

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION
SECURITIES EXCHANGE ACT OF 1934
Release No. 89721 / September 1, 2020
WHISTLEBLOWER AWARD PROCEEDING
File No. 2020-28

In the Matter of the Claim for an Award

in connection with

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Notice of Covered Action Redacted

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIM

The Claims Review Staff (“CRS”) issued a Preliminary Determination recommending that Redacted (“claimant 1”) and Redacted (“claimant 2”) jointly¹ receive a whistleblower award in the amount of over \$2,500,000 (*** % of the monetary sanctions collected in Redacted

¹ We have determined to treat claimant 1 and claimant 2 jointly as a “whistleblower” for purposes of the award determination given that a Form TCR was submitted on behalf of both of them and they submitted their Forms WB-APP together via the same counsel. *See* Securities Exchange Act of 1934 (“Exchange Act”) Section 21F(a)(6) (defining a “whistleblower” to include two or more individuals acting jointly who provide information relating to a violation of the securities laws to the Commission). Our proceeding in this way has not impacted the total award percentage to claimants. Unless claimants, within ten (10) calendar days of the issuance of this Order, make a joint request, in writing, for a different allocation of the award between the two of them, the Office of the Whistleblower is directed to pay each of them individually 50% of their joint award.

Redacted

).² Claimant 1 and claimant 2 subsequently provided written notice of claimants' decision not to contest the Preliminary Determination.

The recommendation of the CRS is adopted. The record demonstrates that claimants voluntarily provided original information to the Commission that led to the successful enforcement of the Covered Action.³ In particular, claimants, both unaffiliated outsiders to the company that was the subject of the Covered Action, provided highly-probative independent analysis based upon publicly available information that revealed possible accounting violations at the subject company and caused the staff to open the investigation that resulted in the Covered Action.

Applying the award criteria in Exchange Act Rule 21F-6 to the specific facts and circumstances here, we find that the proposed award amount is appropriate.⁴ In reaching that determination, we positively assessed the following facts: (i) that claimants' tip caused the opening of the investigation and was the underlying source that formed the basis for the Covered Action; (ii) that the violations charged in the Covered Action related to the detailed analysis submitted by claimants, as well as information uncovered by claimants based on ^{Redacted}; and (iii) that claimants provided substantial, ongoing assistance which focused the investigation and conserved significant Commission staff time and resources.

Accordingly, it is hereby ORDERED that claimants shall jointly receive an award of over \$2,500,000 (% of the monetary sanctions collected in the Covered Action).

By the Commission.

Vanessa A. Countryman
Secretary

² For the purposes of making an award, we consider the administrative actions in this matter as a single Covered Action because they arose out the same nucleus of operative facts. *See* Exchange Act Rule 21F-4(d)(1), 17 C.F.R. §240.21F-4(d)(1).

³ *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).

⁴ 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 Covered Action; (3) the 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.