



PUBLIC NOTICE

Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

DA 16-1428
Released: December 21, 2016

**MEDIA BUREAU ANNOUNCES FILING OF PETITION FOR DECLARATORY RULING BY
MATRIX CAPITAL MANAGEMENT MASTER FUND, L.P. AND PERMIT-BUT-DISCLOSE *EX*
PARTE STATUS FOR THE PROCEEDING**

MB Docket No. 16-418

Comments Due: January 23, 2017
Replies Due: February 7, 2017

Matrix Capital Management Master Fund, L.P. (Matrix Master Fund) has filed a petition for declaratory ruling (Petition) pursuant to Section 310(b)(4) of the Communications Act of 1934, as amended, and the *Pandora Declaratory Ruling*.¹ Matrix Master Fund seeks a ruling permitting it to increase its non-controlling voting and equity interest in Pandora Media, Inc. (Pandora Media), the parent corporation of Commission licensee Pandora FM LLC (Pandora FM),² from 9.877 percent to 14.99 percent.³ The *Pandora Declaratory Ruling* permits foreign ownership of Pandora Media in excess of the 25 percent benchmark of Section 310(b)(4), subject to certain conditions, including prior Commission approval for, *inter alia*, "any individual foreign investor or 'group' acquiring a greater than five percent voting or equity interest (or ten percent for certain institutional investors) in Pandora Media."⁴ To the extent necessary, Matrix Master Fund also requests approval for Pandora Media to exceed the 49.99 percent aggregate equity and/or voting foreign ownership limitation set out in the *Pandora Declaratory Ruling*.

In its Petition, Matrix Master Fund states that it is a limited partnership organized under the laws of the Cayman Islands, with a primary business purpose of investing in U.S. securities. It is ultimately controlled by David Goel (Goel), a U.S. citizen,⁵ through a series of intervening entities that are organized under

¹ See 47 U.S.C. § 310(b)(4) (Section 310(b)(4)); *Pandora Radio LLC, Petition for Declaratory Ruling Under Section 310(b)(4) of the Communications Act of 1934, as Amended*, Declaratory Ruling, 30 FCC Rcd 5094 (May 4, 2015) (*Pandora Declaratory Ruling*); see also *Commission Policies and Procedures Under Section 310(b)(4) of the Communications Act, Foreign Investment in Broadcast Licensees*, Declaratory Ruling, 28 FCC Rcd 16244 (2013) (*Broadcast Foreign Ownership Ruling*).

² Pandora FM is the licensee of commercial radio station KXMZ(FM), Box Elder, South Dakota, Facility ID Number 164109.

³ There are no applications for assignment of license or transfer of control associated with the Petition.

⁴ *Pandora Declaratory Ruling*, 30 FCC Rcd at 5101, para. 19.

⁵ Goel is also a citizen of Canada. In addition to the proposed interest via Matrix Master Fund, Goel holds a 0.113 percent interest in Pandora Media through Matrix Capital Management Fund II, L.P. Matrix Master Fund states that, in
(continued....)

Delaware law and owned and controlled by U.S. citizens. Specifically, the sole general partner of Matrix Master Fund is Matrix Institutional Advisers, LP (Matrix Institutional), a Delaware limited partnership that holds 100 percent of the voting rights, and less than 1 percent of the equity, in Matrix Master Fund. The sole general partner of Matrix Institutional is Matrix Capital Management GP, LLC (Matrix GP), a Delaware limited liability company, which holds 100 percent of its voting rights and less than one percent of its equity. The sole member of Matrix GP is David Goel. Matrix Capital Management Company, LP (Matrix Management), a Delaware limited partnership, has the authority to determine how the stock held by Matrix Master Fund in Pandora Media is voted. The sole general partner of Matrix Management is Matrix GP. There are seven unincorporated partners in Matrix Institutional and Matrix Management, all U.S. citizens: David Goel, David Semenza, Jeff Courey, Ben Balbale, Tim Frechette, Pavlo Chikosh, and Chris Johnson. According to Matrix Master Fund, all of the limited partners in Matrix Master Fund are fully insulated from attribution in accordance with the insulation criteria set out in the Commission's broadcast attribution rules.

As a non-controlling minority shareholder, Matrix Master Fund asserts that it will not have the ability to significantly influence the management or operations of Pandora FM. Matrix Master Fund contends that permitting it to "modestly increase its non-controlling minority stake" in Pandora Media will further the Commission's goal of facilitating investment in the broadcast industry.⁶ Matrix Master Fund states that, given the ultimate U.S. ownership of Matrix Master Fund, grant of the requested declaratory ruling will not increase the likelihood of foreign influence or control of Pandora Media, nor will it raise any concerns related to national security, law enforcement, foreign policy, or trade policy.

The Petition has been found, on initial review, to be acceptable for filing. The Commission may require Matrix Master Fund to submit 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**

Pursuant to 47 CFR § 1.1200(a), the Commission may adopt modified *ex parte* procedures in situations where doing so would serve the public interest. We announce that this procedure will be governed by the permit-but-disclose *ex parte* procedures that are applicable to non-restricted proceedings under Section 1.1206 of the Commission's Rules.⁷

Permit-but-disclose *ex parte* procedures permit interested parties to make *ex parte* presentations to the Commissioners and Commission employees and require that these presentations be disclosed in the record of the relevant proceeding. Persons making a written *ex parte* presentation to the Commissioners or Commission employees must file the written presentation with the Commission's Secretary no later than two business days after the presentation.⁸ Persons making oral *ex parte* presentations must file a summary of the presentation no later than the next business day after the presentation.⁹ All *ex parte* filings must be clearly

(...continued from previous page)

the aggregate, funds under the ultimate control of Goel are ultimately anticipated to hold up to a 14.99 percent voting and equity interest in Pandora Media.

⁶ Petition at 2 (citing *Review of Foreign Ownership Policies for Broadcast, Common Carrier and Aeronautical Radio Licensees Under Section 310(b)(4) of the Communications Act, as amended*, Report and Order, 31 FCC Rcd 11272 (2016)).

⁷ See 47 CFR § 1.1206.

⁸ 47 CFR § 1.1206(b)(1).

⁹ 47 CFR § 1.1206(b)(2).

labeled as such and must reference MB Docket No. 16-418. Parties are reminded that memoranda summarizing the presentation must contain the presentation's substance and not merely list the subjects discussed.¹⁰ More than a one or two sentence description of the views and arguments presented is generally required.¹¹

GENERAL INFORMATION

The Petition and all further filings will be available in the Commissions Electronic Comment Filing System (ECFS) under MB Docket 16-418. As of this date, all pleadings, comments and other filings are to be made in ECFS in MB Docket 16-418. Persons and entities that file comments become parties to the proceeding. They may participate fully in the proceeding, including seeking access to any confidential and/or highly confidential information that may be filed under a protective order.

To allow the Commission to consider fully all substantive issues in as timely and efficient a manner as possible, commenters should raise all issues in their initial filings. New issues may not be raised in responses or replies. 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. 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. 16-418.

Under the Commission's current procedures for the submission of filings and other documents,¹² submissions in this matter may be filed electronically through the Commission's ECFS or by hand delivery to the Commission.

- **If filed by ECFS,**¹³ comments shall be sent as an electronic file via the Internet to <http://fjallfoss.fcc.gov/ecfs2/>. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket number.
- **If filed by paper,** the original and one copy of each filing must be filed by hand or messenger delivery, 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. All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12th St., SW, Room TW-A325, Washington, D.C. 20554. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class, Express Mail, and Priority Mail must be addressed to 445 12th Street, S.W., Washington, D.C. 20554.

¹⁰ 47 CFR § 1.1206(b)(1).

¹¹ *Id.*

¹² See *FCC Announces Change in Filing Location for Paper Documents*, Public Notice, 24 FCC Rcd 14312 (2009).

¹³ See *Electronic Filing of Documents in Rulemaking Proceedings*, GC Docket No. 97-113, Report and Order, 13 FCC Rcd 11322 (1998).

One copy of each filing must be delivered electronically (by e-mail or facsimile), or if paper delivered (by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail) to: (1) Peter Doyle, Audio Division, Media Bureau, at peter.doyle@fcc.gov or (202) 418-1410 (facsimile); (2) Lisa Scanlan, Audio Division, Media Bureau, at lisa.scanlan@fcc.gov (202) 418-1410 (facsimile); (3) Rolanda F. Smith, Audio Division, Media Bureau, at rolanda-faye.smith@fcc.gov or 202 418-1410 (facsimile); and (4) Christine Goepf, Audio Division, Media Bureau, at christine.goepf@fcc.gov or (202) 418-1410 (facsimile). Any submission that is e-mailed to Peter Doyle, Lisa Scanlan, Rolanda F. Smith, and Christine Goepf should include in the subject line of the e-mail: (1) MB Docket No. 16-418; (2) the name of the submitting party; (3) the type of document being submitted.

Copies of the Petition and any subsequently-filed documents in this matter are available for public inspection and copying during normal reference room hours at the following Commission office: FCC Reference Information Center, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554.

To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an email to: fcc504@fcc.gov or call the Consumer and Governmental Affairs Bureau at (202) 418-0530 (voice) or (202) 418-0432 (TTY). Contact the FCC to request reasonable accommodations for filing comments (accessible format documents, sign language interpreters, CART, etc.) by email: fcc504@fcc.gov; phone: (202) 418-0530 or TTY: (202) 418-0432.

For further information, contact Rolanda F. Smith, Audio Division, Media Bureau, at (202) 418-2054; Lisa Scanlan, Audio Division, Media Bureau, at (202) 418-2700; or Christine Goepf, Audio Division, Media Bureau, at (202) 418-7834. Press inquiries should be directed to Janice Wise, Media Bureau, (202) 418-2555 or (888) 835-5322.

By: Chief, Media Bureau

-FCC-