

APPELLATE RULING CONFIRMS BANK CLIENT'S PRIORITY LIEN RIGHTS TO ACCOUNTS RECEIVABLE

When a bank borrower sold its business to a competitor, the bank retained lien rights to accounts receivable pledged to support a \$1 million loan obligation. The buyer of the business refused to turn over any of the accounts receivable to the bank. Following a denial of the bank's motion for summary judgment seeking payment from the buyer, Hodgson Russ prosecuted an appeal of that decision and obtained a favorable decision from the Appellate Division of the New York State Supreme Court.

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