

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
CALIFORNIA

Barry Stuart Halajian v. JP Morgan Chase Bank, NA, et al.

No. 2:23-cv-01522-DJC-SCR (E.D. Cal. Dec. 1, 2025) · No. No. 2:23-cv-01522-DJC-SCR · Decided December
1, 2025

SUMMARY

The document contains findings and recommendations by a United States magistrate judge recommending dismissal with prejudice of the remaining claims against Bay Advance, LLC. The court concludes that a Connecticut court-approved settlement agreement, affirmed on appeal, precludes the plaintiff’s claims concerning the same dispute under res judicata principles. The recommendations also direct entry of judgment and closure of the case.

OPINION

Barry Stuart Halajian v. JP Morgan Chase Bank, NA, et al.

PER CURIAM.

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8 UNITED STATES DISTRICT COURT

9 FOR THE EASTERN DISTRICT OF CALIFORNIA

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11 BARRY STUART HALAJIAN, No. 2:23-cv-01522-DJC-SCR

12 Plaintiff, 13 v.

FINDINGS AND RECOMMENDATIONS

14 JP MORGAN CHASE BANK, NA, et al., 15 Defendants. 16 17 18 Plaintiff is proceeding pro
se in this matter, which is referred to the undersigned pursuant 19 to Local Rule 302(c)(21) and 28
U.S.C. § 636. Plaintiff attempts to challenge Defendants’ 20 actions with respect to a Connecticut
state court legal proceeding that he has since settled. On

21 July 28, 2025, Judge Calabretta entered an Order (ECF No. 83) adopting the undersigned’s
22 Findings and Recommendations and granting three motions to dismiss. (ECF No. 43, 45 & 51).

23 That order dismissed all claims and all defendants except Defendant Bay Advance. ECF No. 83
24 at 2. The Court now recommends that the sole remaining defendant be dismissed and judgment

25 entered. 26 //// 27 //// 28 1 I. Procedural History and Background 2 Plaintiff Barry Stuart
Halajian filed this action on July 25, 2023. ECF No. 1. The 3 complaint named as defendants: 1)
JP Morgan Chase Bank (“Chase”); 2) Elizabeth Ostrowski; 3) 4 Hassett & George, PC (“H&G”);
and 4) James Trudell. ECF No. 1. Plaintiff alleged that H&G 5 and Trudell were attorneys
working for Bay Advance, LLC (“Bay Advance”) and had prepared 6 legal documents to seize

funds from Plaintiff's account at Chase. Id. at 1-2. Plaintiff alleged he 7 is an electrical contractor who employs 8 to 12 people. ECF No. 1 at ¶ 6. Plaintiff alleged he 8 entered into a "combined receivables purchase agreement and loan agreement" with Bay 9 Advance. Id. at ¶ 7. Plaintiff complained of a "bait and switch" and that Bay Advance confused 10 or pressured him into modifying the agreement. Id. at ¶¶ 9-10. Ostrowski is alleged to be an 11 employee of the Connecticut State Marshals Service and was involved in serving the legal 12 documentation, which Plaintiff referred to as a "Notice of ex parte prejudgment remedy/claim for 13 hearing to dissolve or modify" (the "Notice"). Id. at ¶ 35. In fact, the Notice was part of a legal 14 action that Bay Advance filed against Plaintiff in Connecticut state court, Case No. FST-CV23- 15 6061957-S. ECF No. 43-1 at 3. The Court took judicial notice of the filings from that case, in 16 which Plaintiff was represented by counsel. 17 In the instant case, Plaintiff asserted four causes of action in the original complaint: 1) 18 declaratory and injunctive relief; 2) a due process claim under 42 U.S.C. § 1983; 3) breach of the 19 covenant of good faith and fair dealing; and 4) cancellation of instruments. ECF No. 1 at 16-23. 20 Plaintiff claimed the agreement with Bay Advance was unconscionable and sought to cancel it. 21 However, Bay Advance was not a named defendant in the original complaint. The defendants 22 named in the original complaint filed motions to dismiss (ECF Nos. 7 & 24) and the Court 23 granted those motions with allowance for Plaintiff to file an amended complaint. ECF No. 37. 24 On or about August 18, 2023, Plaintiff and Bay Advance entered into a settlement 25 agreement in the Connecticut state case (the "Settlement Agreement"). Relevant to this action,

26 Paragraph 11 of the Settlement Agreement provides in part:

27 In addition, upon the execution of this agreement, Barry Stuart Halajian and/or Industrial Electric shall within 3 business days withdraw or dismiss any and all lawsuits filed against 28 1 the parties to this agreement as well as Beth Ostrowski, J.P. Morgan Chase Bank, Hassett & George, PC or its employees/agents, that was reportedly filed in California that relates 2 to or arises out of the Contract (hereinafter referred to as the "California Action"). 3 ECF No. 43-1 at 21. Paragraph 11 further provided: "The Parties agree that this Agreement 4 completely resolves any and all claims between the Parties that were asserted, or that could have 5 been asserted, against any of the Parties named in the Action or relating to or arising out of the 6 Contract, as well as claims asserted and parties to the California Action . . ." Id. In granting a 7 motion to enforce the Settlement Agreement, the Connecticut Superior Court ruled the agreement 8 was "clear, unambiguous, and contained all essential terms." ECF No. 43-1 at 37. In making that 9 ruling, the Connecticut Superior Court noted the term in the Settlement Agreement "relat[ing] to a 10 certain California lawsuit brought by [Halajian] against" the defendants in the instant lawsuit. 11 Despite the term in the Settlement Agreement, Plaintiff did not dismiss the instant action. 12 Instead, Plaintiff filed a First Amended Complaint ("FAC") on February 15, 2024. ECF No. 38. 13 The FAC adds Bay Advance as a defendant. ECF No. 38 at 1, 19. The FAC asserts the same four 14 causes of action as the original complaint. ECF No. 38 at 20-27. Plaintiff attaches to the FAC a

15 copy of the Notice, the contract with Bay Advance, and other exhibits. ECF No. 38 at 31-118.
16 The appearing defendants—Chase, Ostrowski, H&G, and Trudell—filed their motions to
17 dismiss the FAC and the undersigned issued Findings and Recommendations recommending that
18 those motions to dismiss be granted. ECF No. 75. Plaintiff was allowed to file untimely 19
objections to the Findings and Recommendations. ECF No. 78. The objections were considered,
20 and Judge Calabretta conducted de novo review of the case and adopted in full the Findings
and 21 Recommendations. ECF No. 83. Thus, all claims and parties were dismissed except
Defendant 22 Bay Advance, which has not appeared in the action and has not filed its own motion
to dismiss.¹ 23 The Order adopting stated: “The action is stayed as to Bay Advance, the sole
remaining 24 Defendant in this action, and the parties are directed to file a Status Report,
including a copy of 25 26 1 Even though Bay Advance has not appeared, this does not preclude
the Court from dismissing 27 the claims. See *Abagninin v. AMVAC Chem. Corp.*, 545 F.3d 733,
742 (9th Cir. 2008) (“As a legal matter, we have upheld dismissal with prejudice in favor of a
party which had not appeared, 28 on the basis of facts presented by other defendants which had
appeared.”) 1 the Connecticut Appellate Court’s ruling in case AC 47341 within 7 days of the
issuance of that 2 decision.” ECF No. 83 at 2. 3 II. Defendant Bay Advance 4 In the prior Findings
and Recommendations, the Court observed that Plaintiff’s claims 5 against Bay Advance appeared
to be barred by the Settlement Agreement in the Connecticut state 6 court matter. ECF No. 75 at
15-17. The Court observed that the Connecticut Superior Court had 7 adjudicated Plaintiff’s
challenge to the Settlement Agreement and granted a motion to enforce the 8 agreement. *Id.* at 16.
In so doing, the Connecticut Superior Court stated: “The court has 9 examined the agreement, and
finds that its terms were clear, unambiguous, and contained all 10 essential terms. Further, it did
not state or contemplate any conditions precedent remaining to be 11 satisfied.” *Id.* 12 Court
approved settlement agreements have res judicata effect. See *Tritz v. U.S. Postal* 13 *Service*, 721
F.3d 1133, 1141 (9th Cir. 2013). In order for res judicata to apply, there must be: 1) 14 an identity
of claims, 2) a final judgment on the merits, and 3) identity or privity between the 15 parties. *Id.*
The Connecticut state court judgment finding the settlement agreement to be 16 enforceable is in
the record. ECF No. 43-1 at 37. Moreover, the Court can take judicial notice of 17 another court’s
record. *Lee v. City of Los Angeles*, 250 F.3d 668, 690 (9th Cir. 2001). 18 Under Connecticut law,
“a prior judgment in another case maintains its preclusive effect, 19 even pending appeal of that
judgment.” *Barash v. Lembo*, 348 Conn. 264, 277 (2023). By 20 contrast, under California law, a
judgment is not final for purposes of res judicata during the 21 pendency of and until the
resolution of an appeal. See *Eichman v. Fotomat Corp.*, 759 F.2d 1434, 22 1439 (9th Cir. 1985).
“[T]he preclusive effect of a state court judgment in a subsequent lawsuit 23 involving [federal
claims] is determined by the preclusion law of the state in which the previous 24 judgment was
rendered.” *Eichman*, 759 F.2d at 1437, citing *Marrese v. American Academy of* 25 *Orthopedic*
Surgeons, 470 U.S. 373 (1985). The judgment here was issued in Connecticut, and 26 this Court
accordingly applies Connecticut law, which makes a judgment preclusive while on 27 appeal. 28 1

Thus, this Court could have recommended dismissal based on res judicata even while the 2 state court appeal was pending. However, the Findings and Recommendations noted that Plaintiff 3 had appealed the judgment, briefing was complete, and Plaintiff was arguing on appeal that the 4 settlement agreement was invalid. ECF No. 75 at 16-17. Therefore, the Court stated that “in an 5 abundance of caution,” it would recommend staying the action until the Connecticut appellate 6 court’s ruling. Id. at 17. The parties were directed to file a status report within seven days of that 7 ruling, but neither Plaintiff nor Bay Advance did so.² The Connecticut appellate court issued its 8 ruling in case AC47341 on November 4, 2025. See *Bay Advance, LLC v. Halajian*, 236 9 Conn.App. 228 (Nov. 4, 2025). It affirmed the judgment of the trial court finding that the parties 10 had entered into an enforceable settlement agreement. The opinion states that the Settlement 11 Agreement provided for Halajian to withdraw the federal action he had filed in California (this 12 action). Id. at 236-37. The agreement also provided that it would resolve any and all claims 13 between Bay Advance and Halajian. Id. at 240. The Connecticut appellate court expressly 14 rejected Plaintiff’s challenge to the term of the agreement concerning dismissal of the California 15 claims: “Insofar as the defendant properly has raised such an assertion, it is untenable because 16 we construe the release of claims vis-à-vis the California action to be a duty to be performed 17 pursuant to the settlement agreement, rather than a condition precedent.” Id. at 245 n. 10. 18 The Settlement Agreement between Bay Advance and Halajian has been found valid and 19 enforceable by the Connecticut courts. Plaintiff cannot challenge that conclusion here, and that 20 settlement bars the instant action against Bay Advance. 21 III. Conclusion 22 The Court previously stayed this action to allow the Connecticut appellate court to 23 adjudicate Plaintiff’s challenge to the Settlement Agreement between himself and Defendant Bay 24 Advance. That appeal has concluded, and the Settlement Agreement has been found enforceable. 25 The Settlement Agreement precludes Plaintiff’s action against Bay Advance in this Court. 26 27 2 On November 24, 2025, counsel for previously dismissed Defendants James Trudell and 28 Hassett & George, PC, filed a status report (ECF No. 85) informing the Court of the decision. 1 Accordingly, IT IS HEREBY RECOMMENDED THAT: 2 1. The Court dismiss the sole remaining defendant, Bay Advance; and 3 2. The Clerk be directed to enter Judgment dismissing this action with prejudice and 4 close the case. 5 These findings and recommendations are submitted to the United States District Judge 6 || assigned to this case, pursuant to the provisions of 28 U.S.C. § 636(b)(1). Within fourteen (14) 7 | days after being served with these findings and recommendations, Plaintiff may file written 8 | objections with the court. Such document should be captioned “Objections to Magistrate Judge’s 9 || Findings and Recommendations.” Local Rule 304(d). Plaintiff is advised that failure to file 10 | objections within the specified time may waive the right to appeal the District Court’s order. 11 || *Martinez v. Yist*, 951 F.2d 1153 (9th Cir. 1991). 12 SO ORDERED. 13 | DATED: December 1, 2025.

15 SEAN C. RIORDAN

6 UNITED STATES MAGISTRATE JUDGE

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