

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 105855 / July 8, 2026

WHISTLEBLOWER AWARD PROCEEDING  
File No. 2026-38

---

In the Matter of the Claim for an Award

in connection with

Redacted

Redacted

Redacted

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

---

**ORDER DETERMINING WHISTLEBLOWER AWARD CLAIM**

The Claims Review Staff (“CRS”) issued Preliminary Determinations recommending that <sup>Redacted</sup> (“Claimant 1”) receive a <sup>\*\*\*</sup> percent (<sup>\*\*\*</sup> %) whistleblower award for a payout of more than \$18,000; Claimant 1 receive a <sup>\*\*\*</sup> percent (<sup>\*\*\*</sup> %) related action award for a payout of over \$150,000; and that the award application submitted by <sup>Redacted</sup> (“Claimant 2”) be denied in connection with the above-referenced Covered Action and <sup>Redacted</sup>. Claimant 1 did not contest the Preliminary Determination. Claimant 2 filed a response contesting the Preliminary Determination. For the reasons discussed below, the CRS’s recommendations are adopted with respect to Claimants 1 and 2.

**I. Background**

**A. The Covered Action**

On <sup>Redacted</sup>, the Commission filed a civil action in the United States District Court for the <sup>Redacted</sup>. The Commission’s complaint charged <sup>Redacted</sup> <sup>Redacted</sup> (the “Company”), <sup>Redacted</sup> (“Individual Defendant 1”), <sup>Redacted</sup> (“Individual Defendant 2”), and <sup>Redacted</sup> (“Individual Defendant 3”) with <sup>Redacted</sup>

Redacted

Redacted

Redacted

The Court found in the Commission’s favor and entered final judgment against Individual Defendant 1 on Redacted. The Court entered final judgment against Individual Defendants 2 and 3 and relief defendant Redacted (“Relief Defendant 1”) on Redacted. The Court entered final judgment against the Company and relief defendants Redacted (“Relief Defendant 2”) and Redacted (“Relief Defendant 3”) on Redacted. Collectively, the court ordered the Defendants and Relief Defendants to pay monetary sanctions totaling Redacted.

**B. The Redacted**

The Redacted (the “Other Agency”) filed Redacted against Individual Defendant 2 in the United States District Court for the Redacted on Redacted, alleging that he/she participated in a scheme to defraud investors in the Company. On Redacted, the Other Agency also filed a Redacted against Individual Defendant 1 in the same court based on the same allegations. Redacted

The Court ordered individual Defendants Redacted 1 and 2 to pay a Redacted.

**C. The Preliminary Determinations**

The CRS issued Preliminary Determinations recommending that Claimant 1 receive a whistleblower award in the amount of \*\*\* percent (\*\*\* %) of the amounts collected or to be collected in the Covered Action. The Preliminary Determination recommended that Claimant 1’s awards should be reduced by Redacted percent (\*\*\* %) for Claimant 1’s involvement in the fraud. The Preliminary Determination also recommended that Redacted and Redacted Redacted (the “Redacted”) be treated as related actions and that Claimant 1 receive a \*\*\* percent (\*\*\* %) award in the Redacted.

The Preliminary Determinations recommended denying Claimant 2 an award because Claimant 2 failed to submit a claim for award to the Office of the Whistleblower within 90 days of the posting of the Notice of Covered Action (“NoCA”), as required under Rule 21F-10(b) of the Exchange Act.<sup>1</sup> The Preliminary Determination also recommended denying Claimant 2’s

<sup>1</sup> Exchange Act Rules 21F-10(a) (“A claimant will have ninety (90) days from the date of the Notice of Covered Action to file a claim for an award based on that action, or the claim will be barred”) and 10(b)(1) (“All claim forms, including any attachments, must be received by the Office of the Whistleblower within ninety (90) calendar days of

request for an award based on the <sup>Redacted</sup> because Claimant 2 is not eligible for an award in the Covered Action.<sup>2</sup>

#### **D. Claimant 2’s Response to the Preliminary Determinations**

Claimant 2 submitted a timely written response contesting the Preliminary Determinations. In his/her response, Claimant 2 contends extraordinary circumstances exist under Rule 21F-8(a) to excuse his/her late-filed Form WB-APP because (1) he/she was and continues to be unrepresented by counsel, (2) he/she was the primary caregiver for his/her <sup>Redacted</sup>, and (3) his/her <sup>Redacted</sup> suddenly passed away. Claimant 2 further explains that he/she promptly corrected the mistake upon notification. Finally, Claimant 2 asserts that denying his/her claim would undermine the purpose of the Whistleblower Program by having a chilling effect on unrepresented whistleblowers and those facing personal crises.

## **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.<sup>3</sup> Accordingly, Claimant 1 is eligible for a whistleblower award.

Rule 21F-6(c) creates a presumption of a statutory maximum award of 30 percent where (1) the maximum award would be \$5 million or less; (2) the claimant’s application presents no negative factors under Rule 21F-6(b)—*i.e.*, culpability, unreasonable reporting delay, or interference with an internal compliance and reporting system—and (3) the award claim does not trigger Rule 21F-16.<sup>4</sup>

The presumption is inappropriate in this case as Claimant 1’s involvement in the fraudulent conduct presents a negative factor. The record supports the conclusion that Claimant 1 recognized red flags that the Company was a fraudulent operation but nonetheless willingly

---

the date of the Notice of Covered Action in order to be considered for an award.”). 17 C.F.R. § 240.21F-10(a), (b). *See also* Order Determining Whistleblower Award Claim, Release No. 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).

<sup>2</sup> *See* Rule 21F-11(a) (“If you are eligible to receive an award following a Commission action that results in monetary sanctions totaling more than \$1,000,000, you also may be eligible to receive an award based on the monetary sanctions that are collected from a related action...”). 17 C.F.R. § 240.21F-11(a). *See also Meisel v. SEC*, 97 4th 755, 757 (11th Cir. 2024) (claimant “does not qualify for an award based on any ‘related actions’ brought against [defendant], because the statute and regulations require that [claimant] qualify under the Covered Action as a prerequisite to bringing in any related actions, which he does not”).

<sup>3</sup> *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).

<sup>4</sup> Exchange Act Rule 21F-16 concerns whistleblowers who engage in culpable conduct. *See* 17 C.F.R. § 240.21F-16.

participated.

Redacted

Redacted

Redacted

Redacted

. Accordingly, a <sup>\*\*\*</sup> percent (<sup>\*\*\*</sup> %) award deduction is appropriate based on Claimant 1’s involvement in the fraud.

Claimant 1 is also eligible for an award based on the <sup>Redacted</sup>. The record demonstrates that (1) the <sup>Redacted</sup> constitute “related actions” to the Covered Action within the meaning of Rule 21F-3(b);<sup>5</sup> (2) the same original information Claimant 1 gave to the Commission also led to the successful enforcement of the <sup>Redacted</sup>; and (3) Claimant 1 has satisfied the procedural requirements for applying for a related-action award under Rule 21F-11(b).<sup>6</sup> For the same reasons discussed above for the Covered Action, we award Claimant 1 a <sup>\*\*\*</sup> percent (<sup>\*\*\*</sup> %) award in the <sup>Redacted</sup>.

### B. Claimant 2

The 90-day deadline set forth in Rule 21F-10(b) serves several important programmatic functions. The deadline ensures fairness to potential claimants by giving all an equal opportunity to have their competing claims evaluated at the same time. The deadline also brings finality to the claims process so that the Commission can make timely awards to meritorious whistleblowers.<sup>7</sup>

Under Rule 21F-8(a), the Commission “may, in its sole discretion, waive any... procedures based upon a showing of extraordinary circumstances.” The Commission has explained that the “extraordinary circumstances” exception is to be “narrowly construed” and, in the context of a late filing, requires an untimely claimant to show that “the reason for the failure to timely file was beyond the claimant’s control.”<sup>8</sup> Attorney misconduct or serious illness that prevented a timely filing of a whistleblower award application are two examples of the “demanding showing” that an applicant must make before the Commission will consider exercising its discretionary authority to excuse a claimant’s untimely award claim.<sup>9</sup>

Claimant 2 contends that his/her lack of legal representation, <sup>Redacted</sup> illness, and <sup>Redacted</sup> death prevented him/her from timely submitting a WB-APP. First, Claimant 2

<sup>5</sup> A related action “is a judicial or administrative action that is brought by,” among other agencies, <sup>Redacted</sup>. Rule 21F-3(b)(1), 17 C.F.R. § 240.21F-3(b)(1).

<sup>6</sup> 17 C.F.R. § 240.21F-11(b).

<sup>7</sup> See *Implementation of the Whistleblower Provisions of Section 21F of the Securities Exchange Act of 1934*, Release No. 64545, 76 Fed. Reg. 34300, 34300; Order Determining Whistleblower Award Claim, Release No. 88464 at 3 (Mar. 24, 2020).

<sup>8</sup> Order Determining Whistleblower Award Claim, Release No. 377368 (Mar. 14, 2016).

<sup>9</sup> Order Determining Whistleblower Award Claim, Release No. 96765 (Jan. 30, 2023); Order Determining Whistleblower Award Claim, Release No. 95711 (Sept. 9, 2022).

does not contend that it was beyond his/her control to retain counsel to assist with his/her whistleblower application, and therefore, his/her lack of counsel does not qualify as extraordinary circumstances. Second, although Claimant 2's <sup>Redacted</sup> 's illness and <sup>Redacted</sup> <sup>Redacted</sup> s death were out of his/her control, Claimant 2 does not explain how these prevented him/her from filing a timely WB-APP. We note that Claimant 2 filed a premature WB-APP on <sup>Redacted</sup> , approximately 120 days before the posting of the NoCA and more than two months before the qualifying judgment. Claimant 2 received a deficiency letter explaining that his/her WB-APP did not include a valid NoCA number. Claimant 2's late-filed WB-APP appears identical to the premature WB-APP. Claimant 2 therefore fails to explain why his/her family circumstances impeded him/her from re-submitting the same WB-APP within 90 days of the posting of the NoCA, which, as Claimant 2 explains in his/her response, he/she was able to do "immediately" upon becoming "aware of the missing NOCA reference."

Claimant 2 also argues that denying him/her an award on procedural grounds, where Claimant 2 claims he/she is an otherwise meritorious whistleblower, would undermine the purpose of the Whistleblower Program by creating a chilling effect on unrepresented whistleblowers and whistleblowers facing difficult personal circumstances. We construe this as a request for a waiver under Section 36(a) of the Exchange Act.

The Commission has general exemptive authority under Section 36(a) of the Exchange Act to exempt any person from any rule or regulation thereunder when such exemption is (i) "necessary or appropriate in the public interest" and (ii) "is consistent with the protection of investors." The Commission has previously exercised its authority to waive the 90-day deadline in cases where the claimant missed the deadline by a single day or where the claimant was otherwise meritorious but faced uniquely challenging obstacles to filing.<sup>10</sup>

Here, Claimant 2 did not face the sort of obstacles claimants faced in prior matters where we granted a Section 36(a) waiver. Additionally, Claimant 2 submitted his/her WB-APP significantly later than the claimants in the prior matters, 50 days late compared to one and eighteen days. Moreover, as discussed above, enforcing the 90-day deadline ensures fairness to potential claimants by giving all an equal opportunity to have their competing claims evaluated at the same time and bringing finality to the claim process. We therefore are not persuaded that declining to grant a waiver here is inconsistent with the purpose of the Whistleblower Program.

For these reasons, we deny Claimant 2's award application. Because Claimant 2 is ineligible for an award in the Covered Action, he/she is also ineligible for an award in the <sup>Redacted</sup> .

---

<sup>10</sup> Order Determining Whistleblower Award Claim, Release No. 102714 (Mar. 24, 2025); Order Determining Whistleblower Award Claim, Release. No. 92086 (June 2, 2021).

### III. Conclusion

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

By the Commission.

Vanessa A. Countryman  
Secretary