

Notice of Covered Action [REDACTED]

Reference No: 09062025

PRELIMINARY DETERMINATION OF THE CLAIMS REVIEW STAFF

In response to the above-referenced Notice of Covered Action (“Covered Action”), the Securities and Exchange Commission received a joint award claim from [REDACTED] (“Claimant 1”), [REDACTED] (“Claimant 2”), and [REDACTED] (“Claimant 3”) (collectively “Joint Claimants”).¹ Pursuant to Section 21F of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 21F-10 promulgated thereunder, the Claims Review Staff has evaluated the award claim in accordance with the criteria set forth in Rules 21F-1 through 21F-18. The Claims Review Staff has preliminarily determined to recommend that the Commission deny the above award claim. The basis for this determination is as follows:

Exchange Act Rule 21F-16 states, in relevant part: “In determining whether the required \$1,000,000 threshold has been satisfied . . . for purposes of making any award, the Commission will not take into account any monetary sanctions that the whistleblower is ordered to pay, *or that are ordered against any entity whose liability is based substantially on conduct that the whistleblower directed, planned, or initiated.*” (emphasis supplied).

The record supports the conclusion that the liability of [REDACTED] (“the Entity”) was substantially based on conduct that Claimant 1 directed.

Claimant 1 was the [REDACTED] of the Entity and the [REDACTED] responsible for the [REDACTED] between the Entity and one of its [REDACTED]. Claimant 1 played a critical role in managing the relationship between the [REDACTED], including by [REDACTED], and this violation accounted for the entire [REDACTED]. While Rule 21F-16 does not contain a knowledge requirement, the record reflects that Claimant 1 was copied on an internal memorandum noting that the Commission was scrutinizing [REDACTED]. In the Covered Action, the Commission alleged [REDACTED] by the Entity, including conduct related to the [REDACTED].

¹ We are treating Claimant 1, Claimant 2, and Claimant 3 as joint claimants because their TCR specifically stated they were joint whistleblowers and speaks to them as collectively providing the information to the Commission, and their Form WB-APPs, which are substantially identical and provided through the same counsel, also refer to their collective efforts. *See Johnson v. SEC*, Case No. 21-1132 (Sept. 23, 2023) (affirming the SEC’s determination that whistleblowers were joint by looking at whether claimants were joint as of the time they submitted information to the Commission).

**FINAL ORDER- THIS PRELIMINARY DETERMINATION BECAME
THE FINAL ORDER OF THE COMMISSION ON SEPTEMBER 6, 2025
PURSUANT TO RULE 21F-10(f) OF THE SECURITIES EXCHANGE ACT OF 1934**

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Claimant 1 played a critical role in the [REDACTED] violation, and this violation accounted for the entire [REDACTED] ordered in the Covered Action. The [REDACTED] violation, which caused financial harm to investors, also would have justified a significant civil penalty in its own right. Excluding those ordered amounts, the \$1,000,000 threshold for making awards has not been met. As such, we recommend that Joint Claimants' award claim be denied.

By: Claims Review Staff

Date: July 8, 2025