UNITED STATES OF AMERICA

Before the

SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 106531 / September 29, 2026

WHISTLEBLOWER AWARD PROCEEDING
File No. 2026-49

In the Matter of Claims for Awards in connection with

Redacted

Redacted

Notice of Covered Action Redacted

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIMS

The Claims Review Staff ("CRS") issued a Preliminary Determination recommending that (1) Redacted ("Joint Claimants")[1] receive *** percent (***%) of the monetary sanctions collected, or to be collected, in the above-referenced Covered Action (the "Covered Action"), and that (2) Redacted ("Claimant 2") receive *** percent (***%) of the monetary sanctions collected, or to be collected, in the Covered Action. The Joint Claimants filed a timely response contesting their award percentage in the Preliminary Determination. Claimant 2 did not contest the Preliminary Determination.[2]

Based on our review of the record before us, we award Joint Claimants *** percent (*** %) of the monetary sanctions collected, or to be collected, in the Covered Action, equal to a

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[1] Joint Claimants acted as a unit, submitting their TCR and WB-APPs jointly through the same counsel. *See Johnston v. SEC*, 49 F.4th 569 (D.C. Cir. Sept. 23, 2023) (affirming the Commission's determination that whistleblowers were joint by looking at whether the claimants were joint as of the time they submitted information to the Commission).

[2] The CRS also recommended that Claimant 2's award claim for a related Redacted action be denied. Because Claimant 2 did not contest the preliminary denial of his/her related action award claim, the preliminary denial is deemed final through operation of law.

payment of more than $4.8 million and Claimant 2 *** percent (***%) of the monetary sanctions collected, or to be collected, in the Covered Action, equal to a payment of more than $2.4 million. Our decision as to Joint Claimants departs from the award amount that the CRS recommended in its Preliminary Determination.

I. Background

A. The Covered Action

On Redacted, the Commission instituted a settled cease-and-desist proceeding against Redacted ("the Company"). The Commission's Order alleged that the Company had made misleading statements to investors about the Company's Redacted Redacted. According to the Order, from *** through Redacted, the Company Redacted On Redacted, the Company's Redacted Redacted. The Order identified Redacted filed by the Company and its predecessor on Redacted as the relevant securities offerings and filings. According to the Commission's Order, the Company misled investors through several misrepresentations by its Redacted ("Officer") about the Company's Redacted. The Order found that from at least Redacted through Redacted, the Officer misled investors about the Company's Redacted Redacted. The Order also found that the Company further misled investors by Redacted Redacted Redacted Redacted. Among other relief, the Commission ordered the Company to pay a civil penalty of over $1 million dollars.

B. The Preliminary Determination

The CRS preliminarily determined to recommend to the Commission that it find that the Joint Claimants and Claimant 2 voluntarily provided original information to the Commission that led to the successful enforcement of the referenced Covered Action pursuant to Section 21F(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 21F-3(a) promulgated thereunder, and that the Joint Claimants receive an award of *** percent (***%) and that Claimant 2 receive an award of *** percent (***%) of the monetary sanctions collected, or to be collected, in the Covered Action.

C. The Joint Claimants' Response to the Preliminary Determination

The Joint Claimants submitted a timely request for reconsideration, arguing that they should receive a higher award percentage. They argue that a ***% award is arbitrary and capricious for the following principal reasons. First, there is no rational reading of the record that supports an equal or lesser award to the Joint Claimants as compared to Claimant 2. They point to Enforcement staff's declaration, which states that Joint Claimants' information was more valuable than Claimant 2's because they provided it earlier in the investigation (even though just by a few days), it framed staff's initial investigative activity, and their information formed the basis of more eventual claims asserted against the Company. Not only was their information more significant, they contend, but the "assistance" factor also weighs in their favor, as they met with staff, provided a valuable list of witnesses, and provided text messages and background documents. Second, they complain that the CRS weighed the "delay" factor too heavily, in light of the high significance of their information and cooperation. Joint Claimants contend that the individual who delayed in reporting was Redacted who had no legal training or knowledge of the securities laws or the Commission's whistleblower program until he/she was contacted by another of the Joint Claimants in *** and did not understand that Redacted Redacted constituted violations of the securities laws. Finally, Joint Claimants argue that reducing their award percentage runs counter to the overall goals of the Commission's whistleblower program and suggests that the award may have been surreptitiously reduced because one of them is Redacted.

II. Analysis

The record demonstrates that the Joint Claimants and Claimant 2 voluntarily provided original information to the Commission that led to the successful enforcement of the referenced Covered Action.

In determining the amount of award for Joint Claimants and Claimant 2 for the Covered Action, we consider the following factors set forth in Rule 21F-6 of the Exchange Act as they apply to the facts and circumstances of the Joint Claimants' and Claimant 2's award applications: (i) the significance of information provided to the Commission; (ii) the assistance provided in the Covered Action; (iii) the law enforcement interest in deterring violations by granting awards; (iv) participation in internal compliance systems; (v) culpability; (vi) unreasonable reporting delay;[3] and (vii) interference with internal compliance and reporting systems.

[3] In determining whether a whistleblower unreasonably delayed reporting a securities violation, Rule 21F-6(b)(2) directs that the Commission may take into account the following concerns: whether the whistleblower was aware of the relevant facts but failed to take reasonable steps to report or prevent the violations from occurring or continuing; whether the whistleblower was aware of the relevant facts but only reported them after learning about a related inquiry, investigation, or enforcement action; and whether there was a legitimate reason for the

In determining that Joint Claimants should receive a *** % award and that Claimant 2 should receive a ***% award, we note the record supports the following: (1) both the Joint Claimants and Claimant 2 provided significant new non-public information early in the existing investigation that substantially advanced the investigation; (2) both Joint Claimants and Claimant 2 provided additional assistance, meeting with Commission staff and providing additional helpful information and documents; (3) Joint Claimants' information was more valuable because they provided it earlier in the investigation and it helped frame the staff's initial investigative activity; (4) Joint Claimants provided more new information that also formed the basis of more eventual claims in the Covered Action as compared to the information submitted by Claimant 2; (5) one of the Joint Claimants learned of misstatements made by the Company's Redacted and yet did not report to the Commission until four years later which we find to be an unreasonable reporting delay; and (6) Claimant 2 unreasonably delayed in reporting for a shorter period of time.

III. Conclusion

Accordingly, it is hereby ORDERED that Joint Claimants shall receive an award of *** percent (***%) and Claimant 2 shall receive an award of *** percent (***%) of the monetary sanctions collected, or to be collected, in the Covered Action.[4]

By the Commission.

Vanessa Countryman
Secretary

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whistleblower to delay reporting the violations. Other relevant considerations include: whether the delay was a result of circumstances beyond the whistleblower's control; whether reasonable actions were taken by the whistleblower during the period of delay; whether a whistleblower's delay was in whole or in part reasonably attributable to illness or other personal or family circumstances; whether the delay was attributable to a reasonable amount of time spent attempting to ascertain relevant facts or obtain an attorney in order to remain anonymous; whether the violations were continuing during the delay and whether investors were being harmed during that time; whether the delay threatened the Commission's ability to pursue the violations either because of the statute of limitations, or the loss or destruction of evidence during the period of delay; and whether the whistleblower might ultimately profit from the delay by obtaining a larger award amount because the failure to report permitted the misconduct to continue, which can affect the calculation of the monetary sanctions, including, for example, increased disgorgement of ill-gotten gains and penalties. *See Whistleblower Program Rules*, 85 Fed. Reg. 70898, 70914 (Nov. 5, 2020).

[4] Unless the Joint Claimants, within ten (10) calendar days of the issuance of this Order, make a joint request, in writing, for a different allocation of the award between the four of them, the Office of the Whistleblower is directed to pay each of them individually 25% of their joint award.