

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Brian Hellman v. Steven W. Streit

Hellman · No. 2:20-cv-01572-FLA (Ex) · Decided June 9, 2025

SUMMARY

The United States District Court for the Central District of California ordered the parties to show cause why stays in the Hellman and DiBlasio actions should not be lifted. The court also ordered the parties in three related actions to show cause why some or all of the actions should not be consolidated, setting deadlines for written responses and a hearing.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Fernando L. Aenlle-Rocha
JURISDICTION	United States District Court for the Central District of California
DECIDED	June 9, 2025
DOCKET	2:20-cv-01572-FLA (Ex)
DISPOSITION	other
PROCEDURAL POSTURE	The court issued an order to show cause why stays in the Hellman and DiBlasio actions should not be lifted and why some or all of three related securities actions should not be consolidated.
PRECEDENTIAL VALUE	Unknown

TOPICS

[civil procedure](#) [commercial litigation](#) [commercial](#)

PRACTICE AREAS

[civil procedure](#) [commercial litigation](#) [securities litigation](#)

QUESTIONS PRESENTED

- Whether the stays in the Hellman and DiBlasio actions should be lifted after substantial completion of document production in the related Green Dot action.

2. Whether some or all of the three related actions should be consolidated under Federal Rule of Civil Procedure 42(a).

HOLDINGS

1. A district court has inherent authority to stay proceedings to control the disposition of cases on its docket and promote economy, fairness, and orderly resolution.
2. When deciding whether to continue or impose a stay, the court must weigh the possible damage from the stay, the hardship or inequity of requiring a party to proceed, and the orderly course of justice, including whether a stay will simplify or complicate issues, proof, and legal questions; the party seeking the stay bears the burden of showing its necessity.
3. Actions involving a common question of law or fact may be consolidated, and a district court has broad discretion to consolidate cases pending in the same district after weighing judicial convenience against potential delay, confusion, and prejudice.

KEY QUOTATIONS

“ “[T]he power to stay proceedings is incidental to the power inherent in every court to control the disposition of the causes on its docket with economy of time and effort for itself, for counsel, and for litigants.” ” (at 1)

“ “The proponent of a stay bears the burden of establishing its need.” ” (at 2)

“ Pursuant to Fed. R. Civ. P. 42(a), a court may consolidate actions involving “a common question of law or fact.” ” (at 2)

FACTUAL BACKGROUND

The court was handling three related securities actions involving Steven W. Streit and Green Dot Corporation. The Hellman and DiBlasio actions had been stayed pending the close of fact discovery in In re Green Dot Corporation Securities Litigation. After the related actions were transferred to the court's calendar and document production in the Green Dot action was substantially completed, the court initiated proceedings to determine whether the stays should continue and whether consolidation would promote judicial efficiency.

PROCEDURAL HISTORY

On May 29, 2025, three related actions were transferred from the calendar of Judge Dean D. Pregerson to the court's calendar. The Hellman and DiBlasio actions had been stayed pending completion of fact discovery in In re Green Dot Corporation Securities Litigation. Because document production in the Green Dot action was scheduled to be substantially completed by April 11, 2025, the court ordered the parties to show cause why the stays should not be lifted and why some or all of the three actions should not be consolidated.

DISPOSITION

other

CASES CITED

- Landis v. North American Co., 299 U.S. 248, 254-55 (1936)
- Leyva v. Certified Grocers of California, Ltd., 593 F.2d 857, 863-64 (9th Cir. 1979)
- CMAX, Inc. v. Hall, 300 F.2d 265, 268 (9th Cir. 1962)
- Clinton v. Jones, 520 U.S. 681, 708 (1997)
- Investments Research Co. v. U.S. District Court, 877 F.2d 777, 777 (9th Cir. 1989)
- Paxonet Communications, Inc. v. TranSwitch Corp., 303 F. Supp. 2d 1027, 1028 (N.D. Cal. 2003)

OPINION

Brian Hellman v. Steven W. Streit

PER CURIAM.

1 2 3 4 5 6 7

8 UNITED STATES DISTRICT COURT

9 CENTRAL DISTRICT OF CALIFORNIA

10 11 BRIAN HELLMAN, Case No. 2:20-cv-01572-FLA (Ex) 12 Plaintiff,

ORDER TO SHOW CAUSE WHY

13 v. THE STAYS IN THE ACTIONS

BEARING CASE NOS. 2:20-cv-01572-

14 FLA (Ex) AND 2:24-cv-05924-FLA STEVEN W. STREIT, et al., (Ex) SHOULD NOT BE
LIFTED; 15 Defendants. ORDER TO SHOW CAUSE WHY

16 SOME OR ALL THREE OF THE

ACTIONS SHOULD NOT BE

17

CONSOLIDATED

18 19 20 21 22 23 24 25 26 27 28

1 ORDER

2 On May 29, 2025, the following related actions were transferred from the 3 calendar of Judge
Dean D. Pregerson to the calendar of this court: (1) In re Green Dot 4 Corporation Securities
Litigation, Case No. 2:19-cv-10701-FLA (Ex) (“In re Green 5 Dot,” or “Case 19-10701”); (2)
Brian Hellman v. Steven W. Streit, et al., Case No. 6 2:20-cv-01572-FLA (Ex) (the “Hellman
action,” or “Case 20-1572”); and (3) Dino 7 DiBlasio v. Steven W. Streit, et al., Case No. 2:24-cv-
05924-FLA (Ex) (the “DiBlasio 8 action,” or “Case 24-5924”). Dkt. 166. The Hellman and
DiBlasio actions have been 9 stayed pending the close of fact discovery in In re Green Dot. Case
20-1572, Dkt. 29;

10 Case 24-5924, Dkt. 14.

11 “[T]he power to stay proceedings is incidental to the power inherent in every 12 court to
control the disposition of the causes on its docket with economy of time and 13 effort for itself, for
counsel, and for litigants.” Landis v. N. Am. Co., 299 U.S. 248, 14 254 (1936). “A trial court, may,
with propriety, find it is efficient for its own docket 15 and the fairest course for the parties to

enter a stay of an action before it, pending resolution of independent proceedings which bear upon the case.” *Leyva v. Certified Grocers of Cal., Ltd.*, 593 F.2d 857, 863 (9th Cir. 1979). “This rule applies whether the separate proceedings are judicial, administrative, or arbitral in character, and does not require that the issues in such proceedings are necessarily controlling of the action before the court.” *Id.* at 863–64. “In such cases the court may order a stay of the action pursuant to its power to control its docket and calendar and to provide for a just determination of the cases pending before it.” *Id.* at 864. “Where it is proposed that a pending proceeding be stayed, the competing interests which will be affected by the granting or refusal to grant a stay must be weighed.” *CMAX, Inc. v. Hall*, 300 F.2d 265, 268 (9th Cir. 1962). “Among these competing interests are [1] the possible damage which may result from the granting of a stay, [2] the hardship or inequity which a party may suffer in being required to go forward, and [3] the orderly course of justice measured in terms of the simplifying or complicating of issues, proof, and questions of law which could be expected to result from a stay.” *Jd.* (citing *Landis*, 299 U.S. at 254-55). “The proponent of a stay bears the burden of establishing its need.” *Clinton v. Jones*, 520 U.S. 681, 708 (1997) (citing *Landis*, 299 U.S. at 255). Document production was to be substantially completed in *Jn re Green Dot* by April 11, 2025. Case 19-10701, Dkt. 148 at 2. Accordingly, the court ORDERS the parties in the *Hellman* and *DiBlasio* actions to Show Cause (“OSC”) why the stays in those actions should not be lifted. Any requests to continue the stays must be supported by compelling reasons for why a further stay is necessary, and a specific showing of what additional discovery from *re Green Dot* the parties believe is needed before the *Hellman* and *DiBlasio* actions can proceed. The court further ORDERS the parties in all three actions to Show Cause why some or all of the actions should not be consolidated.’ The parties’ written responses to the OSCs are due on or before June 20, 2025, and these matters shall be heard in Courtroom 6B on June 25, 2025, at 9:30 a.m. IT IS SO ORDERED. Dated: June 9, 2025

0 FERNANDO'L. AENLLE-ROCHA

United States District Judge Pursuant to Fed. R. Civ. P. 42(a), a court may consolidate actions involving “a common question of law or fact.” “[A] district court has broad discretion under this rule to consolidate cases pending in the same district.” *Invs. Rsch. Co. v. U.S. Dist. Ct.*, 877 F.2d 777, 777 (9th Cir. 1989). “To determine whether to consolidate, a court weighs the interest in judicial convenience against the potential for delay, confusion, and prejudice caused by consolidation.” *Paxonet Commce’ns, Inc. v. TranSwitch Corp.*, 303 F. Supp. 2d 1027, 1028 (N.D. Cal. 2003) (citation omitted).