

DEPARTMENT OF LABOR**Employee Benefits Security Administration**

[Exemption Application No. D-12061]

Proposed Exemption From Certain Prohibited Transactions Involving Liberty Latin America 401(k) Savings Plan (the Plan or the Applicant) Located in Denver, CO**AGENCY:** Employee Benefits Security Administration, Labor.**ACTION:** Notice of proposed exemption.

SUMMARY: This proposed exemption would permit the Plan's acquisition, holding and sale of certain stock rights the Plan received from Liberty Latin America Ltd. in September 2020. Absent an exemption, these transactions would be prohibited by the Employee Retirement Income Security Act of 1974 (ERISA) and/or the Internal Revenue Code of 1986 (the Code).

DATES:

Exemption date: If granted, the exemption will be in effect as of September 10, 2020, through September 25, 2020.

Comments due: Written comments and requests for a public hearing on the proposed exemption must be received by the Department by January 2, 2026.

ADDRESSES: All written comments and requests for a hearing should be submitted to the Employee Benefits Security Administration (EBSA), Office of Exemption Determinations, Attention: Application No. D-12061:

- via email to e-OED@dol.gov; or
- Electronically at <https://www.regulations.gov>.

Follow the "Submit a comment" instructions.

Any such comments or requests should be sent by the end of the scheduled comment period. The application 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, reachable by telephone at (202) 693-8673. See **SUPPLEMENTARY INFORMATION** below for additional information regarding comments.

FOR FURTHER INFORMATION CONTACT:

Anna Vaughan of the Department at (202) 693-8565. (This is not a toll-free number.)

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 how the person would be adversely affected by the exemption, if granted. Any person who may be adversely affected by an exemption can request a hearing on the exemption if their request includes: (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 hearing request made in accordance with the requirements above when the Department finds that a hearing is necessary to fully explore material factual issues identified by the requestor, and the Department will publish a hearing notice in the **Federal Register**. The Department may decline to hold a hearing if it finds that: (1) the request for the hearing does not meet the requirements stated above; (2) the only issues identified for exploration at the hearing are matters of law; or (3) the factual issues identified in the request can be fully explored through the submission of evidence in written (including electronic) form.

Warning: The Department will include all comments received in the public record without change and will make them available online at <https://www.regulations.gov>. The Department notes that it will include any personal information provided in the public record and online, unless the commenter claims that any of the information included is confidential or the disclosure of such information 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 a Social Security number or an unlisted phone number) and confidential business information that you do not want publicly disclosed. 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://](https://www.regulations.gov)

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.

This Proposed Exemption: The proposed exemption would permit, for the period beginning September 10, 2020, and ending September 25, 2020: (1) the acquisition by the Plan from Liberty Latin America Ltd. (LLA), a party in interest to the Plan, of certain stock rights (the Rights) to purchase shares of Series C Liberty Latin America Ltd. (the Series C LLA Stock), in connection with a Rights offering by LLA (the Rights Offering); (2) the Plan's holding of the Rights during the subscription period of the Rights Offering (the Rights Offering Period); and (3) the sale, at the direction of the 401(k) Committee of LiLAC Communications, Inc. (the Committee), of any unexercised and unsold Rights held by Plan participants towards the end of the Rights Offering Period, provided that the conditions in Section II below are met.

The Department is considering granting this exemption under the authority of ERISA section 408(a) and Code section 4975(c)(2) and in accordance with the Department's exemption procedures regulation.¹ This proposed exemption would provide relief from certain restrictions set forth in ERISA sections 406(a)(1)(E), 406(a)(2), 406(b)(1) and 407(a), and the excise tax imposed by Code section 4975(a) and (b) (due to the operation of parallel prohibited transaction provisions contained in Code section 4975(c)(1)). However, this proposed exemption would not provide relief from any other violation of law.

Benefits of the Proposed Exemption: The Applicant represents that Plan participants acquired the Rights at no additional cost. Plan participants could then sell the Rights at their fair market value or exercise the Rights to purchase Series C LLA Stock, at a discount.

¹ 29 CFR part 2570, subpart B (76 FR 66637, 66644, October 27, 2011). Effective December 31, 1978, section 102 of the Reorganization Plan No. 4 of 1978, 5 U.S.C. App. 1 (1996), transferred the authority of the Secretary of the Treasury to issue administrative exemptions under the Code Section 4975(c)(2) to the Secretary of Labor. Accordingly, the Department is proposing this exemption under its sole authority. Any references hereinafter to sections of ERISA shall be deemed to refer to the corresponding sections of the Code, unless indicated otherwise.

Summary of Facts and Representations²

Background

1. LLA is a telecommunications services provider. LiLAC Communications Inc. (LiLAC) is an indirect subsidiary of LLA. LiLAC sponsors the Plan, which is a defined contribution plan. At the time of the Rights Offering, the Plan had 77 participants and beneficiaries, and approximately \$5,963,983.97 in assets.

2. The trustee of the Plan is Fidelity Management Trust Company (the Trustee). The Trustee acts as custodian of the Plan's assets, holding legal title to the assets, and executing investment directions in accordance with the participants' written instructions. The Committee is the Plan fiduciary responsible for Plan matters.

3. The Plan permits participants to direct the investment of their Plan accounts into several investment alternatives. At the time of the Rights Offering, the investment alternatives included employer securities issued by LLA. As of September 8, 2020, the Plan held \$21,326.02 in Series A LLA common stock (Series A LLA Stock), which represented approximately 0.36% of total Plan assets. As of the same date, the Plan held \$1,423,491.03 in Series C LLA Stock, which represented approximately 23.9% of total Plan assets.

Description of LLA Stock

4. The Applicant states that unlike some companies where the value of a particular class or series of common stock is based on the assets, businesses,

² The Summary of Facts and Representations is based on the Applicant's representations and does not reflect factual findings or opinions of the Department, unless indicated otherwise. 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 Applicant in Application D-12061 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 may cease to be effective, with such determination made at the Department's sole discretion. See 29 CFR 2570.49.

and investments that the issuing company has assigned to the class or series (also known as a "tracking stock"), Series A LLA Stock and Series C LLA Stock (together or individually, LLA Stock) are intended to reflect the value of LLA's business as a whole.³ The Applicant states that the voting power between Series A and C stock varies, with one vote per share for Series A LLA Stock and no votes per share for Series C LLA Stock.

The Rights Offering

5. The Applicant represents that Plan participants who held LLA Stock (and thus would receive the Rights) were notified of the Rights Offering and of the procedure for instructing the Trustee how to handle the Rights. The Applicant states that Plan participants received the following documents in connection with the Rights Offering: (a) a document titled "Instructions for Participants in the Liberty Latin America 401(k) Savings Plan—Important Information on the Liberty Latin America LTD. Rights Offering," which is a disclosure in a question-and-answer format, describing the Rights Offering, the choices available to Plan participants regarding the sale or exercise of the Rights, as well as any applicable deadlines and fees to sell or exercise the Rights (the Instruction); and (b) the prospectus provided to all other LLA shareholders.

6. On September 10, 2020, LLA issued Rights to all holders of LLA Stock, including the Plan.⁴ Each holder of LLA Stock received Rights equal to the number of shares of LLA Stock held by the shareholder, multiplied by 0.2690. Each Right gave each recipient shareholder the right to purchase one share of Series C LLA Stock at a price equal to \$7.14 per full share, an approximate 25% discount to the volume weighted average trading price

³ The Applicant states that although LLA issued Series B LLA Stock, no Plan participant accounts held Series B LLA Stock.

⁴ Holders of all Series of LLA Stock received Rights, but because Plan participants were not permitted to hold Series B LLA Stock, they only received Rights in respect of Series A and Series C LLA Stock.

(the VWAP) of the Series C LLA Stock, beginning on August 31, 2020 and ending on and including September 2, 2020.⁵ The Applicant states that the Rights permitted the purchase of only a whole number of shares, and any fractional shares were rounded up to the next whole share.⁶ The following table shows the total number of shares of LLA Stock eligible to receive the Rights, and the market closing price of Series A LLA Stock and Series C LLA Stock on September 10, 2020, and September 25, 2020.

⁵ The Applicant states that the subscription price was based on advice from JPMorgan, and set at a discount to the theoretical ex-rights price (TERP) of the shares. A TERP is the market price that a stock will theoretically have following the completion of a rights offering, taking into account any changes in the company's overall value due to the issuance of additional shares at a discount. The Applicant represents that the actual subscription price of \$7.14 was equal to a 25% discount to the VWAP of the Series C LLA Stock over a three-day period beginning on August 31, 2020, and ending on (and including) September 2, 2020. The Applicant states that this method is consistent with how other public companies have conducted their rights offerings and would be recognizable to investors and market participants who had looked at and/or participated in those other offerings. The Applicant states that after reviewing other rights offerings, considering volatility and market dynamics and consulting with advisors, it was determined that a 25% discount to VWAP was appropriate. The Applicant states that the chosen VWAP was intended to represent fair market value, with the 25% discount thereafter being applied to derive the subscription price. By exercising their Rights, Plan participants were able to preserve their ownership percentage/interest in the business.

⁶ The Applicant represents that all holders of Series A LLA Stock or Series C LLA Stock, including the Plan, were treated in a like manner, with the exception that the oversubscription privilege available under the Rights Offering was not available to Plan participants. Under the oversubscription privilege, each rightsholder which exercises its basic subscription privilege, in full, had the right to subscribe, at the subscription price, for up to that number of Series C LLA Stock which were not purchased by rightsholders under their basic subscription privilege. If a rightsholder delivered an oversubscription request for Series C LLA Stock and LLA received oversubscription requests for more Series C LLA Stock than was available for oversubscription, the rightsholder would receive its pro rata portion of the available Series C LLA Stock based on the number of shares it purchased under its basic subscription privilege or, if less, the number of shares for which it oversubscribed.

	Shares outstanding as of September 8, 2020, the record date for participation in the offering ⁷	Market closing price on September 10, 2020 ⁸	Market closing price on September 25, 2020 ⁹
Series A LLA Stock	48,891,293	\$9.51	\$7.85
Series C LLA Stock	131,375,442	9.31	7.75

7. The following table summarizes the Stock held by the Plan on September 8, 2020 and which continued to be held through September 10, 2020, and the Rights received by the Plan on September 10th, 2020 on behalf of all participant shareholders of Series A and C LLA Stock.

Series of stock	Number of securities held by Plan
Series A LLA Stock held on the ex-dividend date	2,198
Series C LLA Stock held on the ex-dividend date	150,962
Total Series A LLA Stock and Series C LLA Stock held on the ex-dividend date	153,160
Number of Rights Received by Plan (total LLA Stock multiplied by 0.2690, including rounding up to the nearest whole share for each participant)	41,201

Acquisition of the Rights: No Committee Discretion ¹⁰

8. The Applicant states that the Committee did not exercise discretion regarding the Plan’s acquisition of the Rights. The Rights were automatically provided to all holders of LLA Stock, including Plan participants.

Disposition of the Rights: Participant Directed, With Narrow Exception

9. The Applicant states that the Committee determined that it would be prudent and in the best interest of Plan participants to let the participants elect to exercise or sell the Rights. However, if a Plan participant did not elect to exercise or sell their Rights by the close of trading on September 21, 2020, the Committee directed the Trustee to sell those Rights on behalf of the participant. The Applicant notes that, in the absence of this direction, any Rights for which the Trustee did not receive an election would have expired at the end of the Rights Offering Period for no value. The Applicant states that the Committee, instead of allowing the Rights to expire, directed the Trustee to sell the Rights of non-electing participants after the Committee determined that it would be prudent and in the best interests of

participants to avoid expiration of the Rights without the provision of value to the participants. The Applicant represents that, as a result of the Committee’s direction to the Trustee, the participants received the fair market value for the sale of their Rights, effectively ensuring that both electing and non-electing participants were treated similarly.

Participants Who Elected To Exercise Rights

10. A participant could direct the Trustee to exercise their Rights at any time prior to 4:00 p.m. New York City Time, on September 21, 2020. The Applicant states that, of the 73 Plan participants holding LLA Stock at the time of the Rights Offering, 25 chose to exercise 15,763.677 total Rights.

11. On September 22, 2020, of the 15,763.677 Rights that Plan participants elected to exercise, the Trustee only exercised 1,895.543 Rights and mistakenly sold 13,868.134 Rights. LiLAC discovered the mistake on September 28, 2020, following the conclusion of the Rights Offering Period. The Applicant states that these mistakes were promptly corrected, and all participants were made whole by: (1) the Trustee purchasing shares on the

open market, (2) the Plan charging the participants only the subscription price of \$7.14 per share (the same subscription price paid by all Plan participants exercising their Rights) rather than the higher price paid by the Trustee to purchase the shares on the open market, and (3) removing the proceeds of the sold Rights from the affected participant accounts.¹¹ All costs related to the error and correction were paid by the Trustee, not by the Plan or its participants. The corrections were made from October 13, 2020, through October 15, 2020.¹²

12. All Plan participants who exercised their Rights (including those who were affected by the mistake described above) received shares of Series C LLA Stock at \$7.14 price per share in proportion to the amount of Rights they held in connection with the Rights Offering. The following chart summarizes the total amounts paid by Plan participants to acquire shares of Series C LLA Stock, as compared to the actual closing price of the stock on September 22, 2020.

⁷ As reported in the Rights Offering prospectus, September 8, 2020, is the Rights distribution record date. The Applicant represents that, as described in the Rights Offering prospectus, because of “due bill” trading procedures required by NASDAQ in connection with the Rights Offering, the number of Rights received was actually calculated based on shares of Stock held by participants on September 10, 2020. However, the number of shares of Stock held by participants on September 10, 2020 was identical to that of September 8, 2020, thus the shares held on the Record Date of September 8, 2020 controlled for purposes of the Rights Offering.

⁸ As discussed herein, LLA Stockholders were issued Rights on September 10, 2020. The market closing price for each Right on September 11, 2020 was \$1.76.

⁹ As stated in the Rights Offering prospectus, the Rights Offering expired on September 25, 2020, 5:00 p.m., New York City time.

¹⁰ Because Plan participants’ accounts may own fractional shares, the Plan relied on its stock purchase account to round the number of Shares to whole numbers, since only whole shares can be traded on the open market. The number of shares of Series A and Series C stock includes shares in the Plan’s stock purchase account.

¹¹ The Applicant states that LiLAC has reviewed the audit of all the Rights held by the Plan and confirms that the correction fully restored all participants to the position they would have been in the absence of the Trustee’s error.

¹² The Department notes that no exemptive relief is being provided herein for the mistaken sale of the Rights for which the Trustee had received an election to exercise from a Plan participant. Furthermore, the Department is not proposing exemptive relief with respect to the correction of the mistaken sale of Rights through the purchase of shares through blind transactions on the open market, as described herein.

September 22, 2020	Price (per share)	Total fair market value of 15,763.677 rights
Series C LLA Stock	\$7.95	\$125,321.23
Series C LLA Stock at 25% discount to VWAP—the exercise price of a Right	7.14	112,552.65
Difference	0.81	12,768.58
Average Discount Per Participant	510.74	

On the date that the Trustee exercised participants' Rights, the fair market value of Series C LLA Stock closed at \$7.95, so that participants in the Rights Offering received shares of Series C stock at a \$0.81 discount. Furthermore, Series C LLA Stock closed at prices of \$10.65 on October 13, 2020, \$10.55 on October 14, 2020, and \$10.26 on

October 15, 2020, on the Nasdaq Global Select Market.

Participants Who Elected To Sell the Rights

13. A participant could direct the Trustee to sell their Rights at any time from September 11, 2020, through September 21, 2020.¹³ The Applicant states that the Trustee sold Rights as soon as administratively possible after

an election was made by a Plan participant. A total of 13,098.61 Rights were sold by the Trustee between September 18, 2020, and September 21, 2020, on the Nasdaq Global Select Market in "blind transactions."¹⁴ The proceeds of the sales were directed by the Plan participants to be invested in one of the other 28 Plan investment options.¹⁵

Number of participants whose rights were sold at their direction	23
Number of Rights Sold at the Direction of Participants	13,098.61
Average Price Received for Sale of Rights at the Direction of Participants	\$0.89866
Total Proceeds Received for Sale of Rights at the Direction of Participants	\$11,389.20
Average proceeds per Participant	\$495.18

* The amounts received by Participants shown in this table are net of fees.

Rights For Which No Plan Participant Election Was Made

14. On September 22, 2020, the Trustee sold a total of 12,336.558 Rights on behalf of the 26 participants who made no election with respect to those Rights by the close of trading on September 21, 2020. The Trustee sold the unexercised Rights on the Nasdaq Global Select Market in "blind transactions" for an average price of \$0.8026 per Right for total proceeds of \$9,901.32, and the proceeds from the sales were allocated proportionally to the relevant participants' accounts. The average proceeds received per Plan participant in respect of such sales was \$380.82. Thus, all unexercised Rights were sold by the Trustee, no Rights expired,¹⁶ and the settlement from all sales of the Plan's Rights was completed by September 24, 2020.

15. According to the Applicant, the Committee prudently and loyally

determined on behalf of the Plan that: (a) the Plan's acquisition, holding, and sale of the Rights could proceed, and (b) the Plan's participants received at least the fair market value for the exercise and sale of their Rights. The Department notes that this exemption requires that the material facts and representations set forth in the Summary of Facts and Representations must be true and accurate at all times, and the Plan must retain for six years the records necessary for the Department to ascertain whether the conditions for relief have been adhered to.

16. The Applicant represents that it filed the exemption application after the Rights Offering, when the appropriate review and approvals were concluded.

ERISA Analysis

17. 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 they know 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 they know or should know that holding such security violates ERISA section 407(a).

18. 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.

¹³ As reported in the Instruction, while the Rights Offering period formally commenced on September 11, 2020, the Rights were not accessible to the Trustee for exercise or sale until on or near September 15, 2020.

¹⁴ The Department notes that a transaction will, generally, not be a prohibited transaction if the transaction is an ordinary "blind" purchase or sale of securities through an exchange where neither the buyer nor the seller (nor the agent of either) knows the identity of the other party involved. In this regard the Department notes that the ERISA Conference Report states that "[i]n general, it is expected that a transaction will not be a prohibited transaction (under either the labor or tax provisions) if the transaction is an ordinary "blind" purchase or sale of securities through an exchange where neither buyer nor seller (nor the agent of

either) knows the identity of the other party involved." See H.R. Rep. 93-1280, 93rd Cong., 2d Sess. 307 (1974); see also ERISA Advisory Opinion 2004-05A (May 24, 2004).

¹⁵ The Applicant states that Plan participants were able to process these exchanges on the Applicant's NetBenefits website, and that the Trustee sold the Rights through its trading arm, Fidelity Capital Markets.

¹⁶ The Applicant represents that commissions and SEC fees were charged against the price received by the Plan participant selling the Right and are exempt under ERISA section 408(b)(2). The Department is not opining on whether the conditions set forth in ERISA section 408(b)(2) and the Department's regulations, pursuant to 29 CFR 2550.408(b)(2), have been satisfied, as such matters are outside the scope of this exemption. However,

the Applicant states that the brokerage services provided by the Trustee's affiliate Fidelity Capital Markets were necessary for the execution of Plan participants' directives to sell their Rights and ensure that all Plan participants received value for their Rights even if they did not respond to the communications provided to them regarding exercise or sale of the Rights. The Applicant states that the service agreement with the Trustee was reasonable and permitted termination by the Plan without penalty on reasonably short notice under the circumstances. Further, the Applicant states that the Trustee makes written disclosures to the Committee regarding the fees it receives and the services it performs, in compliance with the final regulation on fee disclosure for reasonable contract or arrangements under ERISA Section 408(b)(2).

19. The Applicant represents that the Plan was a holder of record of Series A LLA Stock and Series C LLA Stock issued by LLA on the date the Rights were acquired by the Plan, so the acquisition of the Rights by the Plan was an acquisition of an “employer security” under ERISA section 407(d)(1). The Applicant represents that since the Rights did not constitute either stock or marketable obligations for indebtedness, the Rights were not “qualifying employer securities” under ERISA section 407(d)(5). Therefore, the Applicant represents that the Plan’s acquisition and holding of the Rights, would violate ERISA sections 406(a)(1)(E), 406(a)(2), and 407(a)(1)(A), unless an exemption is granted by the Department.

20. In addition, ERISA section 406(b)(1) prohibits a plan fiduciary from dealing with the assets of a plan in their own interest or own account. Further, ERISA section 406(b)(2) prohibits a fiduciary from acting in any transaction involving a plan on behalf of a party whose interests are adverse to interests of the plan or the interests of the plan’s participants or beneficiaries. The Applicant requested relief from ERISA section 406(b)(1) and (2) with respect to the Committee’s instruction to sell unexercised Rights held by participants prior to the expiration of the Rights in the event that the Committee’s actions are construed as dealing with the assets of the Plan in its own interest or for its own account or acting on behalf of a party whose interests are adverse to those of the Plan, when it caused the sale of any unexercised and unsold Rights on behalf of Plan participants.¹⁷ If granted, the exemption will be effective for the period September 10, 2020, through September 25, 2020.

Statutory Findings

The Department has tentatively made the following required findings under ERISA section 408(a) with respect to the proposed exemption:

21. “*Administratively Feasible.*” The Department has tentatively determined that the proposed exemption is administratively feasible for the

Department because, among other things, the Plan participants received their Rights pursuant to LLA’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 the exception that the oversubscription option available under the Rights Offering was not available to Plan participants.

22. “*In the Interest of the Plan.*” The Department has tentatively determined that the proposed exemption is in the Plan’s and its participants’ and beneficiaries’ interests because, among other things: (a) each Plan participant received their Rights at no additional cost; (b) the participants who exercised their Rights paid \$7.14 per share for Series C LLA Stock, which was equal to an approximate 25% discount to the volume weighted average trading price of Series C LLA Stock for the trading period beginning on August 31, 2020, and ending on, and including, September 2, 2020. On September 22, 2020, the date of exercise, the discount per share was equal to \$0.81; (c) the participants who elected to sell their Rights received an average price of \$0.89866 for each Right sold; and (d) those participants who failed to make an election received an average of \$0.803 for each Right sold at the direction of the Committee.¹⁸

23. “*Protective of the Plan.*” The Department has tentatively determined that the proposed exemption is protective of the Plan’s participants’ and beneficiaries’ rights because, among other things: (a) each Plan participant was able to independently decide whether to exercise or sell their Rights, and any unexercised and unsold Rights were sold prior to the end of the Rights Offering; (b) the Rights were sold by the Trustee on the Nasdaq Global Select Market at market value, in arm’s-length transactions between unrelated parties; (c) all shareholders were treated in the same manner during the Rights Offering’s process; and (d) the Plan did not pay any fees or commissions in connection with the acquisition or holding of the Rights.¹⁹

¹⁷ The Department notes that the determination whether the Committee exercised its fiduciary authority in a manner that violated ERISA section 406(b)(1) and (b)(2) when it directed the sale of unexercised Rights held by the Plan on behalf of participants is subject to a factual inquiry that is outside the scope of this proposed exemption. Nevertheless, if the Committee’s exercise of discretion also benefitted the Applicant, an entity in which the Committee has an interest that may affect the Committee’s best judgment as a fiduciary, then such exercise of discretion may raise questions about whether the Committee acted in a manner that complies with ERISA section 406(b)(1) and (b)(2).

¹⁸ Therefore, participants whose accounts held shares of LLA Stock in the Rights Offering received a benefit of approximately (a) \$0.24 per Share owned prior to the Offering for participants that elected to sell their Rights; (b) \$0.21 per Share owned for participants that did not make any election to sell or exercise their Rights; and (c) \$0.22 per Share for participants that elected to exercise their Rights for Shares of Series C stock.

¹⁹ As described above, the Plan paid SEC fees and commissions to the Trustee’s affiliate, Fidelity Capital Markets, to sell the Rights on behalf of the Plan participants, charged solely against the price

Notice to Interested Persons

The Applicant will provide notification to interested persons (Notice) as agreed to with the Department: (1) by posting the Notice on the LLA intranet site and in the LLA’s sites customarily used for posting notices to employees regarding employment matters; and (2) via a return-receipt email that links to the information posted on the LLA intranet site within 7 days of the date of the publication of the Notice in the **Federal Register**. The Notice will include a copy of the Notice, as it appears in the **Federal Register**, plus a copy of the Supplemental Statement required pursuant to 29 CFR 2570.43(a)(2), which advises interested persons of their right to comment and to request a hearing.

The Department will not consider comments and requests for a hearing received by the Department after 37 days of the publication of the notice of proposed exemption in the **Federal Register**.

All comments will be made available to the public.

Warning: Do not include any personally identifiable information (such as name, address, or other contact information) or confidential business information that you do not want publicly disclosed. All comments become part of the disclosable administrative record. Further, comments may be posted on the internet and can be retrieved by most internet search engines.

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 ERISA section 408(a) and/or Code section 4975(c)(2) does not relieve a fiduciary or other party in interest or disqualified person from certain other provisions of ERISA or the Code, including any prohibited transaction provisions to which the exemption does not apply and the general fiduciary responsibility provisions of ERISA section 404, which, among other things, require a fiduciary to discharge their duties respecting the plan solely in the interest of the plan and its participants and beneficiaries

received by the Plan participant selling the Right. The Applicant represents that the fees and brokerage services received by Fidelity Capital Markets in connection with the sale of the Rights held by Plan participants, are exempt under ERISA section 408(b)(2). The Department is not providing relief for any services or receipt of compensation and is not opining herein whether the conditions set forth in ERISA section 408(b)(2) and the Department’s regulations, pursuant to 29 CFR 2550.408(b)(2), have been satisfied.

and in a prudent manner in accordance with ERISA section 404(a)(1)(B); nor does it affect the requirement of Code section 401(a) 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 ERISA section 408(a) and/or Code section 4975(c)(2), the Department must find that the exemption is administratively feasible, in the interests of the plan and its participants and beneficiaries, and protective of the rights of participants and beneficiaries of the plan;

(3) The proposed exemption, if granted, would be supplemental to, and not in derogation of, any other provisions of ERISA 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 exemption, if granted, would be subject to the express condition that the material facts and representations contained in the application are true and complete at all times and that the application accurately describes all material terms of the transactions which are the subject of the exemption.

Proposed Exemption

The Department is considering granting an exemption under the authority of ERISA section 408(a) and Internal Revenue Code (or Code) section 4975(c)(2) in accordance with the Department's exemption procedures regulation.²⁰ 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 by the Applicant to the Secretary of Labor. Therefore, this notice of proposed exemption is issued solely by the Department.

Section I. Transactions

This exemption would provide relief from the prohibited transactions provisions of ERISA sections 406(a)(1)(E), 406(a)(2), 406(b)(1), 406(b)(2), and 407(a)(1)(A), and the excise tax imposed by Code section 4975(a) and (b) (due to the operation of a parallel prohibited transaction

provision contained in Code section 4975(c)(1)(E)), for the period beginning September 10, 2020, and ending September 25, 2020, with respect to:

(a) the acquisition by the Liberty Latin America 401(k) Savings Plan (the Plan) of certain stock subscription rights (the Rights), pursuant to a stock rights offering (the Rights Offering) by Liberty Latin America Ltd. (LLA), for the purchase of shares of Series C LLA common stock (Series C LLA Stock);

(b) the holding of the Rights by the Plan during the subscription period of the Rights Offering (the Rights Offering Period); and

(c) the sale of any unexercised and unsold Rights held by Plan participants, at the direction of the 401(k) Committee of LiLAC Communications, Inc. (LiLAC), prior to the expiration of the Rights Offering Period, provided the conditions set forth below in Section II are always satisfied.

Section II. Conditions

(a) The Plan's acquisition of the Rights resulted solely from an independent corporate act of LLA as a corporate entity, without the exercise of any discretion on the part of the Committee of LiLAC (the Committee);

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

(c) For purposes of the Rights Offering, all holders of Series A LLA Stock or Series C LLA Stock, including the Plan, were treated in a like manner, with the exception that the oversubscription option available under the Rights Offering was not available to participants of the Plan;

(d) The acquisition of the Rights by the Plan was made in a manner that was consistent with provisions of the Plan for the individually directed investment of participant accounts;

(e) All decisions regarding the holding and disposition of the Rights were made by the participants whose Plan accounts were credited with the Rights, with the exception of the direction by the Committee to the Plan's trustee, Fidelity Management Trust Company (the Trustee) to sell any Rights that remained unexercised and unsold towards the end of the Rights Offering. With respect to Rights sold at the direction of the Committee, the sale must have been effected in a prudent manner on the open market so that the Plan participants received at least fair market value for the Rights sold;

(f) The Plan did not pay any brokerage fees, commissions, subscription fees, or other charges in connection with the acquisition and holding of the Rights, except for the Securities Exchange Commission fee and the commission paid to the Trustee's affiliate, Fidelity Capital Markets, which were charged solely against the price received by the Plan participant selling the Right. The Commission's decision to allow this fee and commission must have been prudent, consistent with their duties under ERISA Section 404, and the fee and commission must have been reasonable, consistent with ERISA Section 408(b)(2);

(g) The Plan did not pay any fees in connection with the Applicant's request for this exemption;

(h) The Plan fiduciary 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, and (2) the Plan's participants received at least the fair market value for the exercise and sales of the Rights;

(i) LiLAC maintains for a period of six (6) years from the date of a Sale, in a manner that is convenient and accessible for audit and examination, the records necessary to enable the persons described in paragraph (j)(1)–(4) below to determine whether conditions of this exemption have been met, except that (1) a prohibited transaction will not be considered to have occurred if, due to circumstances beyond the control of LiLAC, the records are lost or destroyed prior to the end of the six-year period, and (2) no party in interest other than LiLAC shall be subject to the civil penalty that may be assessed under ERISA section 502(i) if the records are not maintained, or are not available for examination as required by paragraph (j) below;

(j) Notwithstanding any provisions of subsections (a)(2) and (b) of ERISA section 504, the records referred to in paragraph (i) above shall be unconditionally available at their customary location during normal business hours to:

(1) any duly authorized employee or representative of the Department or the Internal Revenue Service;

(2) LiLAC or any duly authorized representative of LiLAC;

(3) the Plan fiduciary or any duly authorized representative of the Plan fiduciary; and

(4) any participant or beneficiary of the Plan, or any duly authorized representative of such participant or beneficiary;

²⁰ 29 CFR part 2570, subpart B (76 FR 66637, 66644, October 27, 2011). For purposes of this proposed exemption, references to ERISA section 406, unless otherwise specified, should be read to refer as well to the corresponding provisions of Code section 4975.

(k) The Plan must provide to the Department the records necessary to demonstrate that the conditions of this exemption, as amended, have been met, within 30 days from the date the Department requests such records; and

(l) All the material facts and representations made by the Plan that are set forth in the Summary of Facts and Representations are true and accurate at all times. 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.

Exemption date: If granted, the exemption will be in effect from September 10, 2020, the date that the Plan received the Rights, through September 25, 2020, the last date the Rights were sold on the Nasdaq Global Select Market.

Signed at Washington, DC, this 19th day of November 2025.

Christopher Motta,

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

[FR Doc. 2025–21196 Filed 11–25–25; 8:45 am]

BILLING CODE 4510–29–P

DEPARTMENT OF LABOR

Agency Information Collection Activities; Submission for OMB Review; Comment Request; No Surprises Act: IDR Process

ACTION: Notice of availability; request for comments.

SUMMARY: The Department of Labor (DOL) is submitting this Employee Benefits Security Administration (EBSA)-sponsored information collection request (ICR) to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995 (PRA). Public comments on the ICR are invited.

DATES: The OMB will consider all written comments that the agency receives on or before December 26, 2025.

ADDRESSES: Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function.

FOR FURTHER INFORMATION CONTACT: Michael Howell by telephone at 202–693–6782, or by email at DOL_PRA_PUBLIC@dol.gov.

SUPPLEMENTARY INFORMATION: The CAA added provisions applicable to group health plans and health insurance issuers in the group and individual markets in a new Part D of title XXVII of the Public Health Service Act (PHS Act) and also added new provisions to part 7 of the Employee Retirement Income Security Act (ERISA), and Subchapter B of chapter 100 of the Internal Revenue Code (Code). Section 102 of the No Surprises Act added Code section 9816, ERISA section 716, and PHS Act section 2799A–1, which contain limitations on cost sharing and requirements for initial payments for emergency services. Section 103 of the No Surprises Act amended Code section 9816, ERISA section 716, and PHS Act section 2799A–1 to establish a Federal independent dispute resolution (Federal IDR) process that nonparticipating providers or facilities and group health plans and health insurance issuers in the group and individual market may use following the end of an unsuccessful open negotiation period to determine the out-of-network rate for certain services. More specifically, the Federal IDR provisions may be used to determine the out-of-network rate for certain emergency services, nonemergency items and services furnished by nonparticipating providers at participating health care facilities, where an All-Payer Model Agreement or specified state law does not apply. Section 105 of the No Surprises Act created Code section 9817, ERISA section 717, and PHS Act section 2799A–2 which contain limitations on cost sharing and requirements for initial payments for air ambulance services, and allow plans and issuers and providers of air ambulance services to access the Federal IDR process. CAA provisions that apply to health care providers and facilities, and providers of air ambulance services, such as requirements around cost sharing, prohibitions on balance billing for certain items and services, and requirements related to disclosures about balance billing protections, were added to title XXVII of the PHS Act in a new part E. For additional substantive information about this ICR, see the related notice published in the **Federal Register** on January 6, 2025 (90 FR 671).

Comments are invited on: (1) whether the collection of information is necessary for the proper performance of the functions of the Department, including whether the information will

have practical utility; (2) the accuracy of the agency’s estimates of the burden and cost of the collection of information, including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility and clarity of the information collection; and (4) ways to minimize the burden of the collection of information on those who are to respond, including the use of automated collection techniques or other forms of information technology.

This information collection is subject to the PRA. A Federal agency generally cannot conduct or sponsor a collection of information, and the public is generally not required to respond to an information collection, unless the OMB approves it and displays a currently valid OMB Control Number. In addition, notwithstanding any other provisions of law, no person shall generally be subject to penalty for failing to comply with a collection of information that does not display a valid OMB Control Number. See 5 CFR 1320.5(a) and 1320.6.

DOL seeks PRA authorization for this information collection for three (3) years. OMB authorization for an ICR cannot be for more than three (3) years without renewal. The DOL notes that information collection requirements submitted to the OMB for existing ICRs receive a month-to-month extension while they undergo review.

Agency: DOL-EBSA.

Title of Collection: No Surprises Act: IDR Process.

OMB Control Number: 1210–0169.

Affected Public: Private sector.

Total Estimated Number of Respondents: 2,000,012.

Total Estimated Number of Responses: 2,755,048.

Total Estimated Annual Time Burden: 1,691,251 hours.

Total Estimated Annual Other Costs Burden: \$58,518,032.

(Authority: 44 U.S.C. 3507(a)(1)(D))

Michael Howell,

Senior Paperwork Reduction Act Analyst.

[FR Doc. 2025–21113 Filed 11–25–25; 8:45 am]

BILLING CODE 4510–29–P

DEPARTMENT OF LABOR

Agency Information Collection Activities; Submission for OMB Review; Comment Request; Occupational Safety and Health Administration Alliance Program

ACTION: Notice of availability; request for comments.

SUMMARY: The Department of Labor (DOL) is submitting this Occupational