



"Employment Agreement"). The Employment Agreement contains restrictions (the "Restrictive Covenants") which prohibit Donovan, for a period of two years after leaving the employ of Hobbs, from:

- 1) soliciting or accepting business from customers of Hobbs,
- 2) soliciting for employment persons who are employees of Hobbs, and
- 3) disclosing Hobb's confidential information.

In July of 2002, Hobbs was acquired by HRH, and Donovan continued to serve as an Executive Vice President for HRH until June of 2004, when Donovan resigned from HRH.

About a year after his resignation, Donovan went to work for Beecher Carlson Management, Inc., a company with its headquarters in Atlanta, Georgia and a direct competitor of HRH. On June 20, 2005, Donovan filed an action against HRH and Hobbs in the United States District Court for the Northern District of Georgia, seeking a declaration that the Restrictive Covenants are unenforceable. In November of 2005, the court granted summary judgement for Donovan based on its finding that the Restrictive Covenants are unenforceable. The scope of the court's declaratory judgement was not limited to the confines of the state of Georgia. On May 16, 2006, the court's ruling was affirmed by the United States Court of Appeals for the Eleventh Circuit, which held that the Restrictive Covenants are unenforceable.

On December 23, 2005, HRH and Hobbs filed this action in Connecticut Superior Court alleging that Donovan breached the

Restrictive Covenants. Donovan removed the action to this court on the basis of diversity of citizenship.

The court concludes that the plaintiffs are precluded by the doctrine of collateral estoppel from re-litigating here the enforceability of the Restrictive Covenants, because that issue has already been decided in the case filed by Donovan in the Northern District of Georgia. The court agrees with the defendant's analysis set forth at pages 3 to 5 of the Supplemental Memorandum of Law in Support of Defendant's Motion to Dismiss based on Intervening Authority (Doc. No. 23) (the "Supplemental Memorandum"). The court also concludes that this case should be dismissed based on application of the doctrine of *res judicata*, because at the heart of the plaintiffs' claim here is the enforceability of the Restrictive Covenants, which have been found to be unenforceable in a case in which final judgment has entered. The court agrees with the defendant's analysis set forth at pages 5 to 7 of the Supplemental Memorandum.

For the reasons set above, the Defendant's Motion to Dismiss (Doc. No. 7) is hereby GRANTED.

It is so ordered.

The Clerk shall close this case.

Dated this 28th day of September 2006, at Hartford,  
Connecticut.

\_\_\_\_\_/s/AWT\_\_\_\_\_  
Alvin W. Thompson  
United States District Judge