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PRESS RELEASE

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# SEC Charges Skechers with Making Undisclosed Payments to Executives' Family Members

## Company also charged with failing to disclose outstanding loans to its executives

**FOR IMMEDIATE RELEASE** | 2024-33

Washington D.C., March 7, 2024 — The Securities and Exchange Commission today announced that Skechers U.S.A. Inc., a footwear company based in California, agreed to settle charges for failing to disclose payments for the benefit of its executives and their immediate family members. Skechers agreed to pay a $1.25 million civil penalty to settle the SEC's charges.

According to the SEC's order, from 2019 through 2022, Skechers did not comply with related person transaction disclosure requirements when it failed to disclose its employment of two relatives of its executives and did not disclose a consulting relationship involving a person who shared a household with one of its executives. Furthermore, according to the SEC's order, for multiple years, Skechers failed to disclose that two of its executives owed more than $120,000 to the company for personal expenses that had been paid for by Skechers but not yet reimbursed by the executives.

"Disclosure of related person transactions provides important information for investors to evaluate the overall relationship between a company and its officers and directors," said Scott A. Thompson, Associate Director of Enforcement in the SEC's Philadelphia Regional Office. "Today's action is a reminder that companies should take appropriate measures to ensure proper disclosure of such transactions."

The SEC's order finds that Skechers violated reporting and proxy solicitation provisions of the Securities Exchange Act of 1934. Without admitting or denying the SEC's findings, Skechers agreed to a cease-and-desist order and to pay the civil monetary penalty referenced above.

The SEC's investigation was conducted by Oreste P. McClung and Brian R. Higgins and was supervised by Brendan P. McGlynn, Mr. Thompson, and Nicholas P. Grippo, all with the Philadelphia Regional Office.

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Last Reviewed or Updated: March 7, 2024

RESOURCES

- SEC Order