

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 92164 / June 14, 2021

WHISTLEBLOWER AWARD PROCEEDING
File No. 2021-60

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-eight percent (28%) of 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 two percent (2%) of 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 pursuant to Section 21F(b)(1) of the Exchange Act and Rule 21F-3(a).

Exchange Act Rule 21F-6(c) creates a presumption for a maximum award where, as here, an award would be less than \$5 million, a claimant has no negative factors—*i.e.*, culpability,

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).

unreasonable reporting delay, or interference with an internal compliance and reporting system, 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, under Rule 21F-6(c)(3), if one whistleblower qualifies for the presumption, the aggregate award paid to all meritorious whistleblowers is the statutory maximum and, in allocating the award, the Commission will consider whether an individual claimant’s award application satisfies Rules 21F-6(c)(1)(ii) and (iii). In addition, in allocating the award amount among meritorious claimants, the Commission will consider all relevant facts.³

The 30% presumption applies here. The statutory maximum award of 30% would be less than \$5 million. Claimant 1’s award application presents no negative award factors, as Claimant 1 was not culpable, did not unreasonably delay in reporting the wrongdoing, and did not interfere with any internal compliance or reporting system. In addition, the presumption of a maximum award should not be departed from because Claimant 1 provided substantial assistance and the maximum award would not be inconsistent with the public interest, protection of investors, or the objectives of the whistleblower program.

In determining that Claimant 1 should receive an award of 28% of any monetary sanctions collected or to be collected in the Covered Action, we considered that Claimant 1 alerted government authorities to the underlying misconduct first, resulting in the opening of the investigation; Claimant 1 provided significant new information that made a substantial and important contribution to the success of the Covered Action; and Claimant 1 provided substantial and continuing assistance during the investigation and litigation that helped stop a fraudulent scheme preying on investors. In determining that Claimant 2 should receive a smaller award percentage, we considered that Claimant 2 provided the information after a period of delay, that much of the information Claimant 2 provided was already known to the Commission because of information previously provided by Claimant 1, and Claimant 2’s new, helpful information was limited in nature.

² Rule 21F-6(c)(1)(iv).

³ Whistleblower Rule Amendments, Adopting Release at 56 (Sept. 23, 2020).

Accordingly, it is hereby ORDERED that Claimant 1 shall receive an award of twenty-eight percent (28%) of any monetary sanctions collected or to be collected in the Covered Action, and Claimant 2 shall receive an award of two percent (2%) of any monetary sanctions collected or to be collected in the Covered Action.

By the Commission.

Vanessa A. Countryman
Secretary