WORKERS' COMPENSATION APPEALS BOARD

STATE OF CALIFORNIA

ANABEL LOPEZ LOPEZ, ***Applicant***

vs.

I.Y.V.E. LLC; JESUS LUA,
an individual and beneficial interest holder of
I.Y.V.E. LLC;
UNINSURED EMPLOYERS BENEFITS TRUST FUND, ***Defendants***

Adjudication Number: ADJ14364219
Los Angeles District Office

OPINION AND ORDER DISMISSING PETITION FOR RECONSIDERATION

Defendant Jesus Lua and I.Y.V.E., LLC seeks reconsideration of the Order Approving Compromise & Release (OACR) dated June 30, 2026, and issued on July 2, 2026, by a workers' compensation administrative law judge (WCJ).

Defendant contends that he did not receive proper notice of the hearing where the WCJ considered the Compromise & Release (C&R) because his address had changed; and that he was not applicant's employer at the time of her claimed injury.

We received Answers from defendant Uninsured Employers Benefits Trust Fund (UEBTF) and applicant. The WCJ issued a Report and Recommendation on Petition for Reconsideration (Report) recommending that the Petition for Reconsideration be denied.

We have considered the allegations of the Petition and Answers and the contents of the Report of the WCJ with respect thereto. Based on our review of the record, and as discussed below, we will dismiss the Petition and return this matter to the trial level for consideration of the Petition as one to set aside the OACR.

FACTS

As stated in the WCJ's Report:

> Applicant Anabel Lopez Lopez. . . filed an Application for Adjudication of claim on 03/11/2021 claiming to have sustained an injury on 06/12/2020 arising out of

and in the course of employment with Jesus Lua, individual and beneficial interest holder of I.Y.V.E LLC, a limited liability company.

The Uninsured Employers Benefits Trust Fund was joined on 11/02/2022. Jesus Lua was joined individually as a beneficial interest holder on 05/25/2023.

The matter proceeded to hearing and was scheduled for Trial. A proposed Compromise and Release was filed by OD Legal on 09/23/2025, and the undersigned WCJ issued a Notice of intent to approve the Compromise and Release on the same day.

On 10/21/2025, Petitioner filed an untimely, unverified Objection to the Notice of Intent.

On 10/24/2025, despite the procedural issues with the Objection, the undersigned WCJ issued an Order Suspending Action.

On 06/30/2026, the matter came for Trial. Petitioner did not appear. The Minutes of Hearing noted: "Employer filed an untimely, unverified objection to the NOI to approve the C&R but did not appear at trial. The objection is overruled, and the OACR is being issued."

On 07/01/2026, the undersigned WCJ issued an Order Approving Compromise and Release, served on Applicant's counsel, with two (2) proofs of service filed on 07/02/2026 by Applicant's counsel and OD Legal.

Petitioner then filed the current Petition for Reconsideration on 08/06/2026.

(Report, p. 2.)

DISCUSSION

I.

Petitions for reconsideration filed on or after July 14, 2026, are subject to Labor Code section[1] 5909, which states that:

> (a) A petition for reconsideration is deemed to have been denied by the appeals board unless it is acted upon within 60 days from the date a trial judge transmits a case to the appeals board.
>
> (b)
>
> (1) When a trial judge transmits a case to the appeals board, the trial judge shall provide notice to the parties of the case and the appeals board.

[1] All further statutory references are to the Labor Code, unless otherwise noted.

> (2) For purposes of paragraph (1), service of the accompanying report, pursuant to subdivision (b) of Section 5900, shall constitute providing notice.

Under section 5909(a), the Appeals Board must act on a petition for reconsideration within 60 days of transmission of the case to the Appeals Board. Transmission is reflected in Events in the Electronic Adjudication Management System (EAMS). Specifically, in Case Events, under Event Description is the phrase "Sent to Recon" and under Additional Information is the phrase "The case is sent to the Recon board."

Here, according to Events, the case was transmitted to the Appeals Board on August 21, 2026, and 60 days from the date of transmission is Tuesday, October 20, 2026. This decision is issued by or on Tuesday, October 20, 2026, so that we have timely acted on the Petition as required by section 5909(a).

Section 5909(b)(1) requires that the parties and the Appeals Board be provided with notice of transmission of the case. Transmission of the case to the Appeals Board in EAMS provides notice to the Appeals Board. Thus, the requirement in subdivision (1) ensures that the parties are notified of the accurate date for the commencement of the 60-day period for the Appeals Board to act on a petition. section 5909(b)(2) provides that service of the Report shall be notice of transmission.

Here, according to the proof of service for the Report, the Report was served on August 21, 2026, and the case was transmitted to the Appeals Board on August 21, 2026. Service of the Report and transmission of the case to the Appeals Board occurred on the same day. Thus, we conclude that the parties were provided with the notice of transmission required by section 5909(b)(1) because service of the Report in compliance with section 5909(b)(2) provided them with actual notice as to the commencement of the 60-day period on August 21, 2026.

II.

Turning to the merits, we will first consider defendant's contention that the WCJ proceeded with approving the C&R and that he was denied the opportunity to object at the hearing because he did not receive proper notice.

In our en banc decision in *Perez v. Chicago Dogs* (2025) 90 Cal.Comp.Cases 830 (Appeals Board en banc) (*Chicago Dogs*), we stated that:

> In conducting our preliminary review, we observe that in addition to our constitutional mandate to accomplish substantial justice, the following fundamental legal principles must guide us:
>
> (A) Only the Appeals Board has statutory authority to establish procedures in workers' compensation proceedings and to promulgate rules.
> (B) Parties have a due process right to a fair hearing and a determination based on the merits.
> (C) In workers' compensation proceedings, pleadings are liberally construed and may be amended to conform to proof.

(*Id.* at p. 836.)

All parties to a workers' compensation proceeding retain the fundamental right to due process and a fair hearing under both the California and United States Constitutions. (*Rucker v. Workers' Comp. Appeals Bd.* (2000) 82 Cal.App.4th 151, 157-158 [65 Cal.Comp.Cases 805].) "Due process requires notice and a meaningful opportunity to present evidence in regard to the issues." (*Rea v. Workers' Comp. Appeals Bd.* (2005) 127 Cal.App.4th 625, 643 [70 Cal.Comp.Cases 312]; see also *Fortich v. Workers' Comp. Appeals Bd*. (1991) 233 Cal.App.3d 1449, 1452-1454 [56 Cal.Comp.Cases 537].) A fair hearing includes, but is not limited to, the opportunity to call and cross-examine witnesses; introduce and inspect exhibits; and 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 pp. 157-158 citing *Kaiser Co. v. I.A.C.* (*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].) As stated by the Court of Appeal:

> A denial of due process to a party ordinarily compels annulment of the Board's decision only if it is reasonably probable that, absent the procedural error, the party would have attained a more favorable result. However, if the denial of due process prevents a party from having a fair hearing, the denial of due process is reversible per se.

(*Beverly Hills Multispecialty Group, Inc. v. Workers' Comp. Appeals Bd*. (*Pinkney*) (1994) 26 Cal.App.4th 789, 806 [59 Cal.Comp.Cases 461], citations omitted.)

It is the policy of the law to favor, whenever possible, a hearing on the merits. (*Fox v. Workers' Comp. Appeals Bd.* (1992) 4 Cal.App.4th 1196, 1205 [57 Cal. Comp. Cases 149]; see also *Shamblin v. Brattain* (1988) 44 Cal.3d 474, 478 ("when a party in default moves promptly to seek relief, very slight evidence is required to justify a trial court's order setting aside a default.") As we stated in *Chicago Dogs*: "This is particularly true in workers' compensation cases, where there

is a constitutional mandate 'to accomplish substantial justice in all cases.'" (*Chicago Dogs*, *supra*, 90 Cal.Comp.Cases at p. 837, quoting Cal. Const., art. XIV, § 4.)

In *Chicago Dogs*, we explained that: "in workers' compensation proceedings, it is settled law that (1) pleadings may be informal (citations); (2) claims should be adjudicated based on substance rather than form (citations); (3) pleadings should liberally construed so as not to defeat or undermine an injured employee's right to make a claim (citations); and (4) technically deficient pleadings, if they give notice and are timely, normally do not deprive the Board of jurisdiction (citations)." (*Chicago Dogs*, *supra*, 90 Cal.Comp.Cases at p. 839.) We then concluded that: "interpretation of our rules must necessarily incorporate California's public policy in favor of adjudication of claims on their merits, rather than on the technical sufficiency of the pleadings." (*Ibid.*)

The Appeals Board has continuing jurisdiction to "rescind, alter, or amend any order, decision, or award," if a petition is filed within five years of the date of injury and "good cause" to reopen is shown. (Lab. Code, §§ 5803, 5804.) Further, "[t]he 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).)

"A stipulation is 'An agreement between opposing counsel … ordinarily entered into for the purpose of avoiding delay, trouble, or expense in the conduct of the action,' (Ballentine, Law Dict. (1930) p. 1235, col. 2) and serves 'to obviate need for proof or to narrow range of litigable issues' (Black's Law Dict. (6th ed. 1990) p. 1415, col. 1) in a legal proceeding." (*County of Sacramento v. Workers' Comp. Appeals Bd.* (*Weatherall*) (2000) 77 Cal.App.4th 1114, 1118 [65 Cal.Comp.Cases 1].) While the parties may stipulate to the facts in controversy, the WCJ is not bound by the parties' stipulations and may make further inquiry into the matter "to enable it to determine the matter in controversy." (Lab. Code, § 5702; see also *Weatherall*, *supra*, at p. 1119; *Turner Gas Co. v. Workers' Comp. Appeals Bd.* (*Kinney*) (1975) 47 Cal.App.3d 286 [40 Cal.Comp.Cases 253].) However, WCAB Rule 10835 provides that no finding shall be made contrary to a stipulation of the parties without giving the parties notice and an opportunity to be heard. (Cal. Code Regs., tit. 8, § 10835.)

"Good cause" to set aside an order or stipulations depends upon the facts and circumstances of each case. "Good cause" includes mutual mistake of fact, duress, fraud, undue influence, and procedural irregularities. (*Johnson v. Workmen's Comp. Appeals Bd.* (1970) 2 Cal.3d 964, 975 [35 Cal.Comp.Cases 362]; *Santa Maria Bonita School District v. Workers' Comp. Appeals Bd.* (2002) 67 Cal.Comp.Cases 848, 850 (writ den.); *City of Beverly Hills v. Worker's Comp. Appeals Bd.* (*Dowdle*) (1997) 62 Cal.Comp.Cases 1691, 1692 (writ den.); *Smith v. Workers' Comp. Appeals Bd.* (1985) 168 Cal.App.3d 1160, 1170 [50 Cal.Comp.Cases 311] (writ den.).) To determine whether there is good cause, the circumstances surrounding their execution and approval must be assessed. (See Lab. Code, § 5702; *Weatherall, supra*, at pp. 1118-1121; *Robinson v. Workers' Comp. Appeals Bd.* (1987) 199 Cal.App.3d 784, 790-792 [52 Cal.Comp.Cases 419]; *Huston v. Workers' Comp. Appeals Bd.* (1979) 95 Cal.App.3d 856, 864-867 [44 Cal.Comp.Cases 798].)

Additionally, there must be a complete record for our review of the case. "[A] proper record enables any reviewing tribunal, be it the Board on reconsideration or a court on further appeal, to understand the basis for the decision." (*Hamilton v. Lockheed Corporation* (2001) 66 Cal.Comp.Cases 473, 475 (Appeals Bd. en banc).) Decisions of the Appeals Board "must be based on admitted evidence in the record" (*Id.* at p. 476), and must be supported by substantial evidence (Lab. Code, §§ 5903, 5952(d); *Lamb v. Workmen's Comp. Appeals Bd.* (1974) 11 Cal.3d 274 [39 Cal.Comp.Cases 310]; *Garza v. Workmen's Comp. Appeals Bd.* (1970) 3 Cal.3d 312 [35 Cal.Comp.Cases 500]; *LeVesque v. Workmen's Comp. Appeals Bd.* (1970) 1 Cal.3d 627 [35 Cal.Comp.Cases 16]). As required by section 5313 and explained in *Hamilton*, "the WCJ is charged with the responsibility of referring to the evidence in the opinion on decision, and of clearly designating the evidence that forms the basis of the decision." (*Hamilton*, *supra*, at p. 475.)

Here, defendant asserts that he did not receive proper notice of the hearing and that on the merits, he did not employ applicant. We agree, as a matter of due process, that the defendant is entitled to a hearing. In the absence of a record, we are unable to evaluate whether grounds exist to set aside the Award.

Accordingly, we dismiss the Petition for Reconsideration as premature. At the trial level, the WCJ may treat the Petition as a petition to set aside the OACR, conduct further proceedings, and create a record on which a decision can be made as to whether there are grounds for setting aside the OACR. After the WCJ issues a decision, any aggrieved party may timely seek reconsideration.

For the foregoing reasons,

IT IS ORDERED that the Petition for Reconsideration is **DISMISSED**.

WORKERS' COMPENSATION APPEALS BOARD

/s/ PAUL F. KELLY, COMMISSIONER

I CONCUR,

/s/ LISA A. SUSSMAN, DEPUTY COMMISSIONER

/s/ KATHERINE A. ZALEWSKI, CHAIR

DATED AND FILED AT SAN FRANCISCO, CALIFORNIA

OCTOBER 20, 2026

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

JESUS LUA, INDIVIDUAL AND BENEFIT INTEREST OWNER OF L.Y.V.E. LLC
OFFICE OF THE DIRECTOR-LEGAL UNIT, LOS ANGELES
TELLERIA & TELLERIA
ANABEL LOPEZ LOPEZ

AS/mc

I certify that I affixed the official seal of the Workers' Compensation Appeals Board to this original decision on this date.
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