

UNITED STATES OF AMERICA  
before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 88759 / April 28, 2020

WHISTLEBLOWER AWARD PROCEEDING  
File No. 2020-17

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In the Matter of the Claims for an Award

in connection with

Redacted

Notice of Covered Action Redacted

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**ORDER DETERMINING WHISTLEBLOWER AWARD CLAIMS**

The Claims Review Staff (“CRS”) issued a Preliminary Determination recommending that Redacted (“Claimant”) receive a whistleblower award in the amount of <sup>\*\*\*</sup> percent (<sup>\*\*\*</sup>) of the monetary sanctions collected in the above referenced Covered Action (“Covered Action”) for a payout of more than \$18 million. Claimant provided written notice of Claimant’s decision not to contest the Preliminary Determination.<sup>1</sup>

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>2</sup>

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<sup>1</sup> The Preliminary Determination of the CRS also recommended denying an award to three other individuals who submitted award claims in the Covered Action. Those claimants did not submit a request for reconsideration, and the preliminary denial of their award claims is now deemed to be the Final Order of the Commission pursuant to Rule 21F-10(f) under the Securities Exchange Act of 1934 (“Exchange Act”), 17 C.F.R. § 240.21F-10(f).

<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).

Applying the award criteria in Rule 21F-6 of the Exchange Act to the specific facts and circumstances here, we find the proposed award amount is appropriate.<sup>3</sup> In reaching that determination, we positively assessed the following facts: (1) Claimant's information was significant in that it alerted Commission staff to potential securities violations at the firm and prompted an examination by staff in the Commission's Office of Compliance, Inspections, and Examinations; (2) Claimant provided assistance to staff during the examination; (3) there are important law enforcement interests here as the Covered Action resulted in millions of dollars being returned to retail investors; (4) Claimant suffered hardships as a result of Claimant's internal reporting; and, (5) Claimant reported multiple times internally in an attempt to immediately correct the problem. In determining the appropriate award percentage, we also considered that while Claimant's information was significant, exam staff discovered violations that were broader than what was alleged by Claimant, and that a large portion of the monetary sanctions ordered against the firm related to conduct that was not reported by the Claimant to the Commission.

Accordingly, it is ORDERED that Claimant shall receive an award of \*\*\* percent (\*\*\*) of the monetary sanctions collected in the Covered Action.

By the Commission.

Vanessa Countryman  
Secretary

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<sup>3</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 by 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.