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Leah Rochwarg Quoted in "Supplier can file mechanic's lien after transfer of property"

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In a case of first impression, a Massachusetts Superior Court judge has ruled that a company that provided building materials for a construction project could put a mechanic's lien on the property shortly after the owner, which allegedly failed to pay what it owed under the contract, transferred the property to another entity for nominal consideration.

The decision serves as a warning to owners and developers that any attempt to avoid a lien on real estate by conveying the property for less than fair market value will backfire, and the original debtor will suffer consequences under the Uniform Fraudulent Transfer Act.

The facts of the case involve the plaintiff Timberline Enterprises, which entered into an agreement with the defendant Onyx Development to provide construction materials and supplies for a project at 143 Hunting Street in Needham, MA. When Onyx allegedly failed to pay Timberline for the materials, Timberline filed a mechanic's lien against the Hunting Street property. Unbeknownst to Timberline, defendant 143 Hunting Street purchased the property from Onyx Development for \$100 just weeks before Timberline recorded the mechanic's lien.

Leah Rochwarg discussed the decision with Massachusetts Lawyers Weekly.

Leah says she finds it noteworthy that Timberline apparently filed a lien as early as May 2024 and, just days later, dissolved it in good faith upon Onyx's request.

Less than 90 days after Timberline dissolved its first lien, Onyx transferred title of the property to 143 Hunting Street. By the time Timberline filed its subsequent statutory notice, Onyx no longer owned the property.

According to Leah, it is not uncommon on construction projects for lien claimants to dissolve their claim voluntarily upon request. "However, the facts of this case make clear that doing so is not without risks. In the words of Pete Seeger, 'Education is when you read the fine print; experience is what you get when you don't."

Continue reading "Supplier can file mechanic's lien after transfer of property" on the Massachusetts Lawyers Weekly website (subscription required).

