

## SUMMARY STATEMENT

*Angelos v. Schatzel*

Docket No. 49787

Pacific Global Investment, Inc., and its president, Vic Devlaemick, (collectively “PGI”) appealed the denial of their motion to intervene in a defamation action that was sold through a sheriff’s sale. PGI is a creditor of Kerry Angelos, who executed a \$350,000 promissory note in PGI’s favor. PGI also entered a security agreement with Angelos, by which he granted PGI all rights, title and interest he held in a defamation lawsuit against Greg and Susan Schatzel, as collateral to secure the promissory note. Because this security agreement predated the purchase of Angelos’s defamation action, PGI argued they had a perfected security interest and priority to intervene as the party plaintiff. The district court disagreed and denied the motion to intervene.

On appeal, the Idaho Supreme Court noted that the first requirement for intervention under Idaho Rule of Civil Procedure 24(a)(2) is an interest relating to the property or transaction that is the subject of the action. The Supreme Court agreed with the district court that PGI had failed to demonstrate they possessed such an interest. The Idaho Supreme Court explained that the security agreement itself did not transfer Angelos’s complete and present right in the litigation to PGI such that PGI would be entitled to step into Angelos’s shoes as the real party in interest. Because the security agreement was contingent on Angelos’s default, which PGI had failed to establish, they were not a real party in interest. Having failed to establish a present interest in the litigation, the district court’s decision to deny PGI’s motion to intervene was affirmed.

***\*\*\*This summary constitutes no part of the opinion of the Court, but has been prepared by court staff for the convenience of the public.\*\*\****