

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PRECEDENTIAL VALUE	unpublished/nonprecedential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)

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