

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 92985 / September 15, 2021

WHISTLEBLOWER AWARD PROCEEDING  
File No. 2021-91

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In the Matter of the Claims for Awards

in connection with

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Notice of Covered Action <sup>Redacted</sup>

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**ORDER DETERMINING WHISTLEBLOWER AWARD CLAIMS**

The Claims Review Staff (“CRS”) issued Preliminary Determinations in connection with the above-referenced Covered Action (“Covered Action”) and related <sup>Redacted</sup> actions, recommending that: (1) <sup>Redacted</sup> (“Claimant 1”) receive a <sup>Redacted</sup> percent (<sup>\*\*\*</sup> %) award in (a) the Covered Action, (b) <sup>Redacted</sup> (“Related Action 1”), and (c) <sup>Redacted</sup> (“Related Action 2”), for a payout of almost \$110,000,000;<sup>1</sup> (2) the award claim for the Covered Action and Related Action 1 submitted by <sup>Redacted</sup> (“Claimant 2”) be denied; and (3) <sup>Redacted</sup>

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<sup>1</sup> <sup>Redacted</sup> Related Action 1 and Related Action 2 were brought by <sup>Redacted</sup> <sup>Redacted</sup> (the “Other Agency”).



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On <sup>Redacted</sup>, the Office of the Whistleblower posted a Notice for the Covered Action on the Commission’s public website inviting claimants to submit whistleblower award applications within 90 days.<sup>3</sup> Claimant 1, Claimant 2, and Claimant 3 each filed a timely whistleblower award claim.

**B. Related Action 1**

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**C. Related Action 2**

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\*\*\* (“Company 2”)

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

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paid in full.

#### D. The Preliminary Determinations

The CRS issued Preliminary Determinations recommending that the Commission (1) grant Claimant 1 an award equal to <sup>Redacted</sup> percent (<sup>\*\*\*</sup> %) of the monetary sanctions collected, or to be collected, in the Covered Action, Related Action 1, and Related Action 2; (2) grant Claimant 3 an award equal to <sup>\*\*\*</sup> percent (<sup>\*\*\*</sup> %) of the monetary sanctions collected, or to be collected, in the Covered Action; and (3) deny an award to Claimant 2 in the Covered Action and Related Action 1 <sup>Redacted</sup>

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#### E. Claimants' Responses to the Preliminary Determinations

Claimant 1 and Claimant 3 provided written notice of their decisions not to contest the Preliminary Determinations.

Claimant 2 submitted a timely, written response contesting the Preliminary Determinations. Claimant 2 argues that the CRS incorrectly concluded that <sup>Redacted</sup>

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Claimant 2 alleges that

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<sup>5</sup> Claimant 2 has only applied for an award in connection with the Covered Action and Related Action 1.

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In this way, Claimant 2 alleges,  
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Claimant 2 asserts that

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Instead, Claimant 2 purportedly  
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Claimant 2 alleges that  
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In support of these assertions, Claimant 2 points to the fact that

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Additionally, Claimant 2 argues that

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Claimant 2 also argues that  
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Further, Claimant 2 asserts that  
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Additionally, Claimant 2 makes an equitable argument, asserting that

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would be unjust to Redacted According to Claimant 2, it  
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Claimant 2 accordingly believes that Claimant 2 is entitled to a whistleblower award for  
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## II. Analysis

### A. Claimant 1

As to Claimant 1, the record demonstrates that Claimant 1 voluntarily provided original information<sup>8</sup> to the Commission and to the Other Agency, and Claimant 1's original information led to the successful enforcement of the Covered Action,<sup>9</sup> Related Action 1,<sup>10</sup> and Related

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<sup>8</sup> Claimant 1's information was based on Claimant 1's "independent analysis," a constituent element of "original information." Specifically, Claimant 1 utilized publicly available information in a way that went beyond the information itself and afforded the Commission with important insights into the extent of Company 1's misconduct as well as other relevant conduct. Additionally, Claimant 1's information was derived from multiple sources that were not readily identified and accessed by members of the public without specialized knowledge, unusual effort, or substantial cost. Moreover, the sources that Claimant 1 cultivated collectively raised a strong inference of securities law violations that was not otherwise reasonably inferable from any of the sources individually. In all, Claimant 1's own examination, evaluation, and analysis contributed significant independent information that bridged the gap between certain publicly available information and the possible securities violations that the Commission and the Other Agency were investigating.

<sup>9</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(a).

<sup>10</sup> Related Action 1  
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Action 1 constitutes a "related action" to the Covered Action within the meaning of Exchange

Action 2.<sup>11</sup> Further, the record reflects that: (1) Claimant 1's information, which included a detailed suggested witness list and other charts reflecting <sup>Redacted</sup>, was important in connection with the Commission's allegations <sup>Redacted</sup> involving Company 1 <sup>Redacted</sup>; (2) Claimant 1's information and supporting documents saved the Commission significant time and resources; (3) Claimant 1 provided substantial, ongoing assistance to staff in the Division of Enforcement (the "Staff"), which included multiple written submissions and communications, including in-person meetings; and (4) Claimant 1 suffered personal and professional hardships as a result of Claimant 1's whistleblower activities.

However, while Claimant 1's information was important, it was submitted after the Staff had already opened an investigation and after the Staff had already become aware of potential misconduct by Company 1 <sup>Redacted</sup>. Furthermore, Claimant 1's information assisted the Staff in connection with only some of the misconduct that the Staff was investigating and which the Commission ultimately charged in the Covered Action.

We further find that Related Action 1 and Related Action 2 are "related actions" under Exchange Act Rule 21F-3(b)(1) <sup>Redacted</sup>. Claimant 1 satisfies the requirements of Exchange Act Rule 21F-3(b)(2) <sup>Redacted</sup> for related action awards because Related Action 1 and Related Action 2 were based in part on the same original information that Claimant 1 voluntarily provided to the Commission. Specifically, Claimant 1 voluntarily provided original information to the Commission as well as to the Other Agency, and Claimant 1's information led to the successful enforcement of Related Action 1 and Related Action 2.

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Act Section 21F(a)(5), 15 U.S.C. § 78u-6(a)(5), and Exchange Act Rule 21F-3(b) promulgated thereunder, 17 C.F.R. § 240.21F-3(b), as it is <sup>Redacted</sup> and it is based on the same original information that the whistleblower voluntarily provided to the Commission and which led the Commission to obtain monetary sanctions totaling more than \$1,000,000.

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In light of these considerations and the relevant factors specified in Exchange Act Rule 21F-6,<sup>12</sup> it is appropriate that Claimant 1 receive an award of <sup>Redacted</sup> ( <sup>\*\*\*</sup> %) of the monetary sanctions collected, or to be collected, in the Covered Action, Related Action 1 and Related Action 2.

**B. Claimant 3**

The record demonstrates that Claimant 3 voluntarily provided original information to the Commission, and Claimant 3's original information led to the successful enforcement of the Covered Action.<sup>13</sup> Further, the record reflects that: (1) Claimant 3's information <sup>Redacted</sup> was submitted after the Staff's investigation had been opened and the Staff had undertaken significant investigative steps; and (2) Claimant 3's information and assistance was much more limited as compared to the information and assistance provided by Claimant 1.

In light of these considerations and the relevant factors specified in Exchange Act Rule 21F-6, it is appropriate that Claimant 3 receive an award of <sup>\*\*\*</sup> percent ( <sup>\*\*\*</sup> %) of the monetary sanctions collected, or to be collected, in the Covered Action.

**C. Claimant 2**

We deny an award to Claimant 2 in connection with the Covered Action. <sup>Redacted</sup>  
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<sup>12</sup> In determining the amount of the awards to Claimant 1, we considered the following factors set forth in Exchange Act Rule 21F-6 as they apply to the facts and circumstances of Claimant 1's application: (1) the significance of information; (2) the assistance provided; (3) the 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.

<sup>13</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(a).

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<sup>16</sup> Because Claimant 2 is not eligible for an award in the Covered Action, Claimant 2 is not eligible for a related action award. A related action award may be made only if, among other things, the claimant satisfies the eligibility criteria for an award for the applicable covered action in the first instance. *See* 15 U.S.C. § 78u-6(b); Exchange Act Rule 21F-3(b), (b)(l); Exchange Act Rule 21F-4(f) and (g); Exchange Act Rule 21F-11(a).

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In sum, we see no reason for the Commission to

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There is no reason to disturb the CRS's preliminary determination that Claimant 2's award claim should be denied because

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### III. Conclusion

Accordingly, it is hereby ORDERED that: (1) Claimant 1 shall receive an award of <sup>Redacted</sup> percent (\*\*%) of the monetary sanctions collected, or to be collected, in the Covered Action, Related Action 1, and Related Action 2; (2) Claimant 3 shall receive an award of <sup>Redacted</sup> percent (\*\*%) of the monetary sanctions collected, or to be collected, in the Covered Action; and (3) Claimant 2 shall be denied an award in the Covered Action

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By the Commission.

Vanessa A. Countryman  
Secretary