

This report provides a summary of relevant data and documents we received in response to Freedom of Information Act (FOIA) requests we filed on this company.

Documents Released on a Closed, but Undisclosed SEC Probe

Watch List Status: Removed from Watch List of Companies with Undisclosed SEC Probes.

We recently received documents from the SEC pertaining to a now-closed SEC probe our research shows was not disclosed by Southwest Airlines Co. SEC investigations found, off-and-on, since Dec-2012. First response indicating most recent SEC probe dated 16-Sep-2015 which was then confirmed three times since. In a letter dated 22-Sep-2017, the SEC sent us 16 pages of records from a 2016 undisclosed SEC probe involving LUV that is closed. Details below/documents posted to our website. As no other indications of recent investigative activity were found, Southwest Airlines Co. is removed from our Watch List.

Since we know there was at least one investigation in the recent past, we recommend those with an interest ask Markel Corp. what contact it's had with the SEC's Division of Enforcement in the past two years.

From the Probes Reporter Database:

We filed our first FOIA request on this company in **Sep-2012**.

If we alert you to existence of an undisclosed SEC probe – or any response from the SEC – that means we filed a FOIA request on the company in question and have a response, in black-and-white, on government letterhead that supports our statement. Below is our response history for this company –

4-Dec-2012	FOIA Response	SEC denies access to records over concern their release, "could reasonably be expected to interfere with enforcement activities."
17-Jul-2013	FOIA Response	No SEC investigative records found.
19-Dec-2013	FOIA Response	No SEC investigative records found.
22-Oct-2014	FOIA Response	No SEC investigative records found.
16-Sep-2015	FOIA Response	SEC denies access to records over concern their release, "could reasonably be expected to interfere with enforcement activities."
14-Oct-2015	Appeal Response	Existence of on-going SEC enforcement proceedings confirmed on appeal; Access to records remains blocked.
17-May-2016	FOIA Response	SEC denies access to records over concern their release, "could reasonably be expected to interfere with enforcement activities."
31-May-2016	Appeal Response	Existence of on-going SEC enforcement proceedings confirmed on appeal; Access to records remains blocked.
19-Jan-2017	FOIA Response	SEC denies access to records over concern their release, "could reasonably be expected to interfere with enforcement activities."
6-Feb-2017	Appeal Response	Existence of on-going SEC enforcement proceedings confirmed on appeal; Access to records remains blocked.
22-Sep-2017	FOIA Response with Document(s)	Documents released on closed SEC probe(s) of this company. Access to certain other investigative records denied on same probe(s).

Where research history is available in our database, we present it above so you can compare it to company disclosures. Other interpretative guidance and disclosures appear below.

As can be seen in the table above, at least once in the past the SEC had cited the "law enforcement exemption" of the Freedom of Information Act (FOIA) as basis to deny the public's access to the detailed records we sought on this company. As a matter of law, the SEC is acknowledging some sort of investigative activity with this response. We filed an appeal with the SEC Office of the General Counsel to challenge that response. In response to our latest appeal(s), the date(s) of which is/are also shown in the table above, the SEC stated, "We have confirmed with staff that releasing the withheld information could reasonably be expected to interfere with on-going enforcement proceedings."

While the SEC as a matter of course tells the public that an ongoing investigation should not be construed as a finding of any wrong-doing, the public interest is understandably high in tracking these investigations and their outcome. In this case, our research shows these SEC proceedings are undisclosed by **Southwest Airlines Co.**

Notable Disclosures: Repeated searches of this company's SEC filings, from the time of our last report in Feb-2017 back to Oct-2013, found no clear disclosures of SEC investigative activity.

Documents Acquired Under the Freedom of Information Act: In a letter dated 22-Sep-17, the SEC sent us 16 pages of records from a 2016 undisclosed SEC probe involving LUV that is closed. The investigation titled, "In the matter of Certain Airline Disclosure Practices", appears to have been focused on passenger service capacity and related communications with shareholders, investors, or analysts. A one-page Opening Narrative was denied in its entirety.

Editor's Note: When the SEC denies access to records on closed SEC probes, they are frequently blocking internal SEC documents known as, "Opening and Closing Reports, including 'Case Closing Recommendation,' 'Matter Under Inquiry Summary,' 'Investigation Summary,' and/or similar documents and/or reports." A Case Closing Report is merely the cover page for a report called a Case Closing Recommendation. A Case Closing Recommendation is the SEC's report that tells you why a probe was opened, what work was done, and the conclusions reached. To date, the SEC is adamant in its refusal to release even one word from its Case Closing Recommendations and similar documents, a practice for which we remain sharply critical of the agency.

Supplemental Data: None.

Independent Investment Research Focused on Public Company Interactions with the SEC.

Notes: New SEC investigative activity could theoretically begin or end after the date covered by the latest information in this report which would not be reflected here. The SEC did not disclose the details on investigations referenced herein. All we know is that they somehow pertain to the conduct, transactions, and/or disclosures of the companies referenced above. Companies with undisclosed SEC investigations are maintained on our Watch List of companies with undisclosed SEC probes.

The SEC reminds us that its assertion of the law enforcement exemption should not be construed as an indication by the Commission or its staff that any violations of law have occurred with respect to any person, entity, or security.

To learn more about our research process, including how to best use this information in your own decision-making, [click here](#).

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