

## Sugden Examines Mechanic's Lien Law in *Colorado Real Estate Journal*

In the News

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Stinson LLP Partner [Ryan Sugden](#) authored an article for the *Colorado Real Estate Journal* that examined recent changes to Colorado's mechanic's lien law. Titled "Court Oks reducing mechanic's lien to fix 'honest mistakes,'" Sugden focused his analysis on the impact of the Colorado Court of Appeals' ruling in *Galiant Homes LLC v. Herlik*.

In the case, a lien foreclosure claim was headed for trial when Galiant Homes discovered that the amount originally claimed was inaccurate after the four-month deadline for filing a mechanic's lien had passed. Galiant amended the lien to reduce the amount, which the landowner claimed was evidence the lien was overstated and invalid. The Colorado Court of Appeals disagreed and upheld the amendment. Sugden notes that the ruling confirms that a claimant may reduce the lien amount after the statutory deadline if new information comes to light.

Sugden emphasizes that such amendments are only permitted when the claimant lacked knowledge of the inaccuracy at the time of filing. He explains that the lien is not considered excessive if the claimant neither knew nor had a "reasonable possibility" to know that the amounts initially claimed or omitted would ultimately prove incorrect. In *Galiant*, the court found that the original overstatement was based on honest oversight, not bad faith or negligence.

He highlights that the Court's reasoning clarifies an important decision: reducing a lien after the filing deadline is not, by itself, an admission that the original claim was excessive. As he writes, "Galiant's amendments were not *de facto* admissions that the lien was excessive when filed, the Court of Appeal found, because the evidence showed that Galiant was not aware of the overstated amounts at the time of filing."

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Sugden concludes that the *Galiant* decision underscores the importance of accuracy and diligence when filing mechanic's liens in Colorado.

Read the [full article](#).

### CONTACT

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