



PUBLIC NOTICE

Federal Communications Commission
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DA 22-446

Released: April 21, 2022

MEDIA BUREAU ANNOUNCES FILING OF PETITION FOR DECLARATORY RULING BY TETON PARENT CORP.

MB Docket No. 22-166

Comment Date: May 23, 2022

Reply Date: June 7, 2022

Teton Parent Corp. (TPC), has filed a petition for declaratory ruling¹ (Amended Petition)² asking the Commission to permit TPC to accept foreign investment in excess of the 25 percent benchmarks set forth in Section 310(b)(4) of the Communications Act of 1934, as amended (the Act).³ In the Amended Petition, TPC seeks approval to permit foreign investment of up to 100% in the aggregate of TPC's equity and voting interests. TPC also requests specific approval for certain foreign entities to hold interests above 5% in TPC.⁴

TPC, a wholly-owned indirect subsidiary of CMG Media Corporation (f/k/a Terrier Media Buyer, Inc.) (CMG), files its request in connection with transfer of control applications seeking Commission approval for a series of transactions that would result in TEGNA Inc. (TEGNA) becoming an indirect wholly-owned subsidiary of TPC.⁵ First, Standard General affiliate Community News Media LLC

¹ 47 CFR § 1.5000 *et seq.*

² Amended Petition for Declaratory Ruling of Teton Parent Corp. (filed Apr. 1, 2022). TPC had previously filed its initial petition on March 10, 2022, and then filed its first amendment on March 23, 2022.

³ 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”).

⁴ 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).

⁵ Concurrently with the filing of the Amended Petition, on April 1, 2022, applications were filed with the Commission seeking consent to the transfer of control of broadcast radio and television station licenses that would result in, among other things, the transfer of all outstanding equity interests of TEGNA, the ultimate parent of the licensees of 64 full-power television stations, and two full-power radio stations, and other related FCC licenses, to an indirect subsidiary of SGCI Holdings III LLC (SGCI Holdings). *See Media Bureau Establishes Pleading Cycle*

(continued...)

proposes to transfer control of its four full-power television station to a subsidiary of CMG, which the Bureau previously determined to be under the *de facto* control of Apollo Global Management, Inc. (AGM).⁶ Second, CMG seeks to transfer control of WFXT(TV), Boston, MA, to SGCI Holdings. Finally, immediately upon consummation of the these steps, TEGNA will merge with and into an indirect wholly-owned subsidiary of TPC, with TEGNA being the surviving entity.⁷

As a result of the proposed transactions, control of TPC will be transferred to SGCI Holdings, a Delaware LLC, and the Amended Petition seeks authority for the ownership structure of TPC under SGCI Holdings.⁸

Upon the closing of those transactions, TPC will be controlled by a single majority shareholder, SGCI Holdings.⁹ Soohyung Kim, a U.S. citizen and Managing Partner of Standard General L.P., will be the sole Managing Member of SGCI Holdings. Mr. Kim will have 100% voting control of SGCI Holdings, and would serve as Chairman of TPC.¹⁰ However, 49.16% of the equity of SGCI Holdings is directly held through three Cayman Islands investment funds -- (1) Standard General Master Fund L.P. (2.01% equity); (2) Standard General Master Fund II L.P. (14.45% equity); and (3) EPSG Master SPC Ltd. (27.70% equity) -- and one British Virgin Islands investment fund, P Standard General Ltd. (6.18% equity).¹¹ Mr. Kim ultimately holds 100% of the voting control of each of these funds.

Additionally, in exchange for providing a portion of the financing for SGCI Holdings' acquisition of TEGNA, several entities will acquire non-voting preferred shares in TPC: Cox Enterprises, Inc.; CMG Farnsworth Television Operating Company, LLC, an indirect wholly-owned subsidiary of CMG; SG Media Investment LLC (SG Media); certain entities managed by affiliates of Apollo Global Management, Inc. (AGM); certain entities managed by Ares Management Corporation; and OC III LFE III LP, an entity managed by Pacific Investment Management Company LLC. The Amended Petition represents that these preferred investors will not have any voting, board appointment, or management rights.¹²

Further, pursuant to section 1.5001(i) of the Commission's rules, the Amended Petition requests that the Commission specifically approve the equity and/or voting interests that would be held in TPC, by foreign entities at the percentages specified below:

Standard General Master Fund II L.P. (3.7% equity; 14.5% voting) (Cayman Islands);
EPSG Master SPC Ltd. (7.0% equity; 27.7% voting) (Cayman Islands);
EPSG SPC Ltd. (7.0% equity; 27.7% voting) (Cayman Islands);
ASOF BVI Holdings, L.P. (6.14% equity; 0% voting) (British Virgin Islands); and
ASOF II Cayman Holdings, L.P. (9.9% equity; 0% voting) (Cayman Islands).¹³

for Applications to Transfer Control of TEGNA Inc. to Standard General, L.P., and Permit-But-Disclose Ex Parte Status for the Proceeding, MB Docket No. 22-166, Public Notice, DA 22-446 (MB rel. Apr. 21, 2022).

⁶ *Terrier Media Buyer, Inc.*, Declaratory Ruling, 34 FCC Rcd 10544, 10549, paras. 14-15 (MB 2019).

⁷ Amended Petition at 5-7.

⁸ *Id.* at 1 n.1, 7.

⁹ *Id.* at 2. The Amended Petition lays out the proposed post-merger structure of TPC and its parent and subsidiary entities in greater detail. *Id.* at 1-3, Exh. D.

¹⁰ *Id.* at 2-3.

¹¹ TPC states that these investors are insulated in accordance with the Commission's broadcast ownership rules. *Id.*

¹² *Id.* at 3-4. However, certain Ares Funds (ASOF Holdings I, L.P., ASOF II Holdings I, L.P., ASOF II Holdings A (DE) Holdings I, L.P. and ASME Holdings I, L.P.) will collectively hold the non-attributable right to appoint a TPC Board observer. *Id.* at 4 n.7.

¹³ *Id.* at 4, 16.

The Amended Petition has been found, on initial review, to be acceptable for filing. The Commission may require TPC to submit additional documents or statements of fact that in the Commission's judgment may be necessary. The Commission also reserves the right to return the Amended Petition if, on further examination, it is determined to be defective and not in conformance with its rules and policies. In addition, pursuant to Commission practice, the Amended Petition will be referred to relevant Executive Branch agencies for their views on any national security, law enforcement, foreign policy, or trade policy concerns related to the foreign ownership of TPC.¹⁴

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,¹⁵ 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 this Petition.¹⁶

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.¹⁷ 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.¹⁸ 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 section 1.1206(b) of the Rules.¹⁹ Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.²⁰ 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. 22-166.

GENERAL INFORMATION

The Petition 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. Interested persons must file comments no later than **May 23, 2022**. Replies must be filed no later than **June 7, 2022**.

To allow the Commission to consider fully all substantive issues regarding the Petition in a 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 comment period has closed must show

¹⁴ See *Process Reform for Executive Branch Review of Certain FCC Applications and Petitions Involving Foreign Ownership*, IB Docket 16-155, Report and Order, 35 FCC Rcd 10927 (2020). See also *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market; Market Entry and Regulation of Foreign-Affiliated Entities*, IB Docket Nos. 97-142 and 95-22, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23918-19, paras. 61-63 (1997) (Foreign Participation Order), recon. denied, 15 FCC Rcd 18158 (2000).

¹⁵ 47 CFR § 1.1200(a).

¹⁶ See 47 CFR § 1.1206.

¹⁷ 47 CFR § 1.1206(b)(1).

¹⁸ *Id.*

¹⁹ 47 CFR § 1.1206(b).

²⁰ See 47 CFR § 1.1200 *et seq.*

good cause why it was not possible for it to have raised the issue previously. Submissions after the comment period 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. 22-166, as well as the specific file numbers of the individual applications or other matters to which the filings pertain.

Filing Requirements. Submissions may be filed electronically using ECFS or by filing paper copies.²¹

- Electronic Filers: Documents may be filed electronically using the Internet by accessing ECFS: <http://apps.fcc.gov/ecfs/>.
- Paper Filers: Parties who choose to file by paper must file an original and one copy of each filing.
- Filings can be sent by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.
 - 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.
 - U.S. Postal Service first-class, Express, and Priority mail must be addressed to 45 L Street NE, Washington, DC 20554
- Effective March 19, 2020, and until further notice, the Commission no longer accepts any hand or messenger delivered filings. This is a temporary measure taken to help protect the health and safety of individuals, and to mitigate the transmission of COVID-19.²²
- During the time the Commission's building is closed to the general public and until further notice, if more than one docket or rulemaking number appears in the caption of a proceeding, paper filers need not submit two additional copies for each additional docket or rulemaking number; an original and one copy are sufficient.

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

- Jeremy Miller, Video Division, Media Bureau, e-mail Jeremy.Miller@fcc.gov
- David Brown, Video Division, Media Bureau, e-mail David.Brown@fcc.gov

Any submission that is e-mailed to Jeremy Miller or David Brown should include in the subject line of the e-mail: (1) MB Docket No. 22-166]; (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. 22-166, TPC Petition for Declaratory Ruling, *Ex Parte* Notice).

Availability of Documents. Documents in this proceeding are available electronically through ECFS. ECFS may be accessed on the Commission's Internet website at <http://www.fcc.gov>.

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).

²¹ See *Electronic Filing of Documents in Rulemaking Proceedings*, Report and Order, 13 FCC Rcd 11322 (1998).

²² See *FCC Announces Closure of FCC Headquarters Open Window and Change in Hand-Delivery Policy*, Public Notice, 35 FCC Rcd 2788 (2020).

For further information, contact Jeremy Miller at (202) 418-1507 or David Brown at (202) 418-1645. For press inquiries, contact Janice Wise at (202) 418-8165.

This action is taken by the Chief, Media Bureau, pursuant to authority delegated by sections 0.61 and 0.283 of the Commission's rules.²³

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²³ 47 CFR §§ 0.61 and 0.283.