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COURT OF APPEAL, FOURTH APPELLATE DISTRICT

DIVISION ONE

STATE OF CALIFORNIA

STATE COMPENSATION INSURANCE FUND, Plaintiff and Respondent, v. READYLINK HEALTHCARE, INC., Defendant and Appellant.	D086046 (Super. Ct. No. PSC1500168)

APPEAL from a judgment of the Superior Court of Riverside County, Kira L. Klatchko, Judge. Affirmed.

Roxborough, Pomerance, Nye & Adreani, Drew E. Pomerance, and Joseph C. Gjonola for Defendant and Appellant.

Rhett R. Johnson, R. Timothy O'Connor and Tony M. Chang for Plaintiff and Respondent.

ReadyLink Healthcare, Inc. (ReadyLink) appeals a postjudgment order in which the trial court granted State Compensation Insurance Fund (SCIF) $907,998.38 in prejudgment interest. ReadyLink contends that no award of prejudgment interest was warranted and in the alternative that, if such an

award *was* warranted, then it should have been in a lesser amount. We disagree. Thus we affirm.

I. BACKGROUND

This appeal is the latest installment in a set of legal proceedings in which the parties have been embroiled in various different fora for the past 20 years. Those proceedings were discussed at length (1) in an unpublished opinion filed earlier this year (*State Compensation Insurance Fund v. ReadyLink Healthcare, Inc.* (May 8, 2026, D083359) (*ReadyLink*)[1] in which this panel affirmed the judgment of the trial court in the present case, as well as (2) in opinions of various other adjudicative bodies mentioned therein.

As set forth in a prior opinion of this panel, *ReadyLink, supra,* D083359, the legal proceedings arose from a dispute between the parties as to what if any balance ReadyLink owed SCIF in premiums for a workers' compensation insurance policy (the SCIF policy) that SCIF had issued to ReadyLink for what the parties refer to as the 2005 policy year. And the resolution of that dispute turned in significant measure on whether per diem payments that ReadyLink made to its employees and that were reflected in ReadyLink's payroll records should be classified as compensation.

One of the proceedings mentioned *ante* was a breach of contract action that SCIF initiated in Riverside County superior court (the present case). SCIF's complaint alleged that ReadyLink had failed to remit to it $555,327.53 in retroactively calculated "additional premium" for the 2005 policy year. (*ReadyLink, supra,* D083359.)

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1 "Citations to unpublished California appellate opinions are permitted when the unpublished decision 'is relevant under the doctrines of law of the case, res judicata, or collateral estoppel.' " (*People v. Shah* (2023) 96 Cal.App.5th 879, 899, fn. 8, citing Cal. Rules of Court, rule 8.1115(b)(1).)

ReadyLink filed an answer and an amended answer to the complaint. The trial court entered judgment on the pleadings in favor of SCIF, and a panel of this court issued an opinion—*State Comp. Ins. Fund v. ReadyLink Healthcare, Inc.* (2020) 50 Cal.App.5th 422—reversing that initial judgment. In reversing the initial judgment, this court agreed with an argument made by ReadyLink to the effect "[1] that it ha[d] never had the opportunity to challenge whether SCIF . . . properly calculated the premium amount that it claims is due, pursuant to the terms of the contract between the parties, or [2] whether SCIF's past conduct, which ReadyLink alleges includes SCIF's acceptance of ReadyLink's exclusions of its per diem payments from payroll in prior policy years and SCIF's exclusion of per diem amounts in paying out on workers' compensation claims filed by ReadyLink employees, might bar SCIF from being entitled to collect that premium amount under the contract." (*State Comp. Ins. Fund,* at pp. 429–430); see also *ReadyLink*, *supra,* D083359.)

Following remand, ReadyLink filed a cross-complaint and an amended cross-complaint, and the case proceeded to a jury trial. At trial, two witnesses—a premium collection specialist and a certified public accountant—furnished testimony supporting SCIF's position that ReadyLink owed it $555,327.53 in additional premium for the 2005 policy year. Notwithstanding the position it had taken in appealing the initial judgment (see *ante*), ReadyLink did not rebut this evidence. Instead it focused on a defense of waiver. So doing, ReadyLink's counsel told the court: " 'I'm not going to dispute any calculation that results in what our premium is. [¶ . . . ¶] So I stipulate that the mathematical calculations on the invoice to get to 555,327 are correct. [¶ . . . ¶] [T]he issue in this case is whether ReadyLink proved . . . waiver.' Similarly, in his closing argument,

ReadyLink's counsel told the jury: "It's really a simple case. [¶ . . . ¶] Is [SCIF] entitled to collect an additional 555,000 dollars in premium or did it waive its right to do so . . . ?" (*ReadyLink, supra,* D083359.)

The jury rendered a verdict in which it rejected ReadyLink's waiver defense, but found that ReadyLink owed no additional premium to SCIF. However, the trial court directed a judgment notwithstanding the verdict (JNOV). (*ReadyLink, supra,* D083359.) In the JNOV, the trial court awarded SCIF $555,327.53 in damages based on the unrebutted evidence that that amount of premium was owed by ReadyLink to SCIF. (*Ibid.*)

ReadyLink appealed the JNOV. In *ReadyLink*, *supra,* D083359, this panel affirmed the posttrial judgment. In affirming the JNOV, we wrote as follows:

> "As can be seen in our summary . . . of what transpired at trial, SCIF presented two witnesses who testified to the appropriateness and accuracy of the $555,327.53 additional premium calculation, and ReadyLink did not rebut their testimony. ReadyLink also did not dispute any element of SCIF's breach of contract claim, and it did not prevail on any affirmative defense. In sum, at trial, . . . : (1) ReadyLink conceded that the only issue left for the jury to resolve with regard to liability was the waiver defense; (2) the jury resolved that defense against ReadyLink; (3) the court resolved the other remaining defense—estoppel—against ReadyLink; and (4) ReadyLink further conceded, as to damages, that the audit resulting in a $555,327.53 invoice had been performed correctly. As a consequence, there was no remaining defense to liability, and there was no substantial evidence that the amount SCIF was owed was zero or any other amount apart from the $555,327.53 balance that [the two] witnesses . . . each had independently calculated.
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> "In [arguing against the JNOV], ReadyLink points out that the jury heard testimony: (1) that SCIF was *not obligated* to collect the additional premium; (2) that it had *discretion*

> *to forego* enforcing its right to collect the additional premium; and (3) that, in exercising that discretion, it could have chosen to enforce its right to collect the additional premium only *prospectively*, rather than retrospectively and 'without warning' for the 2005 policy year.[2] In this same vein, ReadyLink also points to (4) evidence that SCIF did not charge additional premium for the *2006* policy year; and (5) to a lack of evidence that SCIF *needed* additional premium, beyond the $250,000 it had received at the commencement of the 2005 policy year,[3] 'to administer [ReadyLink's] account, [to] cover the cost of claims, or for any other purpose.' ReadyLink argues that such testimony amounted to substantial evidence on the basis of which the jury could reasonably have concluded that SCIF 'had not suffered any damages when it chose to invoice ReadyLink for additional premium following its 2005 . . . policy year.'
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> "But this argument misapprehends the concept of harm suffered in a breach of contract case, such as this, in which a plaintiff defeats a defendant's affirmative defenses and establishes that a contract has been breached as a result of the defendant's failure to pay the monetary consideration it

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2 ReadyLink's characterization of SCIF's enforcement of the right to collect additional premium as having been "without warning" is premised on the fact that SCIF did not enforce that right with respect to any of the previous years for which it had insured ReadyLink. (*ReadyLink, supra,* D083359.)

3 The SCIF policy "provided: (1) for an estimated premium to be determined in advance of a given policy year; (2) for the estimated premium to be invoiced by SCIF, and paid by ReadyLink, before the policy year commenced; (3) for an audit of ReadyLink's payroll and other records to be performed by SCIF after the close of the policy year; (4) for a final premium to be retroactively calculated by SCIF based on the audit's results and then, depending on whether the final premium was more or less than the estimated premium; (5) for the difference between the estimated premium and the final premium to be trued up by means of either a payment by ReadyLink to SCIF or a refund by SCIF to ReadyLink." The estimated premium for the 2005 policy year was $250,000. (*ReadyLink, supra,* D083359.)

> promised under the contract. In such a situation, the harm sustained is the promisee's loss of the benefit of its bargain; and the measure of damages is the amount that would 'give the [promisee] the benefit of [its] bargain and insofar as possible . . . place [it] in the same position [it] would have been had the promisor performed the contract.' (See *Overgaard v. Johnson* (1977) 68 Cal.App.3d 821, 824.) In other words, SCIF having proven that ReadyLink breached the parties' contract, and the jury and the court having rejected ReadyLink's defenses, SCIF was 'entitled to damages that are the equivalent to the benefit of [its] contractual bargain.' (*Lewis Jorge Construction Management, Inc. v. Pomona Unified School Dist*. (2004) 34 Cal.4th 960, 968.) Those damages are set at $555,327.53, and there is no evidence as to any other amount.
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> "Thus it is of no consequence that a promisee (SCIF in this case) might not be *required* to claim the amount it is owed or might be of sufficient means to get by without receiving the entirety of that amount. If it received less than what it bargained for, it is harmed. Consequently, we conclude the trial court did not err in granting JNOV."

During the pendency of ReadyLink's appeal of the posttrial judgment, SCIF filed a motion seeking prejudgment interest pursuant to Civil Code section 3287,[4] which states:

> "(a) A person who is entitled to recover damages certain, or capable of being made certain by calculation, and the right to recover which is vested in the person upon a particular day, is entitled also to recover interest thereon from that day, except when the debtor is prevented by law, or by the act of the creditor from paying the debt. . .
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> "(b) Every person who is entitled under any judgment to receive damages based upon a cause of action in contract where the claim was unliquidated, may also recover interest thereon from a date prior to the entry of judgment

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4 All further statutory references are to the Civil Code.

> as the court may, in its discretion, fix, but in no event earlier than the date the action was filed."

In its motion, SCIF requested an award of $907,998.38 in prejudgment interest, pursuant to section 3287, subdivision *(a)*, for the period beginning 30 days after it invoiced ReadyLink for the $555,327.53 in additional premium and continuing through and including the date of the judgment.[5] Following oral argument, the trial court entered an order granting the prejudgment interest SCIF had sought pursuant to subdivision (a).

ReadyLink timely appealed this order.

II. DISCUSSION

On appeal, ReadyLink does not dispute SCIF's math. Instead it contends that no award of prejudgment interest was warranted and in the alternative that, if such an award *was* warranted, then it should have been in a lesser amount.

A. ReadyLink's Contention that No Award of Prejudgment Interest Was Warranted

In examining ReadyLink's contention that no award of prejudgment interest was warranted, we begin by focusing on subdivision (a) of section 3287. This is because, "[w]hile section 3287(b) authorizes the discretionary award of prejudgment interest on *unliquidated* damages, section 3287, subdivision (a) provides for the nondiscretionary award of prejudgment interest on *liquidated* damages, or damages certain." (*Hewlett-Packard Co.*

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[5] SCIF also proposed two alternative awards of prejudgment interest: (1) an award of $912,562.71 in prejudgment interest, pursuant to section 3287, subdivision (a), for the period beginning the day it invoiced ReadyLink for the $555,327.53 in additional premium and continuing through and including the date of the judgment; and, in the alternative, (2) an award of $493,404.61 in such interest, pursuant to section 3287, subdivision *(b)*, for the period beginning on the date the present case was initiated and continuing through and including the date of the judgment.

v. Oracle Corp. (2021) 65 Cal.App.5th 506, 574, fn. 18 (*Hewlett-Packard*).) Thus, if we find that the damages SCIF sustained are liquidated or certain within the meaning of subdivision (a), then prejudgment interest is warranted and there is no need to proceed to an analysis under subdivision (b). Our review of the award pursuant to subdivision (a) is de novo. (*KGM Harvesting Co. v. Fresh Network* (1995) 36 Cal.App.4th 376, 390.)

As is evident in the text of section 3287 (see *ante*), subdivision (a), "requires both certainty and vesting before prejudgment interest can be recovered." (*International Currency Technologies v. ICT, Inc.* (2025) 112 Cal.App.5th 639, 644.) It does so to "balance[] the 'tension' between compensating plaintiffs for their losses and maintaining fairness for defendants." (*Id.* at p. 646.) " 'From a plaintiff's perspective, prejudgment interest compensates for the loss of the use of the [plaintiff's] money during the period between the assertion of the claim and the rendition of judgment.' " (*Ibid.,* quoting *Watson Bowman Acme Corp. v. RGW Construction, Inc.* (2016) 2 Cal.App.5th 279, 294.) And, "[f]rom a defendant's perspective, section 3287(a) 'promotes equity' because it provides for the recovery of prejudgment interest only when there is certainty about the amount owed" (*International Currency*, at p. 646, quoting *Watson Bowman*, at p. 293), which is to say—in the phraseology of subdivision (a)—when the damages are "certain, or capable of being made certain by calculation."

In the present case, the damages were "certain, or capable of being made certain by calculation" (§ 3287, subd. (a)—i.e., in the words of *International Currency* and *Watson Bowman,* there was "certainty about the amount owed"—because that amount was calculated based on ReadyLink's own payroll records; its correctness was corroborated by the testimony of witnesses; and the testimony of those witnesses was neither impeached nor

rebutted. Indeed, to the contrary, it was *conceded* during the trial inasmuch as ReadyLink's counsel expressly stated that he was "not going to dispute any calculation that results in what our premium is." (See *ante*.)

The resulting certainty notwithstanding, ReadyLink has argued *post*trial, in its opposition to the motion for an award of prejudgment interest and on appeal that the amount of additional premium it owed to SCIF—i.e., the amount of SCIF's damages—was *not* "capable of being made certain" and, therefore that subdivision (a) of section 3287 does *not* apply. In support of this argument, it points out: that SCIF was *not obligated* to collect the additional premium; that it had *discretion to forego* enforcing its right to collect the additional premium; that, in exercising that discretion, it could have chosen to enforce its right to collect the additional premium only *prospectively*, rather than retrospectively; and that there was no evidence indicating that SCIF *needed* additional premium. But these points are indistinguishable from points we rejected as irrelevant to the determination of damages in *ReadyLink, supra,* D083359. (See *ante*.)[6]

Simply stated in the words of subdivision (a): SCIF's damages resulting from ReadyLink's breach of the SCIF policy were "certain . . . or capable of being made certain," and those damages became "vested in [SCIF] upon a particular day" (§ 3287, subd. (a))—specifically, the day as of which SCIF's properly calculated invoice had remained unpaid for 30 days. Hence, by operation of subdivision (a), SCIF was "entitled also to recover interest

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6 ReadyLink also argues that: "A damage amount that must be proved at trial is not one that was 'certain' eight years earlier when the invoice was issued." But damage (and its amount) is an element of every breach of contract action, so the fact that a plaintiff must prove a damage amount at trial does not make the damage amount any less certain for purposes of section 3287, subdivision (a).

thereon from that day" (*ibid.*), and its entitlement to that award was "nondiscretionary." (*Hewlett-Packard, supra,* 65 Cal.App.5th at p. 574, fn. 18.)[7]

B. ReadyLink's Contention That, If an Award of Prejudgment *Was* Warranted, Then It Should Have Been in a Lesser Amount

As *noted* ante, ReadyLink contends in the alternative that the amount of prejudgment interest awarded was excessive. It argues in this regard that the trial court should have exercised its discretion, under subdivision *(b)* of section 3287, to reduce the period of time for which such interest was to be assessed. Specifically, ReadyLink contends that interest should not have been assessed: (1) for the period of time preceding SCIF's filing of the complaint; or (2) for the period of time during which ReadyLink's appeal of the *pre*trial judgment (the appeal that resulted in *ReadyLink, supra,* D083359) remained pending. But subdivision (b) does not apply to the situation presented here because, for the reasons discussed *ante*, the damages SCIF sustained were liquidated. (See *Hewlett-Packard, supra,* 65 Cal.App.5th at p. 574, fn. 18.) Hence the trial court lacked discretion to

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[7] At oral argument, ReadyLink contended that the damages were not certain, because the inputs for calculating the per diem payments were in dispute throughout the litigation. In its reply brief, ReadyLink stated that it never disputed that "the arithmetic of the invoice, given its inputs, was calculable, but instead contended that the per diem payments should have been included in the premium calculation." Further, as the ALJ concluded, ReadyLink did not require the nurses to provide any documentation regarding their per diem expenses, so in turn ReadyLink had nothing to support the eligibility of any nurse for per diem reimbursement. Instead, ReadyLink maintained throughout the litigation that it was appropriate to give per diem payments to all employees as part of its "unique per diem program [by which] each nurse employed . . . received a daily per diem amount" calculated by a proprietary software program, without regard to where they lived or worked.

reduce its award of prejudgment interest by calculating it for a shorter period of time.

III. DISPOSITION

The order awarding prejudgment interest is affirmed. SCIF is entitled to costs on appeal.

KELETY, J.

WE CONCUR:

DATO, Acting P. J.

DO, J.