The document below is hereby signed.

Signed: May 14, 2020



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S. Martin Teel, Jr. United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF COLUMBIA

In re)
PIERRE PHILIPPE BARKATS,) Case No. 14-00053) (Chapter 7)
Debtor.))
WENDELL W. WEBSTER, TRUSTEE,))
Plaintiff,)
ν.	<pre>/ Adversary Proceeding No.) 18-10021</pre>
RONDI WALKER, et al.,)
) Not for publication in
Defendants.) West's Bankruptcy Reporter.

MEMORANDUM DECISION AND ORDER DENYING DIRECT CAPITAL CORPORATION'S MOTION FOR LEAVE TO FILE GARNISHMENT AGAINST TRUSTEE IN STATE COURT

Direct Capital Corporation obtained a judgment against Rondi Walker, and had a judgment lien against Dr. Walker's interest in a real property later sold by the Chapter 7 trustee, the plaintiff in this adversary proceeding, a proceeding which has been made an interpleader action. The court has granted Direct Capital Corporation leave to intervene in this proceeding. Direct Capital's Motion for Leave to File Garnishment Proceedings Against Trustee in State Court is cast as seeking relief in the alternative to being allowed to intervene in this adversary proceeding. In any event, Direct Capital is a necessary party to this interpleader action and the trustee, as the plaintiff pursuing having all claimants to the sale proceeds at issue bound by the court's ruling, needs an adjudication that is binding on Direct Capital.

Recognizing that its lien is the last lien filed in the land records against Dr. Walker, Democracy Capital may have seen garnishment as a way of seizing any excess proceeds that would be left after senior liens are paid and as a way of avoiding the expense of participating as an intervenor defendant. However, whatever is Dr. Walker's share of the proceeds at issue will be exhausted by the liens against her interest in the real property that was sold. Nothing will be left that would be reached by a writ of garnishment.

It is thus

ORDERED that Direct Capital's Motion for Leave to File Garnishment Proceedings Against Trustee in State Court (Dkt. No. 178) is DENIED.

[Signed and dated above.]

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Copies to: All counsel of record; Office of United States Trustee.

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