

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 93726 / December 7, 2021

WHISTLEBLOWER AWARD PROCEEDING  
File No. 2022-20

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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 that Redacted (“Claimant”) receive a whistleblower award of Redacted percent ( \*\*\* %) of the monetary sanctions collected or to be collected in the Covered Action, which would result in a current award of more than \$4.9 million.<sup>1</sup> Claimant provided written notice of Claimant’s decision not to contest the Preliminary Determination.<sup>2</sup>

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<sup>1</sup> Amounts distributed by a court-appointed receiver to defrauded investors as relief for the securities law violations may be included as “collected” monetary sanctions upon which a whistleblower award may be based. *See* Exchange Act Rule 21F-4(e) (“monetary sanctions” defined to include: (1) “[a]n order to pay money that results from a Commission action or related action and which is either (i) [e]xpressly designated as a penalty, disgorgement, or interest; or (ii) [o]therwise ordered as relief for the violations that are the subject of the covered action or related action; or (2) [a]ny money deposited into a disgorgement fund or other fund pursuant to section 308(b) of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7246)), as a result of such action or related action.”).

<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(a). The CRS also preliminarily determined to recommend that the award claim of a second claimant be denied. Because that claimant did not respond to the preliminary denial, it is now deemed to be the Final Order of the Commission through operation of law.

The recommendation of the CRS is adopted. The record demonstrates that Claimant voluntarily provided original information to the Commission that led to the successful enforcement of the Covered Action.<sup>3</sup>

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 amount is appropriate.<sup>4</sup> In reaching that determination, we considered that: (1) Claimant quickly reported to the Commission that the defendants may have been misusing proceeds from a securities offering upon learning of the suspected misconduct; (2) Claimant's information enabled Commission staff to more quickly and efficiently develop a case theory, subpoena important documents, investigate and establish the defendants' misuse of offering proceeds, which ultimately became an important part of the Commission's case against the defendants; (3) Claimant provided additional assistance to Commission staff by participating in two interviews and providing financial documents relating to the misuse of offering proceeds; and (4) Claimant's information and assistance helped the Commission bring the Covered Action and return millions of dollars to harmed investors.

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

By the Commission.

Vanessa A. Countryman  
Secretary

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<sup>3</sup> See Exchange Act Section 21(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>4</sup> In assessing the appropriate award amount, 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 in 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.