## <u>Williams v. Athletic Field:</u> <u>Washington's Construction Gem Goes to State Supreme Court</u>

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The big elephant in the room gets the supreme look. That's right – <u>Athletic Field</u> is going to Olympia. The appellate opinion that shocked the construction law world will be getting a look by the Washington Supreme Court. The <u>Athletic Field</u> opinion was handed down by Washington's Division II Court of Appeals back in March 2010.

The opinion invalidated a lien filed by a corporation that had not been acknowledged (executed properly) in accordance with the corporate acknowledgment rules. The lien had been filed by a construction lien service, not the claimant or an attorney. You can <u>read more</u> <u>about the ruling on our prior blog post.</u>

After the <u>Athletic Field</u> ruling came out, lawyers were shocked and frightened for their clients. I attended a construction law event in April, where Seattle construction law guru, <u>Kerry Lawrence</u>, estimated that roughly 90% of the liens out there might be defective under this ruling. The recent Washington State Bar Association Construction Law Newsletter recently released its Fall 2010 editorial, complete with an *Athletic Field* article entitled "Sending Shock Waves Through the Construction Bar," written by <u>attorney Robert</u> <u>Olson</u>. Apparently, I was not the only one to find the opinion startling.

Then, something interesting happened. Washington's Division I (the Division encompassing Seattle) decided to take a stab at *Athletic Field*, even when it wasn't of issue in an appeal. In <u>North Coast Electric Company v. Seattle Construction Services, Et Al</u>., the Division I court was able to resolve a dispute without deciding the <u>Athletic Field</u> issue. <u>But</u>, they used a footnote to let everyone know that they weren't rushing to support it:

"We also question the result in Williams. ....

In the lien context, ..., there is a strong statutory directive that [the lien statutes] be liberally construed to provide security for all parties intended to be protected by their provisions." RCW 60.04.900. This directive clearly applies to RCW 60.04.091.....

The Williams decision does not take this directive into account. Neither the signor's identity nor his authority is at issue here, only technical compliance."

One can only guess that this counterpoint, albeit in dicta, helped push this dispute up to the Supreme Court. The high court has elected to accept review. At this point, I am unaware of whether it has been calendared. But, many will be watching.