
Sister-State Default Judgments in New York, Part II: The Federal Route

As discussed in [Part I](#) of this series, when a judgment creditor holds a merits judgment from another state, there is an expedited registration procedure to domesticate the judgment in New York. The previous post addressed recognition of a sister-state default judgment in New York State court under CPLR 3213.

But a creditor whose debtor holds assets in several states may prefer a federal judgment. While there is a streamlined process for recognition of another federal court's judgment, a state court default judgment may also be domesticated in federal court where the federal court has jurisdiction.

Federal courts do not domesticate state judgments

A judgment creditor may enforce a state judgment in federal court by “bringing a civil action on the state-court judgment by invoking, for example, the diversity jurisdiction of the federal court.” *Kirshner v. Smith*, 2024 WL 3640619, at *7 (D. Vt. July 10, 2024) (quoting *Caruso v. Perlow*, 440 F. Supp. 2d 117, 119 (D. Conn. 2006)).

In order to proceed in federal court, jurisdiction would typically rest on diversity: complete diversity of citizenship and more than \$75,000 in controversy, measured at filing. See 28 U.S.C. § 1332.

Ingevity Corp. v. Regent Tek Industries, Inc. supplies a model. The creditor held a South Carolina default judgment against a New York corporation, pleaded complete diversity, and captioned its third claim “Action On a South Carolina Judgment,” seeking entry of judgment “so that it may be enforced in the state of New York.” 2022 WL 18859010, at *5 (E.D.N.Y. Nov. 23, 2022), *R&R adopted*, 2023 WL 2553896 (E.D.N.Y. Mar. 17, 2023).

A court with jurisdiction applies a two-step inquiry: whether the rendering state would permit a collateral attack, and whether the rendering court had jurisdiction over the subject matter and the parties. *Weininger v. Castro*, 462 F. Supp. 2d 457, 471 (S.D.N.Y. 2006). The second step warrants attention where the underlying judgment was entered on default. Jurisdictional determinations in a default judgment are not entitled to res judicata effect where the defendant did not “actually appear[]” in the rendering proceeding. *Vera v. Republic of Cuba*, 867 F.3d 310, 317 (2d Cir. 2017) (quoting *Jerez v. Republic of Cuba*, 775 F.3d 419, 422 (D.C. Cir. 2014)). Although a court need not undertake the analysis absent a collateral attack, the *Ingevity* court did so, examining South Carolina's long-arm statute and minimum-contacts factors and noting that the

state court's findings did not address its own jurisdiction. *Ingevity*, 2022 WL 18859010, at *6–7. The record supporting jurisdiction in the rendering forum belongs in the complaint.

Federal Enforcement in Aid of Execution; Other States

Once a federal judgment is entered, Rule 69(a) supplies New York's Article 52 remedies together with federal discovery in aid of execution. That is, after obtaining the federal court judgment, the judgment creditor has access to the powers of the federal court to enforce the judgment.

Further, as noted above, after the judgment is entered in the first federal court, there is a streamlined process to register the judgment in other federal courts. See 28 U.S.C. § 1963.

In short, proceeding in federal court is a route that judgment creditors should carefully consider.

Pollock Cohen LLP represents judgment creditors in cross-jurisdictional enforcement and collection matters.