

**PRIVILEGED AND CONFIDENTIAL
ATTORNEY-CLIENT COMMUNICATION**

Date: [Insert Date]

To: [Client Name/Board of Directors]

From: [Attorney Name/Law Firm]

Re: Legal Opinion Regarding Statutory Lien Defenses to Preference Claims

1. Introduction

This memorandum provides our legal assessment regarding the potential avoidance of transfers made to [Creditor Name] (the "Creditor") during the 90-day preference period preceding the bankruptcy filing of [Debtor Name] (the "Debtor"). Specifically, this opinion focuses on the "Statutory Lien" defense under 11 U.S.C. § 547(c)(6).

2. Executive Summary

[Insert brief conclusion on whether the defense is likely to succeed or fail based on current evidence.]

3. Factual Background

The relevant transfers occurred between [Date] and [Date], totaling \$[Amount]. The Creditor asserts that these payments were made in satisfaction of a lien arising under [Insert State/Federal Statute, e.g., Mechanics' Lien, Warehouseman's Lien, or Tax Lien].

4. Legal Analysis of Statutory Lien Defense

Under Section 547(c)(6) of the Bankruptcy Code, a trustee may not avoid a transfer that is the fixing of a statutory lien that is not avoidable under Section 545. Our analysis considers the following:

- **Validity of the Lien:** Whether the lien was properly perfected under applicable non-bankruptcy law at the time of the transfer.
- **Avoidability under Section 545:** Whether the lien would have been enforceable against a bona fide purchaser at the time of the bankruptcy commencement.
- **Payment in Satisfaction:** Whether the transfers were made to satisfy a lien that could have been filed or perfected even if the payment had not occurred.

5. Application to Current Facts

[Insert detailed analysis applying the law to the specific facts of the case, discussing whether the creditor had a right to file a lien that would have been senior to a trustee's interest.]

6. Risks and Uncertainties

[Discuss potential weaknesses, such as failure to provide proper notice, expiration of statutory filing periods, or jurisdictional variations in case law.]

7. Conclusion

Based on the foregoing, it is our opinion that [Creditor] has a [Strong/Moderate/Weak] defense against the preference claim under the statutory lien exception.

Sincerely,

[Signature]

[Name of Counsel]