

- whether the information will have practical utility;
- Evaluate the accuracy of the agency’s estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- Enhance the quality, utility, and clarity of the information to be collected; and/or
- Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

**Overview of This Information Collection**

1. *Type of Information Collection:* New data collection.
2. *The Title of the Form/Collection:* National Elder Abuse Victim Services Needs Assessment [Form # ]
3. *The agency form number:*
4. *Affected public who will be asked or required to respond, as well as a brief abstract:* This information will be solicited from victims of elder abuse, elder justice professionals (e.g., adult

protective services, law enforcement, victim services organizations, etc.) who serve those older victims, representatives of federal agencies with elder justice programming, and family and friends who are oftentimes instrumental in victims’ recovery and have a unique window into the needs of older victims.

**Abstract.** The Elder Justice Initiative proposes to conduct the first National Elder Abuse Victim Services Needs Assessment, a one-time information collection. The goal of this information collection is to gain insight into how to best meet the service needs of older victims of elder abuse from the initial incident to investigation and prosecution (if any), through to long-term recovery, and separately for each type of elder abuse (physical abuse, psychological abuse, sexual abuse, caregiver neglect, financial exploitation, financial fraud). To accomplish this goal, the Elder Justice Initiative will: (1) conduct national surveys with elder justice professionals and federal staff, and older victims and their family and friends; and (2) conduct a series of focus groups with elder justice professionals and federal staff, and older victims and their family and friends. A targeted

dissemination strategy featuring results and recommendations will aid in elder abuse services program planning.

5. *An estimate of the total number of respondents and the amount of time estimated for an average respondent to respond:*

There are four separate but related information collections: An estimated 1000 elder justice professionals and federal staff with elder justice programming will complete an electronic survey estimated to take 20 minutes to complete per respondent, and an estimated 1500 older victims, their family and friends will complete an electronic survey estimated to take 10 minutes to complete per respondent. Fifteen 90-minute focus groups with elder justice professionals and federal staff, and 15 90-minute focus groups with older victims, their family and friends will consist of not more than 10 participants per focus group, for a total of 300 focus group participants. In total, 2800 individuals will participate in the National Elder Abuse Victim Services Needs Assessment.

6. *An estimate of the total public burden (in hours) associated with the collection:* 1033 annual burden hours (see Table 1 for calculation).

TABLE 1—ESTIMATES OF HOUR BURDEN INCLUDING ANNUALIZED HOURLY COSTS

| Task   | Estimated time (minutes) | Total participants | Total minutes per task |
|--|--------------------------|--------------------|------------------------|
| Surveys of elder justice professionals and federal staff .....                                   | 20                       | 1,000              | 20,000.                |
| Surveys of older victims and their family and friends .....                                      | 10                       | 1,500              | 15,000.                |
| Focus Groups (elder justice professionals and federal staff; older victims, family and friends). | 90                       | 300                | 27,000.                |
| Total .....  | .....                    | .....              | 62,000 (1,033 hrs).    |

*If additional information is required contact:* John R. Carlson, Department Clearance Officer, United States Department of Justice, Justice Management Division, Policy and Planning Staff, Two Constitution Square, 145 N Street NE, 4W-218, Washington, DC 20530.

Dated: February 3, 2023.

**John R. Carlson,**

*Department Clearance Officer for PRA, U.S. Department of Justice.*

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**BILLING CODE 4410-12-P**

**DEPARTMENT OF LABOR**

**Employee Benefits Security Administration**

**Proposed Exemptions From Certain Prohibited Transaction Restrictions**

**AGENCY:** Employee Benefits Security Administration, Labor.

**ACTION:** Notice of proposed exemptions.

**SUMMARY:** This document contains notices of pendency before the Department of Labor (the Department) of proposed exemptions from certain of the prohibited transaction restrictions of the Employee Retirement Income Security Act of 1974 (ERISA or the Act) and/or the Internal Revenue Code of 1986 (the Code). If granted, these proposed exemptions allow designated parties to engage in transactions that would otherwise be prohibited provided the

conditions stated there in are met. This notice includes the following proposed exemptions: Unit Corporation Employees’ Thrift Plan, D-12026; The Liberty Media 401(k) Savings Plan and The Liberty Media 401(k) Savings Plan Trust, D-12023; The Occidental Petroleum Corporation Savings Plan and The Anadarko Employee Savings Plan, D-12032 and D-12033.

**DATES:** All interested persons are invited to submit written comments or requests for a hearing on the pending exemptions, unless otherwise stated in the Notice of Proposed Exemption, by March 27, 2023.

**ADDRESSES:** All written comments and requests for a hearing should be sent to the Employee Benefits Security Administration (EBSA), Office of Exemption Determinations, U.S. Department of Labor, Attention:

Application No. \_\_\_\_\_, stated in each Notice of Proposed Exemption via email to [e-OED@dol.gov](mailto:e-OED@dol.gov) or online through <http://www.regulations.gov> by the end of the scheduled comment period. Any such comments or requests should be sent by the end of the scheduled comment period. The applications for exemption and the comments received will be available for public inspection in the Public Disclosure Room of the Employee Benefits Security Administration, U.S. Department of Labor, Room N-1515, 200 Constitution Avenue NW, Washington, DC 20210. See **SUPPLEMENTARY INFORMATION** below for additional information regarding comments.

#### SUPPLEMENTARY INFORMATION:

##### Comments

Persons are encouraged to submit all comments electronically and not to follow with paper copies. Comments should state the nature of the person's interest in the proposed exemption and the manner in which the person would be adversely affected by the exemption, if granted. A request for a hearing can be requested by any interested person who may be adversely affected by an exemption. A request for a hearing must state: (1) The name, address, telephone number, and email address of the person making the request; (2) the nature of the person's interest in the exemption and the manner in which the person would be adversely affected by the exemption; and (3) a statement of the issues to be addressed and a general description of the evidence to be presented at the hearing. The Department will grant a request for a hearing made in accordance with the requirements above where a hearing is necessary to fully explore material factual issues identified by the person requesting the hearing. A notice of such hearing shall be published by the Department in the **Federal Register**. The Department may decline to hold a hearing where: (1) The request for the hearing does not meet the requirements above; (2) the only issues identified for exploration at the hearing are matters of law; or (3) the factual issues identified can be fully explored through the submission of evidence in written (including electronic) form.

**Warning:** All comments received will be included in the public record without change and may be made available online at <http://www.regulations.gov>, including any personal information provided, unless the comment includes information claimed to be confidential or other information whose disclosure is

restricted by statute. If you submit a comment, EBSA recommends that you include your name and other contact information in the body of your comment, but DO NOT submit information that you consider to be confidential, or otherwise protected (such as Social Security number or an unlisted phone number) or confidential business information that you do not want publicly disclosed. However, if EBSA cannot read your comment due to technical difficulties and cannot contact you for clarification, EBSA might not be able to consider your comment. Additionally, the <https://www.regulations.gov> website is an "anonymous access" system, which means EBSA will not know your identity or contact information unless you provide it in the body of your comment. If you send an email directly to EBSA without going through <https://www.regulations.gov>, your email address will be automatically captured and included as part of the comment that is placed in the public record and made available on the internet.

##### Notice to Interested Persons

Notice of the proposed exemptions will be provided to all interested persons in the manner agreed upon by the applicant and the Department, unless otherwise stated in the Notice of Proposed Exemption, within 15 days of the date of publication in the **Federal Register**. Such notice shall include a copy of the notice of proposed exemption as published in the **Federal Register** and shall inform interested persons of their right to comment and to request a hearing (where appropriate).

The proposed exemptions were requested in applications filed pursuant to section 408(a) of the Act and/or section 4975(c)(2) of the Code, and in accordance with procedures set forth in 29 CFR part 2570, subpart B (76 FR 66637, 66644, October 27, 2011).<sup>1</sup> Effective December 31, 1978, section 102 of Reorganization Plan No. 4 of 1978, 5 U.S.C. App. 1 (1996), transferred the authority of the Secretary of the Treasury to issue exemptions of the type requested to the Secretary of Labor. Therefore, these notices of proposed exemption are issued solely by the Department.

The applications contain representations with regard to the proposed exemptions which are summarized below. Interested persons are referred to the applications on file

<sup>1</sup> The Department has considered exemption applications received prior to December 27, 2011 under the exemption procedures set forth in 29 CFR part 2570, subpart B (55 FR 32836, 32847, August 10, 1990).

with the Department for a complete statement of the facts and representations.

#### Unit Corporation Employees' Thrift Plan Located in Tulsa, Oklahoma

##### [Application No. D-12026]

##### Proposed Exemption

The Department is considering granting an exemption under the authority of section 408(a) of the Employee Retirement Income Security Act of 1974, as amended (ERISA), to the Unit Corporation Employee's Thrift Plan (the Plan) in accordance with the Department's exemption procedures.<sup>2</sup> This proposed exemption would permit: (1) the acquisition by the participants' accounts (the Accounts) in the Plan, of warrants (the Warrants) issued by Unit Corporation, the Plan sponsor, in connection with Unit Corporation's chapter 11 bankruptcy filing (the Bankruptcy Filing), in exchange for the participants' waiver of claims against "Released Parties;"<sup>3</sup> and (2) the holding of the Warrants by the Plan (together, the Proposed Transactions), provided that the conditions set forth herein are met.

##### Summary of Facts and Representations<sup>4</sup>

###### Background

1. *Unit Corporation.* Unit Corporation (also referred to as the Applicant) is a

<sup>2</sup> 29 CFR part 2570, subpart B (75 FR 66637, 66644, October 27, 2011). For purposes of this proposed exemption, references to specific provisions of title I of ERISA unless otherwise specified, should be read to refer as well to the corresponding provisions of Internal Revenue Code (Code) section 4975.

<sup>3</sup> As stated in the Reorganization Plan, the Released Parties include: (a) Unit Corporation; (b) the Reorganized Unit Corporation; (c) the Debtor-in-possession Agent; (d) the Debtor-in-possession Lenders; (e) the RBL Agent (the agent for secured parties holding First-Priority Lien Obligations); (f) the RBL Lenders (a type of asset-based lending (ABL) commonly used in the oil and gas sector, reserve based loans are made against, and secured by, an oil and gas field or a portfolio of undeveloped or developed and producing oil and gas assets); (g) the Consenting Noteholders; (h) the Exit Facility Agent; (i) the Exit Facility Lenders; and (j) the Subordinated Notes Indenture Trustee.

<sup>4</sup> The Department notes that the facts and representations stated herein are those of the Applicant and they are assumed to be true for purposes of the Department's review of the application for an exemption. The Department cautions that the availability of this exemption, if granted, is subject to the express condition that the material facts and representations contained in application D-12026 are true and complete, and accurately describe all material terms of the transactions covered by the exemption. If there is any material change in a transaction covered by the exemption, or in a material fact or representation described by the Applicant in the application, the exemption will cease to apply as of the date of the change.

publicly-traded energy company engaged in oil and natural gas exploration and production, contract drilling, and midstream services. The Applicant is headquartered in Tulsa, Oklahoma and employs 650 individuals. Unit Corporation stock is currently traded on the over-the-counter marketplace following its delisting from the New York Stock Exchange as a result of its Bankruptcy Filing (as discussed in more detail below). During the year ended December 31, 2019, Unit Corporation recorded revenues of \$674.6 million and a net loss of \$553.9 million, or \$10.48 per share.

2. *The Plan.* The Plan is a participant-directed 401(k) individual account plan. As of December 1, 2021, the Plan covered 472 participants and held total assets of approximately \$70,127,000. Fidelity Management Trust Company (the Trustee) serves as directed trustee and recordkeeper for the Plan. The Unit Corporation Benefits Committee (the Benefits Committee) serves as the Plan Administrator with overall responsibility for the operation and administration of the Plan and as the named fiduciary for purposes of investment-related matters.

3. *Unit Common Stock.* As of September 3, 2020, the Plan held 4,932,864 shares of Unit common stock (Old Unit Common Stock), which comprised 0.68% of the Plan's total assets.<sup>5</sup> Plan-held shares of Old Unit Common Stock were allocated among the individual Accounts of Plan participants (the Invested Participants) and held in a stock fund within the Plan (the Stock Fund).

4. *The Plan's Pass-Through Process.* Provisions of the Trust Agreement covering the voting of Employer Stock state that: "Each participant with an interest in the Stock Fund shall have the right to direct the Trustee as to the manner in which the Trustee is to vote (including not to vote) that number of shares of Employer Stock that is credited to his Account." As represented by the Applicant, Invested Participants have routinely voted their pro-rata interest in the Company Stock Fund on matters such as annual shareholder proxies.

5. *The Bankruptcy Filing.* On May 22, 2020, Unit Corporation and certain of its affiliates filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of Texas, Houston Division under Case No. 20-327401 (the

Bankruptcy Filing).<sup>6</sup> On May 26, 2020, the New York Stock Exchange (NYSE) suspended trading in Old Unit Common Stock because of the Bankruptcy Filing. On June 10, 2020, the NYSE filed a Securities and Exchange Commission Form 25 to delist and deregister Old Unit Common Stock.

On June 19, 2020, Unit Corporation filed a Debtors' First Revised Proposed Joint Chapter 11 Plan of Reorganization (the Reorganization Plan) and a First Revised Disclosure Statement for the Debtors' First Revised Proposed Joint Chapter 11 Plan of Reorganization (the Disclosure Statement) with the Bankruptcy Court to reduce its debt obligations and right-size its balance sheet for go-forward operations. On July 30, 2020, the Bankruptcy Court confirmed Unit Corporation's Reorganization Plan and on September 3, 2020, Unit Corporation announced that it had emerged from bankruptcy protection upon the completion of a financial restructuring process and the implementation of the Reorganization Plan. Upon Unit Corporation's emergence from bankruptcy, shares of Old Unit Common Stock were cancelled.

6. *The Warrants.* Under the Reorganization Plan, Unit Corporation completed a debt-for-equity exchange with holders of its previous \$650 million, 6.625% senior subordinated notes that were due in 2021, and exchanged Old Unit Common Stock for the Warrants. Each Warrant entitles its registered holder to receive from Unit Corporation one share of newly-issued common stock in Unit Corporation (New Unit Common Stock) upon the exercise of the Warrant through the payment of an Exercise Price during an Exercise Period. The exchange rate for the Warrants is 1 to .03460447, where one share of Old Unit Common Stock converts to .03460447 Warrants.

7. *Acceptance or Rejection of the Warrants.* As holders of the Old Unit Common Stock, the Invested Participants qualify to receive the Warrants under the Reorganization Plan. However, the Warrants have not yet been issued to the Plan. The Warrants will be issued to the Plan if the Department grants a final exemption. The Applicant represents that the Benefits Committee has not had any involvement with the Warrants since Unit Corporation's emergence from bankruptcy.

To accept the Warrants, an Invested Participant must agree to release potential claims against Unit Corporation and affiliates (*i.e.*, the

Released Parties, as described in Footnote 3 of this proposed exemption). The Applicant represents that this liability release (the Liability Release) was imposed by the Bankruptcy Court and the creditors and applies to all former holders of Old Unit Common Stock, not just the Plan. The Applicant states that such releases, which are generally applied to creditors in exchange for cash and other property (including warrants), are common in the context of bankruptcy reorganizations. Liability releases allow the debtor-in-possession to operate their business free from potential claims arising pre-bankruptcy, so long as all similarly-situated creditors and other claimants are treated equivalently. As a condition of this exemption, the Liability Release must be described to the Invested Participants in a clearly written communication from Unit Corporation.

Acceptance or rejection of the Warrants by the Invested Participants is a two-step process: first, the Warrants will be automatically accepted into the Plan by the Trustee where they will be held in a suspense account; and second, the Invested Participants will have the choice to either accept the Warrants and release their claims or reject the Warrants. If an Invested Participant makes no election, the Warrants will be deemed as having been accepted by the Invested Participant. However, neither step will happen unless and until the Department grants a final exemption.

As a condition of this proposed exemption, the acquisition of the Warrants by the Accounts of the Invested Participants must be implemented on the same material terms as the acquisition of the Warrants by all shareholders of Old Unit Common Stock. Further, each shareholder of Old Unit Common Stock, including each of the Invested Participants' Account, must receive the same proportionate number of Warrants based on the number of shares of Old Unit Common Stock held by each shareholder.

8. *Exercising the Warrants.* The Applicant states that the final exercise price for the Warrants is \$63.74. Decisions regarding the exercise or sale of the Warrants can be made only by the individual Invested Participants in whose Accounts the Warrants are allocated. In this regard, an Invested Participant can exercise his or her Warrants only during an Exercise Period, which will begin after the effective date of a final exemption if granted by the Department, and end on the earliest of: (a) September 3, 2027; (b) the consummation of a cash sale (as defined in the Warrant Agreement); or (c) the consummation of a liquidation,

<sup>5</sup> At the time, the Plan's 4,932,864 shares represented approximately 9% of all outstanding Old Unit Common Stock.

<sup>6</sup> Jointly administered under Case No. 20-327401.

dissolution or winding up of Unit Corporation.

The Plan Trustee will not allow Invested Participants to exercise the Warrants held in their Plan Accounts if the fair market value of New Unit Common Stock is less than the exercise price of the Warrants. Each Warrant that is not exercised during the Exercise Period will expire, and all rights under the Warrants and the Warrant Agreement will cease upon the conclusion of the Exercise Period. This proposed exemption requires Unit Corporation to notify and inform each Invested Participant in writing at least thirty days before the conclusion of the Exercise Period that each Warrant held in the Invested Participant's Account will expire and all rights under the Warrants and the Warrant Agreement will cease upon the conclusion of the Exercise Period.

An Invested Participant may exercise all or any whole number of their Warrants at any time during the Exercise Period through: (a) written notice provided to Unit Corporation and the warrant agent, American Stock Transfer & Trust Company, LLC (the Warrant Agent); and (b) the Invested Participant's full payment of the Exercise Price, either by a transfer of funds or on a cashless basis subject to a cashless exercise ratio, as defined in the Warrant Agreement.<sup>7</sup> The Applicant represents that the Warrant Agent is independent of Unit Corporation and the Trustee. The Applicant also represents that the Warrant Agent has not and will not sell the Warrants. The Invested Participants may also sell the Warrants in over-the-counter (OTC) markets where sale prices for the Warrants will be determined by supply and demand and not by any independent valuation of the Warrants.

9. As noted above, the Plan held 4,932,864 shares (or approximately 9 percent) of Old Unit Common Stock before the Bankruptcy Filing. With the Warrant exchange rate set at 1 to .03460447, Invested Participants will receive approximately 170,709 Warrants.

10. According to the Applicant, since the effective date of the reorganization on September 4, 2020, the Reorganized Debtors and their advisors have been working to reconcile claims filed in the bankruptcy case, file objections to certain claims, and negotiate resolutions

of disputed claims. On June 21, 2021, the Chapter 11 cases for all debtors other than Unit Petroleum Company were closed and the Unit Petroleum Company case (Case No. 20–32738) was the only remaining open case. The Reorganized Debtors have now completed the claims reconciliation process and anticipate filing a motion to close the Unit Petroleum Case.

11. *Selling the Warrants.* The Warrants can be sold, assigned, transferred, pledged, encumbered, or in any other manner transferred or disposed of, in whole or in part in accordance with the terms of the Warrant Agreement and all applicable laws.<sup>8</sup> In this regard, Invested Participants will have the right to sell the Warrants allocated to their Plan Accounts on the open market at any time before the Warrant expiration date in the same manner as other holders of the Warrants.

12. *Disclosures Associated with the Warrants.* As a condition of this exemption, the terms of the Warrants Offering must be described to the Invested Participants in clearly written communications containing all material terms provided by the Applicant. In addition to the prospectus for the Warrant Offering, Invested Participants must receive a separate communication from the Applicant that clearly explains all aspects of the Warrants Offering, including: (a) that Unit Corporation is granting the Warrants to former holders of Old Unit Common Stock; (b) how the Warrants work; (c) that the decision regarding whether to accept or reject the Warrants is the decision of the Invested Participant; and (d) the liability release described above.

#### *The Independent Fiduciary*

13. On September 23, 2020, Unit and the Committee retained Newport Trust Company of New York, NY (Newport) to serve as the Independent Fiduciary to the Plan with respect to the Proposed Transactions. Newport represents that it understands and acknowledges its duties and responsibilities under ERISA in acting as the Independent Fiduciary on behalf of the Plan, and that in this capacity it must act solely in the interest of the Invested Participants with care, skill, and prudence in discharging its duties.

14. Newport represents that it does not have any prior relationship with any parties in interest to the Plan, including Unit Corporation, or any Unit

Corporation affiliates. In this regard, Newport represents that it is independent of, and unrelated to Unit Corporation, and that: (a) it does not directly or indirectly control, is not controlled by, and is not under common control with Unit Corporation; and (b) neither it, nor any of its officers, directors, or employees is an officer, director, partner or employee of Unit Corporation (or is a relative of such persons). Newport also represents that (a) the payment it receives as Independent Fiduciary is not contingent upon, or in any way affected by, the contents of its Independent Fiduciary Report, and (b) the total fee it has received from any party in interest, including the Plan, Unit Corporation, or any Unit Corporation affiliates, does not exceed 1% of its annual revenues from all sources based upon its prior income tax year.

15. *Newport represents:* (a) that no party related to Unit Corporation has, or will, indemnify Newport in whole or in part for negligence and/or for any violation of state or federal law that may be attributable to Newport in performing its duties as Independent Fiduciary on behalf of the Plan; (b) that it has not performed any prior work on behalf of Unit Corporation, or on behalf of any party related to Unit Corporation; (c) that it has no financial interest with respect to its work as Independent Fiduciary, apart from the express fees paid to Newport to represent the Plan with respect to the Proposed Transactions; (d) that it has not received any compensation or entered into any financial or compensation arrangements with Unit Corporation, or any parties related to Unit Corporation; and (e) that it will not enter into any agreement or instrument regarding the Proposed Transactions that violates ERISA section 410 or the Department's regulations codified in 29 CFR 2509.75–4.<sup>9</sup>

16. *Independent Fiduciary Duties.* As Independent Fiduciary to the Plan with respect to the Proposed Transactions, Newport must: (a) determine whether the Proposed Transactions are in the interests of the Plan and the Invested Participants; (b) determine whether the Plan may enter into the Proposed Transactions in accordance with the requirements of this exemption; and (c) submit its determinations to the Department in a report (the Independent

<sup>7</sup> The Applicant represents that a "cashless basis" transaction allows a warrant holder to exercise Warrants without a cash outlay. Under a cashless exercise, a Warrant holder may surrender a portion of their Warrants to cover the exercise price of other Warrants that they hold, rather than transferring funds to cover the Exercise Price.

<sup>8</sup> The Department notes that relief under this exemption does not extend to the sale of the Warrants, which must be executed as "blind" transactions.

<sup>9</sup> ERISA section 410 provides, in relevant part, that "except as provided in ERISA sections 405(b)(1) and 405(d), any provision in an agreement or instrument which purports to relieve a fiduciary from responsibility or liability for any responsibility, obligation, or duty under this part [meaning ERISA section 410(a)] shall be void as against public policy."

Fiduciary Report) that includes a detailed analysis of the reasons why the Proposed Transactions are in the interests of, and protective of the rights of, the Plan and the Invested Participants, and a representation that the Invested Participants received all they were entitled to receive with respect to the Proposed Transactions. The Independent Fiduciary must review and confirm that the communications sent to participants meet the requirements of this exemption. Additionally, the Independent Fiduciary or an appropriate Plan fiduciary will monitor the holding and sale of warrants by the Plan in accordance with the obligations of prudence and loyalty under ERISA section 404(a) to ensure that the Proposed Transactions remain prudent, protective of, and in the interests of the participants. Finally, not later than 90 days after the end of the Exercise Period, the Independent Fiduciary must submit a written statement to the Department confirming and demonstrating that the Applicant has met all of the exemption's requirements.

17. *Independent Fiduciary Report.* On January 29, 2021, Newport completed its Independent Fiduciary Report, wherein it determined that the Proposed Transactions are prudent, in the interest of, and protective of, the Plan and the Invested Participants. In completing its Independent Fiduciary Report, Newport represents that it conducted a thorough due diligence process to evaluate the Proposed Transactions, which involved discussions and correspondence with representatives of Unit Corporation, Unit Corporation's outside counsel, and representatives of the Trustee. Newport represents that it also reviewed information provided by Unit Corporation and the Benefits Committee, as well as additional publicly available information.

In the Independent Fiduciary Report, Newport states that its recommendation to the Benefits Committee to pass through the decision whether to accept or reject the Warrants to Invested Participants comports with the Plan's standard practice of granting Invested Participants individual discretion over shareholder matters and with the Plan's standing practice for corporate actions within the Company Stock Fund. Newport further states that allowing the Plan to hold the Warrants places Invested Participants on equal footing with other non-Plan shareholders of Old Unit Common Stock, and that this pass-through empowers Invested Participants to make an election that is consistent with their particular economic interests. Newport further states that Invested

Participants have historically enjoyed the same rights and privileges as shareholders outside the Plan.

Newport states that Invested Participants who choose to accept the Warrants could realize value through the future exercise or sale of the Warrants, while participants who choose to reject the Warrants would maintain their legal right to bring claims against Unit Corporation. Newport states that the terms and conditions of the Proposed Transactions require that no fees or commissions be paid by Invested Participants, and that Invested Participants will only be allowed to exercise the Warrants for economic gain. Newport further states that there is currently no public market for the Warrants or for New Unit Common Stock, and the terms of the Warrants do not entitle holders to "put" the Warrants to the Applicant.

Newport states that any shareholder who elects not to receive the Warrants would not waive any claims that could be brought against Unit Corporation and other Released Parties, including claims seeking restitution for losses on an individual or class action basis under securities law. Newport further states that Invested Participants who elect not to receive the Warrants would also not waive their right to file a claim seeking restitution for losses under ERISA.

Newport represents that the methodology used by Stout to determine the fair market value of the Warrants was reasonable, sound, and consistent with good valuation practices. In this regard, Newport states that the Black-Scholes formula used by Stout is commonly employed across the financial industry to establish the fair market value of equity options, including rights and warrants. Newport further states that Stout applied this methodology in an objective manner and exercised professional judgment to account for the Warrants' specific characteristics.

Newport notes that, as the Independent Fiduciary to the Plan with respect to the Proposed Transactions, it has the responsibility to determine whether to override the Plan's pass-through process and, thus, disregard participant's elections with respect to the receipt of the Warrants and the release of claims. Newport states that, based on the reported value of the Warrants and the uncertain economic value of the potential claims, it determined not to override the Plan's pass-through process, and therefore not to disregard Invested Participant elections in connection with the receipt of Warrants and the release of claims.

18. Newport states that it reviewed public information about the Applicant and the Plan and performed legal research related to the Applicant's active lawsuits to confirm that no active claims are pending that would potentially be released through receipt of the Warrants. Newport notes that, based on a review of the public record, there is no indication that the Applicant's financial difficulties were brought on by its mismanagement or any other inappropriate activities by the Applicant or any affiliated entity. Newport further states that there are no pending lawsuits or active court cases involving the Applicant aside from the Bankruptcy Filing.

19. Newport concludes that, based on this analysis and the assumption that the Applicant provides Invested Participants with the appropriate disclosures described above, it would be imprudent for Newport to disallow participants' rights to exercise their judgment with respect to the Warrants by overriding the Plan's pass-through process and disregard the Invested Participants' selections in connection with the receipt of Warrants and the release of claims based on the facts as they existed at the time of their analysis. However, as noted above, the Independent Fiduciary or an appropriate Plan fiduciary will monitor the holding and sale of Warrants by the plan in accordance with its obligations of prudence and loyalty under ERISA section 404(a) to ensure that the Proposed Transactions remain prudent, protective of, and in the interests of the participants.

#### *ERISA Analysis*

20. The acquisition and holding of the Warrants would violate certain prohibited transaction restrictions of ERISA. Although the Warrants constitute "employer securities," as defined under ERISA section 407(d)(1), they do not satisfy the definition of "qualifying employer securities," as defined under ERISA section 407(d)(5), because they are not stock or marketable debt securities. Under ERISA section 407(a)(1)(A), a plan may not acquire or hold any "employer security" that is not a "qualifying employer security." In addition, ERISA section 406(a)(1)(E) prohibits the acquisition, on behalf of a plan, of any "employer security in violation of section 407(a) of [ERISA]." Finally, ERISA section 406(a)(2) prohibits a fiduciary who has authority or discretion to control or manage a plan's assets from permitting the plan to hold any "employer security" in violation of ERISA section 407(a). Therefore, the acquisition and holding

of the Warrants by the Plan would constitute prohibited transactions that violate ERISA sections 406(a)(1)(E) and 406(a)(2).

21. Furthermore, the acquisition of the Warrants would violate ERISA section 406(a)(1)(A). In relevant part, ERISA section 406(a)(1)(A) provides that a plan fiduciary shall not cause the plan to engage in a transaction if the fiduciary knows or should know that the transaction is a sale or exchange of any property between a plan and a party in interest. Because the Invested Participants who acquire the Warrants will release their claims against the Released Parties, the acquisition of the Warrants will constitute a sale or exchange of property between the Plan and Unit Corporation, a party in interest, in violation of ERISA section 406(a).

#### *Statutory Findings*

22. ERISA section 408(a) provides, in part, that the Department may not grant an exemption from the prohibited transaction provisions unless the Department finds that the exemption is administratively feasible, in the interest of affected plan and of its participants and beneficiaries, and protective of the rights of such participants and beneficiaries. Each of these criteria are discussed below.

23. *The Proposed Exemption Is “Administratively Feasible.”* The Department has tentatively determined that the proposed exemption is administratively feasible. In this regard, the Department notes that the Independent Fiduciary must represent the interests of the Plan for all purposes with respect to the Proposed Transactions and must determine that the Proposed Transactions, including all terms and conditions of the proposed exemption are in the interests of the Plan and the Invested Participants.

24. *The Proposed Exemption Is “In the Interests of the Plan.”* The Department has tentatively determined that the proposed exemption is in the interests of the Plan. In this regard, the Department notes that Invested Participants who choose to accept the Warrants could realize value through the future exercise or sale of the Warrants, while participants who choose to reject the Warrants would maintain their legal right to bring claims against Unit Corporation. Further, Invested Participants would pay no fees or commissions and will only be allowed to exercise the Warrants for economic gain. Absent the receipt of Warrants, the Invested Participants may not receive any value for the shares of

Old Unit Common Stock they held before the Bankruptcy Filing.<sup>10</sup>

25. *The Proposed Exemption Is “Protective of the Plan.”* The Department has tentatively determined that the proposed exemption is protective of the rights of the Invested Participants. In this regard, the Department notes that all decisions regarding the holding, exercise and disposition of the Warrants will be made by the Invested Participants. Further, this proposed exemption requires the terms of the Warrants to be described in clearly-written communications provided to the Invested Participants by the Applicant. Finally, the Department notes that the Trustee will not allow Invested Participants to exercise the Warrants unless the fair market value of New Unit Stock exceeds the exercise price of the Warrants on the date of exercise and Invested Participants may choose to reject the Warrants and maintain their legal right to bring claims against Unit Corporation.

#### *Summary*

26. Based on the conditions included in this proposed exemption, the Department has tentatively determined that the relief sought by the Applicant would satisfy the statutory requirements for an individual exemption under ERISA section 408(a).

#### **Proposed Exemption**

The Department is considering granting an exemption under the authority of ERISA section 408(a) and Code section 4975(c)(2) and in accordance with its exemption procedures set forth in 29 CFR part 2570, subpart B (29 CFR part 2570, subpart B (75 FR 66637, 66644, October 27, 2011)).

#### **Section I. Definitions**

(a) The term “Bankruptcy Filing” means Unit Corporation’s May 22, 2020 filing for relief under chapter 11 of title 11 of the United States Code, in the United States Bankruptcy Court for the Southern District of Texas, Houston Division, under Case No. 20–327401.

(b) The term “Exercise Period” means the period during which Invested Participants can exercise their Warrants, which will end on the earliest of the following: (1) September 3, 2027; (2) the consummation of a cash sale (as defined in the Warrant Agreement); or (3) the consummation of a liquidation,

dissolution or winding up of Unit Corporation.

(c) The term “Invested Participants” means Plan participants who held shares of Old Unit Common Stock as of the date of the Bankruptcy Filing.

(d) The term “the Plan” means the Unit Corporation Employees’ Thrift Plan.

(e) The term “Independent Fiduciary” means Newport Trust Company of New York, NY (Newport) or a successor Independent Fiduciary, to the extent Newport or the successor Independent Fiduciary continues to serve in such capacity, and who:

(1) Is not an affiliate of Unit Corporation and does not hold an ownership interest in Unit Corporation or affiliates of Unit Corporation;

(2) Was not a fiduciary with respect to the Plan before its appointment to serve as the Independent Fiduciary;

(3) Has acknowledged in writing that it:

(i) Is a fiduciary with respect to the Plan and has agreed not to participate in any decision regarding any transaction in which it has an interest that might affect its best judgment as a fiduciary; and

(ii) Has appropriate technical training or experience to perform the services contemplated by the exemption;

(4) Has not entered into any agreement or instrument that violates the prohibitions on exculpatory provisions in ERISA section 410 or the Department’s regulation relating to indemnification of fiduciaries at 29 CFR 2509.75–4;

(5) Has not received gross income from Unit Corporation (including Unit Corporation affiliates) for any fiscal year in an amount that exceeds two percent (2%) of the Independent Fiduciary’s gross income from all sources for the prior fiscal year. This provision also applies to a partnership or corporation of which the Independent Fiduciary is an officer, director, or 10 percent (10%) or more partner or shareholder, and includes as gross income amounts received as compensation for services provided as an independent fiduciary under any prohibited transaction exemption granted by the Department; and

(6) No organization or individual that is an Independent Fiduciary, and no partnership or corporation of which such organization or individual is an officer, director, or ten percent (10%) or more partner or shareholder, may acquire any property from, sell any property to, or borrow any funds from Unit Corporation or from affiliates of Unit Corporation while serving as an Independent Fiduciary. This prohibition

<sup>10</sup> The Department notes that in proposing this exemption it is not expressing any views regarding whether Invested Participants should ultimately accept or reject the Warrants.

will continue for a period of six months after the party ceases to be an Independent Fiduciary and/or the Independent Fiduciary negotiates any transaction on behalf of the Plan during the period that the organization or individual serves as an Independent Fiduciary.

(f) The term "Released Parties," as referenced below and in footnote 3 above, means: (1) Unit Corporation; (2) the Reorganized Unit Corporation; (3) the Debtor-in-possession Agent; (4) the Debtor-in-possession Lenders; (5) the RBL Agent; (6) the RBL Lenders;<sup>11</sup> (7) the Consenting Noteholders; (8) the Exit Facility Agent; (9) the Exit Facility Lenders; and (10) the Subordinated Notes Indenture Trustee.

(g) The term "Unit Corporation" means Unit Corporation and any affiliate of Unit Corporation.

(h) The term "Warrants" means the Warrants issued by Unit Corporation in connection with the Bankruptcy Filing that entitle their registered holders to receive the Warrants, pursuant to an exchange rate of 1 to .03460447, where one share of Old Unit Common Stock will convert to .03460447 Warrants, through the payment of an Exercise Price during the Exercise Period.

## Section II. Covered Transactions

If the proposed exemption is granted, the restrictions of ERISA sections 406(a)(1)(A), 406(a)(1)(E), 406(a)(2), and 407(a)(1)(A), shall not apply to: (1) the acquisition by the Invested Participant Accounts, of the Warrants issued by Unit Corporation, the Plan sponsor, in connection with the Bankruptcy Filing, in exchange for a waiver of claims against Released Parties; and (2) the holding of the Warrants by the Plan, provided that the conditions set forth in section III are met.

## Section III. Conditions

(a) The acquisition of the Warrants by the Accounts of the Invested Participants is implemented on the same material terms as the acquisition of the Warrants by all shareholders of Old Unit Common Stock;

(b) The acquisition of the Warrants by the Accounts of Invested Participants resulted from an independent corporate act of Unit Corporation;

(c) Each shareholder of Old Unit Common Stock, including each of the Accounts of the Invested Participants, receives the same proportionate number of Warrants, and this proportionate number of Warrants is based on the number of shares of Old Unit Common Stock held by each shareholder;

(d) The Warrants are acquired pursuant to, and in accordance with, provisions under the Plan for the individually-directed investment of the Accounts by the Invested Participants whose Accounts in the Plan held Old Unit Common Stock;

(e) The decision regarding the acquisition, holding and disposition of the Warrants by the Accounts of the Invested Participants have been and will continue to be made by the Invested Participants whose Accounts received the Warrants;

(f) If any of the Invested Participants fail to provide the Trustee with instructions to exercise or sell the Warrants received by July 30, 2027, the Warrants will be automatically sold in blind transactions on the New York Stock Exchange, and the sales proceeds will be distributed pro-rata to the Accounts of the Invested Participants whose Warrants are sold;

(g) No brokerage fees, commissions, subscription fees, or other charges have been paid or will be paid by the Plan or the Invested Participants' Accounts for the acquisition and holding of the Warrants, and no commissions, fees, or expenses have been paid or will be paid by the Plan or the Invested Participants' Accounts to any related broker in connection with the sale or exercise of any of the Warrants or the acquisition of the New Unit Common Stock through the exercise of the Warrants;

(h) Unit Corporation does not influence any Invested Participant's election with respect to the Warrants;

(i) The terms of the Offering of the Warrants are described to the Invested Participants in clearly-written communications from Unit Corporation containing all material terms of the Warrant Offering. In addition to the prospectus for the Warrant Offering, Invested Participants must receive a separate communication from Unit Corporation that clearly explains all aspects of the Warrants Offering, including: (1) that Unit Corporation is granting the Warrants to former holders of Old Unit Common Stock; (2) how the Warrants work; (3) that the decision regarding whether to accept or reject the Warrants is made solely by the Invested Participants; and (4) the liability release. The Independent Fiduciary described in (j) below must review and confirm that the communications sent to participants meet the requirements of this exemption;

(j) An Independent Fiduciary that is unrelated to Unit Corporation and/or its affiliates and acting solely on behalf of the Plan has determined that:

(1) The Proposed Transactions are prudent, in the interest of, and

protective of the Plan and its participants and beneficiaries; and

(2) The Plan may enter into the Proposed Transactions in accordance with the requirements of this exemption; and

(k) The Independent Fiduciary must document its initial and final determinations in written reports that include a detailed analysis regarding whether the Proposed Transactions are in the interests of the Plan and the Invested Participants, and protective of the rights of Invested Participants of the Plan;

(l) The Independent Fiduciary or an appropriate Plan fiduciary will monitor the holding and sale of warrants by the plan in accordance with the obligations of prudence and loyalty under ERISA section 404(a) to ensure that the Proposed Transactions remain prudent, protective of, and in the interests of the participants.

(m) No later than 90 days after the end of the Exercise Period, the Independent Fiduciary must submit a written statement to the Department confirming and demonstrating that all requirements of the exemption have been met. In its written statement, the Independent Fiduciary must confirm that all Invested Participants receive everything to which they are entitled pursuant to the terms of this exemption, the Warrant Agreement, and any other documents relevant to this exemption.

(n) The Independent Fiduciary must represent that it has not and will not enter into any agreement or instrument that violates ERISA section 410 or 29 CFR 2509.75-4;

(o) At least thirty days before the conclusion of the Exercise Period, Unit Corporation must notify and inform each Invested Participant in writing that each Warrant held in the Invested Participant's Account will expire and all rights under the Warrants and the Warrant Agreement will cease upon the conclusion of the Exercise Period; and

(p) All of the material facts and representations set forth in the Summary of Facts and Representations are true and accurate. If there is any material change in a transaction covered by the exemption, or in a material fact or representation described by the Applicant in the application, the exemption will cease to apply as of the date of the change.

*Effective Date:* This exemption, if granted will be effective on the date the Department publishes a grant notice in the **Federal Register** and will continue until the date all Warrants are exercised, sold, or expire.

<sup>11</sup> RBL stands for "Reserve Based Lending."

## Notice to Interested Persons

Those persons who may be interested in the publication in the **Federal Register** of the notice of proposed exemption (the Notice) include participants and beneficiaries of the Plan. The Applicant will provide notification to interested persons by electronic mail, and first-class mail within ten (10) calendar days of the date of the publication of the Notice in the **Federal Register**. The mailing will include a copy of the Notice, as it appears in the **Federal Register** on the date of publication, plus a copy of the Supplemental Statement, as required, pursuant to 29 CFR 2570.43(b)(2), which will advise interested persons of their right to comment and/or to request a hearing.

The Department must receive all written comments and requests for a hearing by March 27, 2023.

All comments will be made available to the public.

**Warning:** Do not include any personally identifiable information (such as a name, address, Social Security number, or other contact information) or confidential business information that you do not want publicly disclosed. All comments may be posted on the internet and can be retrieved by most internet search engines.

*For Further Information Contact:* Mr. Joseph Brennan of the Department, telephone (202) 693-8456. (This is not a toll-free number.)

### **The Liberty Media 401(k) Savings Plan and the Liberty Media 401(k) Savings Plan Trust Located Englewood, Colorado**

[Application No. D-12023]

#### **Proposed Exemption**

The Department is considering granting an exemption under the authority of section 408(a) of the Employee Retirement Income Security Act of 1974, as amended (ERISA), and in accordance with the procedures set forth in 29 CFR part 2570, subpart B (76 FR 66637, 66644, October 27, 2011). The proposed exemption would permit, for the period beginning May 18, 2020, and ending June 5, 2020: (1) the Liberty Media 401(k) Savings Plan's (the Plan) acquisition of certain stock subscription rights (the Rights) to purchase shares of the Series C Liberty SiriusXM common stock (the Series C Liberty SiriusXM Stock), in connection with a rights offering (the Rights Offering) by Liberty Media Corporation (LMC); and (2) the Plan's holding of the Rights during the subscription period of the Rights

Offering, provided that certain conditions are satisfied.

#### **Summary of Facts and Representations**<sup>12</sup>

##### *Background*

1. LMC (or the Applicant) is a Delaware corporation with its principal place of business in Englewood, Colorado. LMC is primarily engaged in media, communications and entertainment businesses.

2. LMC sponsors the Plan. The Plan is a defined contribution plan covering employees of LMC and qualifying subsidiaries. As of December 31, 2020, the Plan had total assets of \$161,681,000 and 1,015 participants.

3. The Plan is administered by an administrative committee (the Administrative Committee). The Plan's assets are held in the Liberty Media 401(k) Savings Plan Trust (the Trust). Fidelity Management Trust Company is the Plan's trustee (the Trustee or Fidelity), and it executes investment directions in accordance with Plan participants' written instructions.

4. The Plan permits participants to direct the investment of their Plan accounts, including their 401(k) contributions, any employer contributions, and any rollover contributions, into one of 27 investment alternatives, which includes certain employer securities issued by LMC and employer securities issued by other employers participating in the Plan. The Plan allows the employer to contribute any property to the Plan that the Trustee is authorized to invest. As of May 13, 2020, the Plan held a total of \$7,186,824 in Series C Liberty SiriusXM Stock, which represented 6% of total Plan assets.

5. Solely with respect to the Rights described below, the Plan permitted the Rights Offering because the Trustee was authorized to receive the Rights. The Administrative Committee acted as trustee of the temporary separate trust established to hold the Rights (the Rights Trust), and Fidelity acted as custodian of those Rights.

##### *Description of Liberty SiriusXM Stock*

6. The Series A, B, or C Liberty SiriusXM stock is LMC stock that is

<sup>12</sup> The Department notes that the availability of this exemption, if granted, is subject to the express condition that the material facts and representations contained in application D-12023 (the Application) are true and complete, and accurately describe all material terms of the transactions covered by the exemption. If there is any material change in a transaction covered by the exemption, or in a material fact or representation described in the Application, the exemption will cease to apply as of the date of the change.

intended to track and reflect the separate economic performance of the business, assets, and liabilities of Sirius XM Holdings. Sirius XM Holdings operates two audio entertainment businesses: Sirius XM and Pandora. As of February 10, 2020, Sirius XM Holdings' investments included \$75 million in SoundCloud.

##### *The Rights Offering*

7. LMC conducted the Rights Offering with holders of shares of Series C Liberty SiriusXM Stock. Each holder of Series A Liberty SiriusXM Stock, Series B Liberty SiriusXM Stock, and Series C Liberty SiriusXM Stock, as of May 13, 2020, received 0.0939 of a Right (rounded up to the nearest whole Right).<sup>13</sup> Each Right entitled the holder to purchase one share of Series C Liberty SiriusXM Stock at a subscription price of \$25.47, which was equal to an approximate 20% discount to the volume weighted average trading price of Series C Liberty SiriusXM Stock for the 3-day trading period ending on and including May 9, 2020. The Rights Offering for 231,861,714 shares of Series C Liberty SiriusXM Stock commenced on May 18, 2020, and remained open until June 5, 2020. The market closing price for each share of Series C Liberty SiriusXM Stock on these dates was \$32.59 and \$38.88, respectively.

8. According to the Applicant, Plan participants were notified of the Rights Offering, and of the procedure for instructing Fidelity of the participant's desires with respect to the Rights. Plan participants received the following documents: (a) Questions and Answers, which explained the Rights issuance and participant's option to exercise or sell the Rights attributable to the employer securities allocated to the participant's Plan account; (b) the Rights Offering Instructions, which explained the steps for the participant to take to exercise or sell the Rights; and (c) the Prospectus (within LMC's Form S-3 as filed with the Securities and Exchange Commission on May 14, 2020), which was made available to all shareholders explaining the Rights issued by LMC. The Applicant represents that these materials were reviewed in detail by the Applicant, the Plan administrator, the Trustee, the outside counsel addressing the Rights Offering, and the Applicant's outside benefits counsel. All involved Plan participants were notified in advance of the procedure for instructing

<sup>13</sup> The ticker symbols for the stock were as follows: Series C Liberty SiriusXM Stock ("LSXMK"), Series A Liberty SiriusXM Stock ("LSXMA"), and Series B Liberty SiriusXM Stock ("LSXMB").

Fidelity of the participants' desires with respect to the Rights.

9. The Applicant represents that the acquisition of the Rights by the Plan was consistent with provisions of the Plan for the individually-directed investment of participant accounts. Under the terms of the Plan and the Trust, the Trustee passed through its right to vote or take action on employer securities to the Plan participants. Each participant could then decide whether to exercise or sell the Rights attributable to the shares of employer securities allocated to the participant's account.

10. Due to securities law restrictions, certain participants who were reporting persons under Rule 16(b)<sup>14</sup> of the Securities Exchange Act of 1934 (Rule 16(b)) with respect to LMC did not have the right to instruct Fidelity to either sell or exercise the Rights credited to their Plan Accounts. As provided by the Plan, and as directed by the Administrative Committee, Fidelity sold the Rights credited to these Rule 16(b) participant accounts, along with the Rights of other participants who did not elect to sell or exercise the Rights credited to their accounts, during the last few days of the Rights Offering period.

#### *Temporary Investment Funds*

11. The Plan established two temporary investment funds to accommodate the Rights. The first fund, the "Rights Holding Fund," was a separate fund established under the Rights Trust, to hold the Rights when they were issued. Rights were credited to participants' accounts based on their respective holdings of Series C Liberty SiriusXM Stock as of the record date. The second fund, the "Rights Receivable Fund," received the Series C Liberty SiriusXM Stock shares following the exercise of the Rights on June 5, 2020 (the last day of the Rights Offering period), as directed by the Plan participants.

#### *Participants Who Elected To Exercise Rights*

12. With the exception of those reporting persons under Rule 16(b), each participant in the Plan could elect to exercise any percentage of the Rights allocated to his or her Plan account. A participant could exercise the Rights by speaking to a Fidelity representative at any time before 4:00 p.m. Eastern Time, on June 1, 2020 (the "Election Close-Out

<sup>14</sup> Rule 16(b) requires an officer, director, or any shareholder holding more than 10% of the outstanding shares of a publicly-traded company who makes a profit on a transaction with respect to the company's stock during a given six month period, to pay the difference back to the company.

Date"). Plan participants ended up exercising 3,219 rights.

13. For those individuals with insufficient funds to permit the exercise of the entire elected amount of Rights, Fidelity exercised as many Rights as the participant's account balance permitted.

14. On or about June 4, 2020, the Rights to be exercised and necessary funds were submitted by Fidelity to Broadridge Corporate Issuer Solutions, Inc. (Broadridge), the subscription agent, for the purchase of shares. Plan participants' balances in the Rights Holding Fund were reduced by the number of Rights exercised on the participant's behalf. Upon receipt of the new shares, the Rights Receivable Fund was closed and the newly-received shares were allocated to the participants' accounts.

15. According to the Applicant, those participants who elected to exercise only a portion of their Rights could later elect to exercise additional Rights to the extent that sufficient time existed before the Election Close-Out Date. In addition, on or about June 2 through June 5, 2020, Fidelity sold 17,808 unexercised Rights on the NASDAQ Global Market (the NASDAQ) in "blind transactions" for an average price of \$11.79 per Right for a total price \$209,956.32. The proceeds from the sales were allocated proportionally to the relevant participants' accounts. Thus, all unexercised Rights were sold by Fidelity, and no Rights expired.<sup>15</sup>

#### *Participants Who Elected To Sell Rights*

16. In order to sell his or her Rights, a Plan participant was required to: (a) contact a Fidelity representative or log on to the Fidelity website for the Plan; and (b) specify the whole percentage of the Rights the participant desired to sell. The selling period for participants ran from the date that Fidelity first started accepting participant directions (which was May 26, 2020, through June 1, 2020). A total of 1,506 Rights (rounded to the nearest whole Right) were sold by Fidelity at Plan participants' directions.

17. According to the Administrative Committee's Chairman, the Plan fiduciary or fiduciaries responsible for

<sup>15</sup> The Applicant represents that the brokerage services and fees received by either Fidelity or Broadridge in connection with the sale of the Rights are exempt under ERISA section 408(b)(2). However, the Department is not providing any relief for the receipt of any commissions, fees, or expenses in connection with the sale of the Rights in blind transactions to unrelated third parties on the NASDAQ, beyond that provided under ERISA section 408(b)(2). In this regard, the Department is not opining on whether the conditions set forth in ERISA section 408(b)(2) and the Department's regulations under 29 CFR 2550.408(b)(2), have been satisfied.

overseeing the Plan's participation in the Rights offering prudently and loyally determined on behalf of the Plan that: (a) the Plan's acquisition, holding and sale of the Rights could proceed on the terms established by such fiduciaries, and (b) the Plan's participants received all they were entitled to under the Rights arrangement (*i.e.*, the Participants got at least the fair market value for the exercise and sales of the Rights).

18. LMC represents that it filed the Exemption Application after the last day of the Offering Period to provide up to date information about the Offering Period with respect to the Rights Offering.

#### *ERISA Analysis*

19. ERISA section 406(a)(1)(E) provides that a fiduciary with respect to a plan shall not cause the plan to engage in a transaction if he or she knows or should know that such transaction constitutes the acquisition, on behalf of the plan, of any employer security in violation of ERISA section 407(a). ERISA section 406(a)(2) provides that a fiduciary of a plan shall not permit the plan to hold any employer security if he or she knows or should know that holding such security violates ERISA section 407(a).

20. ERISA section 407(a)(1)(A) provides that a plan may not acquire or hold any "employer security" which is not a "qualifying employer security." ERISA section 407(d)(1) defines "employer securities," in relevant part, as securities issued by an employer of employees covered by the plan, or by an affiliate of such employer. ERISA section 407(d)(5) provides, in relevant part, that "qualifying employer securities" are stock or marketable obligations. Because the Rights do not constitute either stock or marketable obligations for indebtedness, the Rights are not "qualifying employer securities." However, once a participant exercises his or her Rights and the Plan acquires the Series C Liberty SiriusXM Stock on behalf of such participant, then a violation of ERISA sections 406(a)(1)(E), 406(a)(2), and 407(a)(1)(A) occurs. If granted, the exemption will be effective for the period May 18, 2020, through June 5, 2020.

*Department's Note:* This proposal, if granted, does not provide an exemption from any other provision of ERISA or the Code, including each Plan fiduciary's duties of prudence and loyalty in connection with the exercise or sale of the rights.

### Statutory Findings

21. ERISA section 408(a) provides, in part, that the Department may not grant an exemption unless the Department finds that the exemption is administratively feasible, in the interest of affected plans and of their participants and beneficiaries, and protective of the rights of such participants and beneficiaries, which criteria are discussed below.

a. *The Proposed Exemption Is “Administratively Feasible.”* The Department has tentatively determined that the proposal is administratively feasible because, among other things, the Plan participants received the Rights pursuant to LMC’s independent corporate act in which all shareholders, including the Plan participants, were treated in a like manner with respect to the acquisition and holding of the Rights, with two minor exceptions: (1) the oversubscription option available under the Rights Offering was not available to participants in the Plan;<sup>16</sup> and (2) certain participants deemed to be reporting persons under Rule 16(b) with respect to LMC did not have the right to instruct Fidelity to sell or exercise the Rights credited to their Plan Accounts.

b. *The Proposed Exemption Is “In the Interest of the Plan.”* The Department has tentatively determined that the proposed exemption is in the interests of the participants and beneficiaries of the Plan because, among other things: each Plan participant was able to make an independent decision whether to liquidate his or her account assets to purchase additional employer securities at a discount; each Plan participant received their Rights at no additional cost; the participants who exercised their Rights paid \$25.47 per share of the Series C Liberty SiriusXM Stock, which was equal to an approximate 20% discount to the volume weighted average trading price of Series C Liberty SiriusXM Stock for the 3-day trading period ending on and including May 9, 2020; and those who sold their Rights received an average of \$11.79 for each Right.

c. *The Proposed Exemption Is “Protective of the Plan.”* The Department has tentatively determined that the proposed exemption is protective of the rights of participants and beneficiaries because, among other things, the Rights were sold by Fidelity on the NASDAQ for a discounted market value, in arms’ length

transactions between unrelated parties, and all shareholders were treated in the same manner during the Rights Offering’s process. Furthermore, the Plan did not pay any fees or commissions with respect to the acquisition or holding of the Rights, and it did not pay any commissions to any affiliate of LMC in connection therewith. Finally, the Plan did not pay any fees in connection with the exemption request.

### Summary

22. Based on the conditions that are included in this proposed exemption, the Department has tentatively determined that the relief sought by the Applicant would satisfy the statutory requirements for an individual exemption under ERISA section 408(a).

### Proposed Exemption

#### Section I. Transactions

If the proposed exemption is granted, for the period beginning May 18, 2020, and ending June 5, 2020, the restrictions of ERISA sections 406(a)(1)(E), 406(a)(2), and 407(a)(1)(A) shall not apply, to:

(a) The acquisition by the Plan of certain stock subscription rights (the Rights), pursuant to a stock rights offering (the Offering) by Liberty Media Corporation (LMC) to purchase shares of Series C Liberty SiriusXM common stock; and

(b) The holding of the Rights by the Plan during the subscription period of the Offering, provided the conditions set forth below in section II are satisfied.

#### Section II. Conditions

(a) The Plan’s acquisition of the Rights resulted solely from an independent corporate act of LMC’s Board of Directors;

(b) All holders of Series A, Series B, or Series C Liberty SiriusXM common stock, including the Plan, were issued the same proportionate number of Rights based on the number of shares of the Series A, B, or C Liberty SiriusXM Stock held by each such shareholder;

(c) For purposes of the Rights Offering, all holders of Series A, B, or C Liberty SiriusXM Stock, including the Plan, were treated in a like manner, with two exceptions:

(1) The oversubscription option available under the Rights Offering was not available to participants in the Plan; and

(2) Certain participants deemed to be reporting persons under Rule 16(b)<sup>17</sup> of

the Securities Exchange Act of 1934 (Rule 16(b)) with respect to LMC did not have the right to instruct Fidelity to either sell or exercise the Rights credited to their Plan Accounts;

(d) The acquisition of the Rights by the Plan was consistent with provisions of the Plan for the individually-directed investment of participant accounts;

(e) The Liberty Media 401(k) Savings Plan administrative committee did not exercise any discretion with respect to the acquisition, holding or sale of the Rights by the Plan;

(f) The Plan fiduciary or fiduciaries responsible for overseeing the Plan’s participation in the Rights offering prudently and loyally determined on behalf of the Plan that: (1) the Plan’s acquisition, holding and sale of the Rights could proceed on the terms established by such fiduciaries, and (2) the Plan’s participants received all they were entitled to under the Rights arrangement (*i.e.*, the Participants got at least the fair market value for the exercise and sales of the Rights);

(g) Each Plan participant made an independent decision whether to liquidate his or her account assets in the Rights Holding Fund to purchase additional shares of Series C Liberty SiriusXM common stock at a discount;

(h) The Plan did not pay any fees or commissions to LMC and/or its affiliates in connection with the acquisition, holding, or sale of the Rights;

(i) The Plan did not pay any fees in connection with the exemption request; and

(j) All material facts and representations set forth in the Summary of Facts and Representations are true and accurate.

*Effective Date:* This proposed exemption, if granted, will be in effect from May 18, 2020, the date that the Plan received the Rights, through June 5, 2020, the last date the Rights were sold on the NASDAQ.

#### Notice to Interested Persons

The Applicant will provide notice of the proposed exemption to all interested persons within 15 days of the publication of the notice of proposed exemption in the **Federal Register**. The notice will be given to interested persons by first class U.S. mail at their last known mailing address. The notice will contain a copy of the notice of proposed exemption, as published in the **Federal Register**, and a supplemental statement, as required pursuant to 29 CFR 2570.43(a)(2). The supplemental statement will inform

or sale and purchase, of the company’s stock within any period of less than six months.

<sup>16</sup> An oversubscription option, or privilege, allows shareholders (with this option or privilege) to buy shares that were not purchased by other shareholders.

<sup>17</sup> Rule 16(b) requires an officer, director, or any shareholder holding more than 10% of the outstanding shares of a publicly-traded company to disgorge any profit made on a purchase and sale,

interested persons of their right to comment on the pending exemption. Written comments are due by March 27, 2023.

All comments will be made available to the public.

**Warning:** If you submit a comment, EBSA recommends that you include your name and other contact information in the body of your comment, but DO NOT submit information that you consider to be confidential, or otherwise protected (such as a Social Security number or an unlisted phone number) or confidential business information that you do not want publicly-disclosed. All comments may be posted on the internet and can be retrieved by most internet search engines.

**For Further Information Contact:** Frank Gonzalez of the Department, telephone (202) 693-8553. (This is not a toll-free number.)

**The Occidental Petroleum Corporation Savings Plan and the Anadarko Employee Savings Plan Located in Houston, TX**

**[Application Nos. D-12032 and D-12033, Respectively]**

**Proposed Exemption**

The Department is considering granting an exemption under the authority of section 408(a) of the Employee Retirement Income Security Act of 1974, as amended (ERISA). As more fully described below, this proposed exemption, if granted, would permit: (1) the acquisition, on August 3, 2020, by the Occidental Petroleum Corporation Savings Plan (the Oxy Plan) and the Anadarko Employee Savings Plan (the Anadarko Plan; together, the Plans), of warrants (the Warrants) issued by Occidental Petroleum Company; and (2) the holding of the Warrants by the Plans, provided that the conditions set forth below are met.

**Summary of Facts and Representations**<sup>18</sup>

*The Applicants*

1. The Applicants are: (a) the Occidental Petroleum Corporation (Oxy); (b) the Anadarko Petroleum Corporation (Anadarko), a wholly

owned subsidiary of Oxy; and (c) the Oxy Plan and the Anadarko Plan (the Plans), which are sponsored by Oxy and Anadarko, respectively.

2. Oxy is an international energy company headquartered in Houston, Texas. Oxy common stock is publicly-traded on the New York Stock Exchange (the NYSE) under the ticker symbol "OXY." As of July 6, 2020, there were 29,023 stockholders of record and approximately 918,533,498 million shares of Oxy common stock issued and outstanding.

*The Plans*

3. The Oxy Plan is a participant-directed stock bonus plan that allows participants to invest in an investment fund holding common stock issued by Oxy. The Bank of New York Mellon serves as the Oxy Plan's directed trustee (the Trustee). As of August 28, 2020, the Oxy Plan had 12,604 participants and total assets having a fair market value of \$2,055,378,936. As of that same date, the fair market value of the Oxy common stock held by the Oxy Plan was \$170,813,875, or 8.3% of the fair market value of the Oxy Plan's assets.

4. The Anadarko Plan is a participant-directed plan that permits participants to invest in an investment fund holding common stock issued by Anadarko. As of August 28, 2020, the Anadarko Plan had 3,132 participants and total assets of \$693,248,177. Fidelity Management Trust Company also served as the Plan's directed Trustee. On August 28, 2020, the fair market value of Oxy common stock in the Anadarko Plan was \$2,077,278, and it represented 0.3% of the fair market value of the Anadarko Plan's assets. After August 28, 2020, the Anadarko Plan was terminated.

5. The Plans are administered by the Occidental Petroleum Corporation Pension and Retirement Plan Administrative Committee (the Administrative Committee). The Occidental Petroleum Corporation Pension and Retirement Trust and Investment Committee (the Investment Committee) has authority over the decisions relating to the investment of the Plans' assets.

*Issuance of Warrants*

6. On June 26, 2020, Oxy announced that its Board of Directors had declared a distribution of Warrants to its common stockholders to purchase additional shares of Occidental's common stock, as of July 6, 2020 (the Record Date). The Warrants have a seven-year term and expire on August 3, 2027. Recipients may exercise the Warrants to purchase additional shares of Oxy common stock at the exercise price of \$22 per share or

sell the Warrants at the prevailing market price on the NYSE.<sup>19</sup>

7. On August 3, 2020, Oxy distributed the Warrants. Stockholders of record, including the Plans, received 1/8th (12.5%) of a Warrant for each share of Oxy common stock held as of the Record Date. Each Oxy common stockholder, including the Plans, received the same proportionate number of Warrants based on the number of shares of Oxy common stock held as of the Record Date. The Plans and the other stockholders received the Warrants automatically, because of Oxy's unilateral and independent corporate act, and without any action on their part.

8. On August 3, 2020, because of Oxy's distribution of the Warrants, the Oxy Plan received 1,476,172 Warrants based on its holding of 11,809,376 shares of Oxy common stock. The Anadarko Plan received 26,601 Warrants based on its holding of 212,813 shares of Oxy common stock. Each Plan then established a Warrant account to reflect their respective participants' proportionate interest in the Warrants. All stockholders, including each Plan participant, received 1/8th of a Warrant for every share of common stock of which they were the record holder as of July 6, 2020.

9. On August 3, 2020, the Plans provided notices<sup>20</sup> to affected participants informing them: (a) of the Warrants, the Warrant account, and the engagement of Fiduciary Counselors Inc. (FCI), a qualified independent fiduciary within the meaning of 29 CFR 2570.31(j), as the independent fiduciary; (b) that FCI would determine whether the Warrants should be held, exercised, or sold; and (c) that Plan participants could obtain more information by contacting their respective Plan representative at the provided telephone number.

10. The Plans paid no fees or commissions in connection with the acquisition and holding of the Warrants. On August 4, 2020, the Warrants began regular trading on the NYSE, under the ticker symbol "OXY WS." The average of the highest and lowest trading prices of the Warrants on the NYSE on August 4, 2020, the first trading date following the distribution of the Warrants, was \$4.95 per Warrant share. The August 4, 2020, closing price for OXY stock on the NYSE was \$15.74. As noted above, the

<sup>19</sup> As of the Record Date, the closing price for Oxy common stock on the NYSE was \$18.18 per share.

<sup>20</sup> Active participants were provided notices via email while non-active participants were provided notices at their last known address via the United States Postal Service First Class Mail.

<sup>18</sup> The Department notes that the availability of this exemption, if granted, is subject to the express condition that the material facts and representations made by the Applicants and contained in applications D-12022 and D-12033 are true and complete, and accurately describe all material terms of the transactions covered by the exemption. If there is any material change in a transaction covered by the exemption, or in a material fact or representation described in the application, the exemption will cease to apply as of the date of the change.

Warrants permitted their holder to purchase OXY common stock for \$22 per share.

#### *The Independent Fiduciary*

11. After reviewing proposals submitted by independent fiduciary candidates, the Investment Committee exercised its authority under the terms of the Plans to appoint FCI, a registered investment adviser, as the qualified independent fiduciary, on July 22, 2020. The Applicants represent that the Investment Committee selected FCI based on its proposal and experience in making decisions regarding the acquisition, holding, and disposition of warrants by plans. The Applicants also represent that the appointment of FCI to act as investment manager with respect to the acquisition, holding and disposition of the Warrants is consistent with the Plans' documents.

12. Under the terms of its engagement, FCI serves as "investment manager," as defined in ERISA section 3(38), and is a fiduciary, as defined in ERISA section 3(21), with responsibility to: (a) direct the Plans' Trustees to receive and hold the Warrants on behalf of the Plans and determine whether the Warrants should continue to be held; (b) determine whether and when to exercise some or all of the Warrants and direct the Plans' Trustees, accordingly; and (c) determine whether and when to sell some or all of the Warrants and direct the Plans' Trustees, accordingly.

13. FCI represents that it is not related to or affiliated with any of the other parties to the transactions, and it has not previously been retained to perform services with respect to the Plans or any other employee benefit plan sponsored by Oxy or Anadarko. FCI also represents that: (a) it is independent of and unrelated to Oxy, Anadarko, and the Plans, and does not directly or indirectly control, is not controlled by, and is not under common control with, Oxy or Anadarko; (b) neither it, nor any of its officers, directors, or employees is an officer, director, partner, or employee of Oxy or Anadarko (or is a relative of such persons); (c) it does not directly or indirectly receive any consideration for its own account in connection with its services related to the Plans or the Warrants, except compensation from Oxy for such services; (d) its compensation for services is not contingent upon or in any way affected by its decisions; (e) the percentage of its 2020 gross revenues derived from any party in interest and affiliates involved in the exemption transactions was 2.08% of FCI's 2019 gross revenues; and (f) it understands and acknowledges its duties and responsibilities under ERISA

in acting as a fiduciary on behalf of the Plans in connection with the Warrants.

14. This proposal requires that FCI's Independent Fiduciary Engagement Agreement does not: (a) include any indemnification provisions that limit FCI's liability if FCI acts negligently in performing its duties on behalf of the Plans, nor (b) contain any provision that caps FCI's liability to the Plans. In addition, FCI represents that it has not and will not enter into any agreement or instrument that violates ERISA section 410 or the Department's Regulation section 2509.75-4.<sup>21</sup>

15. This exemption requires that no party related to this exemption application has, or will, indemnify FCI, in whole or in part, for negligence and/or for any violation of state or federal law that may be attributable to FCI in performing its duties. In addition, no contract or instrument may purport to waive any liability under state or federal law for any such violation.

#### *FCI's Disposition of Warrants*

16. As documented in the Independent Fiduciary Report, FCI conducted a due diligence process in evaluating the Warrants on behalf of the Plans. This process included discussions and correspondence with representatives of the Plans and Oxy, the Plans' Trustees and the Plans' recordkeepers. FCI also reviewed publicly-available information and Plan-related information provided by Oxy. FCI considered four alternatives (separately referred to herein as an "Alternative" or collectively referred to herein as the "Alternatives") for the Warrants on behalf of the Plans: (a) holding the Warrants; (b) exercising the Warrants; (c) selling some Warrants on the NYSE at the prevailing market price and exercising the remaining Warrants; and (d) selling all of the Warrants on the NYSE at the prevailing market price.

Regarding Alternative (a) above, FCI represents that holding the Warrants pending their sale or exercise would have resulted in the Plans realizing no immediate monetary benefit for the Warrants they received. Further, the value of the Warrants at some future date is highly speculative; therefore, holding the Warrants involved delay and unwarranted risks, including the possibility that the price of Oxy stock would not exceed the Warrants' \$22.00

per share exercise price before they expired. Based on these factors, FCI determined that continuing to hold the Warrants was an unacceptable alternative for the Plans.

FCI represents that Alternative (b) above was not feasible, because each Plan was amended to establish a separate Warrant account that initially held only the Warrants. Therefore, no cash was available to exercise the Warrants without selling some of them first.

Regarding Alternative (c) above, FCI could have directed the Trustee for each of the Plans to sell some portion of the Warrants to generate cash. Then, using the cash received from the sale of the Warrants, the Plans could exercise the remaining Warrants to purchase additional Oxy common stock at a price of \$22 per share. However, FCI determined that immediately exercising the Warrants at a price of \$22.00 per share when the underlying stock was trading at a price well below that price did not make economic sense. When FCI made this determination, Oxy stock was trading at \$15.25 per share, and by September 15, 2020, the price had declined to \$10.91 per share. Waiting until the price exceeded \$22.00 per share would have involved an indefinite delay with no assurance of when or whether that event would occur, including whether it would occur before Warrants expired. It also was possible that, exercising the Warrants at some future point could generate higher proceeds than simply selling the Warrants when the price of Oxy stock exceeded \$22.00 per share.

Regarding Alternative (d) above, the Warrants would be sold on the NYSE in a timely manner at prevailing market prices. Proceeds from the sale would then be invested in accordance with the Plans' governing documents. FCI determined that the benefits of selling the Warrants immediately included simplicity, lower overall costs and complexity, fewer administrative concerns, and less exposure to overall market risk and volatility than the Alternatives that involved holding or exercising any of the Warrants.

17. FCI ultimately determined that Alternative (d), involving selling the Warrants, was in the best interests of the Plans and the affected participants, and protective of the participants' rights. FCI concluded that the benefits of selling the Warrants were immediate, because it involved lower overall costs and complexity, fewer administrative concerns, and less exposure to overall market risk and volatility than the other alternatives. Accordingly, FCI concluded that the sale of the Warrants

<sup>21</sup> ERISA section 410 provides, in part, that "except as provided in ERISA sections 405(b)(1) and 405(d), any provision in an agreement or instrument which purports to relieve a fiduciary from responsibility or liability for any responsibility, obligation, or duty under this part [meaning ERISA section 410(a)] shall be void as against public policy."

was in the best interests of the Plans and their participants and beneficiaries and protective of their rights.

18. FCI sold the Oxy Plan's 1,476,172 Warrants in "blind transactions" on the NYSE over the course of five trading dates (August 6, 7, 10, 11, and 12, 2020). Gross proceeds received by the Oxy Plan totaled \$6,332,184.28 (\$6,332,222.83, including interest) and were fully and proportionately allocated to the Plan accounts of the affected participants in the Oxy Stock Fund. Oxy also paid commissions totaling \$14,761.72, and \$139.94 for SEC fees.

19. On August 10, 2020, FCI sold the Anadarko Plan's 26,601 Warrants in "blind transactions" on the NYSE, realizing a net benefit to the affected Anadarko Plan participants of \$115,538.88.<sup>22</sup>

#### ERISA Analysis

20. The Applicants have requested an administrative exemption from the Department for: (a) the acquisition of the Warrants by the Plans in connection with the distribution; and (b) the holding of the Warrants by the Plans during the holding period. The Applicants represent that the Warrants are not "qualifying" employer securities because they are not stock, marketable obligations, or interests in a publicly-traded partnership.

21. ERISA section 407(a)(1)(A) provides that a plan may not acquire or hold any "employer security" which is not a "qualifying employer security." Under ERISA section 407(d)(1), "employer securities" are defined, in relevant part, as securities issued by an employer of employees covered by the plan, or by an affiliate of the employer. ERISA section 407(d)(5) provides, in relevant part, that "qualifying employer securities" are stock or marketable obligations. ERISA section 406(a)(2) prohibits a plan fiduciary from permitting a plan to hold any employer security if he or she knows or should know that holding such security violates ERISA section 407(a).

22. ERISA section 406(a)(1)(E) prohibits a plan fiduciary from causing the plan to engage in a transaction if he or she knows or should know that the transaction constitutes the acquisition, on behalf of the plan, of any employer security in violation of ERISA section 407(a).

<sup>22</sup> Because the Anadarko Plan Oxy Stock Fund is frozen and unable to accept new investments or reinvestments, the Applicants represent that the proceeds from the sale were proportionately credited to the affected participants through the Anadarko Plan's qualified designated investment alternative.

#### Conditions in This Proposal

23. This proposed exemption contains conditions designed to ensure that covered transactions were in the interest of the Plans, and that the Plans' participants and beneficiaries were sufficiently protected. For example, the proposal requires that Oxy: (1) issued the Warrants to all stockholders of Oxy common stock, including the Plans; and (2) treated all of Oxy common stockholders, including the Plans, the same with respect to the acquisition and holding of the Warrants.

24. Additionally, the proposed exemption requires Oxy to have issued the same proportionate number of Warrants to all Oxy common stockholders, including the Plans, based on the number of shares of Oxy common stock held by each stockholder. Moreover, the Plans' acquisition of the Warrants must have resulted from a unilateral and independent corporate act of Oxy without any participation by the Plans.

25. Further, all decisions regarding whether to hold, sell, or exercise the Warrants by the Plans must have been made by FCI while acting solely in the interests of the Plans and their participants and beneficiaries, and in accordance with the Plan's provisions. The proposal requires that FCI's decision to sell all of the Warrants received by the Plans in blind transactions on the NYSE was protective and in the interests of the Plans and their participants and beneficiaries.

26. FCI must provide a written statement to the Department demonstrating that the covered transactions have met all of the exemption conditions within 90 days after the exemption is granted. The proposal requires that the Plans paid no brokerage fees, commissions, subscription fees, or other charges to Oxy with respect to the acquisition and holding of the Warrants nor to any affiliate of Oxy or FCI with respect to the sale of the Warrants. In addition, no party related to this exemption request has or will, indemnify FCI, in whole or in part, for negligence and/or for any violation of state or federal law that may be attributable to FCI's performance of its duties as an independent fiduciary overseeing the transaction. Further, no contract or instrument may purport to waive FCI's liability under state or federal law for any such violations.

27. The proposal also requires the Plans to provide each participant the entire amount they were due with respect to the acquisition and sale of the Warrants. Finally, all the material facts and representations made by the

Applicants and set forth in the Summary of Facts and Representations must be true and accurate.

#### Statutory Findings

28. Based on the conditions included in this proposed exemption, the Department has tentatively determined that the relief sought by the Applicants would satisfy the statutory requirements for an exemption under ERISA section 408(a) for the reasons discussed below.

##### a. *The Proposed Exemption Is "Administratively Feasible."*

The Department has tentatively determined that the proposed exemption is administratively feasible because, among other things, a qualified independent fiduciary, FCI, represented the Plans for all purposes with respect to the acquisition, holding and disposition of the Warrants, and will document its findings in a written report to the Department. The Department notes that, under the terms of this proposed exemption, FCI may not be indemnified, in whole or in part, for an act of negligence by FCI in performing its duties and responsibilities to the Plans.

b. *The Proposed Exemption Is "In the Interests of the Plans."* The Department has tentatively determined that the proposed exemption is in the interest of the Plans because the Warrants were automatically issued at no cost to Oxy common stockholders of record as of the Record Date, including the Plans. The proposed exemption would also permit the Plans' holding and disposition of the Warrants, thereby realizing their value, either through the exercise or sale of the Warrants in blind transactions on the open market.

c. *The Proposed Exemption Is "Protective of the Plans."* The Department has tentatively determined that the proposed is protective of the plans and their participants and beneficiaries, because the Warrants Offering was approved by the Oxy Board of Directors and all Oxy common stockholders, including the Plans, were treated the same. In addition, all decisions regarding whether to hold, sell, or exercise the Warrants were made by FCI, acting solely in the interests of the Plans' participants and beneficiaries, and in accordance with the Plans' provisions. FCI also had exclusive responsibility for determining whether to hold, exercise, or sell the Warrants, and ultimately concluded that the sales of the Warrants were in the interests of the Plans and their participants. Further, the market for the Warrants was public and listed on the NYSE; therefore, their market value could be readily determined. Finally, the Plans

did not pay any fees or commissions in connection with the acquisition and holding of the Warrants.

### Proposed Exemption

#### Section I. Covered Transactions

If this proposed exemption is granted, the restrictions of ERISA sections 406(a)(1)(E), 406(a)(2) and 407(a)(1)(A), shall not apply to the acquisition and holding by the Plans of Warrants, issued by Oxy, provided the conditions set forth in section II are satisfied.

#### Section II. Conditions

(a) The Warrants were issued by Oxy to all Oxy common stockholders, including the Plans;

(b) All Oxy common stockholders, including the Plans, were treated in the same manner with respect to the acquisition and holding of the Warrants;

(c) All Oxy common stockholders, including the Plans, were issued the same proportionate number of Warrants based on the number of shares of Oxy common stock held by such stockholder;

(d) The Plans' acquisition of the Warrants was a result of a unilateral and independent corporate act of Oxy without any participation by the Plans;

(e) All decisions regarding whether to hold, sell, or exercise the Warrants by the Plans were made by Fiduciary Counselors Inc. (FCI), a qualified independent fiduciary within the meaning of 29 CFR 2570.31(j) while acting solely in the interests of the Plans and their participants and beneficiaries and in accordance with the Plan's provisions;

(f) FCI determined that it was protective and in the interests of the Plans and their participants and beneficiaries to sell all of the Warrants received by the Plans in blind transactions on the NYSE;

(g) FCI will provide a written statement to the Department demonstrating that the covered transactions have met all of the exemption conditions within 90 days after the exemption is granted;

(h) No brokerage fees, commissions, subscription fees, or other charges were paid by the Plans to Oxy with respect to the acquisition and holding of the Warrants, nor were they paid to any affiliate of Oxy or FCI with respect to the sale of the Warrants;

(i) No party related to this exemption application has or will indemnify FCI, in whole or in part, for negligence and/or any violation of state or federal law that may be attributable to FCI in performing its duties overseeing the transaction. In addition, no contract or

instrument may purport to waive FCI's liability under state or federal law for any such violations;

(j) Each Plan participant received the entire amount they were due with respect to the acquisition of the Warrants and the sale of the Warrants; and

(k) All the material facts and representations made by the Applicants that are set forth in the Summary of Facts and Representations are true and accurate.

*Effective Date:* If granted, the proposed exemption will be effective for the period beginning August 3, 2020, through and including August 12, 2027.

#### Notice to Interested Persons

Oxy will provide notice (the Notice) of the publication of the proposed exemption in the **Federal Register** by email (where available) and by U.S. first class mail within fifteen (15) days after publication of the proposed exemption in the **Federal Register**. Because Anadarko no longer has its own website due to the Oxy and Anadarko merger, Oxy will post the Notice on the Oxy website beginning on the same date Oxy mails the Notices to interested persons. Each Notice will contain a copy of the proposed exemption, as it appears in the **Federal Register** on the date of publication, and a Supplemental Statement, as required under 29 CFR 2570.43(a)(2), which will advise all interested persons of their right to comment and/or request a hearing with respect to the proposed exemption. All written comments and/or requests for a hearing must be received by the Department from interested persons by March 27, 2023.

All comments will be made available to the public.

*Warning:* Do not include any personally identifiable information (such as a name, address, or other contact information) or confidential business information with your comment that you do not want publicly disclosed. All comments may be posted on the internet and can be retrieved by most internet search engines.

*For Further Information Contact:* Blessed Chuksorji-Keefe of the Department, telephone (202) 693-8567. (This is not a toll-free number.)

#### General Information

The attention of interested persons is directed to the following:

(1) The fact that a transaction is the subject of an exemption under section 408(a) of the Act and/or section 4975(c)(2) of the Code does not relieve a fiduciary or other party in interest or disqualified person from certain other

provisions of the Act and/or the Code, including any prohibited transaction provisions to which the exemption does not apply and the general fiduciary responsibility provisions of section 404 of the Act, which, among other things, require a fiduciary to discharge his duties respecting the plan solely in the interest of the participants and beneficiaries of the plan and in a prudent fashion in accordance with section 404(a)(1)(B) of the Act; nor does it affect the requirement of section 401(a) of the Code that the plan must operate for the exclusive benefit of the employees of the employer maintaining the plan and their beneficiaries;

(2) Before an exemption may be granted under section 408(a) of the Act and/or section 4975(c)(2) of the Code, the Department must find that the exemption is administratively feasible, in the interests of the plan and of its participants and beneficiaries, and protective of the rights of participants and beneficiaries of the plan;

(3) The proposed exemptions, if granted, will be supplemental to, and not in derogation of, any other provisions of the Act and/or the Code, including statutory or administrative exemptions and transitional rules. Furthermore, the fact that a transaction is subject to an administrative or statutory exemption is not dispositive of whether the transaction is in fact a prohibited transaction; and

(4) The proposed exemptions, if granted, will be subject to the express condition that the material facts and representations contained in each application are true and complete, and that each application accurately describes all material terms of the transaction which is the subject of the exemption.

Signed at Washington, DC.

**George Christopher Cosby,**

*Director, Office of Exemption Determinations,  
Employee Benefits Security Administration,  
U.S. Department of Labor.*

[FR Doc. 2023-02703 Filed 2-8-23; 8:45 am]

**BILLING CODE 4510-29-P**

## DEPARTMENT OF LABOR

### Employment and Training Administration

#### Agency Information Collection Activities; Comment Request; Benefit Appeals Report

**ACTION:** Notice.

**SUMMARY:** The Department of Labor's (DOL's) Employment and Training Administration (ETA) is soliciting