

No. _____

In the Supreme Court of the United States

PATRICIA RAAD, STEPHANIE RAAD, AND DAVID
RAAD,
Petitioners,

v.

BANK AUDI S.A.L.,
Respondent.

ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

PETITION FOR WRIT OF CERTIORARI

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Twenty-seventh day of September, MMXXV

QUESTION PRESENTED

When the contract provides for performance in a State, whether the defendant's failure to perform within the State is determinative to defeat personal jurisdiction?

RELATED PROCEEDINGS

United States District Court (S.D.N.Y.):

Patricia Raad, Stephanie Raad, and David Raad v. Bank Audi S.A.L., No. 1:20-CV-11101-MKV, (order granting motion to dismiss) (Mar. 5, 2024)

United States Court of Appeals (2d Cir.):

Patricia Raad, Stephanie Raad, and David Raad v. Bank Audi S.A.L., No. 24-840 (affirming district court) (Apr. 28, 2025)

Patricia Raad, Stephanie Raad, and David Raad v. Bank Audi S.A.L., No. 24-840 (rehearing *en banc* denied) (Jul. 1, 2025)

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Appendix A

Summary Order [affirming district court dismissal], United States Court of Appeals for the Second Circuit, *Patricia Raad, Stephanie Raad, And David Raad v. Bank Audi S.A.L.*, No. 24-840 (Apr. 28, 2025) App-1

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Order [rehearing en banc denied], United States Court of Appeals for the Second Circuit, *Patricia Raad, Stephanie Raad, And David Raad v. Bank Audi S.A.L.*, No. 24-840 (Jul. 1, 2025) App-11

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Order Granting Motion to Dismiss the Amended Complaint, United States District Court for the Southern District of New York, *Patricia Raad, Stephanie Raad, And David Raad v. Bank Audi S.A.L.*, No. 1:20-cv-11101-MKV (Mar. 5, 2024) App-13

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OPINION BELOW

The Second Circuit's summary order is reproduced in the Appendix at App.1-10. The district court's decision is reproduced in the Appendix at App.15-35.

JURISDICTION

The Second Circuit entered its decision on April 28, 2025. Rehearing en banc was denied on July 1, 2025. This Court has jurisdiction under 28 U.S.C. § 1254.

STATUTORY PROVISIONS INVOLVED

The Due Process Clause of the Fourteenth Amendment, U.S. Const. amend. XIV, § 1, provides:

[N]or shall any State deprive any person of life, liberty, or property, without due process of law.

New York Civil Procedures Rules and Law 302(1) provides:

Personal jurisdiction by acts of non-domiciliaries. (a) Acts which are the basis of jurisdiction. As to a cause of action arising from any of the acts enumerated in this section, a court may exercise personal jurisdiction over any non-domiciliary, or his executor or

administrator, who in person or through an agent:

1. transacts any business within the state or contracts anywhere to supply goods or services in the state;

INTRODUCTION

The decision below blesses a rule that allows a defendant to defeat jurisdiction by breaching its obligations. For decades, Bank Audi cultivated banking relationships with New York residents and maintained New York correspondent accounts for U.S.-dollar clearing. App.13-15. It expressly committed to wire the petitioners' funds to New York. But when petitioners invoked those commitments, the bank refused to consummate the transfer. App.15-16. The Second Circuit held that this refusal stripped New York courts of jurisdiction. The Second Circuit found that the claims '[d]id not include a single allegation that any defendant used an actual transaction through a New York correspondent account in the course of the injuries on which the claims are predicated', even though the bank represented and contracted that it would transfer U.S. dollars of New York residents through the New York banking system. App.6. The Second Circuit entirely dismissed the plaintiffs' arguments to drive its analysis. In doing so, the decision emphasized the split of the courts on whether the failure of a transaction should be a contact to establish specific personal jurisdiction.

This Court has consistently held that for a state to assert personal jurisdiction over a nonresident defendant, there must be a defendant purposefully established “minimum contact” to justify such jurisdiction. *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 474-75 (1985), citing *International Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945). This Court held that “when defendant has availed himself of the privilege of conducting business in a forum, jurisdiction cannot be avoided merely because the defendant did not physically enter the forum state.” *Rudzewicz*, 471 U.S. at 476. Moreover, the plaintiff’s claims “must arise out of or relate to the defendant’s contacts” with the forum. *Bristol-Myers Squibb Co., v. Superior Court of California, San Francisco County*, 582 U. S. 1773, 1786 (2017). This Court also explained that for the required connection to exist, “the defendant’s related conduct must create a substantial connection with the forum State.” *Walden v. Fiore*, 571 U.S. 277, 284 (2014) (emphasis added). Most courts have followed the Supreme Court’s opinions. They require a plaintiff’s claim to have at least some connections to the conduct the defendant took, *or aimed at*, the forum. But the decision below took the opposite direction. Even though the Raads were New York residents, and the New York transaction was ardently promised in New York, the Second Circuit nonetheless held that the connection was absent. The Second Circuit did so in apparent disagreement with its own jurisprudence and the jurisprudence of other United States Courts of Appeals.

STATEMENT OF THE CASE

Petitioners Patricia Raad, Stephanie Raad, and David Raad are U.S. citizens and a New York family.

In the 1990s, Bank Audi S.A.L. started its relationship with the Raads in New York when Patricia Raad opened a bank account with Bank Audi, USA. App.14-15. For more than three decades, Bank Audi S.A.L. has continuously maintained that relationship while Ms. Raad has resided—and continues to reside—in New York. *Id.* During this period, Bank Audi S.A.L. repeatedly transferred funds to and from her New York accounts, employing correspondent accounts that the bank itself maintained with major New York financial institutions. App.15. At every stage of the relationship, Bank Audi S.A.L. invoked and emphasized its enduring presence in New York, presenting itself as a bank with strong and lasting ties to the State.

In 2018, the Raads held deposits of \$17.6 million with Bank Audi S.A.L. Having centralized receipt of trust funds at its Beirut branch, the Raads agreed with Bank Audi S.A.L. to transfer those funds to their accounts in New York. Bank Audi S.A.L. expressly acknowledged this contract. App.15-16. Yet rather than effecting the transfers as agreed, Bank Audi S.A.L. failed to perform the contract, where the bank committed to transfer to the designated NY bank account. App.16.

On March 6, 2024, the district court granted the motion to dismiss for lack of personal jurisdiction. The district court held that the Raads failed to

identify “an alleged actual transaction made” through the New York accounts giving rise to the underlying cause of action. App.27. The Petitioners appealed the district court’s order granting the motion to dismiss.

The Second Circuit affirmed the district court’s order, concluding that the operative complaint failed to allege any transaction with Bank Audi’s New York correspondent bank accounts that brought about the alleged injury. App.5. The Second Circuit subsequently denied rehearing *en banc*.

This petition follows.

REASONS FOR GRANTING THE PETITION

The decision below deepens an acknowledged conflict among the circuits. The circuits are divided on whether a defendant’s purposeful, suit-related forum commitments lose jurisdictional significance if the defendant later refuses to perform them. The Second and Fifth Circuits hold that the absence of a consummated in-forum act is dispositive. *See, e.g., Monkton Ins. Servs., Ltd. v. Ritter*, 768 F.3d 429 (CA5 2014) and the below 2nd Cir decision. By contrast, the Ninth, Tenth, and Eleventh Circuits evaluate the defendant’s purposeful availment and the relation of those contacts to the claims, even where the last step was never completed in the forum. *See, e.g., Ballard v. Savage*, 65 F.3d 1495 (CA9 1995); *Pro Axess, Inc. v. Orlux Distrib., Inc.*, 428 F.3d 1270 (CA10 2005); *Diamond Crystal Brands, Inc. v. Food Movers Int’l, Inc.*, 593 F.3d 1249 (CA11 2010). The result guarantees unequal treatment of Americans seeking to enforce their rights against

foreign corporations that breach contractual obligations. Only this Court can resolve the entrenched division and restore uniformity. The petition should therefore be granted to settle this critical jurisdictional question.

The Second Circuit committed a legal error and deepened a circuit conflict when it held that the district court's judgment should be affirmed. The panel reasoned that the district court lacked personal jurisdiction because no specific transaction occurred in New York. *Id.* Bank Audi SAL entered into Transfer Orders agreements and repeatedly promised New York residents that it would transfer funds to New York to the plaintiffs' New York accounts (and via defendant's New York correspondent banks). At least three other courts hold that in similar circumstances a foreign entity should be subject to personal jurisdiction. The question presented is paramount. Because jurisdictional rules should be uniform throughout the federal system, this Court should grant the petition and review the Second Circuit's decision.

I. The Second Circuit's Decision Deepens Circuit Splits Among United States Courts of Appeals

When faced with a situation with materially similar facts, the Ninth Circuit did the opposite of what the Second Circuit did, finding personal jurisdiction over the foreign bank. In *Ballard v. Savage*, a class action was brought against a foreign bank for its participation in an alleged Ponzi scheme. 65 F.3d 1495 (CA9 1995). The foreign bank, an

Austrian bank organized under Austrian law, had no presence in the United States and did not solicit American customers. It only sent brochures when requested by clients and maintained correspondent accounts in the United States. The defendant moved to dismiss. The district court dismissed the case for lack of personal jurisdiction over the foreign bank.

On appeal, the Ninth Circuit held that the court had personal jurisdiction over the foreign bank and that the district court erred by making no factual findings to support its decision. The Court held that even the dependence of the foreign banks on their American customers, and doing so knowingly, was enough to establish personal jurisdiction. *Id.* at 1498. The Ninth Circuit noted that the foreign bank had created ongoing obligations with U.S. residents, who are beneficiaries of millions of dollars in U.S. funds, and that the bank also maintained correspondent accounts in the United States. *Id.* These contacts demonstrated purposeful availment for the Court of Appeals. The Court did not analyze whether the banks actually had transactions occurring in California. It focused on whether the contacts were sufficient to demonstrate purposeful availment. The Court focused on whether the defendant had knowingly targeted U.S. citizens. Similarly, in *Haisten v. Grass Val. Med. Reimbursement Fund, Ltd.*, the Ninth Circuit determined whether the court could have personal jurisdiction over a Cayman Islands insurance company. 784 F.2d 1392, 1397 (CA9 1986). The foreign company had no presence in California: the company was headquartered in the Cayman Islands with no offices in the United States, the

policies were solicited in the Cayman Islands, and finally, Cayman law governed the policies. *Id.* at 1395. No part of the transaction occurred in California. However, the Ninth Circuit reminded that this Court has consistently rejected the notion that the absence of physical contact can defeat personal jurisdiction “[s]o long as a commercial actor's efforts are ‘purposefully *directed*’ toward residents of another State.” *Id.* at 1397. Based on this, the Court of Appeals found jurisdiction over the foreign insurance company as the policy targeted California physicians, against liability under California malpractice law, and concluded that the effect in California was not only foreseeable, but was also contemplated and bargained for. A defendant who enters into an obligation which she knows will have effect in the forum state purposely avails herself of the privilege of acting in the forum state. *Id.* The Second Circuit wrongfully held that the district court’s jurisdiction should be assessed based on whether an *actual, specific* transaction occurred in New York.

The outcome of the appeal would also have been different in the Eleventh Circuit, which has similarly concluded that, even if the transaction did not occur in Georgia, the court had personal jurisdiction over the defendant. *Diamond Crystal Brands*, 593 F.3d at 1249.

This case arose from a contract dispute regarding non-payment. Diamond Crystal Brands contracts with Food Movers for the purchase of its products. Food Movers negotiated the agreement in California and subsequently submitted purchase orders for sweeteners to be delivered in Georgia.

However, Food Movers never picked up the products in Georgia. It only sent payments in the forum state. Diamond Crystal Brands filed a lawsuit for breach of contract against Food Movers. The Eleventh Circuit affirmed the district court's order holding that the exercise of jurisdiction comports with both the state long-arm statute and the Due Process Clause. *Id.* at 1274. The court held that the foreign corporation transacted with the state of Georgia. In both transactions, the defendant sent a purchase order to a Californian agent; each purchase order required the shipment of the goods in Savannah, GA. *Id.* at 1265. The court held that although the defendant routed the purchase orders through a Californian agent and never picked up the product in Georgia, the defendant sent the order to a specific Georgia facility and required delivery in Georgia. *Id.* Based on these contacts with the state, the court found personal jurisdiction over the Food Movers.

Like the Ninth and Eleventh Circuits, the Tenth Circuit has held that both under federal and state inquiries, personal jurisdiction was satisfied although no transaction occurred in the state. *Pro Axess, Inc. v. Orlux Distrib., Inc.*, 428 F3d 1270 (CA10 2005). In *Pro Axess*, Sporoptic, on behalf of Orlux Distribution, Inc., contracted with Pro Axess, a French company, for the manufacture and delivery of 28,000 sunglasses frames. Sporoptic later cancelled the order. Pro Axess sued Sporoptic and Orlux Distribution, Inc. in the Utah state court for breach of contract. Sporoptic and Orlux Distribution, Inc. removed the case to federal court. Sporoptic disputed the district court's ability to exercise personal jurisdiction over Pro Axess. The district court found

that it had personal jurisdiction over Pro Axess. On appeal, the court carefully examined the defendant's contacts with the forum state. The court noted that although the manufacture and shipping of the products were not to take place in the forum state, some services were to be performed in the forum state, including choosing a manufacturer for the sunglasses frames. *Id.* at 1277. The court also pointed out that the defendant solicited the plaintiff “some evidence suggesting purposeful availment.” *Id.* Although no transaction occurred in the forum state, the court found personal jurisdiction proper where additional contacts with the forum state satisfied the personal jurisdiction requirement. In *Benton*, Mr. Benton and Cameco Corp. entered into a memorandum of understanding (MOU) for the purchase of uranium. *Benton v. Cameco Corp.*, 375 F. 3d 1070, 1077 (CA10 2004). However, the Board of Cameco did not approve the transaction, which therefore never occurred. Mr. Benton filed a lawsuit against Cameco Corp. for breach of contract. In response, Cameco filed a motion to dismiss for lack of personal jurisdiction, which the district court granted. The district court held that Cameco's contract negotiations with Mr. Benton, a Colorado resident, were not enough to establish personal jurisdiction, and pointed out that under the 16 sales contract, delivery of uranium products would not take place in Colorado. Relying on this Court's decision in *Rudzewicz*, the *Benton* Court held that while a contract, standing alone, cannot establish personal jurisdiction, “parties who reach out beyond one state and create continuing relationships and obligations with citizens of another state are subject

to regulation and sanctions in the other State for the consequences of their activities.” *Id.* The court noted that while the uranium transactions would not occur in Colorado, the business end of the transactions, including the brokering of the deals and the exchange of money, would partially happen in the state forum. Further, by maintaining business with a state forum resident, the court concluded that the foreign company voluntarily conducted business in the forum state. Similar to the Eleventh and Ninth Circuits, the totality of the contacts, and not only the sole failure of the delivery in the forum state, prevailed, while the Second Circuit disregarded them.

In conflict with these circuits, the Fifth Circuit adopted the same approach as the Second Circuit, holding that the absence of an actual transaction in the state forum. In *Monkton Ins. Services, Ltf. v. Ritter*, Mr. Ritter, a resident of Texas, contracted with Butterfield Bank, a Cayman Island bank organized under Cayman law and located on the island of Grand Cayman. 768 F. 3d 429, 433 (CA5 2014). The Contracts provided performance in the Cayman Islands. The laws of the Cayman Islands shall govern the place of jurisdiction and legal relations. Mr. Ritter’s company sometimes received checks and wire transfers in Texas, the forum state. On appeal, the court held that a defendant did not have minimum contact with a state when it did not have a physical presence in the state, did not conduct business in the state, and the contract underlying the business transaction at issue in the lawsuit was not signed in the state and did not call for performance in the state. *Id.*

In the decision below, the Second Circuit went even beyond the Fifth Circuit's erroneous approach. It justified dismissal for lack of personal jurisdiction due to the absence of a transaction within the state of New York, while the contract requires the defendant's performance of that transaction in New York. It justified its ruling by the lack of physical, tangible contact with the forum state, i.e., the absence of a transaction. This approach is wrong and conflicts with the approach adopted by the Ninth, Eleventh, and Tenth Circuits.

II. The Second Circuit's Decision is Wrong

The Second Circuit's decision overlooks key principles from *Burger King Corp. v. Rudzewicz*, 471 U.S. 462 (1985), where the Supreme Court emphasized assessing the totality of the defendant's contacts with the forum, not just physical presence. The Court's rationale supports reversing a panel decision that narrowly focuses on physical presence without weighing these cumulative factors.

In *Rudzewicz*, the parties entered into a 20-year franchise agreement where the franchise relationship was established in Miami, Florida, and governed by Florida law. *Id.* at 466. The defendants, Michigan residents, operated a Burger King restaurant under this franchise agreement. When the defendants fell behind on monthly payments, Burger King sued in federal district court in Florida. The defendants argued the court lacked personal jurisdiction because they were Michigan residents and the claims did not arise in Florida. *Id.* at 469. The district court denied the motion to dismiss for

lack of jurisdiction, but the Court of Appeals reversed. This Court held that personal jurisdiction was proper because the defendants had deliberately created a substantial connection with Florida by reaching out beyond Michigan, negotiating with Burger King in Miami, and entering into a long-term franchise contract governed by Florida law. *Id.* at 480. The Court ruled that jurisdiction cannot be avoided just because the defendant did not physically enter the forum state. The decision emphasized considering the totality of contacts—negotiations, contemplated future consequences, and course of dealing—to establish "continuing obligations" and a "substantial connection" with the forum, applying a "highly realistic" approach to extend jurisdiction in contract disputes. *Id.* 479.

This case closely parallels *Rudzewicz*. The Second Circuit held that personal jurisdiction over Bank Audi SAL could not be established due to the absence of any specific transaction occurring in New York. App.5. Like *Rudzewicz*, Bank Audi had an extensive 30-year relationship with New York residents who opened accounts in New York, with whom it contracted for fund deliveries to the residents' New York bank accounts, and to whom it delivered funds to their designated New York bank accounts, through the bank's New York correspondent accounts, but then later failed on repeated promises to transfer funds in New York. App.14-16. However, the Second Circuit dismissed these contacts, focusing solely on whether an actual transaction passed through New York, which it found lacking.

Although Bank Audi undeniably transacted business in New York and acknowledged its connection to the state, the Second Circuit felt compelled to dismiss for lack of personal jurisdiction because all jurisdictionally relevant conduct allegedly occurred outside New York, even though the agreed deliveries were to happen in New York. The ruling rejected the argument that contractual promises to transfer funds to New York, past transfers to New York, and use of correspondent accounts sufficed to establish jurisdiction, emphasizing that injuries arising from unfulfilled transactions outside the forum state do not create jurisdictional ties. App.4-10. This contrasts with Burger King's broader approach, illustrating the narrower personal jurisdiction analysis employed by the Second Circuit in this case.

III. This Jurisdictional Question is Important and Recurring

The proper construction of the requirements for specific personal jurisdiction is of fundamental importance, as this Court has repeatedly recognized in granting certiorari. This case presents an ideal opportunity to introduce uniformity to the lower courts' approaches.

As this Court's precedents have confined general jurisdiction to its limited and appropriate role, the scope of specific jurisdiction has become the central question. Determining what contacts suffice to establish specific jurisdiction is especially critical in today's global economy, where transnational transactions routinely involve parties, accounts, and

obligations distributed across borders. Yet, in this essential area, the lower courts have diverged sharply.

The question is particularly acute in contract disputes. It arises frequently in cases involving foreign corporations—such as Bank Audi S.A.L.—and also in cases against manufacturers and service providers conducting transactions across state or national lines. When obligations are canceled, refused, or improperly performed, courts must determine whether the defendant’s purposeful contacts with the forum, short of physical presence, are sufficient to allow suit. The decision below forecloses that determination by holding that defendants who fail to perform their contractual obligations, even when acting through U.S. correspondent accounts or deliberately targeting U.S. domiciliaries and promising them delivery in New York, remain beyond the jurisdiction of U.S. courts. Such a rule grants foreign corporations an unwarranted immunity from accountability, depriving Americans of the protections that due process is meant to secure. This recurring and entrenched conflict requires this Court’s intervention.

The question presented is both important and recurring. By adopting the reasoning below, the Second Circuit undermines the due process rights of American citizens and consumers, exposing them to conflicting jurisdictional rules depending on geographic happenstance. The rules governing personal jurisdiction must be uniform to guarantee equal protection and predictable legal recourse for all individuals engaged in commerce.

The outcome of this case exemplifies profound unfairness. Bank Audi S.A.L. is effectively insulated from accountability: it cannot be sued in New York under the Second Circuit’s restrictive rule, and it is unlikely to be sued in Lebanon, where regulations now bar suits against banks for the recovery of funds lost in the financial crisis. Thus, the Bank escapes liability entirely, while American citizens are deprived of millions of dollars in property. This Court should not permit a framework that leaves U.S. citizens without any judicial remedy.

This Court has long emphasized that the cornerstone of due process analysis is *foreseeability*: whether “the defendant’s conduct and connection with the forum State are such that he should reasonably anticipate being haled into court there.” *Rudzewicz*, 471 U.S. at 474–76. The Court has consistently held that where a commercial actor purposefully directs its activities toward residents of another State, physical presence is unnecessary to support jurisdiction. Yet under the reasoning below, despite Bank Audi S.A.L.’s deliberate and purposeful contacts with New York customers and its reliance on New York banking channels, it nonetheless escapes suit.

The Second Circuit’s logic is circular: it holds that Bank Audi S.A.L. could only be sued in New York if it had executed the very transaction that gave rise to this breach-of-contract action. But if Bank Audi S.A.L. had faithfully performed the transaction, there would be no lawsuit at all. That approach collapses the due process analysis into a perverse rule in which defendants can insulate themselves from jurisdiction simply by breaching

their obligations. Such a rule leaves injured American citizens without legal recourse, a result fundamentally at odds with both due process and this Court's precedents.

Left unreviewed, the Second Circuit's approach threatens the protection of American consumers by leaving them without meaningful legal recourse. At best, victims would be forced into the burden and uncertainty of litigating in foreign courts; at worst—as here—they face a complete bar to any relief, since Lebanon prevents suits against banks to recover customer funds lost in the financial crisis. The result is not only years of wasted litigation and resources, but, more critically, the impossibility of ever suing Bank Audi S.A.L. at all.

The consequences are staggering. American citizens defrauded or wronged by foreign entities are left without remedy, deprived of their property and of the protections due process is meant to guarantee. The harm extends well beyond the individual parties: it undermines confidence in the integrity of the U.S. financial system itself. By permitting foreign actors to exploit correspondent accounts in New York for the purpose of defrauding New York residents, while evading accountability in U.S. courts, the decision below effectively creates an open invitation for fraudsters to target the American marketplace, one of the most lucrative in the world, without consequence. The ripple effects will threaten not only individual consumers but also the credibility, security, and stability of the American economy.

The consequences of the decision below are serious. U.S.-dollar clearing almost invariably routes through New York correspondent accounts. Foreign

banks can solicit U.S. customers, accept deposits, and expressly commit to send funds to the USA (most often through New York), yet then defeat jurisdiction by refusing to press “send.” That perverse incentive undermines confidence not only in the American judiciary system, but also in the New York dollar-clearing system and leaves victims of bank misconduct without a forum. The question is recurring and outcome-determinative in cross-border disputes, and it warrants this Court’s review.

The Second Circuit’s jurisdictional rule is both legally unsound and practically disastrous. It affords no benefits, while stripping Americans of protection against foreign bad actors. To restore uniformity, protect due process, and safeguard the integrity of U.S. markets, this Court should grant the petition and resolve the entrenched circuit conflict on this recurring and critical question of personal jurisdiction.

CONCLUSION

This Court should grant certiorari.

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