proposed final determination and, therefore, the procedures specified in Rules 21F-10(f) and 21F-10(h) may not have been strictly complied with, this claim is irrelevant. The processes specified in Rules 21F-10(f) and 21F-10(h) do not create an enforceable right for a claimant to have an uncontested preliminary determination put before the Commission in the form of a proposed final determination. Moreover, the Commission is not bound by the CRS’s recommendations in an uncontested preliminary determination and is not obligated to give deference to any resulting proposed final determination; indeed, in all instances, any final determinations of whether, to whom, and in what amount to make awards are committed to the Commission’s discretion. *See, e.g., Order Determining Whistleblower Award Claim*, Release No. 34-100263 (June 4, 2024)

After receiving the Initial Preliminary Determination, Claimant 1 asked for a copy of the underlying record and pursuant to a confidentiality agreement, OWB staff provided Claimant 1 with the requested record. After receiving the Superseding Preliminary Determination, Claimant 1 again asked for a copy of the underlying record and pursuant to a confidentiality agreement, OWB staff provided Claimant 1 with the requested record. In the response, Claimant 1 now states that the Commission withheld relevant aspects of the record because staff would not tell him/her whether the Initial Preliminary Determination was sent to the Commission as a Proposed Final Determination or whether a Commissioner had requested to review the Proposed Final Determination. Claimants are entitled to receive only the materials upon which an award determination was based, which are set forth in Exchange Act Rule 21F-12(a). These items include, for example, pleadings, sworn staff declarations, tips, and award applications. Accordingly, we find that Claimant 1 was not entitled to the information under Rule 21F-12.

We further reject Claimant 1's argument that the CRS failed to undertake a "comparability" analysis to determine if the ^{Redacted} award program was comparable to the Commission's. As noted above, the Civil Settlement is not a "related action" under the whistleblower statute and the Commission's regulations. As such, we do not need to determine whether the ^{Redacted} award program is comparable to the Commission's.¹⁷

Finally, denying Claimant 1's related action award claim for Related Action 1 does not violate the statutory mandate to provide qualifying whistleblowers with an award of at least 10% of amounts collected in connection with related actions. As noted above, the statute only authorizes the Commission to make awards between 10% and 30% of what has been collected of the monetary sanctions imposed in the related action.¹⁸ Without evidence in the record as to how much of the \$ ^{Redacted} was collected for purposes of Related Action 1, the Commission cannot make an award to Claimant 1 based on Related Action 1.

For these reasons, Claimant 1's claim for award in connection with Related Action 1 is denied.

(discussing the validity of a revised preliminary determination). Finally, the Commission is aware of the recommendations in both the Initial Preliminary Determination and the Superseding Preliminary Determination, and thus Claimant 1 is not prejudiced here in any way because the Commission, after careful consideration of the full record, has determined to adopt the approach recommended in the Superseding Preliminary Determination.

¹⁷ We acknowledge that Claimant 1's arguments relating to the comparability analysis appears to be in response to an incorrect citation to Rule 21F-3(b)(3)(iii)(A) in a footnote in the Superseding Preliminary Determination. That citation was in error and does not reflect the basis for determining throughout these proceedings that the Civil Settlement is not a related action.

¹⁸ Exchange Act Section 21F(b)(1).

B. Claimant 2

1. Preliminary Determination

The CRS preliminarily determined to deny Claimant 2’s claim for award because Claimant 2 did not provide information that led to the success of Covered Actions 1 and 2. The information provided by Claimant 2 was unrelated to the conduct underlying the Covered Actions. The Covered Actions centered on ^{Redacted} misconduct within the Company’s Business Unit and the impact of that misconduct on the Company’s ^{Redacted} . Claimant 2’s allegations did not relate to the Business Unit or the ^{Redacted} .

2. Claimant 2’s Response to the Preliminary Determination

Claimant 2 submitted a timely request for reconsideration and principally argues that, while they did not specifically name the Company’s Business Unit, they did identify a ^{Redacted} ^{Redacted} scheme in which the Company advised ^{Redacted} ^{Redacted} , and they provided this information four years prior to the Commission’s Order against the Company.¹⁹

3. 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).²⁰ 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 examination or investigation, and the Commission brought a successful judicial or administrative action based in whole or in part on conduct that was the subject of your original information;” or “[y]ou gave the Commission original information about conduct that was already under examination or investigation by the Commission . . . and your submission significantly contributed to the success of the action.”²¹

¹⁹ Claimant 2 also notes that they filed a Freedom of Information Act (“FOIA”) request to obtain information about the Commission’s investigation, and that following receipt of that information, they requested the ability to provide further information to contest their preliminary denial. To date, Claimant 2 has not submitted additional information in support of the request for reconsideration (and to do so now would be untimely and constitute extra-record information).

²⁰ Exchange Act Section 21F(b)(1), 15 U.S.C. § 78u-6(b)(1). *See also Kilgour v. SEC*, 942 F.3d 113, 122-23 (2d Cir. 2019) (reading the “led to” language in Section 21F(b)(1) as “seem[ing] to require that the information as provided by the whistleblower must have ‘led to the successful enforcement action.’”).

²¹ 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 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

None of the claimants provided information that caused Commission staff to open the investigation. Commission staff opened the investigation in ^{Redacted} based on publicly available information concerning the Company's ^{Redacted} misconduct.

Claimant 2 did not provide information that caused Commission staff to inquire into different conduct or that significantly contributed to the success of Covered Actions 1 and 2. Claimant 2 jointly filed a tip with the Commission alleging that ^{Redacted}

^{Redacted}

^{Redacted}

^{Redacted}

After submitting the tip,

Claimant 2 provided additional information and participated in phone interviews with Commission staff.

Commission staff investigated Claimant 2's allegations, but did not obtain evidence substantiating their allegations, which did not become part of the Covered Actions. Claimant 2 did not provide information that contributed to the success of Covered Actions 1 or 2, which centered on ^{Redacted} misconduct within the Company's Business Unit. As Claimant 2 acknowledges in their request for reconsideration, their information did not name or provide information about the Business Unit. Staff responsible for the Covered Actions confirmed in a sworn declaration, which we credit, that Claimant 2 did not provide information that contributed to the success of the Covered Actions.

C. Claimant 3

1. Preliminary Determination

The CRS preliminarily determined to deny Claimant 3's claim because he/she did not provide information that led to the success of Covered Actions 1, 2, or 3. The investigation that resulted in the Covered Actions had been ongoing for approximately two years before Claimant 3 submitted information to the Commission and the general nature of the information Claimant 3 reported was already known to the staff through the staff's prior investigative efforts.

2. Claimant 3's Response to the Preliminary Determination

Claimant 3 submitted a timely request for reconsideration and made the following principal arguments: (1) the Commission's Order cites and relies on information that was provided by Claimant 3; (2) Claimant 3 provided information and assistance to Enforcement staff other than the declarant; (3) if Claimant 1 is eligible for an award, Claimant 3 must also be eligible for award; (4) the staff declaration does not credit Claimant 3 for the expert analysis

claims against additional individuals or entities. *Order Determining Whistleblower Award Claims*, Release No. 34-90922 (Jan. 14, 2021) at 4; *see also Order Determining Whistleblower Award Claims*, Release No. 34-85412 (Mar. 26, 2019) at 9.

Claimant 3 provided to the Commission; (5) Claimant 3 provided information that contributed to Covered Actions 2 and 3; and (6) the Initial Preliminary Determination applied too high of a standard for “original information.”

Claimant 3 argues that he/she provided the Commission with the specific facts that it used as evidence to support the Orders in the Covered Actions. Claimant 3 argues that staff did not know the scope of the ^{Redacted} misconduct prior to receiving his/her tip and that Claimant 3 was responsible for enabling the staff to identify the scope of ^{Redacted} at issue in the Covered Actions. Claimant 3 also asserts that he/she provided the Commission with the number of ^{Redacted} in connection with ^{Redacted} misconduct, which was included in the Covered Action 1 Order, provided analysis that included ^{Redacted}, and provided original information about ^{Redacted}.

Claimant 3 argues that the CRS relied upon a staff declaration by Enforcement staff (the “Initial Declaration”) in making the recommendation to preliminarily deny his/her claim for award, but that that Enforcement staff member did not know the extent of Claimant 3’s cooperation with staff. Claimant 3 states that he/she engaged in extensive communications with other Enforcement staff multiple times, in person, by videoconference, and by phone.

Claimant 3 next argues that if Claimant 1 is eligible for an award, then so is Claimant 3. Claimant 3 notes that both he/she and Claimant 1 submitted tips after the investigation had been opened, when staff were aware of the general nature of the misconduct. Claimant 3 argues that his/her information was likely more helpful than Claimant 1’s because it related to a broader time period. Claimant 3 also asserts that the information Claimant 1 provided would have been discoverable by subpoena but Claimant 1’s claim is not being denied, whereas he/she is being denied because staff allegedly were already aware of his/her information.

Claimant 3 next argues that the Initial Declaration did not credit Claimant 3 for the expert analysis Claimant 3 provided to the Commission. In his/her request for reconsideration, Claimant 3 notes that Congress sought to make awards available to those who provide highly probative, expert analysis of data that leads to a new avenue of inquiry or materially advances an existing investigation. Claimant 3 states that he/she used ^{Redacted} ^{Redacted} reports as the data source for the highly probative, expert analysis he/she provided to the Commission. Claimant 3 argues that when he/she met with staff in person, the staff did not know that ^{Redacted} reports existed. Claimant 3 states that he/she submitted a supplemental filing a few days after his/her meeting with staff to further educate them about the ^{Redacted} such as the names of reports, where to find the reports in the ^{Redacted} and what data was contained in ^{Redacted}. Claimant 3 argues that if the ^{Redacted} were already known to the staff, his/her ongoing assistance to educate staff would not have been necessary. Claimant 3 also argues that his/her expert analysis used advanced techniques and

he/she identified
Redacted

Redacted

misconduct who were not Business Unit

Claimant 3 argues that he/she provided information to the Commission before the investigation into Executive 1 and Executive 2 began and that the Initial Declaration was signed prior to the resolution of Covered Action 3 and so fails to address his/her contribution to that action. Claimant 3 claims his/her information contributed to the actions brought against the individual defendants, noting that whistleblower information can also provide significant assistance in the Commission's settlement negotiations.

Finally, Claimant 3 argues that the Preliminary Determination uses an incorrect and arbitrary legal standard for whether information was "original". Claimant 3 notes that the Preliminary Determination denying Claimant 3's claim for award states that the general nature of the information Claimant 3 provided was already known to staff through staff's prior investigative efforts. Claimant 3 argues on reconsideration that there is no requirement that the general nature of the information provided by a whistleblower be unknown to the Commission and that the Preliminary Determination arbitrarily adds a new, undefined, higher threshold that is contrary to the definition of "original information."

3. Analysis

Claimant 3's information, submitted approximately two years after the investigation had been opened, did not cause staff to inquire into different conduct or significantly contribute to the success of the Covered Actions.

At the time Claimant 3 submitted his/her information to the Commission, investigative staff were aware that multiple Redacted were at issue in the Redacted misconduct and were focused on investigating the Redacted that the Company used to Redacted. Claimant 3 did not provide information about the Company's Redacted in either the TCRs he/she submitted to the Commission or in meetings with staff.

In connection with Claimant 3's request for reconsideration, an Enforcement staff member, who is specifically identified in Claimant 3's request for reconsideration as one of his/her points of contact, provided a declaration ("Supplemental Declaration 1"), which we credit. Supplemental Declaration 1 confirms that none of the information in the Order against the Company, including the Redacted, were based on information or data provided by Claimant 3. The analysis of Redacted reports that Claimant 3 provided did not help advance the investigation because the staff was already aware of the misconduct he/she reported and his/her information was more limited than the information staff obtained directly from the Company. Staff had already begun a process of determining the scope of the Redacted misconduct through its own data analysis project utilizing data provided by the Company. Unlike the Redacted Claimant 3 used

in his/her submission, the staff's analysis was not limited to
Redacted

Redacted

Whether Claimant 1 satisfies the award eligibility criteria is irrelevant to whether Claimant 3 also qualifies for an award. Claimant 3's information did not advance the investigation and was not used in the Covered Actions. Supplemental Declaration 1 also confirms that Claimant 3's information did not cause staff to investigate new or additional lines of inquiry into either Executive 1 or Executive 2 and the information Claimant 3 provided was not incorporated into the Commission's Orders against either individual. Claimant 3's information also did not provide the staff with any benefit in settlement negotiations.

Finally, Claimant 3 is not being denied an award because he/she failed to provide "original information," but because his/her information did not lead to the success of the Covered Actions. Whether his/her examination of the Redacted was new information or gleaned from his/her "independent analysis" is not relevant because Enforcement staff did not use his/her information or evaluations in connection with the Covered Actions. The record supports the conclusion that Enforcement staff did not rely on his/her information, as they obtained and relied on information from the Company in determining the scope of the Redacted at issue and Redacted. As such, none of Claimant 3's information advanced or otherwise contributed to the success of the Covered Actions.

D. Claimant 4

1. Preliminary Determination

The CRS preliminarily determined to deny Claimant 4's claim because he/she did not provide information that led to the success of Covered Action 1. Claimant 4's information was unrelated to the conduct underlying the Covered Actions. Staff investigated Claimant 4's allegations, but that inquiry did not result in a recommended enforcement action because staff did not obtain evidence corroborating Claimant 4's allegations. None of the information Claimant 4 provided contributed to the success of Covered Action 1.

2. Claimant 4's Response to the Preliminary Determination

Claimant 4 submitted a timely request for reconsideration. Claimant 4 principally argues that the Preliminary Determination erred in concluding that his/her information was unrelated to the conduct underlying Covered Action 1. Claimant 4 argues that his/her tip directly involved activities within the Company's Business Unit and argues that the Commission failed to acknowledge the voluminous references to the Business Unit made in his/her TCR submissions and subsequent communications with staff. Claimant 4 contends that he/she identified an entire category of unique information for the Commission and provided a roadmap for identifying

Redacted

*** a practice he/she asserts was unknown to the Commission prior to receiving his/her tip.

While Claimant 4 argues that he/she provided information about the ^{Redacted}, the record supports the conclusion that Claimant 4 did not provide any information that led to the success of the Covered Action.

Claimant 4 notes in his/her reconsideration request that the Commission's investigation was broadened following the submission of his/her TCR and argues that his/her information significantly contributed to the success of Covered Action 1. Claimant 4 also notes in a footnote in his/her reconsideration request that Claimant 4's "TCR did not use the term ^{Redacted} ^{Redacted} but used the generic term ^{Redacted} Claimant 4 also places emphasis on the fact that Commission staff arranged for Claimant 4 to meet with the Company's ^{Redacted}, arguing that it indicates that Claimant 4 was providing helpful, specific and unique information that likely materially added to the Commission's investigation.

3. Analysis

Claimant 4's information, which was provided approximately six months after the investigation had been opened, did not cause staff to inquire into new conduct or significantly contribute to the success of Covered Action 1. Claimant 4's information focused on allegations that personnel in the Company's ^{Redacted} ^{Redacted}

^{Redacted} by the Company ^{Redacted} ^{Redacted} Regardless of whether Claimant 4's information was previously unknown to Commission staff, that information did not lead to the successful enforcement of Covered Action 1. Commission staff investigated Claimant 4's allegations, but they did not become part of the Covered Action 1 because the staff did not obtain evidence corroborating Claimant 4's allegations. The Commission's Order in Covered Action 1 does not mention the ^{Redacted}. Investigative staff confirmed that Claimant 4's allegations did not relate to the ^{Redacted}. Regardless of whether Claimant 4's information tangentially touched upon activities by the Business Unit, the focus of his/her information centered on ^{Redacted} and ^{Redacted}, which did not become part of Covered Action 1, and Enforcement staff confirmed that Claimant 4 provided no information that was used in or that contributed to the success of the investigation or resulting Covered Action 1.

E. Claimant 5

1. Preliminary Summary Disposition

OWB issued a Preliminary Summary Disposition denying Claimant 5's claim for award because Claimant 5 did not provide information that led to the successful enforcement of Covered Action 1.

2. Claimant's Response to the Preliminary Summary Disposition

Claimant 5 submitted a timely request for reconsideration, making the following principal arguments. First, Claimant 5 argues that their counsel communicated with SEC staff about their allegations numerous times. Second, Claimant 5 argues that they submitted detailed information about ^{Redacted}, and that it is hard to fathom that their information did not impact the investigation or was not used in Covered Action 1. According to their request for reconsideration, Claimant 5 had first-hand knowledge of the wrongdoing, provided documentary proof in support of the fraud, and explained in a detailed manner the nature of the misconduct. Claimant 5 argues that they were very likely the first person to voluntarily inform the government about the Company's ^{Redacted}, which they allege formed a part of the Company's ^{Redacted} at the heart of Covered Action 1. Claimant 5 also argues that Claimant 5 brought additional details, documentary corroboration and further credibility to those allegations. Claimant 5 claims that other government agencies announced a coordinated resolution in ^{Redacted} related to the Company's ^{Redacted}, which was the focus of Claimant 5's allegations.

3. Analysis

Claimant 5's information, which was provided approximately six months after the investigation had been opened, did not cause staff to inquire into different conduct or significantly contribute to the success of Covered Action 1. Claimant 5's information concerned different conduct than what was investigated and which became part of Covered Action 1. In connection with Claimant 5's request for reconsideration, an Enforcement staff member identified by Claimant 5 provided a supplemental declaration ("Supplemental Declaration 2"), which we credit. According to Supplemental Declaration 2, staff may have had communications with Claimant 5's counsel in connection with reviewing their tip, but staff could not recall having substantive communications with their counsel as part of the Covered Action investigation. Regardless of whether Claimant 5's counsel communicated with staff assigned to the Covered Actions investigation, Claimant 5's submission of information, which focused on ^{Redacted}, was not used in and did not contribute to Covered Action 1. Even if their information contributed to a settlement entered into by different government agencies two years before the filing of Covered Action 1, this does not mean that their information advanced the Commission's investigation or contributed to Covered Action 1.

F. Claimant 6

1. Preliminary Summary Disposition

OWB issued a Preliminary Summary Disposition denying Claimant 6's claim for award because he/she did not provide information that led to the successful enforcement of Covered

Action 1. Claimant 6's claim for award was also denied because he/she failed to submit his/her claim for award within the ninety (90) day deadline for submitting claims for Covered Action 1.

2. Claimant 6's Response to the Preliminary Summary Disposition

On reconsideration, Claimant 6 makes the following principal arguments: (1) he/she voluntarily provided original information to numerous other agencies, which he/she also provided to the SEC's Office of Inspector General, concerning identity theft, prior to the filing of Covered Action 1; (2) the Commission's rules were changed specifically to deny Claimant 6's award claim, though Claimant 6 does not identify which rule he/she is referring to, and; (3) extraordinary circumstances beyond his/her control, namely, the global pandemic, caused his/her delay in submitting the claim for award.

3. Analysis

Claimant 6 did not provide original information that led to the success of Covered Action 1. Claimant 6 submitted a TCR nearly six months after the date of Covered Action 1, in which he/she alleged that he/she had been the victim of identity theft. Staff responsible for the Covered Actions investigation confirmed that they did not receive any information from Claimant 6 or have any contact or communications with Claimant 6 during the investigation, and that Claimant 6 did not provide any information that was used in or contributed to Covered Action 1.

Claimant 6's award claim was filed two months after the filing deadline and Claimant 6 has not made a sufficient showing that extraordinary circumstances beyond his/her control caused the delay in submitting his/her claim for award. Rule 21F-8(a) provides that "the Commission may, in its sole discretion, waive any of these procedures based upon a showing of extraordinary circumstances." The "extraordinary circumstances" exception is "narrowly construed" and requires an untimely claimant to show that "the reason for the failure to timely file was beyond the claimant's control."²² Claimant 6 argues that extraordinary circumstances exist due to the Covid-19 pandemic but has not demonstrated why the pandemic caused Claimant 6's delay in submitting his/her claim for award but did not affect the timeliness of other claimants.

G. Claimant 8

1. Preliminary Summary Disposition

OWB issued a Preliminary Summary Disposition denying Claimant 8's claims for awards in connection with Covered Actions 1 and 2 because he/she did not provide information that led to the successful enforcement of Covered Actions 1 or 2. Claimant 8's claim for award in connection with Covered Action 1 was also denied because he/she failed to submit his/her claim

²² *Order Determining Whistleblower Award Claim*, Release No. 34-77368 at 3 (Mar. 14, 2016), *pet. for rev. denied sub nom. Cerny v. SEC*, 708 F. App'x 29 (2d Cir. 2017), *cert. denied*, 138 S.Ct. 2005 (2018).

for award within ninety (90) days of the date of the posting of the Notice of Covered Action for Covered Action 1.

2. Claimant 8's Response to the Preliminary Summary Disposition

On reconsideration, Claimant 8 makes the principal argument that he/she was misinformed by Commission staff about the proper procedures for filing a claim and asks that the Commission make an exception for not filing a claim within 90 days.

In his/her reconsideration request, Claimant 8 states that he/she reported a ^{Redacted} _{Redacted} violations committed by the Company to federal authorities, including the Commission, since ^{Redacted} _{Redacted}. Claimant 8 claims to have submitted hundreds of documents and that he/she was the first to report to federal authorities about the Company's "^{Redacted} _{Redacted}", which Claimant 8 claims caused _{Redacted}.

Claimant 8 claims that the Commission should use ^{Redacted} _{Redacted} as the date of his/her tip (rather than when he/she submitted his/her TCR in ^{Redacted} _{Redacted}), because he/she was confused about how to submit information. Claimant 8 also appears to ask that the Commission excuse the late-filed WB-APP because he/she is ^{Redacted} _{Redacted}, leaving him/her with only limited computer access.

3. Analysis

Claimant 8 did not provide information that led to the success of Covered Actions 1 or 2. Even assuming Claimant 8 provided the Commission with information beginning in ^{Redacted} _{Redacted}, this was almost three years after the investigation had been opened. Enforcement staff confirmed they did not receive information from Claimant 8 and had no communications with him/her. Claimant 8's information concerned ^{Redacted} _{Redacted}, which were unrelated to the conduct charged in Covered Actions 1 and 2. Claimant 8 did not provide any information that was used in or that contributed to the success of Covered Actions 1 or 2.

Claimant 8 submitted his/her award application for Covered Action 1 approximately eight months after the deadline. We decline to consider whether "extraordinary circumstances" exist to excuse his/her late-filed WB-APP because Claimant 8 did not provide information that led to the success of Covered Actions 1 or 2.

H. Claimant 9

1. Preliminary Summary Disposition

OWB issued a Preliminary Summary Disposition denying Claimant 9's claim for award because he/she did not provide information that led to the successful enforcement of Covered Action 1.

2. Claimant 9's Response to the Preliminary Summary Disposition

On reconsideration, Claimant 9 makes the principal argument that he/she is owed an award because he/she persistently followed up on his/her tip about the Company's CEOs. In his/her request for reconsideration, Claimant 9 notes that he/she had placed more than nine calls to the SEC urging the Commission to look at the ^{Redacted} by the Company's CEOs. Claimant 9 argues that the Commission recently awarded a claimant \$14 million for substantially following up on his/her tip about a CEO. Claimant 9 noted that it was his/her understanding that although the Commission did not use the whistleblower's tip in that matter, the whistleblower's persistence was proven to be helpful.

3. Analysis

Claimant 9 did not provide information that led to the success of Covered Action 1. Staff did not receive any information provided by, or have any contact or communication with, Claimant 9 before or during the Covered Action investigation. Further, the subject of Claimant 9's tips did not relate to the conduct that was the focus of Covered Action 1. Claimant 9 did not provide any information that was used in or that contributed to the success of Covered Action 1.

I. Claimant 11

1. Preliminary Summary Disposition

OWB issued a Preliminary Summary Disposition denying Claimant 11's claim for award because he/she did not provide information that led to the successful enforcement of Covered Action 1.

2. Claimant 11's Response to the Preliminary Summary Disposition

On reconsideration, Claimant 11 makes the following principal arguments: (1) he/she was not provided the full 60-day statutory period for responding to the Preliminary Summary Disposition denial he/she received, citing Rule 21F-10(e)(2); (2) he/she submitted information that was helpful to the Commission's and Other Agency 1's investigations beginning in ^{***}; (3) he/she was denied access to the materials that provided the basis for the Preliminary Summary Disposition due to his/her refusal to sign OWB's standard Confidentiality Agreement; (4) he/she published two articles in ^{Redacted} about the Company that were also given to the Commission; (5) he/she suffered physically and mentally due to his/her status as a whistleblower and the retaliation he/she experienced from the Company; and (6) he/she may have been adversely treated as compared to other claimants.

3. Analysis

Claimant 11 did not provide information that led to the success of Covered Action 1. Enforcement staff responsible for Covered Action 1 confirmed that they did not receive

information from him/her and had no communications with him/her. Claimant 11 provided no information that was used in or that contributed to the success of Covered Action 1. Claimant 11's tips related to a dispute about ^{Redacted} from the Company to another company and retaliation he/she suffered by the Company, which was unrelated to the conduct charged in Covered Action 1.

Turning to Claimant 11's arguments, we find they have no merit. Because Claimant 11's award claim was denied through the Preliminary Summary Disposition process, the Commission's rules provide that he/she had 30 days, not 60 days, to submit a request for reconsideration.²³

Under Exchange Act Rule 21F-12(b), OWB may require claimants and their counsel to sign a confidentiality agreement as a precondition to receiving a copy of the record. The purpose of asking claimants and their counsel to sign a confidentiality agreement is to protect sensitive, non-public information. Claimant 11 did not sign the confidentiality agreement and for that reason did not receive a copy of the record.

Finally, that another claimant is receiving an award and Claimant 11's award claim is being denied does not reflect any bias against Claimant 11. Awards made to other claimants are immaterial to Claimant 11's eligibility for award.

III. CONCLUSION

Accordingly, it is ORDERED that: (i) Claimant 1 shall receive an award of ^{***} percent (^{***} %) of the monetary sanctions collected in Covered Action 1, Covered Action 2, and Covered Action 3; (ii) Claimant 1 is denied an award in connection with Related Action 1; (iii) Claimant 1 shall receive an award of ^{***} percent (^{***} %) of the monetary sanctions collected in connection with Related Action 2, and; (iv) the whistleblower award applications submitted by Claimants 2, 3, 4, 5, 6, 8, 9, and 11 be, and hereby are, denied.²⁴

By the Commission.

Vanessa A. Countryman
Secretary

²³ See Rule 21F-18(b)(3).

²⁴ Because Claimants 2, 3, 4, 5, 6, 8, 9, and 11 are not eligible for an award in an SEC Covered Action, they also are not eligible to receive an award in connection with a related action.