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DOMAIN SERVICES, LLC

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF NAPA

ESQUIBEL ARIAS, an individual, on behalf of himself and all others similarly situated, Plaintiff, v. DOMAIN SERVICES, LLC, a California Limited Liability Company; and DOES 1 TO 50, Defendants.	Case No. 24CV000298 **DEFENDANT, DOMAIN SERVICES, LLC'S MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION TO ENFORCE SETTLEMENT AGREEMENT AND FOR SANCTIONS AGAINST ESQUIBEL ARIAS** **[Cal. Code Civ. Proc. §§ 2023.010; 2023.030; 664.6]** Date: September 10, 2025 Time: 8:30 a.m. Place: 825 Brown Street, Department B Napa, CA 94559 Hon. Cynthia P. Smith, presiding Complaint filed: February 28, 2024 Trial Date: None

Pursuant to California Code of Civil Procedure Section 664.4, Defendant DOMAIN SERVICES, LLC ("DOMAIN" or "Defendant"), applies for entry of judgment in accordance with the

Memorandum of Understanding dated December 18, 2024 ("MOU") between DOMAIN and Plaintiff ESQUIBEL ARIAS ("ARIAS" or "Plaintiff"), as follows:

I. INTRODUCTION

On December 18, 2024, Plaintiff and Defendant (collectively the "Parties") executed the MOU to resolve individual and representative wage and hour claims brought by Plaintiff against Defendant, his former employer, in a Private Attorneys General Act (PAGA) action. The MOU is a binding and enforceable settlement agreement, as it contains all of the material terms of settlement and was signed by the Parties. The Parties were unable to execute a long-form settlement agreement due to Plaintiff's failure to cooperate in good faith to prepare, finalize and execute the long-form settlement agreement. Plaintiff has been holding the settlement hostage in an attempt to barter for a more favorable deal for himself, including at the expense of the PAGA Settlement Class. Plaintiff has therefore made himself adverse to the aggrieved employees he purports to represent. Defendant therefore requests that the Court enter judgement according to the terms of the MOU and issue sanctions against Plaintiff for his misuse of the discovery process, as he seeks to re-litigate settled claims, as well as for bad faith in his PAGA representation.

II. FACTUAL BACKGROUND

A. The Parties Agreed to a MOU Following Mediation.

DOMAIN provides vineyard management services and employs vineyard, ranch and cellar workers for growers and wineries. Declaration of Jennifer Douglas ("Douglas Decl.") ¶ 2. On February 28, 2024, Plaintiff, a former vineyard worker at DOMAIN, brought a class action complaint against DOMAIN for various alleged wage and hour claims; Plaintiff later amended his complaint to drop the class and include only PAGA claims, as he had formerly signed an arbitration agreement with a class action waiver. Id. at ¶¶ 2-4. 4-5.

In July 2024, Plaintiff agreed to stay the PAGA litigation pending early mediation with an exchange of informal data, including Defendant's relevant policies and payroll data. Id. at ¶ 5. The parties attended an all-day mediation on November 21, 2024 with mediator Kimberly S. Deck; at the mediation, Plaintiff was represented by counsel from Melmed Law Group P.C. Id. at ¶ 6. Following the mediation, Plaintiff, Defendant and counsel for the respective Parties each signed a binding

Memorandum of Understanding effective December 18, 2024 (the "MOU"). Id. at ¶ 7, Exhibit 1. Plaintiff and Plaintiff's counsel each signed the MOU, which resolved both the representative and individual PAGA claims. Id. The parties thereafter collaborated on a draft long-form settlement agreement and represented to the Court in a Joint Case Management Statement on February 18, 2025, as follows:

> "4. The Parties mediated the case on [sic] resolved the case in mediation on November 21, 2024 and a binding Memorandum of Understanding ("MOU") containing the settlement terms was signed by all partied effective December 18, 2024.
>
> 5. The Parties are finalizing the formal settlement agreement for which Plaintiff will submit to the Court for approval.
>
> 6. The Parties request that the Case Management Conference be continued approximately ninety (90) days to allow Plaintiff time to file the motion for approval of the settlement." Id. at ¶¶ 8-9 Exhibit 2.

The Joint Case Management Statement was signed by counsel for both parties. Id. at ¶ 9, Exhibit 2.

B. <u>The MOU Contains the Terms of Settlement.</u>

The MOU contains all of the essential terms to settle the representative PAGA action brought by Plaintiff individually and on behalf of the PAGA settlement class. Id. at ¶¶ 7, 9. In exchange for resolution of the PAGA claims, the Parties agreed to consideration including a Gross Settlement Amount (GSA) as follows: after deductions from the GSA including potentially a representative enhancement award to Plaintiff and Plaintiffs' attorneys fees and costs, plus reasonable settlement administration costs, 75% of the GSA shall go to the State of California and 25% shall be distributed to the PAGA Settlement Class according to the proportionate number of pay periods worked by each member during the PAGA period. Id. at ¶ 7, Exhibit 1, Paragraph 3. In exchange for a representative enhance award to Plaintiff of up to $5,000, Plaintiff agreed to voluntarily resign from Defendant pursuant to a separate writing. Id., Exhibit 1, Paragraph 3(c).

While the MOU contains the essential terms for settlement, the Parties did anticipate preparing a long-form settlement agreement. Paragraph 4 of the Settlement Agreement provides as follows:

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> "The Parties will work together in good faith to prepare, finalize, and execute a formal, long-form settlement agreement within 30 days from the date the Parties sign this MOU. Defendant agrees not to oppose Plaintiff's Motion for PAGA Approval to the extent it comports with this MOU and the long-form settlement agreement." Id.

However, the MOU expressly indicates that, in the event that a long-form settlement agreement cannot be reached, the MOU will suffice to enforce the terms of settlement between the Parties. To this end, Paragraph 8 of the Settlement Agreement states as follows:

> "Notwithstanding anything else contained herein, this MOU shall be enforceable under California Code of Civil Procedure section 664.6 and admissible under California Evidence Code section 1123, subdivision (a). Regardless of any settlement privilege or other rules of evidence, this MOU may be admitted in Court and enforceable even if a finalized settlement document cannot be agreed upon." Id.

C. Plaintiff Fails to Cooperate Regarding a Long-Form Settlement.

Despite agreeing to the MOU in December 2024 and making representations to the Court in February 2025 that the MOU was binding, Plaintiff subsequently refused to cooperate in the finalization of the long-form settlement. Id. at ¶¶ 10-11, 14-16. The long-form settlement agreement was drafted by counsel for Plaintiff and provided to counsel for Defendant on December 23, 2024. Id. at ¶ 9. Between December 2024 and February 2025, the Parties corresponded regarding the terms of the long-form settlement agreement. Id. At issue was Plaintiff's desire for additional monetary consideration from Defendant to resolve extraneous grievances with Defendant beyond the claims included in the Complaint. Id. On February 14, 2025, Defendant's offer to resolve the additional claims expired, and Defendant notified Plaintiff to proceed with the long-form settlement agreement regarding the enumerated wage and hour claims. Id. On March 3, 2025, Plaintiff submitted his letter of resignation to Defendant. Id. at ¶ 10.

On March 5, 2025 the Parties attended a Case Management Conference at which Plaintiff represented that the parties had resolved the claims and were working on a long-form settlement agreement. Id. at ¶ 11. However, on March 27, 2025, Defendant received notice of a motion from Plaintiff's counsel to be relieved as counsel for Plaintiff. Id. at ¶ 12. In April 2025, Plaintiff retained new counsel from Haulk & Herrera LLP. Id. at ¶ 13. Since retaining new counsel, Plaintiff has sought to significantly inflate his individual apportionment of the settlement funds by taking money away from the amount allocated to the State of California and the PAGA Settlement Class. Id. at ¶ 13. As such appropriation was not agreed-upon in the MOU, Defendant refused and instead offered an increased Representative Enhancement Award for Plaintiff. Id. at ¶¶ 15-16. Plaintiff refused this offer from Defendant and has thereafter sought to re-litigate the entire case, issuing new discovery requests and preparing a Belaire West Notice. Id. at ¶¶ 16-18.

Plaintiff has recently taken the position that the MOU is invalid and unenforceable due to "deficiencies," including "the circumstances of the alleged execution, its terms and conditions (including overbroad releases and illusory terms), the amount of time that has passed without the execution of a long form agreement and the amount of time that has passed without Defendant filing a Motion for Approval of the PAGA Settlement." Id. at ¶ 16. Since obtaining new counsel, Plaintiff has also suggested that he did not understand the terms of the MOU at the time that he signed it. Id. at ¶ 15.

III. ARGUMENT

A. The MOU is Binding and Enforceable Pursuant to CCP Section 664.6.

California Code of Civil Procedure section 664.6 provides, in relevant part: "If parties to pending litigation stipulate, in a writing signed by the parties outside of the presence of the court or orally before the court, for settlement of the case, or part thereof, the court, upon motion, may enter judgment pursuant to the terms of the settlement." Cal. Code Civ. Proc. § 664.6(a). When a party brings a motion to enforce a written settlement pursuant to section 664.6, the court must determine whether the settlement is valid and binding. *Estate of Jones* (2022) 82 Cal. App. 5th 948, 952. An agreement is valid where the material terms of the settlement are reasonably certain, and the parties expressly agree to be bound by those terms by their signature. *Id.*; *J.B.B. Investment Partners, Ltd. v. Fair* (2014) 1232 Cal.App.4th 974, 985. If the court determines that the settlement is valid and binding, it should enter judgment according to the terms of settlement. *Hines v. Lukes* (2008) 167 Cal.App.4th 1174, 1182-1183. By enforcing settlements agreed-upon by the parties, Section 664.6 relieves the justice system of the unnecessary time and expense of further litigation. *Provost v. Regents of University of California* (2011) 201 Cal.App.4th 1289, 1298.

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Here, the MOU meets all of the threshold requirements to be a valid and binding settlement. First, all of the material terms are provided for with clarity and consideration: Defendant agrees to pay a Gross Settlement Amount (GSA) for the complete resolution of individual and representative PAGA claims raised by the First Amended Complaint. The GSA is completely apportioned to the relevant recipients and the waivers of liability are transparently addressed. Second, the agreement is signed by the parties, as well as counsel for each party. Third, the agreement is compliant with applicable statutes, including PAGA, and does not offend any law. As the MOU is demonstrably a complete agreement by the parties regarding the material terms of settlement, and is therefore valid and binding, the court should enter judgment according to terms of the MOU.

Plaintiff has not provided any legitimate basis to invalidate the MOU. Rather, since the MOU was signed, Plaintiff's primary concern and frustration has been the amount of money that Plaintiff would receive individually. Plaintiff's dissatisfaction is not a legitimate basis for invalidating the MOU. Plaintiff's new counsel has intimated that Plaintiff misunderstood the MOU at the time of signing. Plaintiff's actions, however, reflect that he understood the terms of the MOU, as he submitted his written resignation on March 3, 2025, consistent with the MOU terms of consideration for his representative enhancement award.

Plaintiff's fundamental misunderstanding does not appear to be with the terms of the MOU, but rather with the nature of a representative PAGA action, which is not an avenue for windfall. Even assuming *arguendo* that Plaintiff did not understand the terms of the MOU at the time of signing, such misunderstanding would not invalidate the MOU because Plaintiff, an individual with sound capacity, signed the MOU while represented by counsel; if Plaintiff was ill-advised, his remedy is not to unwind the settlement, which would unduly burden the other parties as well as the court. As the MOU is valid and binding, and neither Plaintiff's dissatisfaction nor his misunderstanding provide a basis to invalidate the settlement, Defendant respectfully requests that the Court enter an order granting this Motion and enter judgment pursuant to the terms of the Settlement Agreement.

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B. Sanctions Are Warranted Against Plaintiff for Misuse of Discovery and Bad Faith in PAGA Representation.

1. Misuse of the Discovery Process

A party engaging in misuse of the discovery process is subject to monetary sanctions. Cal. Civ. Proc. § 2023.030 (a). Misuse of the discovery process includes employing discovery methods that cause unwarranted expense and undue burden. Cal. Civ. Proc. § 2023.010 (c); *see City of Los Angeles v. PricewaterhouseCoopers, LLP* (2024) 17 Cal. 5th 46, 74 ("[T]he Legislature gave trial courts a statutory basis for exercising authority to address egregious forms of misconduct not addressed elsewhere in the Act."). Here, Plaintiff has propounded Special Interrogatories and Requests for Production regarding issues that are already settled by the MOU. The MOU leaves no remainder issues to investigate or litigate. Plaintiff represented to the Court in the joint CMC Statement in February 2025, as well as at the CMC in March 2025, that the matter had resolved, and Plaintiff did not indicate that any further issues required discovery or litigation. Thus, Plaintiff's written discovery propounded in July 2025 serves no legitimate purpose except to harass Defendant by causing unwarranted expense and undue burden, audaciously with the intent to annoy Defendant until further funds are provided directly to Plaintiff. Such a misuse of the discovery process undermines the purpose of the Discovery Act, which is to encourage open exchange of information with the intent of resolving disputes efficiently and expeditiously; here, instead, Plaintiff seeks neither efficiency nor expeditious resolution, but rather an unjustified second bite at the apple. Plaintiff's written discovery was therefore issued in bad faith, and Defendant requests that the Court issue sanctions for such misuse of the discovery process.

2. Bad Faith PAGA Representation

The Private Attorneys General Act (PAGA) allows an aggrieved employee to stand in the shoes of the State to bring a representative action for a group of similarly situated aggrieved employees; the representative action ensures that any award or settlement will benefit all affected employees. Here, Plaintiff settled the representative claims under PAGA, but has thereafter sought to proverbially throw the representative class under the bus in order to increase his own portion of the settlement funds. Plaintiff has not expressed any concern regarding the MOU as it pertains to the resolution of the representative PAGA action, or even his individual wage and hour claims. Rather, Plaintiff has expressed further grievances with Defendant that were not addressed in the pleadings, and seeks to siphon the PAGA settlement funds in order to resolve these extraneous claims. Plaintiff has therefore taken a position that is directly adverse to the PAGA Representative Class and attempting to leverage his representative position to benefit himself individual. As the MOU resolves the PAGA claims, Plaintiff is now engaging in further litigation only under the guise of the representative action—an act that is in bad faith and contrary to the purpose of PAGA. Therefore, Defendant requests that the court discourage such bad faith PAGA representation by issuing an order for Plaintiff to pay monetary sanctions.

IV. CONCLUSION

For the foregoing reasons, Defendant respectfully requests that the Court enter an order granting this Motion and enter judgment pursuant to the terms of the Settlement Agreement, as well as for sanctions against Plaintiff in the amount of $6607.50[1], or any amount deemed appropriate by the Court.

Dated: August 8, 2025

DICKENSON, PEATMAN & FOGARTY PC

By: Jennifer Douglas
Angela A. Nelson
Attorneys for Defendant,
DOMAIN SERVICES, LLC

[1] The amount incurred by Defendant in attorneys' fees and costs to prepare the instant motion. Douglas Decl. ¶ 22.

PROOF OF SERVICE

I, the undersigned, certify that I am over age 18, and am not a party to this action, and am employed in the County of Sonoma, California. My business address is 520 Third Street, Suite 260, Santa Rosa, CA 95401.

On the date indicated below, I served the following document:

DEFENDANT, DOMAIN SERVICES, LLC'S MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION TO ENFORCE SETTLEMENT AGREEMENT AND FOR SANCTIONS AGAINST ESQUIBEL ARIAS

on the person(s) below, as follows:

MATTHEW A HAULK ESQ JOSE M HERRERA ESQ HAULT & HERRERA LLP 100 PINE ST STE 1250 SAN FRANCISCO CA 94111 mhaulk@hhemploymentlaw.com jherrera@hhemploymentlaw.com (415) 745-3301 fax	*Attorneys for Plaintiff*

( ) PERSONAL SERVICE. I personally delivered the document(s) to the person(s) at the address(es) listed above. (1) For a party represented by an attorney, delivery was made to the attorney or at the attorney's office by leaving the documents, in an envelope or package clearly labeled to identify the attorney being served, with a receptionist or an individual in charge of the office, between the hours of nine in the morning and five in the evening. (2) For a party, delivery was made to the party or by leaving the documents at the party's residence with some person not younger than 18 years of age between the hours of eight in the morning and six in the evening.

( ) U. S. MAIL. I enclosed the document(s) in a sealed envelope or package addressed to the person(s) at the address(es) listed above and placed the envelope for collection and mailing, following our ordinary business practices. I am readily familiar with this business's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.

( ) BY OVERNIGHT DELIVERY. I enclosed the document(s) in an envelope or package provided by an overnight delivery carrier and addressed to the person(s) at the address(es) above. I placed the envelope or package for collection and overnight delivery at an office or a regularly utilized drop box of the overnight delivery carrier.

(XX) BY ELECTRONIC SERVICE. I caused a copy of the document(s) to be sent to the person(s) at the electronic notification address(es) listed above pursuant to CCP §1010.6. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on August 8, 2025 at Cloverdale, California.

/s/ Kelly J. Mortensen
Kelly J. Mortensen