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ELEVENTH CIRCUIT CLARIFIES FEDERAL ANCILLARY JURISDICTION IN CASA EXPRESS V. VENEZUELA

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In Casa Express Corp. v. Bolivarian Republic of Venezuela, No. 24-11642, 2025 WL 3022357 (11th Cir. Oct. 29, 2025), the Eleventh Circuit held that the trial court lacked ancillary jurisdiction because judgment creditor Casa Express's (i) motion to commence proceedings supplementary directed at third parties not previously obligated to satisfy a preexisting judgment; and (ii) action against these third-party defendants was based upon different facts and theories of liability than its underlying action against Venezuela. Factually, Casa Express obtained a money judgment against Venezuela for nonpayment of bonds and a note it issued. Casa Express sought to execute on its judgment through proceedings supplementary directed at real properties owned not by Venezuela but the defendants, none of which were liable on the judgment. The theories of liability against these defendants was entirely different than that asserted against Venezuela which gave rise to the judgment in the first instance. The action against Venezuela was for breach of contract, while the constructive trust theory advanced by Casa Express presumed that Venezuela was the owner of the real properties. The trial court granted a motion for judgment on the pleadings based, in part, on the trial court's lack of ancillary jurisdiction under Peacock v. Thomas, 516 U.S. 349 (1996).

In Peacock, the Supreme Court held that federal trial courts could not exercise "ancillary jurisdiction in a subsequent lawsuit to impose an obligation to pay an existing federal judgment on a person not already liable for that judgment." The Supreme Court concluded that the trial court lacked ancillary jurisdiction because the plaintiff in that case was trying to execute on a judgment in a subsequent lawsuit against an individual who was not already liable on that judgment based on new facts and law that was not at issue in the underlying action giving rise to the judgment. The rationale and holding in Peacock governed the disposition of the appeal before the Eleventh Circuit.

The Eleventh Circuit distinguished its prior decision in National Maritime Services, Inc. v. Straub, 776 F.3d 783 (11th Cir. 2015). In Straub, the Eleventh Circuit held that the trial court possessed ancillary jurisdiction over proceedings supplementary directed at the president of a company who had received proceeds of a sale of assets by the company during the underlying lawsuit. The court's rationale was that, unlike in Peacock, the judgment creditor was not seeking to impose liability on the judgment against the company but instead seeking to recover an asset that the company fraudulently transferred, that is, the sale proceeds. The Eleventh Circuit distinguished Straub from the facts before it, explaining in part that Casa Express did not assert fraudulent transfer claim against the defendants or allege that Venezuela transferred the properties to avoid satisfying the judgment. The Eleventh Circuit rejected the contention that Casa Express's constructive trust claim was analogous to the fraudulent transfer claim in Straub, explaining that the constructive trust claim had "nothing to do with the New York judgment and instead is simply an attempt to shift Venezuela's liability for that judgment to … [the] defendants based upon completely new facts and theories."

The teaching point of Casa Express (and Peacock upon which it is based) is that a federal court lacks ancillary jurisdiction—jurisdiction over matters incidental to matters otherwise properly before them—when a plaintiff seeks to impose liability on persons and entities not liable on an underlying judgment where the theories of liability are different.

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