

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 91427 / March 29, 2021

WHISTLEBLOWER AWARD PROCEEDING
File No. 2021-36

In the Matter of the Claims for an Award

in connection with

Redacted

Redacted

Notice of Covered Action ^{Redacted}

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIMS

The Claims Review Staff (“CRS”) issued Preliminary Determinations recommending that ^{Redacted} (“Claimant 1”) receive a whistleblower award of twenty percent (20%) of any monetary sanctions collected, or to be collected, in the above-referenced Covered Action (the “Covered Action”), and that ^{Redacted} (“Claimant 2”) receive a whistleblower award of ten percent (10%) of any monetary sanctions collected, or to be collected, in the Covered Action. Neither Claimant 1 nor Claimant 2 contested the Preliminary Determinations.¹

The recommendations of the CRS are adopted. The record demonstrates that both Claimant 1 and Claimant 2 voluntarily provided original information to the Commission that led to the successful enforcement of the Covered Action.

Exchange Act Rule 21F-6(c) creates a presumption for a maximum award where, as here, an award would be less than \$5 million, the claimant has no negative factors—*i.e.*, culpability, unreasonable reporting delay, or interference with an internal compliance and reporting system,

¹ See Securities Exchange Act of 1934 (“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).

and Rule 21F-16 regarding culpable whistleblowers does not apply. The Commission may depart from the presumption if (1) the assistance provided by the whistleblower was, “under the relevant facts and circumstances, limited,” or (2) a maximum award “would be inconsistent with the public interest, the promotion of investor protection, or the objectives of the whistleblower program.”² Further, where at least one of the multiple meritorious whistleblowers would qualify for the presumption if that individual were the sole meritorious whistleblower, the new rule will operate to ensure that the total aggregate award paid to all meritorious whistleblowers is the statutory maximum.³ However, in allocating the award amount among meritorious claimants, the Commission will consider all relevant facts. The 30% presumption applies here because the award will be less than \$5 million as there are no collections to date in this matter and none are anticipated, and neither claimant has any negative factors. Further, both claimants provided more than limited assistance, and application of the presumption would not be inconsistent with the public interest, protection of investors, or the interests of the whistleblower program.

Further, in determining that Claimant 1 should receive the higher award allocation, we considered that Claimant 1’s information was submitted earlier in time, prompting a significant expansion of a then ongoing examination. Claimant 1, a harmed investor, identified multiple fraudulent schemes that were charged in the Commission’s action. Claimant 2, also a harmed investor, submitted information approximately eight months after Claimant 1, and certain of Claimant 2’s information was duplicative of the information previously provided by Claimant 1. We further observe that both Claimant 1 and Claimant 2 provided substantial, ongoing assistance that helped the Commission halt an ongoing fraudulent scheme.

Accordingly, it is hereby ORDERED that Claimant 1 shall receive an award of twenty percent (20%) of any monetary sanctions collected or to be collected in the Covered Action, and Claimant 2 shall receive an award of ten percent (10%) of any monetary sanctions collected or to be collected in the Covered Action.

By the Commission.

Vanessa A. Countryman
Secretary

² Rule 21F-6(c)(1)(iv).

³ Whistleblower Rule Amendments, Adopting Release (Sept. 23, 2020).