

Notice of Covered Action [REDACTED]
[REDACTED]
[REDACTED]

PRELIMINARY DETERMINATION OF THE CLAIMS REVIEW STAFF

In response to the above-referenced Notice of Covered Action (“Covered Action”), the Securities and Exchange Commission received timely whistleblower award claims from two claimants: [REDACTED] and [REDACTED] (“Claimant #2”) (collectively, “Claimants”). Claimants also sought awards in connection with the above-referenced criminal action (“Criminal Action”). 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 these claims in accordance with the criteria set forth in Rules 21F-1 through 21F-17.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

¹ [REDACTED]

² The Claims Review Staff has preliminarily determined to recommend that the Commission treat as collected sanctions under Section 21F(b)(1) of the Exchange Act those amounts distributed to investors by [REDACTED] in the Covered Action [REDACTED].

³ [REDACTED]

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[REDACTED]

[REDACTED]

Claimant #2

With respect to the Covered Action, the Claims Review Staff has preliminarily determined to recommend that the Commission deny an award to Claimant #2 based on the following.

In connection with [REDACTED] whistleblower award application, it is our preliminary assessment that Claimant #2 knowingly and willfully made false, fictitious, or fraudulent statements or representations within the meaning of Section 21F(i) of the Exchange Act and Rule 21F-8(c)(7) thereunder and therefore is ineligible for an award. Specifically, we preliminarily find that:

In a sworn declaration [REDACTED]
[REDACTED] Claimant #2 falsely stated:

[REDACTED]

[REDACTED]

[REDACTED]

4 [REDACTED]

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[REDACTED]

2. In sworn testimony before Commission staff [REDACTED] Claimant #2 offered a false explanation [REDACTED]

[REDACTED]

5 [REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED] **Action**

The Claims Review Staff has preliminarily determined to recommend that the Commission deny the award applications of both Claimants with respect to the [REDACTED] Action. The record demonstrates that the [REDACTED] Action is predominantly an enforcement action involving violations of the [REDACTED]. Congress has established a separate, directly applicable whistleblower program administered by [REDACTED] for such cases. For this reason, we do not treat the [REDACTED] Action as a “related action” upon which to base a Commission whistleblower award.⁶

By: Claims Review Staff

Date: June 19, 2020

[REDACTED]

⁶ See *Order Determining Whistleblower Award Claims*, Rel. No. 34-84046 (Sept. 6, 2018). Claimant #2’s claim for award in the [REDACTED] Action also is preliminarily denied because Claimant #2 is not eligible for an award in the Covered Action. See Exchange Act Section 21F(b), 15 U.S.C. § 78u-6(b); Exchange Act Rules 21F-3(b), (b)(1), 21F-4(g) & (f), 21F-11(a), 17 C.F.R. §§ 240.21F-3(b), (b)(1), 21F-4(g) & (f), 21 F-11(a) (providing that related action awards 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); *Order Determining Whistleblower Award Claims*, Rel. No. 34-84506, at *8 n.5 (Oct. 30, 2018) (same).