

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 90867 / January 7, 2021

WHISTLEBLOWER AWARD PROCEEDING
File No. 2021-22

In the Matter of the Claim for an Award

in connection with

Redacted

Redacted

Redacted

Notice of Covered Action Redacted

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIM

The Claims Review Staff (“CRS”) issued a Preliminary Determination recommending that Redacted (“Claimant”) receive a whistleblower award of more than \$100,000, which represents ^{***} percent (^{***} %) of the monetary sanctions collected, or to be collected, in the above-referenced Covered Action (the “Covered Action”).¹ Claimant provided written notice of Claimant’s decision not to contest the Preliminary Determination.

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.² Claimant satisfied the original information requirement by providing independent analysis based on publicly available information about Redacted

¹ The Commission finds that the above-referenced enforcement actions arose out of the same nucleus of operative facts under Exchange Act Rule 21F-4(d), and should be treated together as a single Covered Action for the purpose of making this whistleblower award.

² See Securities Exchange Act of 1934 (“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).

Redacted (the “Company”).³ Claimant used information from various publicly available documents to calculate an estimate of an important metric for the Company. Claimant then compared the calculation with information Claimant found in Claimant’s own research and showed that the Company’s disclosures regarding that metric were implausible.⁴ Claimant also undertook additional activities, including Redacted

, which added to Claimant’s evaluation that the Company was engaging in misconduct. Claimant’s analysis revealed important new information to the Commission that was not apparent from the face of the publicly available materials.

Rule 21F-6(c) establishes a presumption of a statutory maximum award of 30% where (1) the maximum award would be \$5 million or less; (2) none of the negative award factors under Rule 21F-6(b)—*i.e.*, culpability, unreasonable reporting delay, or interference with an internal compliance and reporting system—are present; and (3) the award claim does not trigger Rule 21F-16.⁵ The Commission may depart from the presumption if (1) the assistance provided by the whistleblower was, “under the relevant facts and circumstances, limited,” or (2) a maximum award “would be inconsistent with the public interest, the promotion of investor protection, or the objectives of the whistleblower program.”⁶

The presumption applies here because a maximum award would not exceed \$5 million, no negative factors under Rule 21F-6(b) are present with respect to the award application, and the award claim does not trigger Rule 21F-16. However, the Commission finds that the presumption has been overcome because of the limited assistance that Claimant provided. Although Claimant’s information caused the investigation that gave rise to the Covered Action to be opened, the charges did not have a strong nexus with Claimant’s tip, and were largely based on evidence developed through the efforts of Enforcement staff in reviewing certain documents and not through any assistance Claimant provided. The Covered Action also involved charges against other parties for which Claimant provided no assistance. The Commission therefore finds that a departure from a maximum award is appropriate here.

³ To be credited with providing “independent analysis,” the whistleblower’s examination and evaluation should contribute significant independent information that “bridges the gap” between the publicly available information and the possible securities violations. “[I]n each case, the touchstone is whether the whistleblower’s submission is revelatory in utilizing publicly available information in a way that goes beyond the information itself and affords the Commission with important insights or information about possible violations.” Adopting Release for Amendments to Whistleblower Rules, Release No. 34-89963 (Sept. 23, 2020) at 112-13.

⁴ *Id.* (“non-experts may configure publicly available information in a non-obvious way that reveals patterns indicating possible violations that would not be otherwise inferable from the public information or may engage in highly probative calculations or some other meaningful exercise with the information that may demonstrate the possibility of securities violations”).

⁵ Rule 21F-16 concerns whistleblowers who engage in culpable conduct. *See* 17 C.F.R. §240.21F-16.

⁶ Rule 21F-6(c)(1)(iv); 17 C.F.R. § 240.21F-6(c)(1)(iv).

Accordingly, it is hereby ORDERED that Claimant shall receive an award of ^{***} percent (^{***} %) of the monetary sanctions collected or to be collected in the Covered Action.

By the Commission.

Eduardo A. Aleman
Deputy Secretary