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9 INSURANCE COMPANY

10
11 UNITED STATES DISTRICT COURT
12 CENTRAL DISTRICT OF CALIFORNIA, EASTERN DIVISION

13 ZURICH AMERICAN INSURANCE
14 COMPANY,

15 Plaintiff,

16 v.

17 MANAGING PERSONNEL
18 SERVICES, INC., EMPLOYEE FORCE
19 PROVIDER, INC., and DOES 1 to 10,
20 inclusive,

21 Defendants.

Case No. 5:26-cv-01568

COMPLAINT FOR DAMAGES

22 Plaintiff ZURICH AMERICAN INSURANCE COMPANY (“Plaintiff” or
23 “Zurich”) brings this action against Defendants MANAGING PERSONNEL
24 SERVICES, INC., EMPLOYEE FORCE PROVIDER, INC., and DOES 1 to 10
25 (collectively "Defendants"), and alleges as follows:

THE PARTIES AND JURISDICTION

26 1. Plaintiff Zurich is a New York corporation engaged in the insurance
27 business with a statutory home office located at 4 World Trade Center, 150
28 Greenwich Street, 32nd Floor, New York, New York 10007, and its principal place
of business located at 1299 Zurich Way, Schaumburg, Illinois 60196. Zurich is
authorized to transact business and has transacted business in California.

1 2. Plaintiff is informed and believes and based on such information and belief
2 alleges that Defendant Managing Personnel Services, Inc. is a California
3 corporation with its principal place of business located at 3400 Inland Empire
4 Blvd., Suite 101, Ontario, CA 91764. Managing Personnel Services, Inc. is
5 authorized to transact business and is transacting business in the county of San
6 Bernardino in the state of California.

7 3. Plaintiff is informed and believes and based on such information and belief
8 alleges that Defendant Employee Force Provider, Inc. is a California corporation
9 with its principal place of business located at 3400 Inland Empire Blvd., Suite 101,
10 Ontario, CA 91764. Employee Force Provider, Inc. is authorized to transact
11 business and is transacting business in the county of San Bernardino in the state of
12 California.

13 4. The amount at issue in this case is over \$75,000.00.

14 5. This matter is subject to the Federal District Court's jurisdiction based on
15 the diversity of the parties and the amount at issue pursuant to 28 U.S.C. § 1332.

16 6. Defendants DOES 1 to 10, inclusive, are the fictitious names of those
17 Defendants whose true names are unknown to Plaintiff, and whose true capacities,
18 whether as individuals, corporations, partnerships, joint venturers and/or
19 associations, are also unknown to Plaintiff, and when such true names are
20 ascertained, Plaintiff will amend this complaint by inserting said true names in the
21 place of said fictitious names in accordance with the Federal Rules of Civil
22 Procedure. Plaintiff is informed and believes and thereon alleges that, whenever
23 and wherever in this complaint all Defendants are the subject of the charging
24 allegations by Plaintiff, said Does are also responsible in some manner for the
25 events and happenings and it shall be deemed that said Defendants, DOES 1 to 10,
26 inclusive, and each of them, are likewise the subject of said charging allegations
27 herein by Plaintiff.

28 7. At all times herein mentioned, Defendants, and each of them, were the

1 agents, servants, and employees of each of the other Defendants herein, and at the
2 same time and place of the events hereinafter described, were acting within the
3 course and scope of said agency and employment with the permission and consent
4 of the other Defendants and each of them. Defendants are, and each of them is, the
5 alter ego of the other Defendants, and Defendants are essentially the extension of
6 each other.

7 **GENERAL ALLEGATIONS**

8 8. Defendants are a captive insurance provider and program to which Zurich
9 issued Workers Compensation insurance policies.

10 9. At Defendants' request, policy no. WC 3804569-04 was issued by Zurich
11 for the policy period July 1, 2023 to July 1, 2024 ("WC Agreement "I").

12 10. At Defendants' request, policy no. WC 3804569-05 was issued by Zurich
13 for the policy period July 1, 2024 to July 1, 2025 ("WC Agreement "II").

14 11. Collectively WC Agreement I and WC Agreement II will be referred to
15 herein as the "Agreements."

16 12. Pursuant to the terms of the Agreements, the initial premium charged for
17 the policy is based on an estimate of exposure by the insured, subject to adjustment
18 by a "true-up" payroll audit after the conclusion of the policy period. If the actual
19 exposure is greater than the estimated exposure then an additional premium is
20 owed. If the estimated exposure is greater than the actual exposure as determined
21 by the audit, then a premium refund is due.

22 13. Pursuant to the Agreements, an audit is conducted after a policy is
23 cancelled to "true up" the estimated exposure with the actual exposure for the term
24 the policy was in effect. If the actual exposure exceeds the amount of the
25 estimated exposure, or the amount of the estimated premium that was paid, then
26 additional premium is owed.

27 14. On or about December 18, 2024, the audit results for WC Agreement I
28 were issued by Zurich to Defendants with a demand for payment of an additional

1 premium of \$179,753.00.

2 15. On or about May 14, 2025, Defendants made a payment to Zurich of
3 \$100,000 toward the premium owed after audit for WC Agreement I, leaving a
4 balance owed of \$79,752.00.

5 16. Effective June 9, 2025, Zurich cancelled WC Agreement II for non-
6 payment.

7 17. On or about August 28, 2025, the post-cancellation audit results for WC
8 Agreement II were issued by Zurich to Defendants with a demand for payment for
9 premium owed of \$1,059,255.00.

10 18. Defendants did not pay the premium owed after audit of \$1,059,255.00 for
11 WC Agreement II.

12 19. On or about February 24, 2026, Zurich issued a Statement of Account and
13 demand for payment to Defendants totaling \$1,139,007.00 (\$79,752.00 for the
14 remaining premium for WC Agreement I, and \$1,059,255.00 for the premium
15 owed for WC Agreement II), plus interest.

16 20. Despite follow up efforts, Defendants have not paid to Zurich, in whole or
17 in part, premiums totaling \$1,139,007.00 owed for the Agreements.

18 **FIRST CAUSE OF ACTION**

19 (Breach of Contract for Damages Against All Defendants)

20 21. Zurich incorporates by reference each and every allegation contained in
21 paragraphs 1 through 20 above, as though fully set forth herein.

22 22. At Defendants' request, Zurich issued the insurance policies and coverages
23 set forth in the terms of the Agreements.

24 23. Zurich fulfilled its contractual obligations to Defendants by providing the
25 insurance coverages set forth in the Agreements.

26 24. After the end of the policy period for WC Agreement I and the cancellation
27 of WC Agreement II, Zurich performed payroll audits per the Agreements to
28 determine premium owed by Defendants based on actual exposure.

1 25. On or about December 18, 2024, the audit results for WC Agreement I
2 were issued by Zurich to Defendants with a demand for payment of an additional
3 premium of \$179,753.00.

4 26. On or about May 14, 2025, Defendants made a payment to Zurich of
5 \$100,000 toward the premium owed after audit for WC Agreement I, leaving a
6 balance owed of \$79,752.00.

7 27. On or about August 28, 2025, the post-cancellation audit results for WC
8 Agreement II were issued by Zurich to Defendants with a demand for payment for
9 premium owed of \$1,059,255.00.

10 28. Defendants did not pay the premium owed after audit of \$1,059,255.00 for
11 WC Agreement II.

12 29. On or about February 24, 2026, Zurich issued a Statement of Account and
13 demand for payment to Defendants totaling \$1,139,007.00 (\$79,752.00 for the
14 remaining premium for WC Agreement I, and \$1,059,255.00 for the premium
15 owed for WC Agreement II), plus interest.

16 30. Despite follow up efforts, to date Zurich has not received payment, in
17 whole or in part, from Defendants for the premiums currently outstanding and
18 owed for the Agreement, totaling \$1,139,007.00.

19 31. Defendants materially breached the Agreement by failing to pay Zurich the
20 outstanding premiums owed totaling \$1,139,007.00.

21 32. Defendants continue to be in breach of the Agreements by failing to pay
22 Zurich the outstanding premiums owed totaling \$1,139,007.00.

23 33. Zurich did not waive or otherwise excuse Defendants' obligations pursuant
24 to the Agreements to pay Zurich the outstanding premiums owed totaling
25 \$1,139,007.00.

26 34. As a direct and proximate result of Defendants' breaches of their
27 obligations pursuant to the Agreement, Zurich has been damaged in the amount of
28 \$1,139,007.00 for the billed but unpaid apremiums.

1 35. Zurich seeks and is entitled to obtain a judgment for damages according to
2 proof, plus daily pre-judgment interest calculated at the applicable statutory rate,
3 costs of suit, and such other and further relief as the court deems proper.
4

5 WHEREFORE, Zurich prays for judgment in its favor and against
6 Defendants as follows:

- 7 1. For damages according to proof at trial.
- 8 2. For an award of daily pre-judgment interest.
- 9 3. For costs of suit.
- 10 4. For such other and further relief as the court may deem proper.

11
12 Bench Trial requested by Zurich.

13
14 DATED: March 31, 2026

HORTON VILLAGE LAW GROUP,
APC

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16
17 By: /s/ Lincoln V. Horton
18 LINCOLN V. HORTON
19 Counsel for Plaintiff ZURICH
20 AMERICAN INSURANCE COMPANY
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