

FINAL ORDER – THIS PRELIMINARY DETERMINATION BECAME THE FINAL ORDER
OF THE COMMISSION ON NOVEMBER 13, 2020 PURSUANT TO RULE 21F-10(f) OF THE
SECURITIES EXCHANGE ACT OF 1934

Notice of Covered Action: [REDACTED]

PRELIMINARY DETERMINATIONS OF THE CLAIMS REVIEW STAFF

In response to the above-referenced Notice of Covered Action, the U.S. Securities and Exchange Commission received a whistleblower award claim from [REDACTED] (“Claimant 1”), [REDACTED] (“Claimant 2”), [REDACTED] (“Claimant 3”) and [REDACTED] (“Claimant 4”) for the above-referenced matter. 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 above claims in accordance with the criteria set forth in Rules 21F-1 through 21F-17.

The Claims Review Staff has preliminarily determined to recommend that the Commission deny the above award claims.¹ The bases for these determinations are marked below as follows:

Claimants 1, 2, 3 and 4 did not provide information that led to the successful enforcement of the above-referenced 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 because any information provided did not, under Rule 21F-4(c)(1) of the Exchange Act: (1) cause the Commission to (a) commence an examination, open or reopen an investigation, or inquire into different conduct as part of a current Commission examination or investigation, and (b) thereafter bring an action based, in whole or in part, on conduct that was the subject of claimants’ information; or (2) significantly contribute to the success of a Commission judicial or administrative enforcement action under Rule 21F-4(c)(2) of the Exchange Act.²

¹ To the extent Claimants have applied for an award in a related action, because Claimants are not eligible for an award in an SEC Covered Action, they are not eligible for an award in connection with any related action. See 15 U.S.C. § 78u-6(b); Exchange Act Rule 21F-3(b), (b)(1); Rule 21F-4(g) and (f); Rule 21F-11(a); see also Order Determining Whistleblower Award Claim, Release No. 34-86902 (Sept. 9, 2019).

² Investigative staff responsible for the Covered Action never received any information from, or had any communications with, Claimants 2 and 4. Claimant 1 provided information to the Commission approximately 2 weeks before the Commission filed the Covered Action and did not provide any information that was not already known to investigative staff. Claimant 3’s submissions contained privileged material and were segregated from investigative staff responsible for the investigation leading to the Covered Action. Investigative staff did not use any information provided by Claimant 3 or otherwise communicate with Claimant 3. Also, while not a basis for denial, Claimant 3 may not have provided original information under Rule 21F-4(b)(4)(i) because Claimant 3 obtained the information through a “communication that was subject to the attorney-client privilege” and disclosure of the

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Claimants 1 and 2 are not “whistleblowers” under Exchange Act Rule 21F-2(a)(1) with respect to the Covered Action. To qualify as a whistleblower, an individual must (among other things) provide information regarding a potential securities law violation to the Commission in the form and manner that is required by Exchange Act Rule 21F-9, which Claimants 1 and 2 did not do.³

Claimants failed to submit the claim for award to the Office of the Whistleblower within ninety (90) days of the date of the above-referenced Notice for the Covered Action, as required under Rule 21F-10(b) of the Exchange Act.

Claimants’ whistleblower submission(s), upon which Claimants base the claim for an award, was not made voluntarily as required by Exchange Act Section 21F and Rules 21F-3 and 21F-4(a)(1) because Claimants made the submission(s) after a request, inquiry, or demand that relates to same subject matter as the submission(s) was directed to Claimants or anyone representing Claimants (such as an attorney) by (i) the Commission, (ii) another regulatory or law enforcement agency or self-regulatory organization (such as FINRA), or (iii) Congress or any other authority of the federal government.

Claimants did not provide “original information” that led to the successful enforcement of the above-referenced Covered Action within the meaning of Section 21F(b)(1) of the Exchange Act and Rules 21F-3(a)(2) and 21F-4(b) thereunder because the information was not derived from Claimants’: (1) “independent knowledge,” as defined under Rule 21F-4(b)(2), but instead was derived entirely from “publicly available sources;” or (2) “independent analysis,” as defined under Rule 21F-4(b)(3), because the information did not include an examination and evaluation of information that “reveals information that is not generally known or available to the public.”

Claimant 1 did not provide “original information” that led to the successful enforcement of the above-referenced Covered Action within the meaning of

information may not have been otherwise permitted. Further, it does not appear that Claimant 3’s submissions were made voluntarily as Commission staff contacted Claimant 3 before Claimant 3 submitted any information to the Commission.

³ Claimant 1 did not submit information on Form TCR. Claimant 2 did not submit information as a whistleblower tip.

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Section 21F(b)(1) of the Exchange Act and Rules 21F-3(a)(2) and 21F-4(b) thereunder because the information provided by Claimant was already known to the Commission.⁴

Claimants did not provide “original information” that led to the successful enforcement of the above-referenced Covered Action within the meaning of Section 21F(b)(1) of the Exchange Act and Rules 21F-3(a)(2) and 21F-4(b) thereunder because the information was not provided to the Commission for the first time after July 21, 2010 (the date of enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act).

By: Claims Review Staff

Date: September 14, 2020

⁴ Claimant 1 did not provide any information that was not already known to the investigative staff responsible for the Covered Action.