

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.

Confirmed, Undisclosed SEC Investigation

Watch List Status: Maintained on Watch List of Companies with Undisclosed SEC Investigations

Undisclosed SEC probe again confirmed. With new data reflected in this report, **SolarCity Corp. remains on our Watch List** of companies with undisclosed SEC probes. Signs of undisclosed SEC investigative activity found, off-and-on, back to Aug-2014. First response indicating the most recent SEC probe(s) dated 10-Jan-2017. On-going enforcement proceedings confirmed three times since.

Tesla, Inc. was already on our Watch List due to an undisclosed SEC probe that has now been confirmed three times since we got our first indication, dated 27-Jun-2016. On 17-Nov-2016, Tesla and SolarCity shareholders approved a merger of the two entities.

Those with an interest in Tesla should see our earlier reports, all available at our website:

- A full SEC Investigation Update on Tesla, Inc. was published on 02-Feb-2018.
- Published 14-Dec-2017, "As Elon Musk Hyped and Happy-Talked Investors and Fans, Tesla Kept Quiet About a Year-Long Formal SEC Probe into the Model 3."
- In Feb-2017, we warned that SolarCity, now owned by Tesla, had an undisclosed SEC probe. See, "Tesla / SolarCity unit - SEC Investigation Update."
- Published 13-Jul-2016, "New Data Reveals the SEC Was Already Investigating Tesla Before Any News Surfaced about an Autopilot-Related Crash."

Since we know there was at least one investigation in the recent past, we recommend those with an interest ask SolarCity Corp. what contact it has had with the SEC's Division of Enforcement in the past two years. Keep in mind that a public company can be involved in more than one SEC investigation at a time.

From the Probes Reporter Database:

We filed our first FOIA request on this company in **May-2014**.

If we alert you to the existence of an undisclosed SEC investigation – 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 the SEC response history for this company:

4-Aug-2014	FOIA Response	SEC denies access to records over concern their release, "could reasonably be expected to interfere with enforcement activities."
22-Aug-2014	Appeal Response	Two-part appeal response: Existence of on-going SEC enforcement proceedings confirmed on appeal; Access to those records remains blocked. Appeal to try to access certain records (previously identified) from a closed, but separate SEC probe(s) of this company was also denied on grounds they are internal SEC documents.

22-Apr-2015	FOIA Response with Document(s)	Documents released on closed SEC probe(s) of this company.
28-Sep-2015	Appeal Response	Appeal to access certain investigative records on closed SEC probe(s) of this company denied.
16-Mar-2016	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).
10-Jan-2017	FOIA Response	SEC denies access to records over concern their release, "could reasonably be expected to interfere with enforcement activities."
27-Jan-2017	Appeal Response	Existence of on-going SEC enforcement proceedings confirmed on appeal; Access to records remains blocked.
24-Aug-2017	FOIA Response	SEC denies access to records over concern their release, "could reasonably be expected to interfere with enforcement activities."
19-Sep-2017	Appeal Response	Existence of on-going SEC enforcement proceedings confirmed on appeal; Access to records remains blocked.
16-Apr-2018	FOIA Response	SEC denies access to records over concern their release, "could reasonably be expected to interfere with enforcement activities."
21-May-2018	Appeal Response	Existence of on-going SEC enforcement proceedings confirmed on appeal; Access to records remains blocked.

When 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 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's 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 on-going investigation should not be construed as a finding of any wrongdoing, 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 **SolarCity Corp.**

Notable Disclosures: Repeated searches of this company's SEC filings, back to Aug-2012, found no clear disclosures of SEC investigative activity.

Documents Acquired Under the Freedom of Information Act: Per an SEC letter of 22-Apr-2015, SolarCity was involved in two investigations our research shows were undisclosed. One opened Dec-2012 and closed Mar-2013. The second opened Mar-2014 and closed Nov-2014.

26 pages of records were released on an investigation that ended in 2014. In a letter of 22-Apr-2015, the SEC also informed us, "we are withholding two 5-page matter detail reports in full."

In that same letter of 22-Apr-2015, the SEC also said it found records on two investigations, both of which our research shows were undisclosed. Per the SEC letter, "Moreover, research in our database index indicates that the subject of your request was listed in the matters under inquiry of SolarCity Corporation, which opened December 2012 and closed March 2013 and SolarCity Corporation, which opened March 2014 and closed November 2014.

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 investigations.*

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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