

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION
SECURITIES EXCHANGE ACT OF 1934
Release No. 74781 / April 22, 2015
WHISTLEBLOWER AWARD PROCEEDING
File No. 2015-2

In the Matter of the Claim for Award

in connection with

Redacted

Redacted

Notice of Covered Action Redacted

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIM

On December 15, 2014, the Claims Review Staff (“CRS”) issued a Preliminary Determination related to Notice of Covered Action Redacted (the “Covered Action”). The Preliminary Determination recommended that Claimant (“Claimant”) receive a whistleblower award because Claimant voluntarily provided original information to the Commission that led to the successful enforcement of the Covered Action pursuant to Section 21F(b)(1) of the Securities Exchange Act of 1934 (the “Exchange Act”), 15 U.S.C. § 78u-6(b)(1), and Rule 21F-3(a) thereunder, 17 C.F.R. § 240.21F-3(a).¹

¹ Claimant was a Redacted at the time Claimant obtained the information. As a result, in preliminarily determining that Claimant had provided original information, the CRS considered whether Claimant’s information was derived from Claimant’s independent knowledge or independent analysis. Under Rule 21F-4(b)(1), “[i]n order for [a] whistleblower submission to be considered original information, it must,” among other requirements, be “[d]erived from [the whistleblower’s] independent knowledge or independent analysis.” 17 C.F.R. § 240.21F-4(b)(1). In turn, Rule 21F-4(b)(4)(iii)(B) provides that, unless an exception applies, “[t]he Commission will not consider information to be derived from [a whistleblower’s] independent knowledge or independent analysis” if the whistleblower “obtained the information because” the whistleblower was “[a]n employee whose principal duties involve compliance or internal audit responsibilities” 17 C.F.R. § 240.21F-4(b)(4)(iii)(B). The CRS preliminarily determined that Rule 21F-

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Redacted

Notice of Covered Action Redacted

Page 2

Further, the CRS recommended that such award be set in the amount of Redacted Redacted of the monetary sanctions collected or to be collected in the Covered Action, which will equal between \$1,400,000 and \$1,600,000. In arriving at this recommendation, the CRS considered the factors set forth in Rule 21F-6, 17 C.F.R. § 240.21F-6, in relation to the facts and circumstances of Claimant's application.²

On December 16, 2014, Claimant provided written notice to the Commission of Claimant's decision not to contest the Preliminary Determination within the 60-day deadline set out in Rule 21F-10(e) promulgated under the Exchange Act, 17 C.F.R. § 240.21F-10(e). Accordingly, pursuant to Rule 21F-10(f), 17 C.F.R. § 240.21F-10(f), the Preliminary Determination became the Proposed Final Determination of the Claims Review Staff.

Upon due consideration under Rules 21F-10(f) and (h), 17 C.F.R. § 240.21F-10(f) and (h), and for the reasons set forth in the Preliminary Determination, it is hereby ORDERED that Claimant shall receive Redacted of the monetary sanctions collected in this Covered Action.

By the Commission.

Brent J. Fields
Secretary

4(b)(4)(iii)(B) did not apply here to disqualify Claimant's information from treatment as original information pursuant to the exception in Rule 21F-4(b)(4)(v)(A), 17 C.F.R. § 240.21F-4(b)(4)(v)(A), because Claimant "had a reasonable basis to believe that disclosure of the information to the Commission [was] necessary to prevent the relevant entity from engaging in conduct that [was] likely to cause substantial injury to the financial interest or property of the entity or investors."

² The Preliminary Determination also recommended that an award application from a second claimant in connection with the Covered Action should be denied because the second claimant did not provide information that led to the successful enforcement of the Covered Action within the meaning of Section 21F(b)(1) of the Exchange Act and Rules 21F-3(a)(3) and 21F-4(c) thereunder. The second claimant thereafter failed to submit a timely response contesting the Preliminary Determination. Accordingly, pursuant to Rule 21F-10(f), 17 C.F.R. § 240.21F-10(f), the Preliminary Determination to deny the second claimant's award application became the Final Order of the Commission as to that second claimant.