

August 23, 2006

Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

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Federal Communications Commission
Office of Secretary

Re: Telefutura DC LLC
File No. BTCCT-20060718AJP

Dear Ms. Dortch:

This letter is written on behalf of Theodore M. White ("White"), a resident of Washington, D.C. and a principal of Urban Broadcasting Corporation ("Urban"), which had been the permittee of UHF Television Station WTMW-TV, Channel 14 at Arlington, Virginia. The above-referenced application proposes the transfer of control of Univision Communications, Inc. ("Univision") from its shareholders to, at closing, Broadcasting Media Partners, Inc. Univision will remain the surviving corporate licensee as a wholly-owned subsidiary of Broadcasting Media Partners, Inc. White requests the Commission to associate this letter with the referenced application in light of Univision's predatory past activities which resulted in the loss of Urban's television authorization.

Urban was incorporated in 1989. Thereafter, White and Silver King Broadcasting of Virginia, Inc. ("Silver King") entered into an agreement pursuant to which White owned 55% and Silver King owned 45% of the Channel 14 corporate permittee. Urban was forced to file a Chapter 11 bankruptcy petition in 1995 following litigation with Silver King concerning repayment of construction financing which Silver King had provided under the agreement. Urban filed a second Chapter 11 bankruptcy petition in 2000. Its assets were sold in 2001, and Univision thereafter operated Channel 14 subsequent to the Commission's grant of a transfer of control of USA Broadcasting, Inc. to Univision¹. In a March 2, 2001 Petition to Deny the transfer application, White had demonstrated a shocking course of conduct that included USA

¹ Silver King was an affiliate of the transferor. See, File No. BTCCT-20010123AA0-AAX.

Broadcasting judicial misrepresentations concerning Channel 14's full operating power.² The misrepresentations were ultimately responsible for the Urban bankruptcy proceedings and White's loss of Urban's station.

Univision has taken the position in court that as the successor to Silver King it became a party to an August 21, 1989 Right-of-First-Refusal and Put and Call Agreement which required Urban and Home Shopping Network ("HSN")³ to enter into an affiliation agreement whereby Urban would telecast HSN programming and HSN would pay Urban for the broadcasts. The Put and Call Agreement provided that White could purchase Silver King's 45% Urban interest for the sum of \$10.00 if HSN defaulted in its payments under the affiliation agreement. The Put and Call Agreement also included a mutually exclusive "put option" by which Silver King could force Urban to redeem its 45% stock interest if Urban breached the affiliation agreement. Since HSN had refused to pay for broadcasting under the affiliation agreement, White invoked the Put and Call Agreement, thereby exercising his right to call/purchase Silver King's 45% interest. Subsequently, HSN successfully sought a judgment in Circuit Court for Arlington County, Virginia that was premised on the bankruptcy court's erroneous holding concerning Channel 14's fully licensed power, a factor which that court held had relieved HSN of its obligation to pay for broadcasts under the affiliation agreement.

Armed with its erroneously obtained judicial relief, Univision filed a Proof of Claim in the bankruptcy court as Silver King's successor-in-interest. It's claim was premised upon the 1989 Put and Call Agreement which, it argued, entitled it to redeem the disputed 45% interest in Urban. Univision asserted an entitlement to 45% of any monies remaining in the estate after payment to Urban's creditors. The Proof of Claim did not address White's "call" exercise which had completely precluded any claim by Silver King or a successor after White's election.

Univision opposed White at every crossroad, abusing process after process just as wrongfully as had its predecessor. Hence, when Urban filed a new Plan of Reorganization on October 29, 2001, Univision filed a competing plan. When the bankruptcy court refused to confirm either plan of reorganization, a Chapter 11 trustee for Urban was appointed and, in August, 2002, the bankruptcy case was converted from Chapter 11 to Chapter 7. The same trustee was appointed to serve.

² The Commission denied the petition and White's Application for Review. USA Broadcasting, Inc., 19 FCC Rcd 4253 (2004). The D.C. Circuit later dismissed White's appeal. White v. FCC, 2004 U.S. App. Lexis 19110 (D.C. Cir. 2004) and his Petition for Rehearing, White v. FCC, 2005 U.S. App. Lexis 1594 (D.C. Cir. 2005).

³ Silver King was also an affiliate of HSN.

Subsequent to the sale of Channel 14, the Urban estate had approximately \$17 million remaining after payment of claims. As such, the trustee proposed to distribute 55% to White and 45% to Univision. However, Univision objected, now arguing that it should be paid as a creditor rather than a shareholder. Ultimately, the bankruptcy court was informed that the trustee would not prosecute White's own objection and considered Univision's claim to be unopposed. It entered an order allowing the claim, holding that Univision was presumed to have exercised the "put" option, and authorizing distribution to Univision in satisfaction of its claim. White appealed to the Fourth Circuit, but was denied on procedural grounds. His Petition for a Writ of Certiorari from the United States Court Supreme Court has been denied.⁴

Univision's conduct throughout the judicial proceedings and, indeed, at the time of the original transfer of control proceeding shows a callous disregard for truth that should not go unnoticed by the Commission in its review of the instant transfer application. Since Univision proclaimed itself as USA Broadcasting's successor by virtue of the 2001 transfer of control, the Commission should now re-open the questions White properly raised in his Petition to Deny concerning the court misrepresentations that resulted in the loss of Urban's station. Moreover, the nature of the put and call dispute and White's invocation of his right under that agreement is evidence that Univision took advantage of White to further diminish his portion of Urban's estate. A close review of the records before the Commission and the courts demonstrates that USA Broadcasting and Univision, with no other basis than greed, set up a "Rube Goldberg" chain of legal events that resulted in a forced sale of WTMW-TV and allowed Univision to unreasonably garner millions of dollars of Urban's funds.

Respectfully submitted,

KAYE SCHOLER LLP

By: 

Bruce A. Eisen

cc: Scott Fick, Esq.
Mace Rosenstein, Esq.
Barbara Kreisman, Esq.

⁴ Urban Broadcasting Corporation v. Univision of Virginia, Inc., 126 S. Ct. 379 (October 3, 2005).