

FH 3950 Script – Window Lien

Liena Horn: Good afternoon. I am Liena Horn. I am a real estate investor and a principal broker. I buy and rehab a lot of properties, some to keep for rentals and some I sell. I always have a few projects going and I'm always on the lookout for properties that need a little helping hand. Things got a little too busy and it was time to sell a couple of properties before the remodels were totally finished.

Clara Dormer: Good afternoon. I am Clara Dormer. I was looking for a house to make my own. I wasn't scared of a fixer upper and was looking for a good deal. My agent and I found just what I was looking for. The seller had started some remodel work, but more was needed and I was up for the challenge. I had a plan to purchase the property for cash and get a loan for the remodeling I wanted to do. I thought I knew what I was getting into. I was wrong.

A month after closing, I received a certified letter from a window company about filing a lien on my property for windows. I thought it must be a mistake, and it should have gone to Liena Horn. The letter said Ms. Horn received a copy as well, so I wasn't worried. It was her bill; she'd have to pay it. After another couple of months, I received an official notice that the lien was filed and now I had a real problem. The loan I planned to take out for remodeling couldn't be processed unless the \$7,000 lien was paid off. I couldn't get in touch with Liena and I couldn't work on my remodeling. I was stuck.

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Liena Horn: I admit that at closing I signed the document saying I hadn't completed any work in the previous 5 months that hadn't been paid. I really didn't know the window bill hadn't been paid. Things were crazy busy and obviously my assistant must have missed that. She wasn't that great at keeping up with things to be honest. How was I to know? I didn't have the \$7,000 to pay at that point, the money from the sale had been used on other properties. What was I to do?

And then I found out there was a complaint with the AREC. But by then I had stopped working in Arkansas. I closed my firm and moved out of state. What could the AREC do anyway?