WORKERS' COMPENSATION APPEALS BOARD STATE OF CALIFORNIA

HUGO RODEZNO, Applicant

VS.

PRECISION CARGO LOGISTICS INC.; STATE COMPENSATION INSURANCE FUND, Defendants

Adjudication Number: ADJ18617617 Los Angeles District Office

OPINION AND ORDER DISMISSING PETITION FOR RECONSIDERATION

Applicant filed a petition to either set aside or seek reconsideration of the Order Approving Compromise and Release (OACR), issued March 28, 2024, in which a workers' compensation administrative law judge (WCJ) approved a Compromise and Release Agreement (C&R) signed by applicant, in pro per, and defendant, settling applicant's specific injury claim for \$30,000.00 less permanent disability advances.

Applicant contends 1) defendant State Compensation Insurance Fund (SCIF) failed to provide a certified Spanish interpreter to translate the C&R; 2) the settlement amount does not adequately compensate him for his injuries; and 3) SCIF improperly used the C&R as a means of foreclosing him from pursuing claims against his employer, including a section 132a claim.¹ Applicant also contends that SCIF acted in bad faith during the settlement process.

We received an Answer from SCIF. The WCJ prepared a Report and Recommendation on Petition for Reconsideration (Report) recommending that the Petition be dismissed as premature and that the matter be remanded so that a full hearing may be held to determine whether there are sufficient grounds to set aside the OACR.

Based on our review of the record, and for the reasons discussed below, we will dismiss the Petition as premature and return this matter to the trial level for consideration of the Petition as one to set aside the OACR.

¹ Lab. Code, § 132a.

DISCUSSION

"The appeals board has continuing jurisdiction over all its orders, decisions, and awards made and entered under the provisions of [Division 4] . . . At any time, upon notice and after the opportunity to be heard is given to the parties in interest, the appeals board may rescind, alter, or amend any order, decision, or award, good cause appearing therefor." (Lab. Code, § 5803.)

We observe that the legal principles governing compromise and release agreements are the same as those governing other contracts. (*Burbank Studios v. Workers' Comp. Appeals Bd.* (*Yount*) (1982) 134 Cal.App.3d 929, 935 [47 Cal.Comp.Cases 832].) For a compromise and release agreement to be effective, the necessary elements of a contract must exist, including an offer of settlement of a disputed claim by one of the parties, and an acceptance by the other. (*Id.*) There can be no contract unless there is a meeting of the minds and the parties mutually agree upon the same thing. (Civ. Code, §§ 1550, 1565, 1580; *Sackett v. Starr* (1949) 95 Cal.App.2d 128; *Sieck v. Hall* (1934) 139 Cal.App.279, 291; *American Can Co. v. Agricultural Ins. Co.* (1909) 12 Cal.App. 133, 137.) Stipulations between the parties must be interpreted to give effect to the mutual intention of the parties it existed at the time of contracting, so far as the same is ascertainable and lawful. (*County of San Joaquin v. Workers' Comp. Appeals Bd.* (*Sepulveda*) (2004) 117 Cal.App.4th 1180, 1184 [69 Cal.Comp.Cases 193]; Civ. Code, § 1636.)

Here, applicant contends that there was no meeting of the minds when the parties signed the C&R. Specifically, applicant contends that, because he signed the C&R in pro per and without the assistance of a certified Spanish interpreter, he did not understand the terms or the adequacy of the settlement or its impact upon his ability to pursue future claims against his employer.

If applicant did not understand the terms of the C&R, it calls into question whether the parties mutually agreed upon the same thing, which, in turn, calls into question whether a contract was created. Additionally, we note that the C&R was not presented at a regularly scheduled hearing; as a result, the WCJ did not have the opportunity to assess applicant's understanding of the proposed agreement.

² To determine whether there is good cause to rescind the awards and stipulations, the circumstances surrounding their execution and approval must be assessed. (See Lab. Code, § 5702; County of Sacramento v. Workers' Comp. Appeals Bd. (Weatherall) (2000) 77 Cal.App.4th 1114, 1118-1121 [65 Cal.Comp.Cases 1]; Robinson v. Workers' Comp. Appeals Bd. (Robinson) (1987) 194 Cal.App.3d 784, 790-792 [52 Cal.Comp.Cases 419]; Huston v. Workers' Comp. Appeals Bd. (Huston) (1979) 95 Cal.App.3d 856, 864-867 [44 Cal.Comp.Cases 798].) However, as recognized in Weatherall, the Appeals Board may also, in its discretion, reject factual stipulations and set the matter for hearing and further investigation. (Weatherall, supra, at p. 1119; Lab. Code, § 5702.)

"The Workers' Compensation Appeals Board shall inquire into the adequacy of all Compromise and Release agreements and Stipulations with Request for Award, and may set the matter for hearing to take evidence when necessary to determine whether the agreement should be approved or disapproved, or issue findings and awards." (Cal. Code Regs., tit. 8, § 10700(b).) The Appeals Board also has a constitutional mandate to "ensure substantial justice in all cases" and may not leave matters undeveloped where it is clear that additional discovery is needed. (Kuykendall v. Workers' Comp. Appeals Bd. (2000) 79 Cal.App.4th 396, 403-404 [65 Cal.Comp.Cases 264].)

All parties in workers' compensation proceedings retain their fundamental right to due process and a fair hearing under both the California and United States Constitutions. (*Rucker v. Workers' Comp. Appeals Bd.* (*Rucker*) (2000) 82 Cal.App.4th 151, 157-158 [65 Cal.Comp.Cases 805].) The "essence of due process is simply notice and the opportunity to be heard." (*San Bernardino Cmty. Hosp. v. Workers' Comp. Appeals Bd.* (*McKernan*) (1999) 74 Cal.App.4th 928, 936 [64 Cal.Comp.Cases 986].) A fair hearing includes, but is not limited to, the opportunity to call and cross-examine witnesses; introduce and inspect exhibits; and to offer evidence in rebuttal. (See *Gangwish v. Workers' Comp. Appeals Bd.* (2001) 89 Cal.App.4th 1284, 1295 [66 Cal.Comp.Cases 584]; *Rucker, supra*, at 157-158 citing *Kaiser Co. v. Industrial Acci. Com.* (*Baskin*) (1952) 109 Cal.App.2d 54, 58 [17 Cal.Comp.Cases 21]; *Katzin v. Workers' Comp. Appeals Bd.* (1992) 5 Cal.App.4th 703, 710 [57 Cal.Comp.Cases 230].)

Here, we conclude that there is currently insufficient evidence to determine whether there are sufficient grounds to set aside the OACR. Thus, we will dismiss the Petition as premature and return the matter to the WCJ for further proceedings consistent with this opinion. Upon return of this matter to the trial level, we recommend the WCJ treat applicant's Petition as a petition to set aside and set a hearing so that applicant can provide evidence in support of his arguments and create a record upon which a decision can be made by the WCJ.

For the foregoing reasons,

IT IS ORDERED that applicant's Petition for Reconsideration filed April 26, 2024 is **DISMISSED** and that the matter is **RETURNED** to the trial level for further proceedings and decision by the WCJ.

WORKERS' COMPENSATION APPEALS BOARD

/s/ JOSÉ H. RAZO, COMMISSIONER

I CONCUR,

/s/ CRAIG SNELLINGS, COMMISSIONER



/s/ KATHERINE A. ZALEWSKI, CHAIR

DATED AND FILED AT SAN FRANCISCO, CALIFORNIA

JUNE 24, 2024

SERVICE MADE ON THE ABOVE DATE ON THE PERSONS LISTED BELOW AT THEIR ADDRESSES SHOWN ON THE CURRENT OFFICIAL ADDRESS RECORD.

HUGO RODEZNO GOMEZ-GARCIA LAW INC. STATE COMPENSATION INSURANCE FUND

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