

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 101721 / November 25, 2024

WHISTLEBLOWER AWARD PROCEEDING  
File No. 2025-7

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In the Matter of the Claims for an Award

in connection with

Redacted

Notice of Covered Action Redacted

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**ORDER DETERMINING WHISTLEBLOWER AWARD CLAIM**

The Claims Review Staff (“CRS”) issued a Preliminary Determination recommending that <sup>Redacted</sup> (“Claimant”) receive a whistleblower award of approximately \$2 million, which is equal to <sup>\*\*\*</sup> percent (<sup>\*\*\*</sup> %) of the amount collected or to be collected in the above-referenced Covered Action (“Covered Action”).<sup>1</sup> In recommending that Claimant be found eligible for an award, the CRS recommended that the Commission exercise its general exemptive authority to waive the TCR filing requirements under Exchange Act Rules 21F-9(b). Claimant provided written notice of his/her decision not to contest the Preliminary Determination.

The recommendations of the CRS are adopted. The record demonstrates that Claimant voluntarily provided original information to the Commission that led to the successful enforcement of the Covered Action.<sup>2</sup>

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<sup>1</sup> Further, the CRS preliminarily determined to recommend that the related action award claim of Claimant be denied because Claimant does not satisfy the requirements of Rule 21F-3(b)(2), 17 C.F.R. § 240.21F-3(b)(2). Since Claimant did not contest the Preliminary Determination, the denial of Claimant’s related action award claim became the Final Order of the Commission through operation of law pursuant to Exchange Act Rule 21F-11(f), 17 C.F.R. § 240.21F-11(f).

<sup>2</sup> See 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.

Moreover, we have determined that it would be in the public interest and consistent with the protection of investors for the Commission to exercise our discretionary authority under Section 36(a) of the Exchange Act to waive the TCR filing requirements of Rules 21F-9(b)<sup>3</sup> as to Claimant in light of the specific facts and circumstances present here. Specifically (1) Claimant subsequently attested under penalty of perjury that he/she mistakenly failed to designate his/her TCR as a whistleblower submission and thus was not prompted by the TCR system to provide the requisite declaration under penalty of perjury that his/her information was true and correct to the best of his/her knowledge and belief; (2) the indicia of reliability and the certainty as to the time that the information was provided, which are two of the principal policy rationales underlying the Rule 21 F-9(d) writing requirement, are clearly satisfied in the context of this claim because Claimant submitted a TCR; (3) during telephonic interviews that took place shortly after submission of the TCR, Division of Enforcement staff (“Enforcement staff”) was able to question Claimant to ascertain that his/her tip was credible; (4) Enforcement staff viewed Claimant as a whistleblower throughout the investigation; (5) after being informed by Enforcement staff of the Commission’s rules, Claimant obtained counsel shortly thereafter, and submitted the same information on Form TCR with the requisite sworn declaration; and (6) Claimant’s information in the initial TCR prompted the Commission to open the investigation that ultimately led to the Covered Action that protected investors.

Further, applying the award criteria in Rule 21F-6 of the Securities Exchange Act of 1934 to the specific facts and circumstances here, we find the proposed award amounts are appropriate.<sup>4</sup> In reaching that determination, we positively assessed the following facts: (1) Claimant submitted information that was highly significant because Claimant’s tip caused the opening of the Commission’s investigation and alerted Enforcement staff to a potential investment fraud; (2) Claimant provided timely cooperation and assistance to Enforcement staff early in the Commission’s investigation and staff used the Claimant’s information to craft

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<sup>3</sup> Rule 21F-9(b) provides that “to be eligible for an award, you must declare under penalty of perjury at the time you submit your information . . . that your information is true and correct to the best of your knowledge and belief.” § 240.21F-9(b). Claimant submitted a TCR to the Commission but failed to properly designate that he/she submitted the TCR as a whistleblower and, therefore, failed to include the requisite whistleblower declaration. Section 36(a) of the Exchange Act provides the Commission with broad authority to exempt any person from any provision of the Exchange Act or any rule or regulation thereunder to the extent that such exemption is (i) “necessary or appropriate in the public interest” and (ii) “is consistent with the protection of investors.”

<sup>4</sup> In assessing the appropriate award amounts, Exchange Act 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.

document requests in a subpoena; (3) the law enforcement interest is high given that Claimant's information and assistance helped the Commission stop an ongoing fraud and lessen the loss of investor funds; and (4) the resulting charges were based in part on conduct that was the subject of Claimant's information.

Accordingly, it is hereby ORDERED that Claimant shall receive an award of <sup>Redacted</sup> percent ( <sup>\*\*\*</sup> %) of the monetary sanctions collected or to be collected in the Covered Action.

By the Commission.

Vanessa A. Countryman  
Secretary