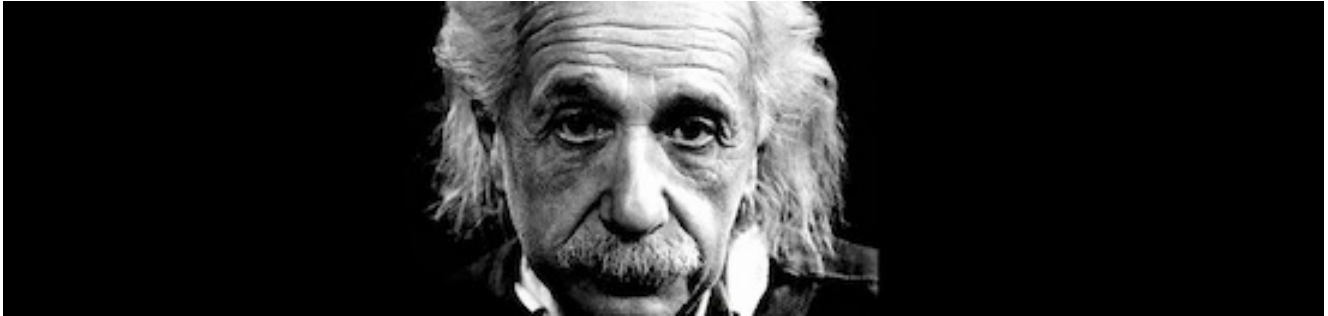


4 Reasons Why It's Smart To Outsource Your Preliminary Notice Work



Filing a mechanic's lien can be the difference between collecting your debt, or not. It's as simple as that. And if you're doing work or supplying equipment or materials on a project that requires delivery of a preliminary notice, you'll be left without lien rights unless you deliver that preliminary notice pretty immediately after first furnishing any labor or materials. Not only must the preliminary notice be timely, but it must also be correct.

Preparing and delivering your own notices could be a recipe for disaster. Here are four reasons why its smart for your company to outsource its [preliminary notice](#) work.

Preliminary Notices Are Technical, With Lots of Room for Error

There is no single "preliminary notice" form that can be used in any state and any situation. What your notice must say can and will differ depending on where you're working (i.e. state), what type of project you're working on (i.e. private, state, federal) and what tier you fall.

State statutes can get very particular about the notice's wording, oftentimes requiring the notices to contain specific language in a certain font-size, bold and/or in all caps. Statutes are also picky about how notices must be sent, who they must be sent to, and how you will need to prove that you actually sent the notice along.

Take the state of California, for example. There is a 20-day preliminary notice required on private construction projects in California that must contain a statement identical to the one required in California Civil Code §3084 in “10-point boldface type.” Plus, §3084(a)(6) also requires that the sending party maintain a “proof of service affidavit” and any records of mailing (i.e. the certified mail record).

If you wanted to send this notice yourself, you’d have to make sure you had the right form. The California law change January 1, 2011, so be careful which sites you trust. Then, you’d have to make sure you send it to the right people (the owner, the prime and the lender), that you send it in the right way, and that you maintain the correct proof of delivery (affidavit and mail record).

Whoa, that’s a lot of work, and as you can see, a lot of opportunity for error.

Outsourcing your preliminary notice work makes this entire process very simple. Here at [Zlien](#), for example, you simply give us the project details, and we make sure the appropriate form gets to the appropriate places in the appropriate way. Everything you need to prove it was sent will be permanently saved for you on our online servers.

Time Spent Working On Preliminary Notices Is Time Wasted For Your Company

Your employees already have a lot to do, and the things they do make your company money. Whether they are doing project management work, or accounting work...it’s highly unlikely that you have an employee 100% dedicated to sending preliminary notices.

Most of the time, if a company sends its preliminary notices at all, they will pick someone on their staff to prepare and send these notices. Whenever a notice is required, this employee has to interrupt his or her workday to figure out which notice to send, how to send it, and then to put together the notice and mailing. If the employee does it 100% correct (see above), they will spend at least 15-25 minutes for each notice.

Is it worth that amount of time? Is it worth taking that employee away from things that make your company money for them to work on these technical and time consuming preliminary notices?

The answer is most certainly “no,” especially in light of how much outsourcing can save you in real money (see below).

Professional Quality Control

When you outsource your preliminary notice work, the company preparing your notices will likely not only be preparing and sending the form as required by applicable statutes, but they will also be checking the project data.

At Zlien, we very frequently find errors with the identified property owner or property address. Sometimes, an address won't have the direction (N, E, S, W) properly listed, or a property owner will just be incorrect (i.e. reference to individual rather than a business entity).

Instead of relying on an employee who only prepares and sends these notices sporadically, you'll have a professional set of eyes taking a look at your data and checking it against available public records databases. It could mean the difference between enforceable lien rights, and no lien rights at all.

For more information about how Zlien will research the property owner and legal property description with your order, see this post: [Let Us Research The Legal Property Description, Bond, Owner, County and More.](#)

Finally, It Makes Financial Sense

Let's look at how much it actually costs you to send your own preliminary notices.

First, you have the employee, whose time is not free. Take an employee who gets paid \$50,000 per year. On average, a full-time employee works 2,000 hours, making a \$50k per year employee compensated at a rate of \$25.00 per hour. A California 20-day preliminary notice must be sent to three parties, and will take

between 45 minutes and 1 hr 15 minutes to properly send. That's between \$18.75 and \$31.25 per project.

Second, you need to pay for postage. Certified mail return receipt requested is typically \$5.85, which times three, equals \$17.55.

Third, you can't forget your paper and envelopes. On average, this is \$0.16 per notice, which is \$0.48 for three notices.

So, considering only these three cost elements (there are more), you are going to spend between \$36.78 and \$49.28 per project to send preliminary notices. If you outsource all of your notice work to Zlien, the most expensive plan offered charges you \$28.00 per project to send all of your preliminary notices.

This white paper is written by Scott Wolfe Jr., a construction attorney who practices in California, Washington, Oregon and Louisiana through his law firm, [Wolfe Law Group](#). Scott is also the founder of [Zlien](#), a nationwide preliminary notice and mechanic's lien filing service, and the publisher of the [Construction Lien Blog](#).



Other Resources:

- [50-State Lien Law Summaries](#)
- [Color-Coded USA Map of Preliminary Notice Requirements](#)
- [File A Preliminary Notice with Zlien](#)
- [Electronically File a Mechanic's Lien](#)