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SEC conducting preliminary Groupon probe -WSJ

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NEW YORK, April 2 (Reuters) - The Securities and Exchange Commission is looking into Groupon Inc's revision of its financial results, according to a report in the Wall Street Journal.

The story, which cited an unnamed person familiar with the situation, said the probe was in the preliminary stages and the financial regulator had not yet decided if it would launch a formal investigation into the matter.

A representative for Groupon declined comment on the report and the SEC was not immediately available for comment.

Groupon, the leader in the fast-growing daily deals space, announced on Friday that it was revising its fourth quarter results, resulting in a bigger net loss and lower revenue than it had previously reported due to higher-than-anticipated refunds on deals.

The company, which has been criticized for its unorthodox financial reporting in the run-up to a highly publicized 2011 IPO, said in its annual report filed on Friday that it had a "material weakness" in internal controls over its financial statement.

Groupon is standing by its finance chief, Jason Child, despite the revision, according to the Journal, citing people familiar with the matter.

Also citing unnamed sources, it said that Groupon expected to address the material weakness by the time it reports first-quarter earnings on May 14.

The Journal said that Groupon has hired accounting firm KPMG to ensure it is compliant by year end with Sarbanes-Oxley, federal regulations around the accounting and disclosures of public companies.

Groupon, whose independent auditor is Ernst & Young, said on Friday that was working with another accounting firm it did not name to prepare for reporting on the effectiveness of its controls by the end of 2012.

(Reporting by Sinead Carew)

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