

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 72727 / July 31, 2014

WHISTLEBLOWER AWARD PROCEEDING File No. 2014-8

In the Matter of the Claim for an Award

in connection with

Redacted  
(Administrative Proceeding File No. Redacted )  
Notice of Covered Action Redacted

**ORDER DETERMINING WHISTLEBLOWER AWARD CLAIM**

On August 27, 2013, the Claims Review Staff (CRS) issued a Preliminary Determination related to the Notice of Action Redacted. The Preliminary Determination recommended that Claimant's whistleblower award claim for an award under Section 21F of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. 78u-6, be denied. Although the record demonstrated that Claimant provided original information to the Commission that led to the successful enforcement of Redacted (Admin. File No. Redacted) (the "Covered Action"), the Preliminary Determination recommended that Claimant's claim be denied because --- information did not appear to have been "voluntarily" provided within the definition of Rule 21F-4(a)(ii), because of a prior inquiry into the matter conducted by a self-regulatory organization ("SRO").

Claimant subsequently filed a response to the Preliminary Determination pursuant to Rule 21F-10(e), 17 C.F.R. 240.21F-10(e), in which, among other things, --- set forth a detailed chronology of the relevant events. Claimant's detailed description of --- conduct persuades us that --- engaged in diligent efforts to correct and to bring to light the underlying misconduct in this case.<sup>1</sup> Based on our fuller understanding of the relevant events, which we consider to be materially significant extenuating circumstances, we therefore believe it appropriate in the public interest and consistent with the protection of investors to waive the "voluntary" requirement of Rule 21F-4(a) on the unique

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<sup>1</sup> Among the highly unusual circumstances that Claimant detailed, and that we otherwise take note of, are: (1) prior to the enactment of the Dodd-Frank whistleblower award program and the concomitant anti-retaliation protections, Claimant was working aggressively internally at Redacted to bring the securities law violations to the attention of appropriate personnel and to obtain corrective action for the benefit of investors; (2) the SRO inquiry originated from information a third party provided to the SRO that in part described Claimant's role in identifying the issue that gave rise to the violations and --- effort to obtain corrective action; (3) Claimant was led to believe by Redacted early on during the SRO inquiry that Redacted had provided the SRO with all of the materials that Claimant had developed for his use in internal efforts to obtain corrective action; and (4) Claimant's persistent efforts in reporting to the Commission once --- learned that the SRO inquiry had been closed and that Redacted internal efforts would not protect investors from future harm.

facts of this award claim and to make an award to Claimant.<sup>2</sup> Although not an independent basis for our conclusion, we nonetheless are mindful that the Claimant's interactions with the SRO occurred prior to either our proposal or adoption of Rule 21F-4(a), which created incentives, as part of our whistleblower program, for whistleblowers to report original information to the Commission before they are approached by an SRO in connection with an investigation or an examination.

Further, we conclude that the award should be --- of the total monetary sanctions collected in the Covered Action. In arriving at this conclusion, we considered the factors set forth in Rule 21F-6, 17 C.F.R. 240-21F-6, in relation to the facts and circumstances of the Claimant's application. We believe that this award appropriately recognizes the significance of the information that the Claimant provided to the Commission, the efforts the Claimant made both to protect investors and to report the violation internally, and the personal and professional injuries that the Claimant suffered in bringing the violations here to light.

Accordingly, upon due consideration under Rule 21F-10(h), 17 C.F.R. § 240.21F-10(h), it is hereby ORDERED that Claimant shall receive an award of --- of the monetary sanctions collected in the above-referenced covered action, including any monetary sanctions collected after the date of this Order.

By the Commission.

Kevin M. O'Neill  
Deputy Secretary

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<sup>2</sup> See Section 36(a) of the Exchange Act.