UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 100969 / September 9, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-22078

In the Matter of **a.k.a. Brands Holding Corp.,** **Respondent.**	**ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 ("Exchange Act"), against a.k.a. Brands Holding Corp. ("a.k.a. Brands" or "Respondent").

II.

In anticipation of the institution of these proceedings, a.k.a. Brands has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over it and the subject matter of these proceedings, which are admitted, a.k.a. Brands consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order ("Order"), as set forth below.

III.

On the basis of this Order and a.k.a. Brands' Offer, the Commission finds that:

Respondent

1. **a.k.a. Brands**, a Delaware corporation based in San Francisco, California, is a global fashion company that operates through four primary business units. The common stock of a.k.a. Brands is registered with the Commission pursuant to Section 12(b) of the Exchange Act and is listed on the New York Stock Exchange under the ticker "AKA."

Facts

A. Statutory and Regulatory Framework Protecting Whistleblowers

2. The Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"), enacted on July 21, 2010, amended the Exchange Act by adding Section 21F, "Whistleblower Incentives and Protection." The congressional purpose underlying these provisions was "to encourage whistleblowers to report possible violations of the securities laws by providing financial incentives, prohibiting employment-related retaliation, and providing various confidentiality guarantees." *See Implementation of the Whistleblower Provisions of Section 21F of the Securities Exchange Act of 1934*, Release No. 34-64545, at p. 197 (Aug. 12, 2011).

3. Congress explicitly noted the importance of providing financial incentives to promote whistleblowing to the Commission as it determined that "a critical component of the Whistleblower Program is the minimum payout that any individual could look towards in determining whether to take the enormous risk of blowing the whistle in calling attention to fraud." *See The Restoring American Financial Stability Act of 2010*, Committee on Banking, Housing, and Urban Affairs (Apr. 30, 2010).

4. To fulfill this congressional purpose, the Commission adopted Rule 21F-17, which provides in relevant part:

> (a) No person may take any action to impede an individual from communicating directly with the Commission staff about a possible securities law violation, including enforcing, or threatening to enforce, a confidentiality agreement . . . with respect to such communications.

Rule 21F-17 became effective on August 12, 2011.

B. a.k.a. Brands' Employment and Separation Agreements

5. As a regular part of its business, a.k.a. Brands enters into employment agreements with new employees and severance agreements with departing employees. These agreements define the rights and responsibilities of the company and the employee during the employment relationship and after the employee's departure.

6. Between June 1, 2019, and January 8, 2021, a.k.a. Brands entered into three employment agreements and two severance agreements that required employees to waive their

right to recover a monetary award for participating in an investigation by a government agency. Specifically, each of these agreements required employees to execute a general release following the end of their employment that, while expressly permitting them to participate in government whistleblower programs, also required the employees to waive their right to a potential award. These general releases stated:

> I agree that I am waiving all rights to sue or obtain equitable, remedial or punitive relief from any or all Released Parties of any kind whatsoever, including, without limitation, reinstatement, back pay, front pay, attorneys' fees and any form of injunctive relief. Notwithstanding the above, I further acknowledge that I am not waiving and am not being required to waive any right that cannot be waived under applicable law, including the right to file an administrative charge or participate in an administrative investigation or proceeding; **provided, however, that I disclaim and waive any right to share or participate in any monetary award resulting from the prosecution of such charge or investigation or proceeding.**

(Emphasis added.)

7. Similarly, between May 10, 2019, and October 9, 2023, a.k.a. Brands entered into an additional thirty-five severance agreements that permitted departing employees to participate in government whistleblower programs but required them to waive their right to recover a monetary award. These agreements stated:

> [N]othing in this Severance Agreement prohibits or prevents Employee from filing a charge with or participating, testifying or assisting in any investigation, hearing whistleblower action or other proceeding before any federal, state or local government agency (e.g., EEOC, DFEH, NLRB, SEC, etc.), nor does anything in this Severance Agreement preclude, prohibit or otherwise limit, in any way, Employee's rights and abilities to contact, communicate with, report matters to or otherwise participate in any whistleblower program administered by any such agencies. **However, to the maximum extent permitted by law, Employee agrees that if such an administrative claim is made, Employee shall not be entitled to recover any individual monetary relief or other individual remedies.**

(Emphasis added.)

8. On April 7, 2020, a.k.a. Brands entered into a severance agreement that required a departing employee to waive his right to file a complaint with any federal government agency. That agreement stated:

> As further consideration and inducement for this Agreement, Employee represents that he has not filed or otherwise pursued any charges, complaints, or claims of any nature which are in any way pending against any of the Released Parties with any local, state, or federal government agency or court or neutral with respect to any matter covered by this Agreement, and he will not do so in the future.

9. Although the Commission is unaware of any instances in which a.k.a. Brands took action to enforce these provisions or in which the affected employees declined to speak with the Commission staff about potential violations of securities laws, these provisions created impediments to participation in the Commission's whistleblower program by requiring former employees to forego either their right to file a complaint with the Commission staff or the financial award they might receive for doing so.

10. Through the conduct described above, a.k.a. Brands violated Exchange Act Rule 21F-17(a), which prohibits any person from taking any action to impede an individual from communicating directly with the Commission staff about a possible securities law violation.

Remedial Actions and Cooperation

11. After being contacted by the Commission staff in connection with this matter, a.k.a. Brands revised its internal agreement templates, adding language affirmatively advising employees that they are not prohibited from disclosing information to any governmental or regulatory authority, or collecting any related incentive awards. a.k.a. Brands also used reasonable efforts to notify the affected employees that their employment and severance agreements do not in any way limit their ability to contact the Commission staff or to obtain an award in connection with information they provide.

12. In determining to accept the Offer, the Commission considered remedial acts promptly undertaken by a.k.a. Brands and cooperation afforded to the Commission staff.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in a.k.a. Brands' Offer.

Accordingly, it is hereby ORDERED that**:**

A. Pursuant to Section 21C of the Exchange Act, a.k.a. Brands cease and desist from committing or causing any violations and any future violations of Exchange Act Rule 21F-17(a).

B. a.k.a. Brands shall, within ten days of the entry of this order, pay a civil money penalty in the amount of $399,750 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

Payment must be made in one of the following ways:

(1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

(2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at http://www.sec.gov/about/offices/ofm.htm; or

(3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying a.k.a. Brands as a respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Nicholas P. Heinke, Associate Regional Director, Division of Enforcement, United States Securities and Exchange Commission, 1961 Stout Street, Suite 1700, Denver, CO 80294.

C. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, it shall not argue that it is entitled to, nor shall it benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that it shall, within thirty days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

By the Commission.

Vanessa A. Countryman
Secretary