

UNITED STATES OF AMERICA

Before the

SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 105426 / May 11, 2026

WHISTLEBLOWER AWARD PROCEEDING

File No. 2026-17

In the Matter of the Claims for an Award

in connection with

Redacted

Notice of Covered Action Redacted

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIMS

The Claims Review Staff (“CRS”) issued a Preliminary Determination¹ 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. For the reasons discussed below, Claimant’s award claim is denied.²

I. Background

A. The Covered Action

On Redacted, the Commission brought an enforcement action in federal district court against Redacted (“Defendant 1”) and Redacted (“Defendant 2,” together with Defendant 1, “Defendants”). The Commission’s complaint charged Defendants with Redacted

Redacted

Redacted

The Commission

¹ See Exchange Act Rules 21F-10, -11, 17 C.F.R. §§ 240.21F-10, -11.

² Because Claimant is not eligible for an award in the Covered Action, Claimant is also not eligible for any award in any related actions. See 15 U.S.C. § 78u-6(b); Exchange Act Rule 21F-3(b), (b)(1); Rule 21F-4(g) and (f); Rule 21F-11(a); see also Order Determining Whistleblower Award Claim, Release No. 34-86902 (Sept. 9, 2019).

also charged Defendants
Redacted

Redacted

On Redacted, the Court in the Covered Action entered a final judgment against Defendant 2, ordering him/her to pay Redacted, among other remedies. On Redacted, the Court entered an amended final judgment against Defendant 1 ordering Redacted.³

On Redacted, 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.

B. The Preliminary Determination

The CRS issued a Preliminary Determination recommending that Claimant’s claims for award be denied because Claimant did not make his/her submission to the Commission voluntarily within the meaning of Section 21F(b)(1) of the Exchange Act⁴ and Rule 21F-4(a)(1)⁵ thereunder. The CRS preliminarily determined that a Redacted, comment letter (the “Comment Letter”) from the Commission’s Division of Corporation Finance (“Corp Fin”) addressed to Claimant as Redacted of Redacted (“the Company”) was a “request” under Rule 21F-4(a)(1) that was “directed to” Claimant. And because the Comment Letter requested that the Company Redacted, it related to the subject matter of Claimant’s submission to the Commission, Redacted.

Redacted

C. Claimant’s Response to the Preliminary Determination

Claimant submitted a timely written response (the “Response”) contesting the Preliminary Determination. In the Response, Claimant makes five principal arguments contesting the denial of his/her claim: (1) Claimant never received the Comment Letter, and the Comment Letter was not “directed to” him/her; (2) because Claimant’s TCR caused Enforcement staff to open the investigation into the Company (the “Investigation”), Claimant 1 submitted his/her TCR voluntarily with respect to the Investigation; (3) the Comment Letter was not a “request, inquiry, or demand” to report violations of the federal securities laws, and Corp Fin comment letters in general are not “requests” under Rule 21F-4(a); (4) Claimant could not have provided information to the Commission voluntarily because he/she only discovered the

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⁴ 15 U.S.C. § 78u-6(b)(1).

⁵ 17 C.F.R. § 240.21F-4(a)(1).

⁶ Specifically, the Comment Letter requested information regarding

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information after the Commission’s request; and (5) the Preliminary Determination’s interpretation of “voluntary” would undermine the intent of the Commission’s whistleblower program.⁷

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.⁸ For a claimant’s submission to be voluntary under Rule 21F-4(a)(1), the whistleblower must make the submission “before a request, inquiry, or demand that relates to the subject matter of your submission is directed to you or anyone representing you (such as an attorney)” by the Commission, among other authorities.

The Whistleblower Rules Adopting Release suggests that a “request, inquiry, or demand” from the Commission should be broadly construed in the context of the voluntariness analysis. The rules and the Adopting Release distinguish between requests, inquiries, or demands made by the Commission and those made by other authorities enumerated in the rule:

*All requests from the Commission are still covered, as we believe that a whistleblower award should not be available to an individual who makes a submission after first being questioned about a matter (or otherwise requested to provide information) by the Commission staff acting pursuant to any of our investigative or regulatory authorities.*⁹

Conversely,

Only an *investigative* request made by one of the other designated authorities will trigger application of the rule, except that a request made in connection with an examination or inspection, as well as an investigative request, by staff of the [Public Company Accounting Oversight Board] or a self-regulatory organization will also render a whistleblower’s subsequent submission relating to the same subject matter not “voluntary.”¹⁰

Therefore, Commission requests made outside the context of an Enforcement investigation may still constitute “requests” under Rule 21F-4(a)(1)’s definition of voluntarily.

⁷ Claimant also asserts that the CRS erred in relying on but not including the Comment Letter that was addressed to the Claimant as part of the record at the Preliminary Determination stage under Rule 21F-12. Even if true, the error was harmless because Claimant obtained the Comment Letter through other means after the issuance of the Preliminary Determination, such that Claimant was able to review it in preparation for responding to the Preliminary Determination, and the Comment Letter has since been added to the record as an exhibit to a supplemental declaration.

⁸ Exchange Act Section 21F(b)(1), 15 U.S.C. § 78u-6(b)(1).

⁹ Securities Whistleblower Incentives and Protections, 76 Fed. Reg. 34,300, 34,307 (June 13, 2011) (codified at 17 C.F.R. pts. 240 & 249) (“Adopting Release”). (Emphasis added).

¹⁰ *Id.* (Emphasis added).

Additionally, in its discussion of what constitutes the “subject matter” for purposes of Rule 21F-4(a)(1), the Adopting Release explains that, generally, a submission will relate to the subject matter of an inquiry “if it only describes additional instances of the same or similar conduct, provides additional details, or describes conduct that is closely related as part of a single scheme.”¹¹ The Adopting Release provides an example of information a claimant might submit that the Commission would consider part of the “subject matter” of a previous request to the claimant. Specifically, the release explains that if a claimant receives a request from Commission staff concerning “a potential fraudulent accounting practice,” and that claimant later submits information to the Commission concerning “additional instances of the same practice, or a different but related practice as part of an overall earnings manipulation scheme,” the Commission would not consider the claimant to have submitted that information voluntarily. Conversely, if the claimant submits information concerning an “unrelated violation,” the Commission would consider the submission of that information voluntary.¹²

Applying the rules and guidance in the Adopting Release to the facts here, we conclude that Claimant did not make his/her submission voluntarily. First, we reject Claimant’s argument that the Comment Letter was not a “request” under Rule 21F-4(a)(1). As explained above, the rules and Adopting Release make clear that, where the request comes from the Commission, it need not pertain to an investigation but instead will include instances where the Commission is acting under any of its regulatory authorities. Here, in issuing the Comment Letter, Corp Fin was exercising one of the Commission’s regulatory authorities to increase the accuracy of Commission filings. Further demonstrating that the Comment Letter was a request, the letter expressly asked for information from Claimant, instructing Claimant to “respond to this letter by ^{Redacted} and providing the requested information.”

Additionally, the fact that Enforcement had not opened the Investigation at the time Corp Fin issued the Comment Letter is irrelevant to whether the Comment Letter was a request because a request need not pertain to an investigation. Therefore, we conclude that the Comment Letter was a request under Rule 21F-4(a)(1).

Next, Claimant argues that he/she made his/her submission voluntarily because he/she did not receive the Comment Letter and was thus not aware of it, such that the request was not “directed to” Claimant. We disagree. The Comment Letter was specifically addressed to and sought a response from Claimant in his/her capacity as ^{Redacted}, demonstrating that the request was “directed to” him/her.

^{Redacted} Additionally, a Claimant need not be aware of a request in order for it to render his/her subsequent submission not voluntary.¹³ Under these facts, we conclude that the request was “directed to” Claimant.

¹¹ *Id.* at 34,300.

¹² *Id.*

¹³ See Order Determining Whistleblower Award Claims, Exchange Act Release No. 86010, at 2-3 (June 3, 2019) (finding that a request to an employer that specifically seeks information from a particular employee is “directed to” that employee, and such employee need not have been aware of the request at the time of his/her subsequent whistleblower submission to be considered not voluntary).

We also conclude that the request pertained to the subject matter of Claimant's submission. The Comment Letter requested that Claimant correct [Redacted]

[Redacted]
[Redacted]

The Comment Letter thus requested that the Company [Redacted]

Contrary to Claimant's contention that the Comment Letter requested mere grammatical or stylistic changes to the Company's filings, the Comment Letter requested that Claimant correct [Redacted]

[Redacted] Claimant's later submission alleged that, in fact, [Redacted]
Therefore, the subject matter of both the Comment Letter and Claimant's subsequent submission related to [Redacted]

Additionally, although Claimant's submission indicated that [Redacted], this additional information is the type that the Adopting Release explicitly identifies as pertaining to the same subject matter as a request. Specifically, this information "describe[d] additional instances of the same or similar conduct"— [Redacted]

—and "describe[d] conduct that [was] closely related as part of a single scheme"¹⁴— [Redacted]

The Comment Letter thus requested information that related to the subject matter of Claimant's submission.

Likewise, we reject Claimant's argument that he/she could not have submitted his/her information voluntarily because he/she did not discover the information until after the Commission issued its request. Discovery is not a factor in the voluntariness analysis. Rather, as discussed above, voluntariness comprises three factors: A claimant's information will not be voluntary if, before the whistleblower submits information to the Commission, (1) a request, inquiry, or demand (2) was directed to the whistleblower that (3) related to the subject matter of the whistleblower's submission. Therefore, regardless of whether Claimant submitted newly discovered information, Claimant did not submit that information voluntarily because it related to the subject matter of a prior request that was directed to Claimant.

We also reject Claimant's argument that his/her information was voluntary as to the Investigation because it caused staff to open the Investigation. Whether a whistleblower's information causes staff to open an investigation is irrelevant to a voluntariness analysis. Instead, it goes to a separate eligibility requirement of whether the whistleblower's information led to the success of a covered action under Exchange Act Rules 21F-3(a)(3) and 21F-4(c)(1).¹⁵ To be eligible for an award, a whistleblower must demonstrate both elements, among others, independently. Indeed, the voluntariness requirement is not investigation-specific; rather, it is subject matter specific—so long as a whistleblower's submission relates to the subject matter of

¹⁴ See *supra* note 11.

¹⁵ 17 C.F.R. § 240.21F-3(a)(3), -4(c)(1) (explaining that information leads to the success of an enforcement action if it causes staff to open an investigation, and the Commission's action was based in whole or in part on the subject of the information).

a prior request, that submission will be deemed involuntary, even if it results in the opening of an investigation.

Finally, Claimant asserts that this interpretation of “voluntarily” would “render any corporate officer who receives routine Corp Fin comment letters forever ineligible to be a voluntary whistleblower.” We disagree. Assessing voluntariness is a fact-specific inquiry requiring a determination of whether there was a request, inquiry, or demand, whether it was directed to the whistleblower, and whether it related to the subject matter of the whistleblower’s later submission. Not every Corp Fin comment letter is directed to every corporate officer in a company. This one was addressed to the ^{xxx} only. Moreover, even if a comment in a comment letter is directed to a particular corporate officer, the officer may still make a whistleblower submission relating to a different subject matter than the subject matter of the request. We therefore do not view this decision as improperly limiting the ability of corporate officers of companies who receive comment letters from voluntarily providing a whistleblower submission to the Commission.

Taken together, the record supports the conclusion that the Commission directed a request to Claimant that related to the subject matter of his/her subsequent submission, and therefore Claimant did not make the submission voluntarily.

III. Conclusion

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

By the Commission.

Vanessa A. Countryman
Secretary