

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY

Nader Abouelmakarem v. Mahmoud Mustafa and Sadiya Mustafa

Abouelmakarem · No. Civil Action No. 23-22209 · Decided January 28, 2026

SUMMARY

The United States District Court for the District of New Jersey granted Plaintiff Nader Abouelmakarem’s motion for summary judgment against Sadiya Mustafa on a claim under New Jersey’s Uniform Voidable Transactions Act. The court held that the transfer of Mahmoud Mustafa’s New Jersey property to Sadiya for one dollar was both actually and constructively fraudulent, and rejected Sadiya’s asserted divorce-settlement defense. The court reserved the determination of damages and ordered further briefing.

CASE DETAILS

COURT	United States District Court for the District of New Jersey
WRITING FOR THE COURT	Jamel K. Semper
JURISDICTION	United States District Court for the District of New Jersey
DECIDED	January 28, 2026
DOCKET	Civil Action No. 23-22209
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved for summary judgment under Federal Rule of Civil Procedure 56 on his New Jersey Uniform Voidable Transactions Act fraudulent-transfer claim against Sadiya Mustafa. The court granted the motion and reserved determination of the damages award pending further briefing.
STANDARD OF REVIEW	Summary judgment is appropriate when the movant shows that there is no genuine dispute as to any material fact and that the movant is entitled to judgment as a matter of law. Facts and reasonable inferences are construed in favor of the nonmoving party, but unsupported allegations, subjective beliefs, or argument alone cannot create a genuine dispute.
PRECEDENTIAL VALUE	unpublished/nonprecedential
PARTIES	Nader Abouelmakarem v. Mahmoud Mustafa, Sadiya Mustafa

TOPICS

summary judgment

affirmative defenses

civil procedure

remedies

asset protection

PRACTICE AREAS

civil procedure

fraudulent transfer

real estate remedies

judgment enforcement

QUESTIONS PRESENTED

1. Whether Plaintiff was entitled to summary judgment on his claim that Mahmoud's transfer of the New Jersey property to Sadiya violated the New Jersey Uniform Voidable Transactions Act.
2. Whether Sadiya's asserted divorce-settlement and family-security defenses created a genuine dispute of material fact.
3. Whether the court could determine the remedies and damages award on the existing briefing.

HOLDINGS

1. Summary judgment was warranted because the undisputed evidence established that Mahmoud transferred the property without receiving reasonably equivalent value and intended, or reasonably should have believed, that he would incur debts beyond his ability to pay, satisfying constructive fraud under N.J. Stat. Ann. § 25:2-25(a)(2).
2. The undisputed badges of fraud established that Mahmoud made the transfer with actual intent to hinder his creditors, satisfying N.J. Stat. Ann. § 25:2-25(a)(1).
3. Sadiya's defenses did not create a genuine dispute of material fact because the property transfer occurred nearly two years before she filed for divorce, and her general assertion that the property was promised to her and her children did not provide a credible factual basis for the transfer.
4. The court reserved the damages award and required further briefing concerning the appropriate relief under the UVTA.

KEY QUOTATIONS

“Federal Rule of Civil Procedure 56(a) provides that summary judgment should be granted if the movant shows that “there is no genuine issue as to any material fact [and] the moving party is entitled to judgment as a matter of law.”” (Legal Standard)

“The conveyance of the Property to Sadiya was a transparent effort by Mahmoud to avoid his obligations to Plaintiff.” (Analysis)

“The Court requires further briefing from the parties to determine the damages award in this case.” (Damages)

FACTUAL BACKGROUND

Plaintiff secured a federal judgment for unpaid minimum and overtime wages and related damages against Mahmoud Mustafa, but no defendant paid the judgment. Shortly after Plaintiff commenced that action, Mahmoud transferred his North Bergen, New Jersey home, which he had owned for twenty-one years and on

which he had recently satisfied the mortgage, to his wife Sadiya for one dollar. Mahmoud continued to use the property's address after the transfer, and the property was later assessed at \$533,600. Sadiya argued that the transfer was part of a divorce settlement or was intended to secure the property for her and her children, but the transfer preceded the divorce proceedings by nearly two years.

PROCEDURAL HISTORY

Plaintiff obtained an August 17, 2023 civil judgment in the Southern District of New York against Mahmoud Mustafa and his brother for unpaid minimum and overtime wages, monetary damages, and attorneys' fees. Mahmoud had transferred his New Jersey home to his wife, Sadiya, for one dollar shortly after Plaintiff filed the New York action. In this action, the court previously entered default judgment against Mahmoud on the fraudulent-conveyance claim, reserving damages. Sadiya answered, later proceeded pro se, and opposed Plaintiff's summary-judgment motion. The court granted summary judgment against Sadiya and directed briefing on damages.

DISPOSITION

other

REMAND INSTRUCTIONS

No remand was ordered. Plaintiff must file a damages brief of no more than ten pages within thirty days of the opinion, and Defendant may respond within fourteen days.

CASES CITED

- Abouelmakarem v. MDNMA Inc. et al., No. 21-10625, 2023 WL 4561765 (S.D.N.Y. July 17, 2023)
- Kreschollek v. S. Stevedoring Co., 223 F.3d 202, 204 (3d Cir. 2000)
- Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 247-48, 248 (1986)
- Boyle v. County of Allegheny, 139 F.3d 386, 393 (3d Cir. 1998)
- Peters v. Delaware River Port Authority of Pennsylvania & New Jersey, 16 F.3d 1346, 1349 (3d Cir. 1994)
- Celotex Corp. v. Catrett, 477 U.S. 317, 322-23, 325 (1986)
- Matsushita Electric Industrial Co. v. Zenith Radio Corp., 475 U.S. 574, 586 (1986)
- Lujan v. National Wildlife Federation, 497 U.S. 871, 888 (1990)
- Katz v. Aetna Casualty & Surety Co., 972 F.2d 53, 55 (3d Cir. 1992)
- In re Tzanides, 574 B.R. 489, 512-13 (D.N.J. 2017)
- Gilchinsky v. National Westminster Bank New Jersey, 159 N.J. 463, 475 (1999)
- Leonard v. Bayuk, No. 23-21314, 2025 WL 1419813, at *6 (D.N.J. May 16, 2025)
- Jurista v. Amerinox Processing, Inc., 492 B.R. 707, 747 (D.N.J. 2013)
- Meiselman v. Hamilton Farm Golf Club LLC, No. 11-0653, 2011 WL 3859846, at *8 (D.N.J. Sept. 1, 2011)
- Chestnut St. Consolidation, LLC v. Dawara, 619 F. Supp. 3d 489, 511 (E.D. Pa. 2022)

OPINION

NOT FOR PUBLICATION UNITED STATES DISTRICT COURT DISTRICT OF NEW JERSEY
NADER ABOUELMAKAREM, Civil Action No. 23-22209 Plaintiff, v. OPINION MAHMOUD
MUSTAFA and SADIYA January 28, 2026 MUSTAFA, Defendants. SEMPER, District Judge.

The current matter comes before the court on Plaintiff Nader Abouelmakarem's ("Plaintiff") motion for summary judgment against Defendant Sadiya Mustafa ("Defendant" or "Sadiya") pursuant to Federal Rule of Civil Procedure 56. (ECF 50-1, "Mot.") Defendant submitted an opposition to the motion (ECF 51, "Def. Opp."), and Plaintiff replied. (ECF 52, "Reply.") The Court has decided this motion upon the parties' submissions, without oral argument, pursuant to Federal Rule of Civil Procedure 78 and Local Rule 78.1.

For the reasons stated below, Plaintiff's motion is GRANTED. I. FACTUAL BACKGROUND AND PROCEDURAL HISTORY¹ This matter arises from the alleged fraudulent transfer of property in Hudson County, New Jersey from Defendant Mahmoud Mustafa ("Mahmoud") to his wife, co-Defendant Sadiya Mustafa. This Court previously entered default judgment against Mahmoud for Plaintiff's sole ¹ The Court relies on the facts contained in the Complaint (ECF 1), Defendant Sadiya Mustafa's Answer (ECF 14), the Court's previous Opinion in this case (ECF 53), Plaintiff's motion for summary judgment and the statement of facts contained within (ECF 50). claim of fraudulent conveyance in violation of the New Jersey Uniform Voidable Transactions Act ("UVTA" formerly the Uniform Fraudulent Transfer Act), N.J.

Stat. Ann. §§ 25:2-20 et seq. (ECF 53, "Op." at 10.) For purposes of judicial economy, the Court does not retrace the full factual and procedural history and incorporates the preceding opinion herein. This matter relates to a civil judgment that Plaintiff secured against Mahmoud and his brother on August 17, 2023 in the Southern District of New York (the "SDNY Action").² (ECF 1, "Compl." ¶ 1.)

Plaintiff worked as a cashier for three years in a New York City gift shop that was owned and operated by Mahmoud. (Id.; ECF 50-3, SDNY Complaint, "Ex. A" ¶ 6.) Following a three-day trial, a federal jury in Manhattan found that Mahmoud had failed to pay Plaintiff minimum wage and overtime pay. (Compl. ¶¶ 15, 16.)

The jury returned a verdict in favor of Plaintiff in the amount of \$245,593.78 in monetary damages and attorneys' fees, collectively. (ECF 50-4, "Ex. B".) No amount of money has been paid by any defendant in the SDNY Action to satisfy that judgment. (Id. ¶ 22, 23.) Two weeks after Plaintiff commenced the SDNY Action,³ Mahmoud transferred ownership of his home located at 1611 86th Street in North Bergen, New Jersey (the "Property") to his wife Sadiya for consideration of \$1.00.

(Id. ¶ 17; ECF 50-6, 2021 Deed, "Ex. D".) Mahmoud purchased the Property on November 9, 2000 (see ECF 50-5, 2000 Deed, "Ex. C") and was the sole owner of the Property for twenty-one years, until he transferred his ownership interest to his wife. (Compl. ¶ 13.)

On August 27, 2021, Mahmoud satisfied the mortgage on the Property. (Id. ¶ 14.)² See *Abouelmakarem v. MDNMA Inc. et. al.*, No. 21-10625, 2023 WL 4561765 (S.D.N.Y. July 17, 2023).³ Plaintiff filed his complaint in the SDNY Action on December 13, 2021, which sought over \$300,000 in damages. (See Ex. A; Mot. at 2.)

The deed transferring ownership of the Property is dated December 27, 2021. (ECF 50-6.) Defendant Sadiya appeared through counsel and filed an Answer to the Complaint on February 13, 2024. (ECF 14, “Ans.”) On October 30, 2024, Magistrate Judge Jose R. Almonte permitted Sadiya’s counsel to withdraw as her attorney. (ECF 31.) Sadiya is now proceeding pro se.⁴ On March 28, 2025, Plaintiff moved for summary judgment on his singular cause of action against Sadiya.

(See Mot.) On April 10, 2025, Sadiya filed a handwritten letter opposing Plaintiff’s motion. (See Opp.) Plaintiff submitted a reply brief on April 15, 2025. (See Reply.) On June 30, 2025 this Court entered default judgment against Mahmoud, finding that Plaintiff had sufficiently alleged the elements of a fraudulent transfer under the UVTA. (Op. at 10.)

The Court reserved on awarding damages until after the Court ruled on the instant motion for summary judgment. (Id.) II. LEGAL STANDARD Federal Rule of Civil Procedure 56(a) provides that summary judgment should be granted if the movant shows that “there is no genuine issue as to any material fact [and] the moving party is entitled to a judgment as a matter of law.” *Kreschollek v. S. Stevedoring Co.*, 223 F.3d 202, 204 (3d Cir.

2000); see also *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). In deciding a motion for summary judgment, a court must construe all facts and inferences in the light most favorable to the nonmoving party. See *Boyle v. Cnty. of Allegheny Pa.*, 139 F.3d 386, 393 (3d Cir. 1998) (citing *Peters v. Del. River Port Auth. of Pa. & N.J.*, 16 F.3d 1346, 1349 (3d Cir.

1994)). The moving party bears the burden of establishing that no genuine issue of material fact remains. See *Celotex Corp. v. Catrett*, 477 U.S. 317, 322-23 (1986). “[W]ith respect to an issue on which the nonmoving party bears the burden of proof... the burden on the moving party may be 4 Sadiya moved this Court to appoint her pro bono counsel (ECF 39, 42), and on February 20, 2025, this Court denied her application to proceed in forma pauperis, a prerequisite to receive pro bono counsel, finding that she did not sufficiently demonstrate indigent status.

(ECF 45.) discharged by ‘showing’ — that is, pointing out to the district court — that there is an absence of evidence to support the nonmoving party’s case.” Id. at 325. Once the moving party has met that threshold burden, the non-moving party “must do more than simply show that there is some metaphysical doubt as to the material facts.” *Matsushita Elec. Indus.*

Co., Ltd. v. Zenith Radio Corp., 475 U.S. 574, 586 (1986). A fact is only “material” for purposes of a summary judgment motion if a dispute over that fact “might affect the outcome of the suit

under the governing law.” Anderson, 477 U.S. at 248. A dispute about a material fact is “genuine” if “the evidence is such that a reasonable jury could return a verdict for the nonmoving party.” Id. Unsupported allegations, subjective beliefs, or argument alone, however, cannot forestall summary judgment.

See *Lujan v. Nat’l Wildlife Fed’n*, 497 U.S. 871, 888 (1988) (nonmoving party may not successfully oppose summary judgment motion by simply replacing “conclusory allegations of the complaint or answer with conclusory allegations of an affidavit.”).

Thus, if the nonmoving party fails “to make a showing sufficient to establish the existence of an element essential to that party’s case, and on which that party will bear the burden of proof at trial.... there can be ‘no genuine issue of material fact,’ since a complete failure of proof concerning an essential element of the nonmoving party’s case necessarily renders all other facts immaterial.” *Katz v. Aetna Cas. & Sur.*

Co., 972 F.2d 53, 55 (3d Cir. 1992) (quoting *Celotex*, 477 U.S. at 322-23). Moreover, the “mere existence of some alleged factual dispute between the parties will not defeat an otherwise properly supported motion for summary judgment; the requirement is that there be no genuine issue of material fact.” Anderson, 477 U.S. at 247-48. III. ANALYSIS Plaintiff asks this Court to enter summary judgment on his fraudulent transfer claim against Sadiya.

(Mot. at 4-7.) Plaintiff maintains that he “has been in yearslong litigation to vindicate his rights against Mahmoud” and that both Defendants here “engaged in an effort to cheat [] Plaintiff, a creditor of Mahmoud, by transferring the Property to Sadiya for one dollar, thereby placing the Property out of Plaintiff’s reach as he seeks to execute” his civil judgment.

(Id. at 7.) Sadiya argues that the Property “was promised to me and my children over 10 years ago” and that “as soon as [the mortgage] was paid off, we began the process of switching the deed for my children’s security.” (Opp. at 3.)

The Court will also address the affirmative defense offered in Sadiya’s Answer that the Property was transferred to her pursuant to Defendants’ divorce settlement. (See Ans. ¶ 14.) Actual and constructive fraudulent transfers may be avoided pursuant to New Jersey’s UVTA, see N.J. Stat. Ann. §§ 25:2–20 et seq.

The purpose of the UVTA is to prevent a debtor from placing property beyond a creditor’s reach. In *re Tzanides*, 574 B.R. 489, 512-13 (D.N.J. 2017). “Underlying the Act is the notion that a debtor cannot deliberately cheat a creditor by removing his property from the jaws of execution.” *Gilchinsky v. Nat’l Westminster Bank N.J.*, 159 N.J. 463, 475 (1999).

The UVTA provides that a transfer is voidable if the transfer was made either “[w]ith actual intent to hinder, delay, or defraud any creditor of the debtor” (actual fraud) or “[w]ithout receiving a

reasonably equivalent value in exchange for the transfer or obligation, and the debtor...[i]ntended to incur, or believed or reasonably should have believed that the debtor would incur, debts beyond the debtor's ability to pay as they become due" (constructive fraud).

N.J. Stat. Ann. §§ 25:2-25(a)(1), (a)(2). "In order to determine whether an actual intent to hinder or defraud existed, courts look to see whether 'badges of fraud' are present." *Leonard v. Bayuk*, No. 23-21314, 2025 WL 1419813, at *6 (D.N.J. May 16, 2025). Relevant badges of fraud that may apply to the present matter include whether "before the transfer was made or obligation was incurred, the debtor was sued or threatened with suit;" "the transfer was of substantially all the debtor's assets;" "the debtor retained possession or control of the property transferred after the transfer;" "the value of the consideration received by the debtor was not reasonably equivalent to the value of the asset transferred or the amount of the obligation incurred;" and "the transfer occurred shortly before or after a substantial debt was incurred[.]" *Jurista v. Amerinox Processing, Inc.*, 492 B.R.

707, 747 (D.N.J. 2013) (quoting *Meiselman v. Hamilton Farm Golf Club LLC*, No. 11-0653, 2011 WL 3859846, at *8 (D.N.J. Sept. 1, 2011)); see also N.J. Stat. Ann. § 25:2-26 (listing "badges of fraud" factors to determine intent). Shortly after Plaintiff filed his lawsuit in the SDNY Action, Mahmoud transferred the Property to his wife, Sadiya, for consideration of one dollar.⁵ (Ex.

D.) The Hudson County Board of Taxation assessed the value of the Property in 2025 at \$533,600.00. (See ECF 50-13, "Ex. K") It is therefore not in dispute that Mahmoud transferred the Property to Sadiya without receiving a reasonably equivalent value in exchange for the transfer. See *Chestnut St. Consol., LLC v. Dawara*, 619 F. Supp. 3d 489, 511 (E.D. Pa. 2022) (finding Defendants liable under Pennsylvania's UVTA for transferring properties valued between \$73,800 and \$528,700 for one dollar).

It is also not disputed that at the time of the transfer, Plaintiff was a creditor of Defendant, because he had filed the lawsuit in the SDNY Action.⁶ The uncontested facts therefore demonstrate that Mahmoud made a constructively fraudulent transfer "without receiving a reasonably equivalent value in 5 The deed transferring ownership of the Property lists consideration in the amount of \$1.00, contains Defendant's own signature, and identifies the Property by the address listed in the Complaint.

(Ex. D.) Mahmoud also testified that he transferred the Property in consideration for one dollar in his deposition taken in the SDNY Action. (See ECF 50-12, "Ex. J", 22:22-27:4.) ⁶ See N.J. Stat. Ann. § 25:2-21 (defining "creditor" as "a person who has a claim" and "claim" as "a right to payment, whether or not the right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured.") exchange" and that he intended to incur, or "believed or reasonably should have believed" that he would incur debts beyond his ability to pay, in violation of N.J.

Stat. Ann. § 25:2-25(a)(2). The Court has already found that the following badges of fraud exist here: (1) before the transfer Defendant was sued by Plaintiff in the SDNY Action; (2) Defendant retained possession or control of the Property after the transfer;⁷ and (3) the value of the consideration received by the Defendant was not reasonably equivalent to the value of the asset transferred.

(Op. at 8-9) (citing N.J. Stat. Ann. § 25:2-26 and Leonard, 2025 WL 1419813, at *6 (finding voidable transfer in almost identical circumstances where badges of fraud established intent, including consideration of \$1.00 for the property)). “While a finding of one badge of fraud may cast suspicion on the transferor’s intent, a finding of several badges in one transaction generally provides conclusive evidence of an actual intent to defraud.” Jurista, 492 B.R. at 747.

These badges of fraud sufficiently demonstrate that Mahmoud made that transfer with actual intent to hinder his creditors, satisfying the statutory requirement for actual fraud. See N.J. Stat. Ann. § 25:2-25(a)(1). The conveyance of the Property to Sadiya was a transparent effort by Mahmoud to avoid his obligations to Plaintiff.

The Court is satisfied that Plaintiff has established an actual and constructive fraudulent transfer under the UVTA. Defendant Sadiya’s sole defense is that the transfer of the Property to her was part of her divorce settlement with Mahmoud. (Ans. ¶¶ 15-17.) Sadiya filed for divorce on September 26, 2023. (ECF 50-14, “Ex. L”.) Mahmoud transferred the Property to her on December 27, 2021, nearly two years before their divorce proceedings began.

(See Ex. D.) The Court agrees with Plaintiff that this renders “any assertions that the divorce proceeding is related to the Fraudulent 7 In correspondence with this Court dated November 29, 2023, two years after the transfer, Mahmoud listed his mailing address as the Property’s address. (See ECF 33-9, “Ex. G”.) Transfer factually impossible.” (Mot. at 10.)

Defendant Sadiya’s argument is therefore unavailing.⁸ Defendant has failed to demonstrate the existence of a genuine dispute as to any material fact, and Plaintiff is accordingly entitled to judgment as a matter of law on his fraudulent conveyance claim. IV. DAMAGES In his motion, Plaintiff asks this Court to grant “the relief requested in the Complaint and/or set forth in the annexed proposed order.” (Mot. at 14.)

The UVTA provides remedies for violations of the statute in the form of injunctive relief, including but not limited to: “Avoidance of the transfer or obligation to the extent necessary to satisfy the creditor’s claim;” “attachment or other provisional remedy against the asset transferred” and, subject to principles of equity, an “injunction against further disposition by the debtor or transferee, or both, of the asset transferred or of other property” or “[a]ppointment of a receiver to take charge of the asset transferred or other property of the transferee[.]” N.J.

Stat. Ann. § 25:2-29. Plaintiff's Complaint seeks all forms of relief prescribed by the statute, as well as attorneys' fees and costs of this action. (Compl. at 6.) The Court requires further briefing from the parties to determine the damages award in this case. Plaintiff is directed to file a brief of no more than ten pages within thirty days of the date of this opinion.

Defendant will have fourteen days to respond. V. CONCLUSION For the reasons stated above, Plaintiff's motion for summary judgment (ECF 50) is GRANTED. The parties shall brief the Court on damages as outlined in the accompanying Order. 8 Similarly unavailing is Sadiya's argument that the Property "was promised to me and my children over 10 years ago" and that "as soon as [the mortgage] was paid off, we began the process of switching the deed for my children's security." (Opp. at 3.)

Defendant has not proffered a credible reason that her husband transferred the Property from his name to hers, instead of, for example, adding her name to the deed. /s/ Jamel K. Semper. HON. JAMEL K. SEMPER United States District Judge Orig: Clerk cc: Jose R. Almonte, U.S.M.J. Parties