

UNITED STATES OF AMERICA

Before the

SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 103834 / September 3, 2025

WHISTLEBLOWER AWARD PROCEEDING

File No. 2025-50

In the Matter of the Claim for an Award

in connection with

Redacted

Redacted

Notice of Covered Action Redacted

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIM

The Office of the Whistleblower (“OWB”) issued a Preliminary Summary Disposition¹ recommending the denial of the whistleblower award claim submitted by Redacted (“Claimant”) in connection with the above-referenced covered action (the “Covered Action”). Claimant filed a timely response contesting the preliminary denial. For the reasons discussed below, Claimant’s award claim is denied.²

I. Background

A. The Covered Action

On Redacted, the Commission charged Redacted
Redacted (together, the “Company”) for Redacted

¹ See Exchange Act Rule 21F-18, 17 C.F.R. § 240.2F-18.

² OWB also preliminarily denied the award claims of two other claimants. These claimants did not seek reconsideration of the Preliminary Summary Dispositions, and therefore, the denials of their claims were deemed to be the Final Orders of the Commission under Exchange Act Rule 21F-18(b)(4).

Redacted . The Company consented to the entry of the Commission's order finding that it violated Redacted Redacted

Redacted . The Company was ordered to pay more than \$1 million in monetary sanctions.

OWB posted the Notice for the Covered Action on the Commission's public website inviting claimants to submit whistleblower award applications within 90 days. Claimant filed a timely whistleblower claim.

B. The Preliminary Summary Disposition

OWB issued a Preliminary Summary Disposition recommending that Claimant's claim be denied because Claimant's information did not lead to the success of the Covered Action within the meaning of Section 21F(b)(1) of the Exchange Act and Rules 21F-3(a)(3) and 21F-4(c) thereunder. Enforcement staff opened the Covered Action investigation based on a referral from the Division of Examinations ("Exams"), which was commenced based on a referral from another source, not in response to information provided by Claimant. The record reflected that Claimant's information was not used in connection with the referral from Exams that prompted the opening of the Covered Action investigation, and Exams staff did not forward Claimant's information to Enforcement staff assigned to the Covered Action investigation. Enforcement staff responsible for the Covered Action never received or reviewed any information from Claimant or had any communications with Claimant before or during the course of the Covered Action investigation. Additionally, the information provided by Claimant was not related to the subject matter of the Covered Action. As such, Claimant did not provide any information that was used in, or otherwise had any impact on, the investigation or resulting Covered Action.

C. Claimant's Response to the Preliminary Summary Disposition

Claimant submitted a timely written response contesting the Preliminary Summary Disposition.³ Specifically, Claimant argues that he/she is entitled to an award because the record reflects that Claimant's information was received by the Exams staff and Claimant surmises that his/her information contributed to the decision to open the examination that resulted in the Covered Action. Claimant argues that he/she alerted the Commission to issues about the Company's Redacted

Redacted, and the Exams staff reviewed Claimant's submissions prior to commencing the examination that resulted in the Covered Action. Because Claimant's

³ See Exchange Act Rule 21F-18(b)(3), 17 C.F.R. § 240.21F-18(b)(3).

submissions were reviewed by Exams staff prior to commencing its examination, Claimant contends that this “clearly led to certain avenues of inquiry” and is grounds for an award. Claimant further argues that to the extent that Exams staff did not affirmatively use Claimant’s submissions as the single reason for launching the examination that resulted in the Covered Action, that is not grounds for denial and would only affect the size of the award.

II. Analysis

To qualify for an award under Section 21F of the Exchange Act, a whistleblower must voluntarily provide the Commission with original information that leads to the successful enforcement of a covered action.⁴ Additionally, information will be deemed to have led to a successful enforcement action if either (i) the original information caused the staff to “commence an examination, open an investigation... or to inquire concerning different conduct as part of a current examination or investigation,” and the Commission brought a successful action based in whole or in part on conduct that was the subject of the original information;⁵ or (ii) the conduct was already under examination or investigation, and the original information “significantly contributed to the success of the action.”⁶ In determining whether information “significantly contributed” to the success of the action, the Commission will consider whether the information was “meaningful” in that it “made a substantial and important contribution” to the success of the Covered Action.⁷

The record supports the conclusion that Claimant’s information did not cause the Commission to commence an examination or to open the Covered Action investigation. Enforcement staff responsible for the Covered Action affirmed in a declaration, which we credit, that the investigation was opened based upon a referral from Exams, which originally was based on a referral from another source, not in response to information provided by Claimant. While Claimant surmises that his/her information must have “clearly led to certain avenues of inquiry” because it was provided to Exams before Exams commenced its examination, a supplemental

⁴ See Exchange Act Section 21F(b)(1), 15 U.S.C. § 78u-6(b)(1).

⁵ Exchange Act Rule 21F-4(c)(1), 17 C.F.R. § 240.21F-4(c)(1).

⁶ Exchange Act Rule 21F-4(c)(2), 17 C.F.R. § 240.21F-4(c)(2).

⁷ See Order Determining Whistleblower Award Claims, Release No. 34-85412 (March 26, 2019); Order Determining Whistleblower Award Claims, Release No. 34-82897 (March 19, 2018); see also *Securities Whistleblower Incentives & Protections*, 76 Fed. Reg. 34300, 34325 (June 13, 2011) (in determining whether information significantly contributed to an enforcement action, the Commission will consider whether the information allowed the agency to bring the action in significantly less time or with significantly fewer resources, additional successful claims, or successful claims against additional individuals or entities).

declaration from Exams staff, which we credit, confirms that Claimant's information was not used in the staff's decision to commence the examination and did not contribute to the examination once it was commenced. Exams staff further affirmed that the decision to commence the examination was based solely on a referral from another source (a state regulator).

The record further supports the conclusion that Claimant's information did not cause the Commission to inquire into different conduct as part of the investigation and did not significantly contribute to the success of the Covered Action. The record supports the conclusion that Claimant's information was not used in the referral from Exams to Enforcement and Exams staff did not forward Claimant's information to Enforcement staff assigned to the Covered Action investigation. Enforcement staff responsible for the Covered Action never received or reviewed any information from Claimant or had any communications with Claimant before or during the course of the Covered Action investigation. Additionally, the information provided by Claimant, which related to the Company's ^{Redacted}

^{Redacted}, was not related to the subject matter of the Covered Action, which related to the Company's ^{Redacted}

^{Redacted}. As such, Claimant did not provide any information that was used in, or otherwise had any impact on, the investigation or resulting Covered Action. Accordingly, Claimant's information was not used in the Covered Action investigation, did not cause the staff to inquire into different conduct, and did not significantly contribute to the success of the Covered Action.

For these reasons, we deny Claimant's whistleblower award claim.

III. Conclusion

Accordingly, it is hereby ORDERED that Claimant's whistleblower award application in the Covered Action be, and hereby is, denied.

By the Commission.

Vanessa A. Countryman
Secretary