§ 1320. Levy upon personal property by service of order. 1. Method of levy. The claiming agent shall levy upon any interest of the defendant in personal property, or upon any debt owed to the defendant, by serving a copy of the order of attachment upon the garnishee, or upon the defendant if property to be levied upon is in the defendant's possession or custody, in the same manner as a summons except that such service shall not be made by delivery of a copy to a person authorized to receive service of summons solely by a designation filed pursuant to a provision of law other than rule three hundred eighteen of this chapter.

2. Effect of levy; prohibition of transfer. A levy by service of an order of attachment upon a person other than the defendant is effective only if, at the time of service, such person owes a debt to the defendant or such person is in the possession or custody of property in which such person knows or has reason to believe the defendant has an interest, or if the claiming authority has stated in a notice which shall be served with the order that a specified debt is owed by the person served to the defendant or that the defendant has an interest in specified property in the possession or custody of the person served. All property in which the defendant is known or believed to have an interest then in and thereafter coming into the possession or custody of such a person, including any specified in the notice, and all debts of such person, including any specified in the notice, then due and thereafter coming due to the defendant, shall be subject to the levy. Unless the court orders otherwise, the person served with the order shall forthwith transfer or deliver all such property, and pay all such debts upon maturity, up to the amount specified in order of attachment, to the claiming agent and execute any document necessary to effect the payment, transfer or delivery. After such payment, transfer or delivery, property coming into the possession or custody of the garnishee, or debt incurred by him or her, shall not be subject to the levy. Until such payment, transfer or delivery is made, or until the expiration of ninety days after the service of the order of attachment upon him or her, or of such further time as is provided by any subsequent order of the court served upon him or her, whichever event first occurs, the garnishee is prohibited to make or suffer any sale, assignment or transfer of, or any interference with any such property,

or pay over or otherwise dispose of any such debt, to any person other than the claiming agent except upon direction of the claiming agent or pursuant to an order of the court. A garnishee, however, may collect or redeem an instrument received by him or her for such purpose and he or she may sell or transfer in good faith property held as collateral or otherwise pursuant to pledge thereof or at the direction of any person other than the defendant authorized to direct sale or transfer, provided that the proceeds in which the defendant has an interest be retained subject to the levy. A claiming authority who has specified personal property or debt to be levied upon in a notice served with an order of attachment shall be liable to the owner of the property or the person to whom the debt is owed, if other than the defendant, for any damages sustained by reason of the levy. In order to establish the claiming authority's liability, the owner of the property of the person to whom the debt is owed must prove by a preponderance of the evidence that, in causing the levy to occur, the claiming authority acted without reasonable cause and not in good faith.

3. Seizure by claiming agent; notice of satisfaction. Where property or debts have been levied upon by service of an order of attachment, the claiming agent shall take into his or her actual custody all such property capable of delivery and shall collect and receive all such debts. When the claiming agent has taken into his or her actual custody property or debts having value sufficient to satisfy the amount specified in the order of attachment, the claiming agent shall notify the defendant and each person upon whom the order of attachment was served that the order of attachment has been fully executed.

4. Proceeding to compel payment or delivery. Where property or debts have been levied upon by service of an order of attachment, the claiming authority may commence a special proceeding against the garnishee served with the order to compel the payment, delivery or transfer to the claiming agent of such property or debts, or to secure a judgment against the garnishee. Notice of petition shall also be served upon the parties to the action and the claiming agent. A garnishee may assert any defense or counterclaim which he or she may have asserted against the defendant. The court may permit any adverse claimant to intervene in the

proceeding and may determine his or her rights in accordance with section one thousand three hundred twenty-seven of this article.

5. Failure to proceed. At the expiration of ninety days after a levy is made by service of the order of attachment, or of such further time as the court, upon motion of the claiming authority on notice to the parties to the action, has provided, the levy shall be void except as to property or debts which the claiming agent has taken into his or her actual custody, collected or received or as to which a proceeding under subdivision four hereof has been commenced.