

**61-1-106 Award for reporter.**

- (1) Subject to Section 61-1-108 and the other provisions of this section, the commission may award an award to one or more reporters who voluntarily provide original information to the commission or division that leads to the successful enforcement of a covered judicial or administrative action.
- (2) The division shall pay an award under this section from the fund.
- (3)
  - (a) Subject to the other provisions of this section, the commission may determine the amount of award paid under this section, except that in determining the amount the commission shall consider:
    - (i) the significance of the original information provided by the reporter to the success of the covered judicial or administrative action;
    - (ii) the degree of assistance provided by the reporter in relation to the covered judicial or administrative action;
    - (iii) any costs of legal representation for the reporter in relation to the covered judicial or administrative action;
    - (iv) the programmatic interest of the commission in deterring a violation of this chapter by making an award to a reporter who provides original information that leads to the successful enforcement of this chapter;
    - (v) whether, and the extent to which, the reporter or a legal representative of the reporter participated in internal compliance systems, including:
      - (A) whether, and the extent to which, the reporter reported the possible securities violation through internal reporting, legal, or compliance procedures before, or at the same time as reporting the securities violation to the division or commission; and
      - (B) whether, and the extent to which, the reporter assisted an internal investigation or inquiry concerning the reported securities violation; and
    - (vi) any other relevant factor that the division may establish by rule.
  - (b) The aggregate amount of awards that the commission may award for a specific covered judicial or administrative action may not exceed:
    - (i) the balance in the fund as of the date the awards are determined; or
    - (ii) 30%, in total, of what is collected of the monetary sanction imposed in the judicial or administrative action.
- (4) The commission may not award a reporter under this section if the reporter:
  - (a) is convicted of a criminal violation related to the covered judicial or administrative action for which the reporter otherwise could receive an award;
  - (b) gains the original information through the performance of an audit of financial statements required under securities laws and for whom providing the original information would violate 15 U.S.C. Sec. 78j-1;
  - (c) fails to provide the original information to the commission or division in accordance with Section 61-1-103;
  - (d) knowingly or recklessly makes a false, fictitious, or fraudulent statement or misrepresentation;
  - (e) uses a false writing or document knowing that, or with reckless disregard as to whether, the writing or document contains false, fictitious, or fraudulent information;
  - (f) knows that, or has a reckless disregard as to whether, the disclosure is of original information that is false or frivolous;
  - (g) has a legal duty to report the original information to the commission or division; or
  - (h) qualifies for an award as described in Section 21F of the Securities Exchange Act, 15 U.S.C. Sec. 78u-6, and regulations issued under that section.

Amended by Chapter 366, 2012 General Session  
Amended by Chapter 369, 2012 General Session