

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF  
CALIFORNIA

Clark v. Bank, et al.

Clark · No. 2:25-cv-00910-SPG-RAO · Decided December 12, 2025

SUMMARY

The United States District Court for the Central District of California dismissed Plaintiff Clark’s First Amended Complaint without prejudice after reviewing it under 28 U.S.C. § 1915(e)(2)(B). The court concluded that many claims concerning a 2008 loan and 2019 foreclosure appeared barred by res judicata and that the remaining claims appeared untimely. The action involved allegations against Flagstar Bank, ZBS Law, and Yi Ming, LLC, including claims for wrongful foreclosure, breach of contract, Truth in Lending Act violations, and related California-law claims.

CASE DETAILS

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COURT              | United States District Court for the Central District of California                                                                                                                                                                                                                                                                                                                                                                  |
| JURISDICTION       | United States District Court for the Central District of California                                                                                                                                                                                                                                                                                                                                                                  |
| DECIDED            | December 12, 2025                                                                                                                                                                                                                                                                                                                                                                                                                    |
| DOCKET             | 2:25-cv-00910-SPG-RAO                                                                                                                                                                                                                                                                                                                                                                                                                |
| DISPOSITION        | dismissed                                                                                                                                                                                                                                                                                                                                                                                                                            |
| PROCEDURAL POSTURE | The district court reviewed Plaintiff's First Amended Complaint in connection with his request to proceed in forma pauperis and screened the pleading under 28 U.S.C. § 1915(e)(2)(B).                                                                                                                                                                                                                                               |
| STANDARD OF REVIEW | Under 28 U.S.C. § 1915(e)(2)(B), the Court must dismiss an in forma pauperis action if it is frivolous or malicious, fails to state a claim upon which relief may be granted, or seeks monetary relief from an immune defendant. The Court accepted the pleaded facts for screening purposes but assessed whether the claims were legally cognizable, including whether they were barred by claim preclusion or limitations periods. |
| PRECEDENTIAL VALUE | unpublished                                                                                                                                                                                                                                                                                                                                                                                                                          |

TOPICS

- motions to dismiss
- res judicata
- statute of limitations
- pleadings
- wrongful foreclosure

## PRACTICE AREAS

civil procedure

real estate

consumer protection

contracts

remedies

## QUESTIONS PRESENTED

1. Whether the First Amended Complaint stated a claim sufficient to proceed in forma pauperis under 28 U.S.C. § 1915(e)(2)(B).
2. Whether claims based on Plaintiff's 2008 loan and related foreclosure were barred by res judicata based on Plaintiff's prior federal and state proceedings.
3. Whether Plaintiff's claims were barred by the applicable statutes of limitations and whether the alleged 2022 tax-assessor note supported delayed discovery.

## HOLDINGS

1. The prior federal action had preclusive effect, at least as to Flagstar, because Plaintiff's current claims involved the same alleged violations of Plaintiff's rights and Flagstar's duties and the same resulting harm as claims previously litigated or dismissed.
2. The First Amended Complaint failed to state a timely claim because the claims concerned a 2008 loan and a foreclosure completed in 2019, while Plaintiff did not file this action until February 2025, and Plaintiff did not adequately establish delayed discovery.
3. The action could not proceed because the First Amended Complaint failed to state a claim under the in forma pauperis screening standard.

## KEY QUOTATIONS

*“Because Plaintiff seeks to proceed in forma pauperis, the Court has reviewed the FAC to determine whether the action is frivolous or malicious; fails to state a claim upon which relief may be granted; or seeks monetary relief against a defendant who is immune from such relief.”*

*“Accordingly, Plaintiff has failed to state a claim and his FAC is DISMISSED.”*

## FACTUAL BACKGROUND

Plaintiff alleged that he entered into a \$300,000 loan agreement with Flagstar Bank in 2008, secured by a deed of trust on his property. He alleged that Flagstar failed to disburse the loan funds, that he rescinded the deed of trust, and that Flagstar and another individual misappropriated \$89,213.07. Flagstar and ZBS Law allegedly initiated a nonjudicial foreclosure that culminated in a trustee's deed upon sale on November 19, 2019. The First Amended Complaint asserted claims involving truth in lending, breach of contract, wrongful foreclosure, the California Homeowner Bill of Rights, California Civil Code section 3412, quiet title, and California's Unfair Competition Law.

## PROCEDURAL HISTORY

Plaintiff filed this action in February 2025 and initially sought leave to proceed in forma pauperis. The Court postponed ruling, dismissed the action without prejudice when Plaintiff did not timely file a complaint or comply

with the Court's instructions, then reopened the case after granting Plaintiff an extension. Plaintiff filed a First Amended Complaint, which the Court construed as responsive to the prior screening order. The Court concluded that the amended pleading failed to cure the previously identified deficiencies and dismissed the case without prejudice.

## DISPOSITION

dismissed

## CASES CITED

- Clark v. Flagstar Bank FSB, No. 2:16-cv-02009-MWF-AJW, ECF No. 25 (C.D. Cal. Aug. 11, 2016)
- Fox v. Ethicon Endo-Surgery, Inc., 35 Cal. 4th 797, 807

## OPINION

UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA CASE NUMBER Clark, JS-6 2:25-cv-00910-SPG-RAO y PLAINTIEFE(S) Bank, et al., ORDER ON REQUEST TO PROCEED IN FORMA PAUPERIS DEFENDANT(S) (NON-PRISONER CASE) Court has reviewed the Request to Proceed In Forma Pauperis (the "Request") and the documents submitted with it.

On the of indigency, the Court finds that the party who filed the Request: is not able to pay the filing fees. ☐ is able to pay the filing fees. ☐ has not submitted enough information for the Court to tell if the filer is able to pay the filing fees. This is what is missing: IT IS THEREFORE ORDERED that: ☐ The Request is GRANTED. ☐ Ruling on the Request is POSTPONED for 30 days so that the filer may provide additional information. ☐ The Request is DENIED because the filer has the ability to pay.

As explained in the attached statement, the Request is DENIED because: ☐ The District Court lacks subject matter jurisdiction removal jurisdiction. ☐ The action is frivolous or malicious. The action fails to state a claim upon which relief may be granted. ☐ The action seeks monetary relief against defendant(s) immune from such relief. IT Is FURTHER ORDERED that: ☐ Within 30 days of the date of this Order, the filer must do the following: If the filer does not comply with these instructions within 30 days, this case will be DISMISSED without prejudice.

As explained in the attached statement, because it is absolutely clear that the deficiencies in the complaint cannot be cured by amendment, this case is hereby DISMISSED ☒ WITHOUT PREJUDICE ☐ WITH PREJUDICE. ☐ This case is REMANDED to state court as explained in the attached statement. December 12, 2025 ☐ Date United States District Judge 4am). e Ondne Fde cborumapryla 1in1t, w20it2h5i,n t h3e0 Cdaoyusr.t (pEoCstFp oNnoe.d 8 r)u. lWingh eonn Pthlaei nIFtiPff rfeaqiluedes tto a dnod soor,d tehree dC Poluaritn dtiifsfm tois fsieled atnh e case without prejudice.

(ECF No. 11). On March 26, 2025, Plaintiff requested an extension of time to file an amended complaint, which the Court granted, ordering that the case be reopened. (ECF Nos. 13, 15). Plaintiff filed his First Amended Complaint ("FAC") on May 16, 2025, (ECF No. 17), along with a request for judicial notice, (ECF No. 18).

The Court will construe the FAC as responsive to the Court's earlier order postponing decision on the IFP request. Because Plaintiff seeks to proceed in forma pauperis, the Court has reviewed the FAC to determine whether the action is frivolous or malicious; fails to state a claim upon which relief may be granted; or seeks monetary relief against a defendant who is immune from such relief.

28 U.S.C. § 1915(e)(2)(B). In the FAC, Plaintiff alleges that Defendant Flagstar Bank ("Flagstar") defrauded Plaintiff, resulting in the wrongful foreclosure of his property. (FAC ¶ 9). Plaintiff alleges that he entered into an agreement with Flagstar on October 13, 2008, for a \$300,000 loan in exchange for a deed of trust over his property. (Id. ¶13). When Flagstar failed to disburse the funds, Plaintiff rescinded the deed of trust.

(Id. ¶ 14). Flagstar, together with an individual not named as a defendant in this case, then misappropriated \$89,213.07 in connection with the loan. (Id. ¶ 15). Together with Defendant ZBS Law, Flagstar initiated a non-judicial foreclosure of Plaintiff's property, culminating in the Trustee's Deed Upon Sale on November 19, 2019. (Id. ¶ 24).

The FAC also names a third Defendant, Yi Ming, LLC, which is not mentioned in any of the factual allegations. Plaintiff asserts claims for violation of the Truth in Lending Act, breach of contract, wrongful foreclosure, violation of the homeowner bill of rights, violation of Cal. Civil Code Sec. 3412, quiet title, and violation of California's Unfair Competition Law.

The FAC fails to cure the deficiencies previously identified. First, many of Plaintiff's claims appear to be barred by res judicata. As identified in the Court's prior order, Plaintiff previously raised substantially identical claims against Flagstar in prior state and federal proceedings.

In one prior federal action, case number 2:16-cv-02009-MWF-AJW, Judge Fitzgerald first dismissed several of Plaintiff's claims as estopped by a prior state court action. Judge Fitzgerald then dismissed Plaintiff's remaining claims - including claims that Flagstar breached its contractual duties under the loan agreement and engaged in fraud - on the merits and without leave to amend.

See *Clark v. Flagstar Bank FSB*, No. 2:16-cv-02009-MWF-AJW, ECF No. 25 (C.D. Cal. Aug. 11, 2016). Because Plaintiff's claims premised on the 2008 loan involve the same alleged violations of Plaintiff's rights, the same alleged violation of Flagstar's duties, and the same resulting harm as that raised in the prior case before Judge Fitzgerald, that decision has preclusive effect, at least as to Flagstar.

Second, Plaintiff's remaining claims appear to be barred by the statute of limitations. Plaintiff's claims all relate to disputes over a 2008 loan agreement, which culminated in the foreclosure of Plaintiff's property in 2019. Plaintiff did not initiate this action until February 2025, more than five years after the most recent events identified in the FAC.

Plaintiff points to a 2022 note from the Los Angeles County Tax Assessor, which he argues delayed discovery of his claims, but he fails to explain why he was previously unable to learn of his causes of action. See *Fox v. Ethicon Endo Surgery, Inc.*, 35 Cal. 4th 797, 807 ("A plaintiff has reason to discover a cause of action when he or she has reason at least to suspect a factual basis for its elements." (citation omitted)).

Plaintiff's argument is unpersuasive given that he filed cases in 2019 and 2021 raising similar claims to those raised here. See Case Nos. 2:19-cv-08551-MWF-PLA, 2:21-cv-00587- MWF-PLA. Moreover, to the extent the 2022 note is relevant to delayed discovery, Plaintiff fails to explain why he could not have obtained the note during the limitations period.

Accordingly, Plaintiff has failed to state a claim and his FAC is DISMISSED.