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

Probes Reporter® research reports provide commentary and analysis on public company interactions with investors and with the SEC. They are heavily reliant on our expertise in using the Freedom of Information Act.

From John's desk: Last week I mentioned we were starting to use a new format with some of our SEC investigation updates. For those who missed it, it goes like this: When you dig into a company the way we do, one cannot help but make observations and form opinions about what you just finished reviewing. You'll now see them written up in a Disclosure Insight® call-out box on the front page of some of our reports.

– John P. Gavin, CFA

Companies in Today's Research Update

- Arrow Electronics, Inc. – ARW
- Citizens Inc. – CIA
- eBay, Inc. – EBAY
- Erin Energy Corp. – ERN
- Monro, Inc. – MNRO
- SciClone Pharmaceuticals, Inc. – SCLN
- Skyworks Solutions Inc. – SWKS
- Southwestern Energy Co. – SWN
- Sun Hydraulics Corp. – SNHY

Plus, in the Probes Reporter Mailbox: [122 Companies with No Signs of Recent SEC Investigative Activity](#)

Company Comments & Watch List Updates

Arrow Electronics, Inc. – ARW: Added to Watch List of companies with undisclosed SEC investigations. The first response indicating an SEC investigation was dated 22-May-2018, and later confirmed on 20-Jun-2018. This is a change from a response dated 07-Jun-2017, at which time no signs of recent SEC investigative activity were found. Today's report includes a list of possible areas to go deeper in your research.

Citizens Inc. – CIA: Nuclear meltdown in-process? If Citizens were a nuclear reactor, the timing of the first disclosure of an SEC investigation made in Mar-2018, paired with language that's been dropped from the related disclosures since, would be akin to management sounding the alarm the core is melting down, with bad things soon to occur. But it appears investors don't recognize the danger. To us it's clear with further details in today's report.

eBay, Inc. – EBAY: Added to Watch List of companies with undisclosed SEC investigations. The first response indicating an SEC investigation was dated 24-May-2018, and later confirmed on 20-Jun-2018. This is a change from a response dated 10-May-2017, at which time no signs of recent SEC investigative activity were found.

Erin Energy Corp. – ERN: *Coverage dropped, removed from Watch List.* An undisclosed SEC investigation is again confirmed. With new data reflected in this report, Erin Energy Corp. would have remained on our Watch List of companies with undisclosed SEC investigations. The first response indicating SEC investigation was dated 15-Feb-2017. On-going enforcement proceedings confirmed three times since. However, in Apr-2018, Erin Energy filed for bankruptcy so we are dropping coverage.

Monro, Inc. – MNRO: *Added to our Watch List of companies with undisclosed SEC investigations.* The first response indicating an SEC investigation was dated 24-May-2018, and later confirmed on 25-Jun-2018. This is a change from a response dated 02-Jun-2017, at which time no signs of recent SEC investigative activity were found. Today's report includes a list of possible areas to go deeper in your research.

SciClone Pharmaceuticals, Inc. – SCLN: *Coverage dropped, removed from Watch List.* An undisclosed SEC investigation now appears over. SciClone previously disclosed a FCPA probe it resolved in Feb-2016, but ongoing enforcement proceedings were then confirmed three times since Jun-2016. In Jun-2017, a deal was announced to take SciClone private. For this reason, we are now dropping coverage.

Skyworks Solutions Inc. – SWKS: *Added to our Watch List of companies with undisclosed SEC investigations.* The first response indicating an SEC investigation was dated 24-May-2018, and later confirmed on 06-Jul-2018. This is a change from a response dated 05-Jun-2017, at which time no signs of recent SEC investigative activity were found. Today's report includes a list of possible areas to go deeper in your research.

Southwestern Energy Co. – SWN: *Removed from Watch List of Companies with Undisclosed SEC Investigations.* We have been tracking undisclosed SEC investigative activity at this company since Apr-2016. We found evidence of two undisclosed SEC probes since then. One closed in Aug-2016. We recently learned Southwestern Energy was also one of many companies named in an Aug-2016, SEC investigation titled, "Certain non-GAAP Financial Measure Disclosure Deficiencies". Twenty-two pages were released on that matter and are posted.

Sun Hydraulics Corp. – SNHY: *Added to our Watch List of companies with undisclosed SEC investigations.* The first response indicating an SEC investigation was dated 30-May-2018, and later confirmed on 06-Jul-2018. This is a change from a response dated 12-Jun-2017, at which time no signs of recent SEC investigative activity were found. Today's report includes a list of possible areas to go deeper in your research.

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. All companies we identify as having undisclosed SEC investigations are maintained on our Watch List of companies with undisclosed SEC probes if we learn about them at the time the investigation(s) are ongoing. 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. Documents released by the SEC can provide additional insights but, as always, should only be viewed as a piece of your overall investment mosaic. 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.*

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