

Alerts

1 New Remedies to Combat “Revenge Liens”



Recent amendments to the Uniform Commercial Code (codified as Minnesota Statutes, Chapter 336) provide an immediate remedy for lien notices (financing statements) filed with the intent to harass or defraud a debtor — known as “revenge liens.” The filing system the Minnesota Secretary of State utilizes creates a public notice of liens against a debtor’s personal property upon the filing of a financing statement. Previously, there was no way to challenge a financing statement filed with ill intent other than through the civil court system. A disgruntled party could abuse the filing system to file a bogus lien against an employer, spouse or domestic partner, vendor, government official, or professional to cause embarrassment or financial disruption. Changes to the Uniform Commercial Code now empower the Minnesota Secretary of State to reject a filing based on an affidavit of wrongful filing from the debtor. The amendments provide an alternative to the court process and a more efficient response to revenge liens. If you need assistance navigating this process, please contact your attorney at Moss & Barnett.

2 New Businesses Beware of Solicitation Scams

Deceptive and misleading solicitation letters are on the rise and often target newly registered businesses. Scammers frequently pose as government entities, including the Secretary of State, or refer to laws, like the Uniform Commercial Code, to trick unsuspecting business owners into providing confidential information or paying fees for unnecessary services. Scam solicitation letters typically include legal jargon, fake deadlines by which a response is required, and a demand for fees related to compliance or reporting requirements. Do not fall victim to a solicitation scam. When in doubt, contact your attorney at Moss & Barnett to verify any requests for payment or information, even when such requests appear to be from an official source.



If you would like assistance assuring best practices in these areas, please contact your attorney at Moss & Barnett.