UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 105828 / July 1, 2026

WHISTLEBLOWER AWARD PROCEEDING
File No. 2026-33

In the Matter of the Claim for an Award

in connection with

Redacted

Notice of Covered Action Redacted

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIM

The Claims Review Staff ("CRS") issued Preliminary Determinations recommending that Redacted ("Claimant 1") receive a Redacted percent (*** %) whistleblower award for a payout of more than $1,000,000; Redacted ("Claimant 2") receive a Redacted percent (*** %) whistleblower award for payout of more than $1,000,000; and that the award application submitted by *** Redacted ("Claimant 3") be denied in connection with the above-referenced Covered Action. Claimant 1 and Claimant 2 provided written notice of their decisions not to contest the Preliminary Determination. Claimant 3 filed a response contesting the Preliminary Determination. For the reasons discussed below, the CRS's recommendations are adopted with respect to Claimants 1, 2, and 3.

I. Background

A. The Covered Action

On Redacted, the Commission filed a settled injunctive action against Redacted Redacted (the "Company") and two of its officers, Redacted ("Officer 1") and *** Redacted ("Officer 2"). The Commission's complaint alleged defendants committed Redacted

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Redacted The complaint also alleged that the Company Redacted Redacted the Company Redacted Redacted Officer 2 Redacted Redacted and the Company and Officer 1 Redacted Redacted

On Redacted, the court entered final judgment against the Company, and on Redacted, the court entered final judgment against Officer 1 and Officer 2. Among other remedies, the court ordered the Company, Officer 1, and Officer 2 to pay, respectively, Redacted

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. Claimants 1, 2, and 3 filed timely whistleblower award claims.

B. The Preliminary Determinations

OWB issued Preliminary Determinations recommending that Claimant 1 receive a whistleblower award in the amount of Redacted percent (*** %), Claimant 2 receive a whistleblower award in the amount of Redacted percent (*** %), and that Claimant 3's award application be denied. The Preliminary Determinations found that although Claimant 3's information caused Commission staff to open the investigation that led to the Covered Action (the "Investigation"), and some of Claimant 3's information was used in the Covered Action, the information that was helpful to the Covered Action was not original information under Exchange Act Rule 21F-4(b).[1] The Preliminary Determination also found that while Claimant 3 provided other information, the Commission did not bring "a successful judicial or administrative action based in whole or in part on the conduct that was the subject of" that information, and therefore it did not lead to the success of the Covered Action under Exchange Act Rule 21F-4(c)(1).[2]

C. Claimant 3's Response to the Preliminary Determinations

Claimant 3 submitted a timely written response contesting the Preliminary Determinations. In his/her response, Claimant 3 does not dispute that his/her tip included some nonoriginal information. Instead, Claimant 3 argues that other information in his/her tip was original. Specifically, Claimant 3 contends that his/her information concerning Redacted Redacted ("Customer 1") and Redacted Redacted ("Customer 2"), was both original information and led to the success of the Covered Action because this information bore a close nexus to the allegation in the

[1] 17 C.F.R. § 240.21F-4(b).

[2] *Id.* § 240.21F-4(c)(1).

Covered Action that the Company had Redacted .
Claimant 3 additionally argues that the Preliminary Determination was an abuse of discretion and arbitrarily and capriciously created a new standard by requiring a whistleblower to "show that the Commission opened its investigation based *specifically* on the original information in a whistleblower's tip, as opposed to simply opening it in response to a tip that contained original information concerning the subject matter of the ultimately charged conduct." Similarly, Claimant 3 contends that the Preliminary Determination creates an arbitrary and capricious standard that permits denying an award where a claimant's information contains some information that is not original.

II. Analysis

A. Claimant 1

The record demonstrates that Claimant 1 voluntarily provided original information to the Commission that led to the successful enforcement of the Covered Action.[3] Accordingly, Claimant 1 is eligible for a whistleblower award.

Applying the award criteria in Rule 21F-6 of the Exchange Act to the specific facts and circumstances here, we find the proposed award amount is appropriate.[4] In reaching this determination, we positively assessed the following facts: (i) Claimant 1 submitted a TCR that caused staff to expand the scope of the Investigation; (ii) Claimant 1 provided additional helpful information and substantial, continuing assistance that saved Commission time and resources during the Investigation; and (iii) Claimant 1's information was closely related to the charges brought by the Commission.

B. Claimant 2

The record demonstrates that Claimant 2 voluntarily provided original information to the Commission that led to the successful enforcement of the Covered Action. Accordingly, Claimant 2 is eligible for a whistleblower award.

Applying the award criteria in Rule 21F-6 of the Exchange Act to the specific facts and circumstances here, we find the proposed award amount is appropriate. In reaching this determination, we positively assessed the following facts: (i) Claimant 2 submitted a TCR that

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[3] *See* 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] In assessing the appropriate award amount, Exchange Act Rule 21F-6 provides that the Commission consider: (1) the significance of information provided to the Commission; (2) the assistance provided in the Commission action; (3) 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. 17 C.F.R. § 240.21F-6. Redacted

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caused staff to expand the scope of the Investigation; (ii) Claimant 2 provided additional helpful information and substantial, continuing assistance that saved Commission time and resources during the Investigation; (iii) Claimant 2's information was closely related to the charges brought by the Commission; and (iv) Claimant 2 internally reported.

C. Claimant 3

To qualify for an award under Section 21F of the Exchange Act, a claimant must voluntarily provide the Commission with original information that leads to the successful enforcement of a covered action.[5] Under Exchange Act Rule 21F-4(c)(1), as relevant here, original information leads to a successful enforcement action if, first, it was "sufficiently specific, credible, and timely to cause the staff to . . . open an investigation" and, second, "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."[6]

Generally speaking, Claimant 3 alleged in his/her tip that Redacted Redacted Customer 1 Redacted and that Customer 2 Redacted Redacted In addition, Claimant 3 identified Redacted Redacted Redacted Specifically, Claimant 3 noted Redacted Redacted [7]

Claimant 3 argues in response to the Preliminary Determination that his/her information concerning Customer 1 and Customer 2 was both original information and led to the success of the Covered Action. Assuming, *arguendo,* that Claimant 3's information concerning Customers 1 and 2 was original information, that information would satisfy the first prong of Rule 21F-4(c)(1), because it was part of the information that caused staff to open the Investigation. The issue would then become whether the Covered Action was based in whole or in part on conduct that was the subject of Claimant 3's original information.[8]

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[5] Exchange Act Section 21F(b)(1), 15 U.S.C. § 78u-6(b)(1).
[6] 17 C.F.R. § 240.21F-4(c)(1).
[7] As explained in the Preliminary Determination, although this information was helpful to the investigation and Covered Action, it was not original because it did not include "independent analysis" or "independent knowledge."
[8] Contrary to Claimant 3's contention that the Preliminary Determination created a new standard, we conclude that the Preliminary Determination correctly applied the standard in Rule 21F-4(c)(1), which includes two prongs: (1) that a whistleblower's original information causes staff to open an investigation or examination or to inquire into different conduct as part of a previously opened investigation or examination, and (2) the Commission must bring a successful action based in whole or in part on conduct that was the subject of the whistleblower's *original information*. The Preliminary Determination correctly concluded that Claimant 3's information concerning **** Redacted was not original. That information therefore cannot be used as a basis for satisfying Rule 21F-4(c)(1), which expressly refers to original information in both prongs.

In its discussion of the second prong of Rule 21F-4(c)(1), the Whistleblower Rules adopting release states that the Commission does not anticipate a "rigid, mechanical application of th[e] standard" in Rule 21F-4(c)(1) and explains as follows:

> As a general matter, in assessing whether information "led to" a successful enforcement action [under Rule 21F-4(c)(1)], we will examine the relationship between the information in a submission and the allegations in the Commission's complaint filed in the civil action or order filed in the administrative proceeding. Our inquiry will focus on whether the submission identifies persons, entities, places, times and/or conduct that correspond to those alleged by the Commission in the judicial or administrative action. As part of this analysis, we may consider whether, and the extent to which, the information included: (1) Allegations that formed the basis for any of the Commission's claims in the judicial or administrative action; (2) provisions of the securities laws that the Commission alleged as having been violated in the judicial or administrative action; (3) culpable persons or entities (as well as offices, divisions, subsidiaries, or other subparts of entities) that the Commission named as defendants, respondents or uncharged wrongdoers in the judicial or administrative action; or (4) investors or a defined group of investors that the Commission named as victims or injured parties in the judicial or administrative action.[9]

In evaluating the relationship between Claimant 2's information concerning Customers 1 and 2 and the allegations in the Commission's Complaint, we first look to the record. According to a supplemental declaration from one of the primary Enforcement attorneys assigned to the Investigation ("Supplemental Declaration"), which we credit, staff took preliminary steps to investigate Claimant 3's information concerning Customers 1 and 2. Evidence obtained by the staff demonstrated that Company's relationship with Customer 1 was consistent with Company's public disclosures. The evidence similarly confirmed that Customer 2 Redacted Redacted , and, thus, did not corroborate Claimant 3's allegations concerning Customer 2's Redacted

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Although the Preliminary Determination did not evaluate whether the additional information that Claimant 3 submitted to the Commission (including the information concerning Customers 1 and 2) was original, the Preliminary Determination correctly concluded, as we explain more thoroughly in this order, that Claimant 3's additional information did not satisfy Rule 21F-4(c)(1) because the Commission's successful enforcement action was not based in any part on conduct that was the subject of Claimant 3's additional information. Moreover, the Preliminary Determination did not recommend denying Claimant 3's claim because Claimant 3's information included some information that was not original. Rather, the Preliminary Determination recommended denying the claim because Claimant 3 did not provide original information that formed the basis of at least part of the Commission's successful action.

[9] Securities Whistleblower Incentives and Protections, 76 Fed. Reg. 34,300, 34,324 (June 13, 2011) (codified at 17 C.F.R. pts. 240 & 249).

Redacted . Staff therefore chose to not further investigate Claimant 3's allegations concerning Customer 1 and Customer 2.

Staff further declared that later in the investigation, staff obtained new information from other sources indicating that the Company had Redacted Redacted , including Customer 2. As the Supplemental Declaration notes, these new allegations were fundamentally different than Claimant 3's allegations concerning Customer 2 because the new allegations centered on the Company's Redacted Redacted to Customer 2 Redacted Claimant 3 alleged Customer 2 Redacted Redacted Redacted . The Supplemental Declaration also establishes that although paragraphs Redacted of the Commission's complaint in the Covered Action alleged that Company and Officer 1 Redacted , none of Redacted was Customer 1 or Customer 2.

Based on the record and the factors identified in the Adopting Release, on balance, we conclude that Claimant 3's information concerning Customers 1 and 2 did not have a sufficient nexus to the allegations in the Covered Action to demonstrate that the Covered Action was based on conduct that was the subject of Claimant 3's information. First, none of Claimant 3's information about Customer 1 and Customer 2 corresponds to the allegations in the Covered Action. While the Covered Action alleged that the Company Redacted Redacted neither Customer 1 nor Customer 2 Redacted . Tellingly, according to the Supplemental Declaration, although staff initially investigated Claimant 3's allegations about the Company's relationships with Customer 1 and Customer 2, the Investigation revealed that the Company's representations concerning Customer 1 and Customer 2 were accurate. Moreover, although the Commission alleged in the Complaint that the Company Redacted Redacted Customer 2, it was Redacted not Customer 2 Redacted This allegation in the Complaint is markedly different from Claimant 3's allegation that Customer 2 Redacted Redacted .

Additionally, although, as indicated above, Claimant 3 identified the Company and Customer 2 in his/her tip, and the Covered Action alleged the Company Redacted Redacted Customer 2, that does not support a finding that Claimant 3's information led to the Covered Action because none of the Commission's allegations against the Company align with the allegations in Claimant 3's original information. Moreover, identifying a third party like Customer 2 that is neither a defendant nor an alleged wrongdoer does not support Claimant 3's argument, particularly where, as here, the claimant's allegations concerning the third party proved inaccurate. Finally, Claimant 3's information generally referred to the

Company's investors without naming any particular victims or injured parties. Simply identifying a Redacted company's investors collectively does not demonstrate a close nexus to the allegations in a Commission action.

Although the Original Declaration stated that some of Claimant 3's information was helpful—namely Redacted Redacted —as described in the Preliminary Determination, that information was not original because it did not include "independent analysis" or "independent knowledge."

After considering the record, we conclude that even assuming Claimant 3 provided original information concerning Customers 1 and 2, that information did not lead to the success of the Covered Action because the Covered Action was not based, in whole or in part, on conduct that was the subject of that information. Additionally, the information Claimant 3 provided concerning Redacted Redacted was not original information. For these reasons, we deny Claimant 3's whistleblower award claim.

III. Conclusion

Accordingly, it is hereby ORDERED that Claimant 1 shall receive an award of Redacted percent (*** %) of the monetary sanctions collected or to be collected in the Covered Action, Claimant 2 shall receive an award of Redacted percent (*** %) of the monetary sanctions collected or to be collected in the Covered Action, and Claimant 3's award application be, and hereby is, denied.

By the Commission.

J. Matthew DeLesDernier
Deputy Secretary