

U.S. Department of Labor

Labor-Management Services Administration
Washington, D.C. 20216



Reply to the Attention of:

MAY 8 1984

Mr. John S. Miller, Jr.
Cox, Castle & Nicholson
Twenty-Eighth Floor
2049 Century Park East
Los Angeles, California 90067

Dear Mr. Miller:

This is in reply to your letter of May 9, 1983, requesting an advisory opinion regarding applicability of title I of the Employee Retirement Income Security Act of 1974 (ERISA). Specifically, you ask whether the Mechanics' Lien Laws of the State of California and their related provisions are preempted by section 514 of title I of ERISA insofar as those laws permit employee benefit plans covered by title I to foreclose on real property works of improvement to recover contributions owed those plans by contributing employers for work performed on the real property.

You state that your clients are the Carpenters Pension Trust for Southern California, the Carpenters Health and Welfare Trust for Southern California, the 11 County Carpenters Vacation and Holiday Savings Plan, and the Carpenters Joint Apprenticeship and Training Committee Fund for Southern California (collectively referred to hereafter as the Carpenters Trusts). The Carpenters Trusts have brought an action against the owner of real property to foreclose a mechanics' lien under section 3111 of the Mechanics' Lien Laws of the State of California (the California Mechanics' Lien Law) to collect money owed to the Carpenters Trusts by a subcontractor of the owner. In response, the owner has raised, among other issues, the argument that section 3111 of the California Mechanics' Lien Law is preempted by section 514 of ERISA. On November 15, 1983, the U.S. District Court for the Central District of California held that the California Mechanics' Lien Laws were preempted by section 514(a) of title I of ERISA.

The Department of Labor has reviewed that decision and concurs in the position of the District Court that the California Mechanics' Lien Laws are preempted by 514(a) of ERISA insofar as those laws relate to employee benefit plans covered by title I of ERISA.

Sincerely,

Morton Klevan
Deputy Administrator
Pension and Welfare Benefit Programs