

PUBLIC VERSION

Claimant 1 also satisfied the eligibility requirements for an award. *See* 17 C.F.R. §§ 165.5, 165.6.

Claimant 1 submitted a Form TCR, voluntarily provided original information, and provided assistance to Commission staff during the course of the investigation. Moreover, Claimant 1 does not fall into any of the categories of individuals ineligible for an award. *See* 17 C.F.R. § 165.6.

The Rules justify awarding Claimant 1 $\frac{Ro}{acc}$ % of the monetary sanctions collected.¹ Claimant 1's information was specific, timely, and credible, and caused Commission staff to launch an investigation.

Claimant 1's information was essential to the success of the Redacted. The Division was unaware of the violations before Claimant 1 provided information regarding them. Claimant 1 was extensively involved in the investigation, and was truthful, forthcoming, and cooperative. Claimant 1's willingness to provide the Commission with ongoing, extensive, and timely assistance conserved Commission resources. Moreover, the Commission has significant programmatic and law enforcement interests in ensuring that Redacted. Granting an award to Claimant 1 will incentivize whistleblowers to report Redacted.

. It would also provide notice to market participants that individuals are reporting quality information about violations of the CEA, thereby enhancing the Commission's ability to enforce the CEA.

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¹ For whistleblowers eligible to receive an award, Rule 165.9 contains the factors that influence the percentage amount of an award that the whistleblower receives, including factors to be taking into consideration, factors that may increase the amount of a whistleblower's award, and factors that may decrease the amount of a whistleblower's award, *See* 17 C.F.R. § 165.9.

Redacted

The CEA and the Rules do not require that the calculation of the award amount to be based solely on the monetary sanctions collected by the Commission. The specific phrase “collected by the Commission”² is used in Section 23(g)(3)(A) of the CEA and Rule § 165.12(b)(1) when discussing deposits and credits into the Commission’s Customer Protection Fund. See 7 U.S.C § 26(g)(3)(A); 17 C.F.R. § 165.12(b)(1). However, when discussing the calculation of a whistleblower award, the CEA and the Rules use the phrase “what has been collected of the *monetary sanctions imposed* in the covered judicial or administrative action or related action.” See 7 U.S.C. § 26(b); 17 C.F.R. § 165.8. Unlike the language used in subsection (g)(3) of the CEA and subsection 165.12(b)(1) of the Rules, this language does not require that the monetary sanctions be specifically collected by the Commission. Additionally, the CEA and the Rules broadly define “monetary sanctions” with respect to any judicial or administrative action to include “any monies, including penalties, disgorgement ..., *ordered to be paid.*” 7 U.S.C. § 26(a)(3)(A); 17 C.F.R. § 165.2(j)(1) (emphasis added). Again, the requirement is only that these sanctions are “ordered to be paid” by the Commission; not directly collected by the Commission.

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² The phrase “collected by the Commission” is defined in 17 C.F.R. § 165.2(d) to refer to any funds received, and confirmed by the U.S. Department of the Treasury, in satisfaction of part or all of a civil monetary penalty, disgorgement obligation, or fine owned to the Commission.”

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3 Redacted
4 Redacted
5

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None of the Claimants responded to the Preliminary Determination.⁶ Pursuant to Rule 165.7(h), 17 C.F.R. § 165.7(h), the Preliminary Determination becomes final because Claimants 2 - 5 failed to submit a timely response contesting the Preliminary Determination, which constitutes a failure to exhaust administrative remedies. Accordingly, Claimants are prohibited from pursuing an appeal under Rule 165.13, 17 C.F.R. § 165.13.

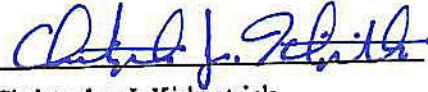
It is hereby ORDERED that Claimant 1 shall receive $\frac{\text{Redacted}}{100}$ % of the monetary sanctions collected in the ^{Redacted} ; and it is further ORDERED that the award claims of Claimant 2, Claimant 3, Claimant 4, and Claimant 5 be, and hereby are, denied.

By the Commission.

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Christopher J. Kirkpatrick

Secretary of the Commission

Commodity Futures Trading Commission

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Dated: July 12, 2018