

UNITED STATES OF AMERICA

before the

SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 106532 / September 29, 2026

WHISTLEBLOWER AWARD PROCEEDING

File No. 2026-52

In the Matter of the Claim for an Award

in connection with

Redacted

File No.

Redacted

Notice of Covered Action

Redacted

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIM

The Office of the Whistleblower (“OWB”) recommended through the Preliminary Summary Disposition process the denial of the whistleblower award claim submitted by Redacted Redacted (“Claimant”) in connection with the above-referenced covered action (the “Covered Action”). Claimant filed a timely response (“Response”) contesting the preliminary denial. For the reasons discussed below, Claimant’s award claim is denied.

I. Background

A. The Covered Action

On Redacted, the Commission instituted administrative and cease-and-desist proceedings against Redacted (“Company”), finding that the Company Redacted

Redacted. The Commission ordered the Company to pay Redacted in monetary sanctions.

B. The Preliminary Summary Disposition

The Preliminary Summary Disposition recommended that Claimant's award claim be denied because his/her information did not lead to the success of the Covered Action as required under Exchange Act Section 21F(b)(1) and Exchange Act Rules 21F-3(a)(3) and 21F-4(c) thereunder.

C. Claimant's Response to the Preliminary Summary Disposition

In the Response, Claimant contends that he/she submitted information to "senior SEC officials" in the form of emails ^{Redacted} Submissions^{***}; and that the information in those ^{Redacted}, which Claimant describes as "original, material information concerning ^{Redacted} at ^{Redacted}" led to the successful enforcement of the Covered Action. Claimant, relying it seems exclusively on chronology, asserts that "[t]hose disclosures preceded and materially contributed to ^{Redacted} and that the ^{Redacted} opening of the [relevant Commission investigation] reflects internal delay or misrouting, not absence of substance."

Claimant also argues that the Preliminary Summary Disposition does not provide a reasoned determination supported by the record as required by case law, stating that Enforcement staff's declaration that he/she "'does not recall...' reviewing Claimant's ^{***} emails does not establish non-provision to the Commission" and that "disqualification [for an award cannot be] based on internal processing or routing failures."

Finally, Claimant asserts that "[c]ase law and SEC policy support Claimant's position that earlier Whistleblower disclosure of ^{Redacted} to senior SEC officials and proximate regulatory action can satisfy Rule 21F's contribution and causation standards even where a formal TCR or WB-APP is filed later and where internal forwarding was imperfect."

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.¹ As relevant here, original information will be deemed to lead to a successful enforcement action if either: (i) the original information caused the staff to "commence an examination, open an investigation . . . or to inquire concerning different conduct as part of a current examination or investigation" and the Commission brought a successful

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

action based in whole or in part on conduct that was the subject of the original information;² or (ii) the conduct was already under examination or investigation, and the original information “significantly contributed to the success of the action.”³ In determining whether a whistleblower’s 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.⁴ 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 claims against additional individuals or entities.⁵

Claimant did not provide information that prompted the opening of the investigation. According to a declaration by Enforcement staff responsible for the Covered Action, which we credit, Enforcement staff opened the investigation based on investigative efforts related to a referral by the Division of Examinations, and not because of information from Claimant.

Additionally, Claimant did not provide information that caused staff to inquire into different conduct or that significantly contributed to the success of the Covered Action. Enforcement staff responsible for the Covered Action confirmed in a declaration, which we credit, that staff do not recall receiving or reviewing any information from Claimant, including the *** Submissions, and do not recall having communications with Claimant, prior to or during the investigation. Indeed, Claimant submitted his or her form Tips, Complaints, and Referrals (“TCR”) on Redacted, more than three months after the Covered Action was filed. Further, the Commission’s TCR system reflects that Claimant’s form TCR was not forwarded to Enforcement staff responsible for the Covered Action.

Turning to the arguments raised in the Response, Claimant’s assertion that the *** Submissions should be credited as having led to the success of the Covered Action fails for two reasons. First, Claimant did not submit a form TCR or declaration within 30 days of the *** Submissions, as required under Exchange Rule 21F-9(e); nor does Claimant meet the criteria for a waiver of this requirement under Exchange Rule 21F-9(e), as the record does not demonstrate that Claimant would otherwise qualify for an award. Rule 21F-9(e) provides that, in order to be eligible for an award, a claimant must submit a TCR and declaration within 30 days of first

² Exchange Act Rule 21F-4(c)(1), 17 C.F.R. § 240.21F-4(c)(1).

³ See Exchange Act Rule 21-F-4(c)(2), 17 C.F.R. § 240.21F-4(c)(2).

⁴ *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.

⁵ Release No. 34-85412 at 8-9.

providing the Commission with original information that the claimant relies upon as a basis for claiming an award. A claimant is eligible for a waiver of his or her initial noncompliance with these requirements if (1) he or she can demonstrate that he or she complied within 30 days of “first obtaining actual or constructive notice about those requirements” and (2) “[t]he Commission can readily develop an administrative record that unambiguously demonstrates that [the claimant] would otherwise qualify for an award.” Although Claimant argues in the Response that he/she “filed a TCR and Form WB-APP within 30 days of learning of the requirement,” the record does not support the conclusion that Claimant satisfies the second requirement to receive a waiver.

Second, while Claimant argues that the ^{***} Submissions “materially contributed” to ^{***} the record does not show how his or her information contributed to the Covered Action, which contains no references to ^{Redacted}.⁶ Indeed, Enforcement staff responsible for the Covered Action confirmed in a declaration that the allegations contained in Claimant’s tip were unrelated to staff’s investigation. The declaration also states that Enforcement staff responsible for the Covered Action did not receive or review Claimant’s information or have any communications with Claimant before or during the investigation or resulting Covered Action. Thus, the record supports the conclusion that Claimant did not provide any information to the Commission that contributed to the success of the Covered Action, as Claimant’s information was not used in, and had no impact on, the investigation or resulting Covered Action.

Additionally, Claimant argues that he/she satisfied the “leads to” requirement by emailing information to three senior staff members because “Rule 21F focuses on whether information

⁶ Although Claimant argues that caselaw “requires the Commission to consider” the “factual sequence” of the ^{***} Submissions ^{Redacted} “[d]ismissing these events without explanation would fall short of the standard for transparency and reasoned decision-making mandated by the court,” there is nothing in the record that establishes a connection between ^{Redacted} and the Covered Action. Moreover, of the four cases Claimant cites, three concern adjudication of SEC whistleblower awards, for which the standard of judicial review is arbitrary and capricious, under the Administrative Procedures Act; in each of the three, the court upheld the Commission’s determinations, finding that the SEC adequately supported its findings by relying on staff declarations, as the Commission has done here. *See Nelson v. SEC*, 138 F.4th 514, 524-25 (D.C. Cir. 2025) (the Commission, relying on staff declarations, reasonably determined that joint claimants met the criteria for “led to” under the statute); *Meisel v. SEC*, 97 F.4th 755, 757 (11th Cir. 2024) (the Commission’s denial of an award based on declarations by a Commission attorney who worked closely on the investigation and who unambiguously stated that the Commission did not use the information provided by the claimant in any way, sufficiently supported the Commission’s action with substantial evidence); *Granzoti v. SEC*, No. 22-13332, 2023 U.S. App. LEXIS 21060, 2023 WL 5193503 (11th Cir. Aug. 14, 2023), *13-14 (the SEC reasonably denied the claimant’s request for a whistleblower award where staff declarations supported a finding that the SEC never used the claimant’s tip). The fourth case, a 1983 Supreme Court case concerning whether the National Highway Traffic Safety Administration failed to present an adequate basis and explanation under the Administrative Procedures Act for rescinding a safety rule, is inapposite; to the extent the case has any relevance to the instant matter, it is for the general proposition that “an agency must cogently explain why it has exercised its discretion in a given manner”—a standard the Commission has met here. *Motor Vehicle Mfrs. Ass’n of U.S., Inc. v. State Farm Mut. Auto Ins. Co.*, 463 U.S. 29, 48-49 (1983).

was provided to the Commission, not whether individual [Enforcement] staff recall reviewing it.” He/she contends that Rule 21F-8(b)(4) “forbids disqualification [of an award claim] based on internal processing or routing failures.” In fact, Rule 21F-8(b)(4) does not concern disqualification or eligibility requirements for an award but rather provides OWB with the authority to require a claimant to sign a confidentiality agreement before receiving the record that informed the preliminary determination.

“[T]he standard for award eligibility is not what the staff would have or could have done hypothetically, but, rather what impact the whistleblower’s information actually had on the investigation.”⁷ Again, we credit the staff declaration that states that Claimant’s information was not used in, and had no impact on, the investigation or resulting Covered Action.

III. Conclusion

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

By the Commission.

Vanessa A. Countryman
Secretary

⁷ *Order Determining Whistleblower Award Claims*, Exch. Act Release No. 100498 (July 11, 2024); *see also Order Determining Whistleblower Award Claim*, Exch. Act Release No. 88667 (Apr. 16, 2020) (“We must look to whether the Claimant’s information actually contributed to the success of the Covered Action not whether it ‘should have or could have,’ as Claimant urges us to do.”); *Granzoti*, 2023 U.S. App. LEXIS 21060, *7 (the statutory text for which Exchange Act Rule 21F-4(c)(1) was promulgated “calls for ‘original information . . . that led to the successful enforcement’—not information that could have led or may have led or *would have* led to a successful enforcement, if only the SEC had used it. 15U.S.C. § 78u-6(b)(1) (emphasis added)”).