

UNITED STATES OF AMERICA

before the

SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 89311 / July 14, 2020

WHISTLEBLOWER AWARD PROCEEDING

File No. 2020-23

In the Matter of the Claim for Award

in connection with

Notice of Covered Action: Redacted

Redacted

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIM

The Claims Review Staff (“CRS”) issued a Preliminary Determination recommending that Redacted (“Claimant”) receive a whistleblower award of approximately \$3.8 million, which represents *** percent (***%) of the monetary sanctions collected, or to be collected, in connection with the above-referenced Covered Action.¹ Claimant provided written notice of Claimant’s decision not to contest the Preliminary Determination.

The recommendation of the CRS is adopted. The record demonstrates that Claimant voluntarily provided original information to the Commission that led to the successful enforcement of the above-referenced Covered Action pursuant to Section 21F(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act”)² and Rule 21F-3(a) thereunder.³

¹ The CRS also preliminarily determined to recommend that the award application of a second claimant be denied. The second claimant did not submit a request for reconsideration and, as such, the Preliminary Determination with respect to that award claim became the Final Order of the Commission, pursuant to Exchange Act Rule 21F-10(f).

² 15 U.S.C. § 78u-6(b)(1).

Applying the award criteria specified 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 that determination, we considered that during the course of an ongoing investigation into a fraudulent scheme, Claimant provided new information that helped the Commission halt an ongoing fraud and return millions of dollars to harmed investors. However, while Claimant's information was important to the case, it was discrete and narrow in scope. After Claimant provided original information to the Commission, Claimant was not able to render further assistance because of a lack of first-hand knowledge. An award of *** % appropriately acknowledges the level of Claimant's contribution to the overall success of the enforcement action, given the limited nature of Claimant's information and assistance.

Accordingly, it is hereby ORDERED that Claimant shall receive an award of *** percent (***) of the monetary sanctions collected or to be collected in the Covered Action.⁵

By the Commission.

Vanessa A. Countryman
Secretary

³ 17 C.F.R. § 240.21F-3(a).

⁴ In assessing the appropriate award amount, 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.

⁵ Because the court in the Covered Action ordered that the entire amount recovered by the court-appointed receiver (approximately Redacted) was deemed to satisfy the disgorgement and prejudgment interest obligations of the defendants placed into receivership, we treat the full amount recovered as collected monetary sanctions for purposes of determining the payout to Claimant. Further, amounts paid by other defendants or relief defendants into the receivership in satisfaction of court-ordered sanctions against those defendants, and included in the Redacted collected by the receiver, shall not be separately counted as collected sanctions. *See Order Determining Whistleblower Award Claim*, Release No. 34-88803 (May 4, 2020) (no double-counting, for award purposes, of the same amounts paid into receivership and later distributed to investors).