

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: Added Back to Watch List of Companies with Undisclosed SEC Investigations

Signs of Multiple Undisclosed SEC Investigations Found

With new data reflected in this report, **Under Armour, Inc. is added back to our Watch List** of companies with undisclosed SEC investigations. We had recently placed a SUSPEND on the warning here due to a response from the SEC in Oct-2018, which was inconsistent with earlier responses. Here's what happened and what took place since –

In Oct-2018, the SEC gave us a response that said no SEC investigative records were found on Under Armour. With prior responses, as recently as Mar-2018, having recently confirmed ongoing SEC enforcement proceedings, we knew this could not be correct. We filed an appeal to challenge the adequacy of the search that led to the October 'nothing found' response. The response to that appeal surprised us.

In response to our appeal, the SEC the existence of on-going SEC enforcement proceedings was confirmed. But there's a twist we did not expect. The SEC also said it was remanding an investigative file for further processing, essentially because that investigation was over. In other words, we now have clear evidence that Under Armour had not disclosed two SEC investigations from the recent past, one of which remains ongoing as of 07-Dec-2018.

Since we know there was at least one investigation in the recent past, we recommend those with an interest ask Under Armour, Inc. 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. As such, we routinely recommend asking a company if there are any investigations beyond what is disclosed or reported in media stories – or even in our research.

From the Probes Reporter Database:

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

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.

Disclosure Insight®

Fresh data now in hand points to two undisclosed SEC investigations at Under Armour. One was recently confirmed as ongoing, as of 07-Dec-2018. The other appears over, with the related file remanded for further processing.

- In the summer of 2017, [we first warned of an undisclosed SEC probe at Under Armour](#) (UA). In a report later published on 12-Dec-2017, we openly wondered if it somehow related to the abrupt CFO departure in Jan-2017 and repeated earnings misses since. See, [Take a Closer Look at Under Armour's Abrupt CFO Departure](#).
- Later, on 29-Mar-2018, on a Thursday, and right after investors had left for a three-day weekend, Under Armour dropped a bomb with the announcement of a sizable data breach. We wrote that up in this report, [Under Armour: It Appears the Data Breach Has Management Rattled](#), published 02-Apr-2018.

Our take on all this? Based on the history here, there's more than enough reason for the SEC to have started at least one investigation. As management continues to jolly-up investors with investor day talk of 5-year plans and related media interviews, we prefer they also come clean with investors on what exactly is taking place with the undisclosed SEC investigations we keep finding. Lacking that knowledge makes it hard to assess whether the company is struggling because of fundamentals or if undisclosed SEC pressure is also a factor.

– John P. Gavin, CFA

Below is the SEC response history for this company:

21-Nov-2012	FOIA Response	No SEC investigative records found.
21-Oct-2013	FOIA Response	No SEC investigative records found.
19-Sep-2014	FOIA Response	No SEC investigative records found.
28-Aug-2015	FOIA Response	No SEC investigative records found.
16-Jun-2016	FOIA Response	No SEC investigative records found.
5-Jul-2017	FOIA Response	SEC denies access to records over concern their release, "could reasonably be expected to interfere with enforcement activities."
21-Jul-2017	Appeal Response	Existence of on-going SEC enforcement proceedings confirmed on appeal; Access to records remains blocked.
6-Feb-2018	FOIA Response	SEC denies access to records over concern their release, "could reasonably be expected to interfere with enforcement activities."
16-Mar-2018	Appeal Response	Existence of on-going SEC enforcement proceedings confirmed on appeal; Access to records remains blocked.
26-Oct-2018	FOIA Response	No SEC investigative records found – This was later reversed on appeal.
7-Dec-2018	Appeal Response	Two-part appeal response: Existence of on-going SEC enforcement proceedings confirmed on appeal; Access to records remains blocked. Records pertaining to closed, but separate SEC probe(s) of this company have been remanded for further processing. Response indicates release of those records would no longer be expected to interfere with enforcement proceedings.
7-Dec-2018	FOIA Response	FOIA Office sends letter indicating it is processing a file, or files, which were remanded to it from the SEC General Counsel for additional processing.

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."

In addition, the SEC also informed us that there was a law enforcement proceeding for which there was no longer a need to block our access to the related records. The investigative file was remanded for further processing.

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 **Under Armour, Inc.**

Notable Disclosures: Repeated searches of this company's SEC filings, back to Jul-2015, found no clear disclosure of SEC investigative activity.

Documents Acquired Under the Freedom of Information Act: None in our library at this time.

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.

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