

COA Opinion: An enforceable lien under the Michigan Molder's Lien Act requires the presence of permanently affixed identification on each particular mold, die, or tool

25. January 2011 By Jeanne Long

On January 20, 2011, the Court of Appeals published an opinion in *CG Automation & Fixture, Inc v Autoform et al., Inc*, No. 286361. There, the Court granted leave to consider a question of first impression arising under the Michigan Molder's Lien Act, MCL 445.611 *et seq.*, and it held that an enforceable lien under the Act demands the presence of permanently affixed identifying details on the particular mold, die or tool.

Plaintiff CG Automation & Fixture makes tool and die equipment that it sells to automotive parts suppliers. Defendant Key Plastics is a supplier of parts to automotive manufacturers. CG Automation produced dies and risers that it shipped to a third party. Risers are metal bars akin to shims or spacers that are used to make a die fit a particular application. They can be used with many different dies. When CG Automation shipped the dies and risers, it filed a UCC financing statement identifying its possession of a lien on the tooling. But it placed an identification tag on only the risers, not the dies themselves. At some point, Defendant Key Plastics purchased the dies, but not the risers. The final location of the risers is not known.

CG Automation then sued Key Plastics under the Molder's Lien Act, seeking immediate possession of the tooling. The trial court granted its request, but on appeal, the Court of Appeals reversed and held that CG Automation's failure to place permanent identification on the dies themselves precluded its recovery under the Act.

Among other requirements, the Act requires that a molder place permanently recorded identifying information on each die. The Court held that placing identifying information on metal risers, which could be separated from the dies and transferred for use with other tools, did not satisfy this requirement as to the dies themselves. The Court noted that the purpose of the requirement is to give subsequent purchasers of the dies actual notice of possible liens on the dies. That purpose is not fulfilled if only the risers, which can be used separately, are identified. Accordingly, the Court held that CG Automation failed to perfect its lien under the Act.

Judge Gleicher [concurred](#) fully in the majority opinion, but wrote separately to emphasize that the Act contains ambiguities and that the legislature should reconsider the statute's language.