

CONFIDENTIAL — Litigation Analysis

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Matter: Panda Solutions, LLC v. Pro Mechanical Services Inc., et al.

Court: Superior Court of California, County of Monterey — Case No. 25CV001352 (Hon. Carrie M. Panetta, Dept. 14)

Posture: Panda = Plaintiff. Complaint filed 3/12/2025. **Trial set 9/28/2026.** Counsel of record: Fox Rothschild LLP (J. Siegal). Internal billing matter 339278.00021.

Re: Analysis of defendants' July 2026 filings & discovery — RSP Holdings' Answer, Cross-Complaint, jury demand; Pro Mechanical's supplemental discovery

Date: August 2, 2026

Not legal advice. This memo is an informational analysis to support the client's discussion with Fox Rothschild, its counsel of record. Doctrinal flags are issues to raise with counsel, not conclusions. Counsel drives all strategy, drafting, verification, and filing.

1. The players & what changed

The case is no longer a two-party dispute. It is now a multi-party construction-defect / **crop-loss** action arising from a cannabis grow facility ("the PROJECT"), where allegedly defective mechanical/HVAC work is said to have caused crop losses.

PARTY	ROLE	COUNSEL
Panda Solutions, LLC (WA)	Plaintiff — grower, claims crop losses	Fox Rothschild (Siegal, Brown, Mahoney)
Pro Mechanical Services Inc. (WA)	Defendant — mechanical contractor	Clapp Moroney (Constantino / Carney)
RSP Holdings, Inc. (CA)	Defendant + Cross-Complainant ("Russ Perry" entity)	Mokri Vanis & Jones (Jones / Barbag)
Alcazar Heating & Air Conditioning, LLC (CA)	Defendant / cross-defendant — HVAC sub	(not yet shown)
Performance Mechanical	New cross-defendant pulled in by RSP	(not yet shown)

2. What the July 2026 documents are

Pile A — RSP Holdings' defensive package (7/29/2026): Answer (general denial + 41 affirmative defenses); Cross-Complaint (8 causes of action for indemnity/contribution) with Summons; Demand for Jury Trial; Notice of Posting Jury Fees (\$150).

Pile B — Pro Mechanical's end-stage discovery served on Panda (7/30/2026): Supplemental Request for Production; Supplemental Interrogatories.

Note: These filings do **not** include Pro Mechanical's or Alcazar's own Answers/affirmative defenses. The 41 defenses analyzed here are **RSP's only**. From Pro Mechanical we currently have only discovery aimed at Panda.

3. RSP's 41 affirmative defenses — signal vs. noise

California defendants plead every conceivable defense to avoid waiver; most of the 41 are boilerplate placeholders. The defenses that carry real weight here:

#	DEFENSE	WHY IT MATTERS
2,3,11,25	Contributory / comparative fault; negligence of others; allocation of fault	Core strategy — "empty chair." Blame Panda and the other contractors rather than RSP. Expect defendants to point at each other.
26	Misuse / improper maintenance / alteration	Blames the <i>grower</i> for crop loss (bad environmental controls), not the equipment.
12	Failure to mitigate	Attacks the damages number — "Panda didn't limit the loss."
27	Spoliation of evidence	Operationally the most urgent. Signals Panda must preserve dead crops, equipment, sensor/maintenance logs now.
20,21,41	Lack of privity / no contract / no reliance	RSP says no contract with Panda — tests whether contract claims against RSP survive (tort/indemnity theories don't need privity).
9	Design defects (built per others' plans)	Shifts causation to the designer; counter with an installation/workmanship-causation expert.
38	Economic loss rule	Likely favorable to Panda. Crop loss = damage to <i>other</i> property, generally <i>outside</i> the rule. Keep damages framed as crop/product loss.
7	Statute of limitations / "Right to Repair"	Cites Civ. Code §§896/900/941/945.5 (SB800) — a <i>residential</i> statute likely inapplicable to a commercial grow. Real question is accrual timing (project ~2022–23 vs. 3/2025 filing).

The remaining ~30 (assumption of risk, laches, unclean hands, waiver, ratification, accord & satisfaction, adhesion, unconscionability, business-judgment rule [Corp. Code §7231 — a nonprofit-director statute, clearly canned], act of God, wear and tear, etc.) are reserved boilerplate with no pleaded facts. See the accompanying **Defense Matrix** for a line-by-line threat rating and response for all 41.

4. RSP's Cross-Complaint — pushing liability down

RSP is both defendant and cross-complainant. It sues Performance Mechanical, Alcazar, Pro Mechanical, and ROES 1–100 for implied equitable indemnity, comparative indemnity, comparative

negligence, contribution, implied contractual indemnity, breach of written contract, express indemnity, and declaratory relief. RSP alleges **written contracts** requiring the subs to perform in workmanlike fashion, **name RSP as additional insured**, and **indemnify** it.

- RSP appears to be an upstream entity that subbed the mechanical work to Alcazar / Performance and is pushing liability **down** to them.
- **Insurance likely sits in the chain** (additional-insured + indemnity obligations) — a potential solvent source to fund a recovery. This is where the money is.
- Defendants fighting each other generally **helps a plaintiff** — provided at least one solvent/insured party stays on the hook for Panda's damages.

5. Jury demand + fees

RSP demanded a jury and posted fees, preserving a jury trial for the whole case. Effect: higher cost, longer trial, more unpredictability, more settlement pressure — and a Monterey County (ag-country) jury pool whose view of a grower's crop-loss story, and of cannabis, cuts both ways. A jury-strategy read from Fox is warranted.

6. Pro Mechanical's supplemental discovery (served on Panda)

Supplemental Interrogatories (CCP §2030.070) and Supplemental RFP (CCP §2031.050) ask Panda to **update** any prior responses/production (Set One) that are now incomplete. **Responses due ~30 days from 7/30/2026 → early September 2026** (email service adds ~2 court days). With trial 9/28/2026, this is a deliberate sweep to **freeze Panda's damages evidence** before trial and expose gaps. Fox should respond on time and use it to **shore up the damages record** (crop-loss quantum, damages expert), not merely check a box.

7. Deadlines & action items

ITEM	TIMING	OWNER
Preserve all evidence (crops, equipment, sensor/maintenance logs)	Immediately — spoliation pled	Panda + Fox
Respond to Supplemental Interrogatories + RFP	~early Sept 2026	Fox (client verifies)
Confirm SoL / Right-to-Repair inapplicability	ASAP	Fox
Confirm insurance / additional-insured tender chain	ASAP	Fox
Trial	9/28/2026	—

8. Questions for Fox

- Are we suing the correct RSP entity in contract, given the privity defense — and do our tort/indemnity theories against RSP hold?
- Insurance/tender: is Panda an additional insured anywhere, and who is the solvent party that ultimately pays a judgment or settlement?
- Are our crop-loss damages pleaded as *other-property* damage so the economic-loss rule can't shrink the case?
- What is our evidence-preservation status (crops, equipment, environmental data)?
- What is our answer to the mitigation / misuse ("bad grow ops") theory — the heart of the damages fight?
- Any statute-of-limitations exposure given the project timeline vs. the March 2025 filing?

9. Cost context (billing tie-in)

This is billing matter 00021 — ~\$242K billed / ~\$82K outstanding. These filings confirm it has grown into a multi-party, jury-demanded construction-defect case roughly eight weeks from trial. That complexity is *context* for the 2026 fee ramp: heavy spend here is partly explained by trial prep, a damages expert, and multiple adverse parties. It does not excuse the block-billing or partner-leverage issues raised in the bill review, but it does soften the "proportionality" concern for **this** matter specifically.

Prepared as an internal analysis for review with counsel. Not legal advice; no attorney-client relationship is created by this document. All legal strategy, drafting, verification, and filing decisions rest with Fox Rothschild LLP.