



PUBLIC NOTICE

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MEDIA BUREAU ANNOUNCES FILING OF PETITION FOR DECLARATORY RULING BY UNIVISION HOLDINGS, INC.

MB Docket No. 20-122

Comment Date: June 4, 2020

Reply Date: June 19, 2020

Univision Holdings, Inc. (Univision), the indirect parent of subsidiaries that hold broadcast television, radio, and other Commission licenses, has filed a petition for declaratory ruling¹ (Petition) asking the Federal Communications Commission (Commission) to allow it to accept foreign investment in excess of the 25% benchmark set forth in section 310(b)(4) of the Communications Act of 1934, as amended (the Act).² Specifically, Univision seeks Commission authorization for foreign investors to own up to 100% of its voting and equity interests, as well as specific approval³ for certain foreign investors that seek to hold directly or indirectly more than 10% of the company's equity interests and/or hold equity interests that would cause them to be deemed to hold more than 10% of Univision's voting rights.⁴

¹ 47 CFR § 1.5000 *et seq.* Concurrently with the filing of the present Petition, on March 25, 2020, Searchlight III UTD, L.P., ForgeLight (United) Investors, LLC, and Grupo Televisa, S.A.B., as the Transferees along with Madison Dearborn Partners, Providence Equity Partners, TPG, Thomas H. Lee Partners, and Saban Capital Group as the Transferors (collectively, the Applicants) filed applications with the Federal Communications Commission seeking consent to the transfer of control of broadcast radio and television station licenses held by indirect, wholly-owned subsidiaries of Univision. *See Media Bureau Establishes Pleading Cycle for Applications to Transfer Control of Univision Holdings, Inc., from Shareholders of Univision Holdings, Inc., to Searchlight III UTD, L.P., ForgeLight (United) Investors, LLC, and Grupo Televisa, S.A.B., and Establishes Permit-But-Disclose Ex Parte Status for the Proceedings, Public Notice, MB Docket No. 20-122 (rel. May 5, 2020).*

² 47 U.S.C. § 310(b)(4) ("No broadcast station or common carrier or aeronautical en route or aeronautical fixed radio station license shall be granted to or held by . . . any corporation directly or indirectly controlled by any other corporation of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country, if the Commission finds that the public interest will be served by the refusal or revocation of such license").

³ Under section 1.5001(i)(1) of the Commission's rules, petitioners for a declaratory ruling are required to identify and seek specific approval for any foreign individual, entity, or group that holds or would hold, directly and/or indirectly, more than 5% of equity and/or voting interests, or a controlling interest, in the petitioner's controlling U.S. parent, subject to certain exemptions including an exemption that increases the specific approval threshold to 10% for certain institutional investors. 47 CFR § 1.5001(i)(1)(3).

⁴ In 2017, the Commission issued a declaratory ruling permitting Grupo Televisa, S.A.B. (Televisa), and its affiliates to hold up to 49% of Univision's equity and 40% of its voting interests. *See In re Univision Holdings, Inc. and*

(continued....)

Univision contends that granting the Petition is in the public interest because it will further the Commission's goal of encouraging foreign investment in the broadcast industry and promote U.S. trade policy.⁵

Pursuant to a Stock Purchase Agreement, Searchlight III UTD, L.P. (Searchlight),⁶ would acquire all of Univision's presently outstanding equity interest from its existing shareholders except for the ownership interest held by Multimedia Telecom, S.A. de C.V. (Multimedia Telecom).⁷ Upon acquiring Univision's outstanding equity, Searchlight would concurrently assign approximately 50% of its interest to ForgeLight Purchaser Entity (ForgeLight).⁸ Additionally, Liberty Global Incorporated Limited (Liberty Global), would acquire new equity issued by Univision.⁹

After assigning approximately 50% of its interest to ForgeLight, Searchlight, a Delaware limited partnership, would have a 26.2% equity and a 29.65% voting interest in Univision.¹⁰ The general partner of Searchlight is Searchlight III UTD GP, LLC (Aggregator GP), a Delaware limited liability company.¹¹ The sole member of Aggregator GP is Searchlight Capital Partners III GP, L.P. (Searchlight GP-LP), a Cayman Islands exempted limited partnership.¹² Searchlight GP-LP is controlled by its general partner, Searchlight Capital Partners III GP, LLC, a Delaware limited liability company, which is owned equally by Eric Zinterhofer, a citizen of the United States, Erol Uzumeri, a citizen of Canada, and Oliver Haarmann, a citizen of Germany.¹³

In addition to its general partner, Searchlight has three insulated limited partners, which collectively hold 100% of its equity: (1) SC III UTD, L.P. (Searchlight Caymans I), a Cayman Islands exempted limited partnership; (2) Searchlight Capital III PV (FC) AIV, L.P., a Delaware limited partnership; and (3) Searchlight Capital III UTD Co-Invest Partners, L.P., a Delaware limited partnership.¹⁴ Searchlight GP-LP is the general partner of all three of Searchlight's limited partners. Searchlight Caymans I has two insulated limited partners—SC III UTD Holdings, Ltd. (Searchlight Caymans II), a Cayman Islands corporation, and Searchlight Capital III (FC) AIV, L.P. (AIV-LP), a

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Grupo Televisa S.A.B. Petition for Declaratory Ruling, Declaratory Ruling, 32 FCC Rcd 6 (2017) (2017 *Declaratory Ruling*). In 2019, the Commission granted a request to modify the 2017 *Declaratory Ruling*, which increased the permissible aggregate amount of foreign ownership of Univision to up to and including 70% of the company's equity and voting interests. See *In re Univision Holdings, Inc. and Grupo Televisa S.A.B. Petition for Declaratory Ruling*, Declaratory Ruling, 34 FCC Rcd. 11148, 11150 para. 5 (2019) (2019 *Declaratory Ruling*).

⁵ Petition at 14-15; see also *Review of Foreign Ownership Policies for Broadcast, Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act of 1934, as Amended*, Report and Order, 31 FCC Rcd 11272, para. 11 (2016).

⁶ Grupo Televisa, S.A.B. (Televisa), would retain its existing minority ownership interest in Univision. Petition. at 4.

⁷ See *id.* at 4. Univision's outstanding equity is currently held by Madison Dearborn Partners, Providence Equity Partners, TPG, Thomas H. Lee Partners, and Saban Capital Group, which currently hold a 77.09% voting and 82.7% equity interest. Univision's management and its bank investors collectively represent approximately 4.3% of Univision's voting and 3.0% of its outstanding equity interest.

⁸ *Id.*

⁹ *Id.* Univision will concurrently repurchase and cancel a portion of the previously issued shares equivalent to the purchase price paid by Liberty Global for its newly acquired equity interest.

¹⁰ *Id.* at 5.

¹¹ *Id.* at 7.

¹² *Id.*

¹³ *Id.*

Delaware limited partnership.¹⁵ Searchlight Caymans II is wholly-owned by AIV-LP, and AIV-LP's general partner is Searchlight GP-LP.¹⁶

ForgeLight, a Delaware limited liability company, would have a 26.1% equity and 29.52% voting interest in Univision.¹⁷ ForgeLight is wholly-owned by ForgeLight (United) Investors, LLC (ForgeLight-United), a Delaware limited liability company.¹⁸ The managing member of ForgeLight-United is ForgeLight (United) Investors MM, LLC, a Delaware limited liability company, which would have a 100% voting and 0% equity interest in ForgeLight-United.¹⁹ The other non-managing members of ForgeLight are: (1) ForgeLight (United) Investors SM, LLC, a Delaware limited liability company that would hold a 15.5% equity and 0% voting interest in ForgeLight-United; and (2) WCD Services, LLC, a Delaware limited liability company that would have a 15% profit interest in ForgeLight-United.²⁰ Wade Davis, a U.S. citizen, is the sole member of each of the three members of ForgeLight-United: ForgeLight (United) Investors MM, LLC, ForgeLight (United) Investors SM, LLC, and WCD Services, LLC.²¹

After closing, in addition to retaining its current equity interest in Univision,²² Multimedia Telecom will also exercise its warrants, which would result in Multimedia Telecom having a 36.1% equity and 40.83% voting interest in Univision.²³ Multimedia Telecom, a Mexican corporation, is owned by Televisa, a Mexican corporation, and Grupo Bissagio, S.A. de C.V. (Grupo Bissagio), a Mexican corporation.²⁴ Televisa would have an approximately 24.03% equity and 99.99% voting interest in Multimedia Telecom, and Grupo Bissagio would have a 0% voting and approximately 75.97% equity interest in Multimedia Telecom.²⁵ Grupo Bissagio is controlled by Grupo Telesistema, S.A. de C.V., a Mexican corporation, which, in turn is owned by Televisa.²⁶ The Azcárraga Trust holds a 43.8% voting and a 15.1% equity interest in Televisa.²⁷

Additionally, upon execution of a subscription agreement, Liberty Global, a private limited company organized under the laws of England and Wales, would hold an 11.6% equity interest in

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¹⁴ *Id.* at 8.

¹⁵ *Id.*

¹⁶ *Id.* at 9.

¹⁷ *Id.* at 5.

¹⁸ *Id.* at 10.

¹⁹ *Id.*

²⁰ *Id.*

²¹ WCD Services, LLC, would not hold an equity or voting interest in ForgeLight-United. *Id.*

²² Currently, Multimedia Telecom holds Class C common stock representing 14.2% of Univision's outstanding voting stock and 9.75% of its outstanding equity, as well as warrants. *Id.* at 5.

²³ *Id.* at 11.

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.*

²⁷ Emilio Fernando Azcárraga Jean, the Executive Chairman of the Board of Directors of Televisa and a Mexican citizen, is the Trustee and sole beneficiary of The Azcárraga Trust, and personally holds an additional 1.84% voting interest and 0.63% equity interest in Televisa. *Id.*

Univision.²⁸ Liberty Global is a direct, wholly owned subsidiary of Liberty Global plc, a public limited company organized under the laws of England and Wales.²⁹

Lastly, pursuant to a governance term sheet, the Agreement contemplates that post-closing Univision will be governed by a 9-member board of directors, where Searchlight will have the right to appoint four members, ForgeLight will appoint two members, and Televisa will appoint three members. Additionally, Liberty Global will hold the right to an observer's seat on Univision's board.³⁰

The Petition has been found, on initial review, to be acceptable for filing. The Commission may require Univision to submit any additional documents or statements of fact that in its judgment may be necessary. The Commission also reserves the right to return the Petition if, on further examination, it is determined to be defective and not in conformance with its rules and policies.

EX PARTE STATUS OF THIS PROCEEDING

In order to assure the staff's ability to discuss and obtain information needed to resolve the issues presented by this Public Notice and pursuant to section 1.1200(a) of the rules,³¹ we establish a docket for this proceeding and announce that the *ex parte* procedures applicable to permit-but-disclose proceedings will govern our consideration of these applications.³²

The proceeding in this Notice shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules.³³ Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of data or arguments already reflected in the presenter's written comments, memoranda, or other filings in the proceeding, then the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b), 47 CFR § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.³⁴ We strongly urge parties to use the Electronic Comment Filing System (ECFS) to file *ex parte* submissions. All *ex parte* filings must be clearly labeled as such and must reference MB Docket No. 20-122.

GENERAL INFORMATION

The petition for declaratory ruling referred to in this Public Notice has been accepted for filing upon initial review. The Commission reserves the right to return any filing if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules or policies.

²⁸ *Id.* at 11-12. Liberty Global would hold non-voting convertible preferred stock, but would not hold any voting interest in the company.

²⁹ *Id.*

³⁰ *Id.* at 5.

³¹ 47 CFR § 1.1200(a).

³² *See id.* § 1.1206.

³³ *Id.* § 1.1200 *et seq.*

³⁴ *Id.* § 1.1206(b)(2).

Interested persons must file comments no later than **June 4, 2020**. Replies must be filed no later than **June 19, 2020**.

To allow the Commission to fully consider all substantive issues regarding the applications in as timely and efficient a manner as possible, commenters should raise all issues in their initial filings. A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously.³⁵ Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

All filings concerning matters referenced in this Public Notice should refer to MB Docket No. 20-122, as well as the specific file numbers of the individual applications or other matters to which the filings pertain.

Submissions in this matter may be filed electronically (i.e., through ECFS) or by filing paper copies.

- **Electronic Filers:** Documents may be filed electronically using the Internet by accessing the ECFS: <http://fjallfoss.fcc.gov/ecfs2/>.
- **Paper Filers:** Parties who choose to file by paper must file an original and four copies of each filing. Filings may be sent by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings sent by U.S. Postal Service Express Mail and Priority Mail must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission, 445 12th Street, S.W., Washington, DC 20554.
- **Commercial overnight mail** (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701.

In addition, one copy of each submission must be sent to the following:

- David Roberts, Video Division, Media Bureau, Room 2-A660, e-mail David.Roberts@fcc.gov
- Tyler Bridegan, Video Division, Media Bureau, Room 2-A827, e-mail Tyler.Bridegan@fcc.gov

Any submission that is e-mailed to David Roberts or Tyler Bridegan should include in the subject line of the email: (1) MB Docket No. 20-122; (2) the name of the submitting party; (3) a brief description or title identifying the type of document being submitted (e.g., MB Docket No. 20-122, Univision Petition for Declaratory Ruling, *Ex Parte* Notice).

People with Disabilities. To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at (202) 418-0530 (voice), (202) 418-0432 (TTY).

Availability of Documents. Documents in this proceeding are available electronically through ECFS, which will provide hyperlinks to the applications in CDBS. ECFS may be accessed on the Commission's Internet website at <http://www.fcc.gov>. Parties unable to access ECFS should contact Tyler Bridegan at Tyler.Bridegan@fcc.gov.

For further information, contact David Roberts at (202) 418-1618, or Tyler Bridegan at (202) 418-1087. For press inquiries, contact Janice Wise at (202) 418-8165.

By: Chief, Media Bureau

³⁵ See *id.* §§ 1.46(a), 73.3584(e).

