

Supreme Court of the State of New York
Appellate Division, First Judicial Department

Manzanet-Daniels, J.P., Moulton, Shulman, Rosado, O'Neill Levy, JJ.

6985 TRINITY CENTRE LLC,
 Plaintiff-Respondent,

Index No. 651472/24
Case No. 2025-06104

-against-

CITY NATIONAL BANK,
Defendant-Appellant.

Zeichner Ellman & Krause LLP, New York (Ingrid Tatiana Medina Rodriguez of Counsel), for appellant.

Becker New York P.C., New York (Mitchel H. Ochs of counsel), for respondent.

Order, Supreme Court, New York County (Nicholas W. Moyne, J.), entered on or about September 3, 2025, which, to the extent appealed from as limited by the briefs, granted plaintiff's motion for summary judgment on the issue of liability on its claims for negligent and grossly negligent violation of a restraining notice pursuant to CPLR 5222 and civil contempt, with the issue of damages, including compensatory damages, punitive damages, reasonable attorneys' fees and costs, and the appropriate sanction for civil contempt to be determined at a hearing, and denied defendant's cross-motion for summary judgment dismissing plaintiff's claims, unanimously modified, on the law, the claims for compensatory damages dismissed as moot, and otherwise affirmed, without costs.

Plaintiff's acceptance of a settlement from the judgment debtors in full satisfaction of the underlying judgment moots plaintiff's claims for compensatory damages for defendant's violation of the CPLR 5222(b) restraining notice (*see generally*

Tri-Mar Contrs. v Bank of Suffolk County, 81 AD2d 637, 637 [2d Dept 1981]). Plaintiff's assertion that the judgment was only partially satisfied because the settlement amount was less than the total judgment amount is contradicted by the plain language of the Satisfaction of Judgments, which states that plaintiff "acknowledged" "FULL satisfaction" of the judgment.

However, satisfaction of the judgment did not moot plaintiff's claim for contempt sanctions, which may include "attorneys' fees . . . incurred as a result of the . . . contemptuous conduct" (*Clinton Corner H.D.F.C. v Lavergne*, 279 AD2d 339, 341 [1st Dept 2001]; see also *Matter of Wimbledon Fin. Master Fund, Ltd. v Bergstein*, 173 AD3d 401, 402 [1st Dept 2019], *lv dismissed* 34 NY3d 1152 [2020]).

The court providently exercised its discretion in finding that defendant "was sufficiently aware of the restraining notice," of which defendant acknowledged receipt, to be held in civil contempt for violating it (*Wimbledon Fin. Master Fund*, 173 AD3d at 401-402; see CPLR 5251).

Contrary to defendant's contention, payments from the judgment debtors to defendant in satisfaction of the debtors' separate debt to defendant constituted "property in which the judgment debtor . . . is known or believed to have an interest then in and thereafter coming into the possession or custody of" defendant (CPLR 5222[b]). Accepting defendant's argument that its receipt of property from the judgment debtor immediately extinguished the debtor's "interest" in the property would risk circumvention of CPLR 5222(b) wherever, as here, the garnishee is also a creditor. Furthermore, use of property to satisfy a judgment debtor's other debts is sufficient to find that the debtor had an "interest" in the property under CPLR 5222(b) (see *Ray v Jama Prods.*, 74 AD2d 845, 845 [2d Dept 1980], *lv denied* 49 NY2d 709 [1980]; see also

Matter of Bravado Intl. Group Merchandising Servs., Inc. v United States Tennis Assn. Inc., 179 AD3d 914, 915 [2nd Dept 2020]).

THIS CONSTITUTES THE DECISION AND ORDER
OF THE SUPREME COURT, APPELLATE DIVISION, FIRST DEPARTMENT.

ENTERED: June 30, 2026

A handwritten signature in black ink, reading "Susanna Molina Rojas". The signature is written in a cursive, flowing style with a large initial "S".

Susanna Molina Rojas
Clerk of the Court