

UNITED STATES OF AMERICA

Before the

SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 104135 / September 29, 2025

WHISTLEBLOWER AWARD PROCEEDING

File No. 2025-54

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In the Matter of the Claim 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 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.

**I. Background**

**A. The Covered Action**

On Redacted, the Commission filed a complaint in the United States District Court for the Redacted alleging that Defendant Redacted and others perpetrated a fraudulent investment scheme. That same day, the Court granted the Commission’s *ex parte* motion for a temporary restraining order and issued asset freeze orders and other ancillary relief. On Redacted, the Court entered a final judgment as to some of the defendants, in the amount of approximately Redacted. Because that final judgment was for Redacted, the Office of the Whistleblower

(“OWB”) posted the Notice for the Covered Action (NoCA) on the Commission’s public website inviting claimants to submit whistleblower award applications within 90 days.<sup>1</sup>

On <sup>Redacted</sup>, the Court granted default judgments against the remaining defendants, ordered injunctive relief, and bifurcated the determination of the amount of monetary remedies to be imposed. On <sup>Redacted</sup>, the Commission filed a Motion for Monetary Remedies and Entry of Final Judgment (the “Motion”). On <sup>Redacted</sup>, the Court imposed the monetary remedies that the Commission had requested.

## **B. The Preliminary Determination**

Claimant, who was an investor in the scheme, forwarded to the Commission emails that he/she had received from Defendant <sup>Redacted</sup>, two of which the Commission included as attachments to the Motion. On <sup>Redacted</sup>, the CRS issued a Preliminary Determination denying Claimant’s application for an award on the ground that Claimant did not provide original information to the Commission.<sup>2</sup>

## **C. Claimant’s Response to the Preliminary Determination**

Claimant submitted a timely written response contesting the Preliminary Determination (the “Response”).<sup>3</sup> Claimant principally argues that he/she is entitled to an award because his/her information came from emails to which the Commission did not have access, which Claimant asserts renders the information original and not publicly available. Claimant, who participated in a call with staff from the Commission and the <sup>Redacted</sup> (“Other Agency”) in <sup>Redacted</sup> and forwarded various other emails and materials to Commission staff, when only the monetary sanctions remained to be determined in the Covered Action, also asserts that his/her other information and materials caused the Commission and the Other Agency “to open, reopen or build, investigate and finalize both [the Covered Action and the Other Agency’s <sup>Redacted</sup> matter].”

## **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.<sup>4</sup> “Original information” is information “[d]erived from [a

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<sup>1</sup> See Exchange Act Rule 21F-10(a), 17 C.F.R. § 240.21F-10(a).

<sup>2</sup> This Preliminary Determination superseded a Preliminary Summary Disposition that OWB issued to Claimant on <sup>Redacted</sup>.

<sup>3</sup> See Exchange Act Rule 21F-10(e), 17 C.F.R. § 240.21F-10(e).

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

Claimant’s] independent knowledge or independent analysis.”<sup>5</sup> “Independent knowledge means factual information in your possession that is not derived from publicly available sources.”<sup>6</sup> “Publicly available sources may include both sources that are widely disseminated (such as corporate press releases and filings, media reports, and information on the internet), and sources that, though not widely disseminated, are generally available to the public (such as court filings and documents obtained through Freedom of Information Act requests).”<sup>7</sup> “Independent analysis means your own analysis, whether done alone or in combination with others. Analysis means your examination and evaluation of information that may be publicly available, but which reveals information that is not generally known or available to the public.”<sup>8</sup>

Claimant contends that he/she provided Enforcement staff with emails defendants sent in <sup>Redacted</sup> showing that defendants’ misconduct was ongoing notwithstanding the Court’s earlier injunction. Claimant also asserts in the Response that these emails were of a “private” nature. But a staff declaration, which we credit, explained that both emails at issue contained no language suggesting they had been tailored to Claimant as the recipient and that, based on the staff’s communications with other witnesses, the staff’s understanding was that potential investors or other members of the public could sign up on <sup>Redacted</sup> website to receive these kinds of emails from <sup>Redacted</sup>. The weight of the record thus suggests that the emails were like corporate press releases—intended to reach a broad audience. Accordingly, there is sufficient evidence in the record to support a finding that they constitute publicly available sources and do not qualify as “independent knowledge.” Likewise, the information does not qualify as “independent analysis,” as Claimant merely forwarded the emails without additional information or analysis. Claimant therefore did not provide original information to the Commission.

In the Response, Claimant also asserts that his/her other information and materials<sup>9</sup> caused the Commission “to open, reopen, or build” its case in the Covered Action. Here,

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<sup>5</sup> Exchange Act Rule 21F-4(b)(1)(i), 17 C.F.R. § 240.21F-4(b)(1)(i).

<sup>6</sup> Exchange Act Rule 21F-4(b)(2), 17 C.F.R. § 240.21F-4(b)(2).

<sup>7</sup> Adopting Release for Whistleblower Rules (Aug. 12, 2011) at 44.

<sup>8</sup> Exchange Act Rule 21F-4(b)(3), 17 C.F.R. § 240.21F-4(b)(3).

<sup>9</sup> In the Response, Claimant references phone calls with Commission staff, as well as materials such as newsletters and Zoom meeting recordings that he/she emailed to Commission staff.

Claimant cannot meet the standards of Rule 21F-4(c)(1) or 4(c)(2).<sup>10</sup> With respect to Rule 21F-4(c)(1), at the time that Claimant entered the picture, the Commission had already filed its complaint, liability as to all parties had been resolved, and the Commission was in the process of preparing a motion for monetary sanctions at the direction of the Court. As such Claimant's other information and materials, as a chronological matter, could not be deemed to have caused staff "to open" or "reopen" the investigation. In addition, according to a staff declaration, which we credit, Claimant's other information or materials did not cause staff to inquire into different conduct.

With respect to Rule 21F-4(c)(2), 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.<sup>11</sup> Here, Claimant did have one or more calls with Commission staff and did forward various materials to Commission staff in addition to the two emails at issue. But according to a staff declaration, which we credit, none of those pieces of information or materials were used in or had any impact on the Commission's investigation or the resulting litigated action. Accordingly, the other information and materials did not significantly contribute to the success of the Covered Action under Rule 21F-4(c)(2).

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

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<sup>10</sup> Rules 21F-4(c)(1) and (c)(2) specify that the "led to" requirement of Exchange Act Section 21F(b)(1) is satisfied if either "you gave the Commission original information that cause[d] the staff to . . . open an investigation . . . or to inquire concerning different conduct as part of a current examination or investigation" or "[y]ou gave the Commission original information about conduct that was already under examination and investigation by the Commission . . . and your submission significantly contributed to the success of the action."

<sup>11</sup> Order Determining Whistleblower Award Claim, Exchange Act Release No. 90922 (Jan. 14, 2021) at 4; *see also* Order Determining Whistleblower Award Claim, Exchange Act Release No. 85412 (Mar. 26, 2019) at 9.

### **III. Conclusion**

Accordingly, it is hereby ORDERED that the whistleblower award application of Claimant in connection with the Covered Action be, and it hereby is, denied.

By the Commission.

Vanessa A. Countryman  
Secretary