



DEPARTMENT OF LABOR

Employee Benefits Security Administration

[Exemption Application No. D-12062]

Proposed Exemption from Certain Prohibited Transactions Involving Liberty

Puerto Rico 401(k) Savings Plan (the Plan or the Applicant) Located in San Juan,

Puerto Rico

AGENCY: Employee Benefits Security Administration, Labor.

ACTION: Notice of proposed exemption.

SUMMARY: This proposed exemption would permit the Plan's prior acquisition, holding, and sale of certain stock rights to purchase shares of stock in Liberty Latin America Ltd. 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 16, 2020.

Comments due: Written comments and requests for a public hearing on the proposed exemption must be received by the Department by [INSERT DATE 37 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

ADDRESSES: All written comments and requests for a hearing must be submitted to the Employee Benefits Security Administration (EBSA), Office of Exemption Determinations, Attention: Application No. D-12062:

- 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 must be received 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, N.W., Washington, D.C. 20210, reachable by telephone at 1-866-444-3272. 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 it finds that a hearing is necessary to fully explore material factual issues identified by the requestor, and 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), or 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 them 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.

Proposed Exemption

The proposed exemption would permit, for the period beginning September 10, 2020, and ending September 16, 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. common stock (the Series C LLA Stock), in connection with a rights offering by LLA of Series C LLA Stock (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 of Rights held by Plan participants, at the sole direction of the 401(k) Committee of Liberty Communications of

Puerto Rico LLC (the Committee) during 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 exemption, if granted, 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. The Plan trustee then sold the Rights at their fair market value, and Plan participants received the proceeds from the sale.

SUMMARY OF FACTS AND REPRESENTATIONS²

Background

1. LLA is a telecommunications services provider. Liberty Communications of Puerto Rico LLC (LCPR), a subsidiary of LLA, sponsors the Plan, which is a defined

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.

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-12062 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.

contribution plan. At the time of the Rights Offering, the Plan had 328 participants and beneficiaries, and approximately \$31,671,364.62 in assets.

2. The Plan trustee is Oriental Bank and Trust (the Trustee). The Trustee executes investment directions in accordance with Plan participants' written instructions.

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 \$15,908 in Series A LLA common stock (the Series A LLA Stock), which represented approximately 0.05% of total Plan assets. As of the same date, the Plan held \$201,434.23 in Series C LLA Stock, which represented approximately 0.636% of total Plan assets.³

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, 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.⁴

Prior to 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 by: (a) a two-page disclosure, titled "Liberty Puerto Rico 401(k) Savings Plan – Important Information on the Liberty Latin America LTD. Rights Offering"; and (b) a prospectus provided to all

³ However, participants were not permitted to acquire additional shares of Series C LLA Stock at the time of the Rights Offering.

⁴ The Applicant states that although LLA issued Series B LLA Stock, no Plan participant accounts held Series B LLA Stock.

LLA shareholders. The disclosure noted in (a) informed Plan participants that no action was required on their part to receive proceeds from the sale of the Rights.

The Rights Offering

6. On September 10, 2020, LLA issued Rights to all holders of LLA Stock, including the Plan.⁵ 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 for \$7.14. This represented an approximately 25% discount to the volume weighted average trading price (the VWAP) of the Series C LLA Stock, beginning on August 31, 2020 and ending on and including September 2, 2020.⁶ 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.⁷

7. The following table shows: the total number of shares of LLA Stock eligible to receive the Rights, and the market closing prices of Series A and C LLA Stock on September 10, 2020, September 16, 2020, and September 25, 2020.

	Shares Outstanding from September 8, 2020, the Record Date of the Offering, through	Market Closing Price on September 10, 2020 ⁹	Market Closing Price on September	Market Closing Price on September
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⁵ 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.

⁶ The Applicant states that the subscription price was based on advice from JPMorgan and was 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.

⁷ The Applicant states that since no fractional Rights were issued, it was not possible to purchase a fractional share in the Rights Offering and there would have been no fractional shares to round.

⁹ As discussed herein, LLA stockholders of record were issued Rights on September 10, 2020. The market closing price for each Right on September 11, 2020 was \$1.76.

	September 10, 2020 ⁸		16, 2020 ¹⁰	25, 2020 ¹¹
Series A LLA Stock	48,891,293 (1,640 shares held by the Plan)	\$9.51	\$8.15	\$7.85
Series C LLA Stock	131,375,442 (21,270 shares held by the Plan)	\$9.31	\$8.02	\$7.75

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

Series of Stock	Number of Shares held by Plan ¹²
Series A LLA Stock held on the ex-dividend date	1,640
Series C LLA Stock held on the ex-dividend date	21,270
Total Series A LLA Stock and Series C LLA Stock held on the ex-dividend date	22,910
Number of Rights Received by Plan (total LLA Stock multiplied by 0.2690, including rounding up to the nearest whole share for each participant)	6,164

Acquisition of the Rights

9. 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, in a manner that was consistent with provisions of the Plan for the individually directed investment of participant accounts.

Disposition of the Rights: Sale Directed by the Committee

⁸ As reported in the Rights Offering prospectus, September 8, 2020, was 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 LLA Stock held by participants on September 10, 2020.

¹⁰ As reported by the Applicant and discussed herein, the Trustee sold the Plan's Rights on September 16, 2020.

¹¹ As stated in the Rights Offering prospectus, the Rights Offering expired on September 25, 2020, 5:00 p.m., New York City time.

¹² 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.

10. The Applicant represents that at the time of the Rights Offering, the Plan document did not permit Plan participants to acquire additional shares of Series C LLA Stock in their Plan accounts beyond those previously acquired by the Plan participants. The Applicant states that because the exercise of the Rights to purchase additional shares of Series C LLA Stock was not permitted, the Committee determined that it would be prudent and in the best interests of Plan participants to direct the Trustee to sell the Rights on the open market prior to the end of the Rights Offering Period, in order to allow participants to benefit from the value of the Rights. Further, the Applicant states that the Committee directed the Trustee to sell the Rights as soon as possible during the Rights Offering Period in order to secure a higher return for the Plan participants. The Applicant states that, as the price for Rights such as these generally declines toward the end of the offering period, this was a prudent decision by the Committee to secure a meaningful return for their participants. Further, the Applicant represents that: as a result of the Committee's direction to the Trustee, the participants received at least fair market value for the sale of their Rights; and if the Committee had not sold the Rights, the participants would have received no benefit in connection with the Rights Offering since the Plan did not permit acquisition of additional shares of Series C LLA Stock.

11. The Rights were received by the Trustee on September 16, 2020, and held in a separate fund established under the Plan to hold the Rights when they were issued. The Rights were credited to participants' Plan accounts based on participants' respective holdings of LLA Stock.¹³

12. On September 16, 2020, the Trustee sold a total of 6,164 Rights on behalf of 328 participants over the Nasdaq Global Select Market in "blind transactions" for

¹³ The Department presumes that the Committee could have passed the Rights through to participants. However, because the Plan document prohibited participants from acquiring additional shares of Series C LLA Stock, the participants in that scenario would have only had one option: selling the Rights on the open market.

\$1.1227 per Right (pre-commission) for total proceeds of \$6,920.3228

(pre-commission).¹⁴ The settlement from the sale of the Plan's Rights was also completed by September 16, 2020.¹⁵ The Applicant states that the custodian of the Plan's assets, American Trust Custody (formerly known as MidAtlantic Trust Company), effected the sale of the Rights through National Financial Services, LLC (NFS), an unrelated broker, and that NFS was not an affiliate of the Trustee at the time of the sale of the Rights.¹⁶

13. The Applicant states that proceeds from the sale of the Rights were allocated proportionally to the relevant participants' accounts based on the amount of Rights owned by each such participant and invested in one of the Plan's default alternatives. The Applicant states that Plan participants were informed through the disclosure materials of this default investment and of their ability to contact the recordkeeper to change the investment of the proceeds.

14. The Applicant states that 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 on the terms established by the Committee; and (b) the Plan's participants received at least the fair market value for the sale of the 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

¹⁴ The average sale price per Right received by Plan participants (post-commission) was \$1.062675, and the total proceeds received by Plan participants for sale of Rights (post-commission) was \$6,550.33.

¹⁵ The Department notes that a transaction generally will not be a prohibited transaction if that 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).

¹⁶ In connection with the sale of the Rights, the Plan only paid the Securities Exchange Commission fee and NFS received a fee of \$370.00 (\$0.06 per Right sold) for the sale of the Plan's Rights. The Applicant states that this was a trade-driven fee generated from trading on the open market and that neither the Trustee, nor Oriental Pension Consultants (the Plan's third-party administrator in 2020), nor American Trust Custody benefited from this fee.

Plan must retain for six years the records necessary for the Department to ascertain whether the conditions for relief have been adhered to.

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

ERISA Analysis

16. 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).

17. 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.

18. The Applicant represents that the Plan was a holder of record of Series A 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.

19. 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 those of the plan or the plan's participants or beneficiaries. The Applicant requested relief from ERISA section 406(b)(1) and (2) as a precaution in the event the Committee's direction to the Trustee to sell the Plan's Rights, in accordance with a prior fiduciary decision to prohibit additional acquisitions of LLA Stock, could be 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.¹⁷ If granted, the exemption will be effective for the period September 10, 2020, through September 16, 2020.

Statutory Findings

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

20. "Administratively Feasible." The Department has tentatively determined that the proposal 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 Plan participants were not permitted to exercise the Rights because, in accordance with the Plan document at the time of the Rights Offering, Plan participants were not permitted to acquire additional shares of Series C LLA Stock.

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 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).

21. “In the Interest of the Plan.” The Department has tentatively determined that the proposed exemption is in the interest of the Plan and its participants and beneficiaries because, among other things, (a) each Plan participant received their Rights at no additional cost, and (b) each Plan participant received an average price of \$1.1227 for each Right.¹⁸

22. “Protective of the Plan.” The Department has tentatively determined that the proposed exemption is protective of the rights of the Plan’s participants and beneficiaries because, among other things, (a) the Rights were sold by the Trustee on the Nasdaq Global Select Market for market value in blind transactions on the NASDAQ; (b) the Plan did not pay any fees or commissions in connection with the acquisition or holding of the Rights; (c) in connection with the sale of the Rights, the Plan only paid the Securities Exchange Commission fee and a commission to an unrelated third party broker, which were charged solely against the price received by the Plan participant for whom the Trustee sold the Right; and (d) the Plan did not pay any fees in connection with the exemption request.¹⁹

Notice To Interested Persons

The Applicant will provide notification to interested persons (NTIP) as agreed to with the Department: (1) by posting the NTIP 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 e-mail that links to the information posted on the LLA intranet site within 7 days of the publication of the notice of proposed exemption in the *Federal Register*. The NTIP will include a copy of the notice of proposed exemption, as it appears in the *Federal Register*, plus a copy of the Supplemental Statement required

¹⁸ In other words, each share of Stock owned by participants prior to the Rights Offering yielded an additional benefit of \$0.33.

¹⁹ The Applicant represents that the Committee did not exercise any additional discretion with respect to the acquisition and holding of the Rights.

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 and/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 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 of its participants and beneficiaries, and

protective of the rights of plan participants and beneficiaries;

(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 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

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.

prohibited transaction provision contained in Code section 4975(c)(1)), for the period beginning September 10, 2020, and ending September 16, 2020, with respect to:

(a) The acquisition by the Liberty Puerto Rico 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 the Rights held by Plan participants, at the direction of the 401(k) Committee of Liberty Communications of Puerto Rico LLC (the Committee), 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;

(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 Plan participants were not permitted to exercise the Rights due to the fact that new investments in LLA Stock were not permitted under 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) The Committee directed the Plan trustee, Oriental Bank and Trust (the Trustee), to sell the Rights and did not exercise any additional discretion with respect to the acquisition and holding of the Rights;

(f) The sale of the Rights was effected in a prudent manner on the open market so that the Plan participants received at least fair market value for the Rights sold;

(g) The Plan did not pay any brokerage fees, commissions, subscription fees, or other charges in connection with the acquisition and holding of the Rights. In connection with the sale of the Rights, the Plan only paid the Securities Exchange Commission fee and a commission paid to National Financial Services, LLC, a broker that is unrelated to the Trustee or its affiliates, which were charged solely against the price received by the Plan participant for whom the Trustee sold the Right. The Committee'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);

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

(i) The Committee 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 sale of the Rights;

(j) The LLA maintains for a period of six (6) years from the date of the publication of the exemption, in a manner that is convenient and accessible for audit and examination, the records necessary to enable the persons described in paragraph (k)(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 LLA, the records are lost or destroyed prior to the end of the six-year period, and (2) no party in interest other than LLA 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 (k) below;

(k) Notwithstanding any provisions of subsections (a)(2) and (b) of ERISA section 504, the records referred to in paragraph (j) 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) Liberty Communications of Puerto Rico LLC (LCPR) or any duly authorized representative of LCPR;

(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;

(l) For a period of six (6) years from the date of the publication of the exemption, 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

(m) All of 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 effective from September 10, 2020, the date that the Plan received the Rights, through September 16, 2020, the last date the Rights were sold on the Nasdaq Global Select Market.

Signed at Washington, DC, this 27th day of May 2026.

Christopher Motta,

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

[FR Doc. 2026-11065 Filed: 6/2/2026 8:45 am; Publication Date: 6/3/2026]