
SCOTUS Lets Stand Security Interest in Proceeds of Bankruptcy Transfer of FCC License

Date: 06/05/13

On May 13, 2013, the Supreme Court declined to review the ruling of the United States Court of Appeals for the Tenth Circuit that had held that a security interest may extend to the “proceeds” of the future transfer of a license holder’s interest in its Federal Communications Commission (“FCC”) broadcast license and that, under applicable state law, the security interest attached upon execution of the security agreement, despite the fact that the parties did not contemplate a transfer of the license at that time. The Supreme Court’s ruling means that the Court of Appeals’ decision remains good law.

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