

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF CALIFORNIA

Pembrick v. Loyal Source Government Services, LLC

No. 3:24-cv-01524-RBM-DEB (S.D. Cal. July 28, 2025) · No. 3:24-cv-01524-RBM-DEB · Decided July 28, 2025

SUMMARY

The United States District Court for the Southern District of California denied Loyal Source Government Services, LLC’s motion to compel arbitration in a representative PAGA action brought by Monique Pembrick. The court held that the operative July Voluntary Employee Arbitration Agreement clearly and unambiguously excluded PAGA claims from arbitration, and that the general arbitration provision did not override that exclusion. The court also declined to rely on other arbitration agreements or the subsequent unsigned agreement as evidence of a contrary intent.

CASE DETAILS

COURT	United States District Court for the Southern District of California
WRITING FOR THE COURT	Ruth Bermudez Montenegro
JURISDICTION	United States District Court for the Southern District of California
DECIDED	July 28, 2025
DOCKET	3:24-cv-01524-RBM-DEB
DISPOSITION	other
PROCEDURAL POSTURE	Defendant moved under the Federal Arbitration Act to compel arbitration of plaintiff's representative claims under California's Private Attorneys General Act.
STANDARD OF REVIEW	On a motion to compel arbitration under the FAA, the court determines whether a valid written agreement to arbitrate exists and whether that agreement encompasses the dispute at issue.
PRECEDENTIAL VALUE	Unpublished district court order; persuasive authority only

TOPICS

- arbitration
- employment law
- contract interpretation
- statutory interpretation
- civil procedure

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether the July 2022 Voluntary Employee Arbitration Agreement was the valid and operative agreement between the parties.
2. Whether the July 2022 agreement encompassed Plaintiff's PAGA claims despite its express exclusion of claims under PAGA.
3. Whether Defendant was entitled to compel arbitration of Plaintiff's individual PAGA claims and stay her non-individual PAGA claims.

HOLDINGS

1. The July 2022 Voluntary Employee Arbitration Agreement was the valid and operative agreement to arbitrate because Defendant identified it as the agreement on which it relied and Plaintiff did not dispute its validity.
2. The July 2022 Voluntary Employee Arbitration Agreement unambiguously excluded PAGA claims from arbitration, so it did not encompass Plaintiff's PAGA claims.
3. Defendant was not entitled to compel arbitration of Plaintiff's PAGA claims, and its request to stay the non-individual PAGA claims was moot.

KEY QUOTATIONS

“Here, the valid and operative July Voluntary Arbitration Agreement specifically and unambiguously excludes PAGA claims from its arbitration provision.” (Section III.B)

“As written, the provision is clear and unambiguous, includes no qualifying language, and cannot reasonably be interpreted to mean the Parties agreed to arbitrate any category of PAGA claims.” (Section III.B)

“Based on the foregoing, Defendant’s Motion is DENIED.” (Section IV)

FACTUAL BACKGROUND

Plaintiff signed several arbitration agreements in connection with her employment with Loyal Source Government Services, LLC. The July 2022 Voluntary Employee Arbitration Agreement contained broad arbitration language but expressly excluded claims under California's PAGA from arbitration. After *Viking River Cruises, Inc. v. Moriana* was decided, Defendant later transmitted an unsigned arbitration agreement purporting to require arbitration of PAGA claims, but the operative July agreement stated that it could not be modified or revoked except in a writing signed by both parties.

PROCEDURAL HISTORY

Plaintiff filed a representative PAGA complaint in state court, and Defendant removed the action to the United States District Court for the Southern District of California. Defendant moved to compel arbitration based primarily on a July 2022 Voluntary Employee Arbitration Agreement. The court denied the motion without oral argument, rendering Defendant's request to stay non-individual PAGA claims moot.

DISPOSITION

other

CASES CITED

- Allied-Bruce Terminix Companies, Inc. v. Dobson, 513 U.S. 265, 273 (1995)
- Circuit City Stores, Inc. v. Adams, 532 U.S. 105, 111 (2001)
- Vaden v. Discover Bank, 556 U.S. 49, 58 (2009)
- Moses H. Cone Memorial Hospital v. Mercury Construction Corp., 460 U.S. 1, 24-25 (1983)
- Lytton v. Southern California Regional Rail Authority, 683 F. Supp. 3d 1101, 1105 (C.D. Cal. 2023)
- Ashbey v. Archstone Property Management, Inc., 785 F.3d 1320, 1323 (9th Cir. 2015)
- Revitch v. DIRECTV, LLC, 977 F.3d 713, 716 (9th Cir. 2020)
- AT&T Technologies v. Communications Workers of America, 475 U.S. 643, 648 (1986)
- United Steelworkers of America v. Warrior & Gulf Navigation Co., 363 U.S. 574, 582 (1960)
- Berman v. Freedom Financial Network, LLC, 30 F.4th 849, 855 (9th Cir. 2022)
- First Options of Chicago, Inc. v. Kaplan, 514 U.S. 938, 944 (1995)
- Duran v. EmployBridge Holding Co., 92 Cal. App. 5th 59, 65-68 (2023)
- Sandquist v. Lebo Automotive, Inc., 1 Cal. 5th 233, 252 (2016)
- EFund Capital Partners v. Pless, 150 Cal. App. 4th 1311, 1320 (2007)
- Balandran v. Labor Ready, Inc., 124 Cal. App. 4th 1522, 1528 (2004)
- Viking River Cruises, Inc. v. Moriana, 596 U.S. 639 (2022)