
Divided SEC Adopts Rules Implementing Dodd-Frank Whistleblower Award Provisions

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On May 25, 2011, the Securities and Exchange Commission ("SEC" or "the Commission") adopted the final rules (the "Rules") implementing Section 21F of the Securities Exchange Act of 1934 ("Exchange Act"), "Securities Whistleblower Incentives and Protection." Adoption of the Rules was by a 3-2 vote. Section 21F was added to the Exchange Act by the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank") and requires that the SEC shall pay an award to one or more whistleblowers who have "voluntarily provided original information to the Commission that led to the successful enforcement of the covered judicial or administrative action, or related action." A "covered judicial or administrative action" is an action brought by the SEC under the Federal securities laws those results in monetary sanctions exceeding \$1,000,000.

Attorneys

- Charles A. Gilman
- John J. Schuster