

**WORKERS' COMPENSATION APPEALS BOARD
STATE OF CALIFORNIA**

BERENICE LUA DAMIAN, *Applicant*

vs.

**CONSOLIDATED STAFFING SOLUTIONS, INC.; SOUTHEAST PERSONNEL
LEASING; MARKEL SERVICES OMAHA; STATE NATIONAL INSURANCE
COMPANY; PACKARD CLAIMS ADMINISTRATION, *Defendants***

**Adjudication Number: ADJ17108250
San Bernardino District Office**

**OPINION AND ORDER
GRANTING PETITION FOR
RECONSIDERATION
AND DECISION AFTER
RECONSIDERATION**

Defendants Southeast Personnel Leasing (Southeast), State National Insurance Company (State National), Packard Claims Administration (Packard), and Markel Services Omaha (Markel), and attorneys CBE Law Group (CBE) (hereinafter Petitioners) seek reconsideration of the Findings and Order (F&O) issued on February 18, 2026 wherein the workers' compensation administrative law judge (WCJ) found that CBE, individually; Resolution Partners (Resolution), individually; Southeast, State National, Packard, and Markel, jointly and severally; and Consolidated Staffing Solutions, Inc., (Consolidated Staffing) individually, engaged in sanctionable conduct. The WCJ ordered payment of sanctions in the amount of seven hundred fifty dollars (\$750) each by CBE and Resolution, five hundred dollars (\$500) by Southeast, State National, Packard, and Markel, jointly and severally, and one thousand dollars (\$1,000) by Consolidated Staffing. The WCJ also ordered payment of four hundred dollars (\$400) each by CBE and Resolution for reasonable attorney's fees to applicant's attorneys.

Petitioners contend that that WCAB does not have jurisdiction over Southeast, State National, or Packard as they were not properly joined as defendants and any order of sanctions, attorney's fees, or costs would be a denial of their due process rights as they were not given notice

of joinder nor an opportunity to be heard. (Petition for Reconsideration (Petition), p. 9.) Petitioners further contend that there is insufficient evidence of bad faith conduct, frivolous actions, delay, or prejudice and that the WCJ failed to “identify a specific natural individual and their specific conduct which would justify an imposition of sanctions.” (*Id.* at pp. 10-12.)

We have not received an Answer from applicant. The WCJ prepared a Report and Recommendation on Petition for Reconsideration (Report), recommending that the Petition be denied.

We have considered the contents of the Petition and the Report, and we have reviewed the record in this matter. For the reasons discussed below, we will grant the Petition and rescind the F&O.

FACTS

On December 27, 2022, applicant filed an Application for Adjudication of Claim (Application) alleging that while employed by Consolidated Staffing as a warehouse worker on December 1, 2022, she sustained injury arising out of and occurring in the course of employment (AOE/COE) to the wrist(s). Although Markel was listed on the Application as the claims administrator, an insurer was not listed.

On April 22, 2024, Gilson Daub filed a Notice of Representation for Consolidated Staffing. Several months thereafter, on August 20, 2024, Gilson Daub was dismissed as the attorney of record for Consolidated Staffing and Matthew Soleiman/Soleiman, APC (Soleiman) was appointed in their place.

On September 19, 2024, CBE filed a Notice of Representation for Southeast, State National, and Packard.

A deposition of applicant was scheduled for November 27, 2024. Prior to the deposition, applicant and Consolidated Staffing as represented by Soleiman entered into a tentative settlement.

On May 6, 2025, Soleiman filed a “Dismissal of Attorney” alleging a “breakdown of the working relationship” with Consolidated Staffing due to specific facts “required to be kept confidential.” Mr. Soleiman requested an in-camera hearing in the event further information was necessary to ascertain a good faith basis for the dismissal.

On June 19, 2025, applicant filed a Declaration of Readiness to Proceed (DOR) to a Status Conference after multiple failed attempts to reach representatives for Consolidated Staffing regarding the proposed settlement.

The matter proceeded to hearing on July 7, 2025, and applicant's attorney and CBE appeared. Next to CBE, the WCJ wrote "Claims to rep no party." The WCJ indicated on the Minutes that a Notice of Intent (NIT) for sanctions would be issued against Consolidated Staffing due to their failure to appear. The matter was continued to a further hearing, and the WCJ stated that "Consolidated Staffing Solutions and Soleiman are required to appear." The WCJ acknowledged Soleiman's filing of a dismissal but noted that it would not be granted as it was not presented as a request and was not signed/agreed upon by Consolidated Staffing.

The NIT issued on July 7, 2025, and indicated that absent a showing of good cause within ten (10) days, sanctions of \$500 dollars each would be imposed against Consolidated Staffing and Markel for their failure to appear at the July 7, 2025 status conference. The NIT stated in pertinent part that: "Soleiman, APC should have appeared insofar as their Dismissal of Attorney is NOT the correct way to request withdrawal of representation. A dismissal of attorney is only filed when a client signs it to terminate the services of an attorney firm. A firm cannot fire themselves. They may seek withdrawal of their representation via Petition to Withdraw Representation." According to the proof of service, the NIT was served on July 8, 2025 by the WCAB.

On July 8, 2025, the WCJ issued an Order denying dismissal of Soleiman as the attorneys of record for Consolidated Staffing and Markel.

On July 14, 2025, CBE filed a response to the NIT by way of a letter. They stated that they represented Southeast, State National, and Packard, who are not "named parties in this claim." They further stated that "[w]hile this firm does not directly represent Markel, our appearance at the hearing on July 7th was indirectly on behalf of Markel, and to represent their interests." They further stated that:

"Markel Services was a named party on the Application for Adjudication, erroneously listed as a claims administrator. Markel is an insurance company, as well as the parent company of State National Insurance. State National Insurance operates and underwrites insurance policies in the State of California, which is why we are legally representing them in this matter.

Our stated goal was to have Markel removed as an improperly pled party. State National Insurance is named on the WCIRB search and not Markel, for the purposes of this litigation. Markel does not provide workers' compensation insurance in this

matter, nor does it even administer workers' compensation claims. We have explained this to the Applicant's Attorney and requested that they amend the Application for Adjudication to remove Markel as a party."

On July 23, 2025, Soleiman filed a Petition to be Relieved as Counsel reiterating that due to a breakdown in their working relationship with Consolidated Staffing, they were seeking dismissal.

On August 7, 2025, Resolution filed a Notice of Representation and Request for Special Notice for Consolidated Staffing, noting that their appearance was for the "purposes of filing a walk-through settlement" only.

The matter proceeded to hearing on August 11, 2025, and the WCJ indicated in the Minutes that parties were to file necessary dismissals "to fix EAMS." She acknowledged that "defendant CBE" had filed a response to the NIT on behalf of Markel. The WCJ also requested amendment of the Compromise and Release (C&R) to reflect current defense counsel. (The C&R is not in the record.) The matter was continued to a further hearing.

On September 2, 2025, Resolution filed a response stating in relevant part that they had filed a petition to dismiss the other parties and filed an Amended C&R, "which adds our information to the defendant(s), section on the settlement." They also filed an Amended C&R, which reflects the change in the named defendant's attorney to Resolution.

On September 17, 2025, the WCJ issued an Order Suspending Action on Represented Amended Compromise and Release (OSA). She indicated in relevant part that: "The additional parties (noted in the case caption above) remain on the record insofar as no petitions permitting their dismissal have been filed. If Consolidated Staffing Solutions, Inc. is the only appropriate employer, the remaining employers and insurers need to be formally dismissed as party defendants." She ordered that: "The Amended C&R will not be approved until such time as the court is shown the required certified check(s), cashier's check(s) or money order(s) payable to applicant and applicant's attorney." Notably, the only employer identified on the Amended C&R is Consolidated Staffing, and the box is checked for "uninsured."

On September 18, 2025, the WCJ issued an Order granting dismissal of Soleiman as the attorneys of record for Consolidated Staffing.

The matter proceeded to an October 27, 2025 hearing. Applicant's attorneys, Resolution on behalf of Consolidated Staffing, and CBE, on behalf of Southeast, State National, and Markel appeared. The WCJ ordered that "[d]efense must have actual cashier's checks in hand to be able to distribute them on the date of the [next] conference." She further ordered that the next hearing was to be "in person." She designated service to Resolution.

On November 20, 2025, FileNet in EAMS reflects a number of email correspondences between the WCJ and various counsel.

At the hearing on November 20, 2025, applicant's attorney and Resolution appeared in person, and CBE appeared by way of Court Call. The Minutes indicate as follows:

"Due to the conflict between the undersigned judge's 10/27/2025 MOH and the NOH that issued by the calendar, no party will be sanctioned for failure to appear today in person. However, the case will be set for an IN PERSON trial on issues of sanctions, fees and costs per the Notice of Intention Re: Sanctions, Fees and Costs to be separately served by the court. This matter is being set for trial on Wednesday, 12/10/2025 at 8:30 a.m. for an IN PERSON trial to address the multiple issues noted in the NOI Sanctions."

On November 21, 2025, the WCJ issued a NIT to impose sanctions, fees and costs. The NIT indicated that sanctions of one thousand (\$1,000) dollars each in addition to reasonable attorney's fees and costs would be imposed upon Consolidated Staffing, Southeast, Markel, State National, Packard, Resolution, and CBE absent a written response within ten (10) days showing good cause. The basis for the NIT included:

1. CBE's essential "joinder" of Southeast, State National, and Packard due to the filing of their Notice of Representation on behalf of those persons and the failure to file a proper verified petition for dismissal rather than a letter.
2. CBE, Resolution, and their clients' failure to "file petitions to correct EAMS and dismiss inappropriately joined defendants."
3. Failure to file a "petition to dismiss inappropriately-joined parties...despite a letter from Resolution Partners, filed 9/2/2025, stating that such petitions were filed."
4. Failure to appear with cashiers' checks.
5. "[D]elay and disruption [caused by defendants in] entering appearances of multiple parties, failing to appropriately identify proper parties, failing to file the petitions required to clarify the EAMS record and to dismiss inappropriately joined parties and wasting court and applicant's time at multiple hearings where nothing previously directed to be done was done. Per 8 CCR 10510, any time court action is requested, and dismissing a party defendant or requesting correction of the

EAMS record requires court action, the Rules require that a verified petition be filed. Defendants have delayed applicant's receipt of her settlement proceeds time and time again without any justification or reasonable excuse. The multiple failures to fix the record have gone unheeded and the court can only view all this as having been done in bad faith by the parties identified as being subject to this NOI Re Sanctions, Fees and Costs."

On November 26, 2025, CBE filed a Petition to Dismiss Southeast, State National, Packard, and Markel as party defendants on the basis that the entities did not employ applicant or workers' compensation coverage to Consolidated Staffing at the time of the claimed injury.

On the same date, CBE also filed an objection to the NIT on behalf of Southeast, State National, Packard, and Markel noting that an order joining them had never issued and stating that:

"If the Court may act in its discretion to add Defendants to the matter without procedural compliance, it most certainly can remove improperly joined Defendants from the matter at its discretion and without requiring procedural compliance by way of filing a Petition to Dismiss. To sanction Defendants for failure to file a Petition to Dismiss themselves from a matter they were never properly procedurally joined is not only unreasonable but shocks the conscience.

...

Any bad faith tactics, obstruction, or intentional noncompliance that alters and delays the posture of this case and settlement - and undoubtedly prejudices the Applicant - have solely been related to Resolution Solutions, on behalf of Consolidated Staffing Solutions, continued inability to produce the settlement checks as required by this Court for approval of the Compromise and Release."

On December 1, 2025, applicant filed a petition for sanctions and attorney's fees and costs of three-thousand dollars (\$3,000) against Consolidated Staffing and Resolution and a Labor Code section 5710 fee against Consolidated Staffing.

On the same date, Resolution filed an Objection to the NIT on the basis that they were retained as non-attorney representatives by Consolidated Staffing for the limited purpose of the walk through of the C&R and took no role in misidentification and/or improper joinder of parties. They further explained that they are not a guarantor of payment and should not be held personally responsible for non-payment of settlement monies by Consolidated Staffing and that they had attempted to obtain cashier's checks on numerous occasions with no success.

On December 10, 2025, the matter proceeded to trial on the sole issue of the WCJ's NIT. At trial, the parties stipulated that Consolidated Staffing employed applicant and that Southeast, Markel, State National, and Packard could be dismissed. The WCJ ordered that Southeast, Markel,

State National, and Packard were dismissed without prejudice. The parties gave statements, but no evidence was taken.

On January 21, 2026, Consolidated Staffing filed a Notice of Dismissal of Attorney indicating that Resolution was being dismissed as their non-attorney representative.

On February 18, 2026 the WCJ issued an F&O which held that CBE, individually; Resolution, individually; Southeast, State National, Packard, and Markel, jointly and severally; and Consolidated Staffing, individually, engaged in sanctionable conduct. The WCJ ordered sanctions of \$750 each by CBE and Resolution, \$500 by Southeast, State National, Packard, and Markel, jointly and severally, and \$1,000 by Consolidated Staffing Solutions. The WCJ also ordered payment of \$400 each by CBE and Resolution for attorney's fees to applicant's attorneys.

It is from this F&O that petitioners seek reconsideration.

DISCUSSION

I.

Preliminarily, former Labor Code¹ section 5909 provided that a petition for reconsideration was deemed denied unless the Appeals Board acted on the petition within 60 days from the date of filing. (Lab. Code, § 5909.) Effective July 2, 2024, section 5909 was amended to state in relevant part 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.
 - (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 under the Events tab in the Electronic Adjudication Management System (EAMS). Specifically, in Case

¹ All further statutory references will be to the Labor Code unless otherwise indicated.

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 March 20, 2026, and 60 days from the date of transmission is May 19, 2026. This decision was issued by or on May 19, 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 and Recommendation shall constitute notice of transmission.

Here, according to the proof of service for the Report, it was served on March 20, 2026. Service of the Report and transmission of the case to the Appeals Board occurred on the same day. Thus, we conclude that service of the Report provided accurate notice of transmission under section 5909(b)(2) because service of the Report provided actual notice to the parties as to the commencement of the 60-day period on March 20, 2026.

II.

Turning now to the merits of the Petition, section 5813 states, in pertinent part that:

- (a) The workers’ compensation referee or appeals board may order a party, the party’s attorney, or both, to pay any reasonable expenses, including attorney’s fees and costs, incurred by another party as a result of bad-faith actions or tactics that are frivolous or solely intended to cause unnecessary delay. In addition, a workers’ compensation referee or the appeals board, in its sole discretion, may order additional sanctions not to exceed two thousand five hundred dollars (\$2,500) to be transmitted to the General Fund.

(Lab. Code, § 5813.)

Further, WCAB Rule 10421(b) provides a comprehensive, non-exhaustive list of actions that could be subject to sanctions. As applicable here, subdivision (b) states that a party may be subject to sanctions where the party has engaged in:

- (1) Failure to appear or appearing late at a conference or trial where a reasonable excuse is not offered or the offending party has demonstrated a pattern of such conduct

- (2) Filing a pleading, petition or legal document unless there is some reasonable justification for filing the document.
- (3) Failure to timely serve documents (including but not limited to medical reports and medical-legal reports) as required by the rules of the Workers' Compensation Appeals Board, or the Administrative Director, where the documents are within the party's possession or control, unless that failure resulted from mistake, inadvertence or excusable neglect.
- (4) Failing to comply with the Workers' Compensation Appeals Board's Rules of Practice and Procedure, with the regulations of the Administrative Director, or with any award or order of the Workers' Compensation Appeals Board, including an order of discovery, which is not pending on reconsideration, removal or appellate review and which is not subject to a timely petition for reconsideration, removal or appellate review, unless that failure results from mistake, inadvertence, surprise or excusable neglect.
- (5) Executing a declaration or verification to any petition, pleading or other document filed with the Workers' Compensation Appeals Board:
 - A. That:
 - (i.) Contains false or substantially false statements of fact;
 - (ii.) Contains statements of fact that are substantially misleading;
 - (iii.) Contains substantial misrepresentations of fact;
 - (iv.) Contains statements of fact that are made without any reasonable basis or with reckless indifference as to their truth or falsity;
 - (v.) Contains statements of fact that are literally true, but are intentionally presented in a manner reasonably calculated to deceive; and/or
 - (vi.) Conceals or substantially conceals material facts; and
 - B. Where a reasonable excuse is not offered or where the offending party has demonstrated a pattern of such conduct.
- (6) Bringing a claim, conducting a defense or asserting a position:
 - A. That is:
 - (i.) Indisputably without merit;
 - (ii.) Done solely or primarily for the purpose of harassing or maliciously injuring any person; and/or
 - (iii.) Done solely or primarily for the purpose of causing unnecessary delay or a needless increase in the cost of litigation; and
 - B. Where a reasonable excuse is not offered or where the offending party has demonstrated a pattern of such conduct.
- (7) Presenting a claim or a defense, or raising an issue or argument, that is not warranted under existing law -- unless it can be supported by a non-frivolous argument for an extension, modification or reversal of the existing law or for the establishment of new law -- and where a reasonable excuse is not offered or where the offending party has demonstrated a pattern of such conduct. In determining whether a claim, defense, issue

or argument is warranted under existing law, or if there is a reasonable excuse for it, consideration shall be given to:

- A. Whether there are reasonable ambiguities or conflicts in the existing statutory, regulatory or case law, taking into consideration the extent to which a litigant has researched the issues and found some support for its theories; and
 - B. Whether the claim, defense, issue or argument is reasonably being asserted to preserve it for reconsideration or appellate review. This subdivision is specifically intended not to have a “chilling effect” on a party's ability to raise and pursue legal arguments that reasonably can be regarded as not settled.
- (8) Asserting a position that misstates or substantially misstates the law, and where a reasonable excuse is not offered or where the offending party has demonstrated a pattern of such conduct.
- (9) Using any language or gesture at or in connection with any hearing, or using any language in any pleading or other document:
- A. Where the language or gesture:
 - (i.) Is directed to the Workers' Compensation Appeals Board, to any of its officials or staff or to any party (or the attorney or non-attorney representative for a party); and
 - (ii.) Is patently insulting, offensive, insolent, intemperate, foul, vulgar, obscene, abusive or disrespectful; or
 - B. Where the language or gesture impugns the integrity of the Workers' Compensation Appeals Board or its commissioners, judges or staff.

(Cal. Code Regs., tit. 8, § 10421(b).)

With respect to the procedural process for sanctions, WCAB Rule 10832 states, in pertinent part, that the Workers’ Compensation Appeals Board may issue a NIT for any proper purpose, including sanctioning a party. (Cal. Code Regs., tit. 8, § 10832(a)(3).) Further, subdivision (c) states that if an objection is filed with the time provided, the WCJ, in their discretion, may sustain the objection, issue an order consistent with the NIT together with an opinion on decision, or set the matter for hearing. (Cal. Code Regs., tit. 8 § 10832(c).)

Here, the WCJ issued an NIT on November 21, 2025 against Consolidated Staffing, Southeast, Markel, State National, Packard, Resolution, and CBE. The WCJ’s basis for the NIT was CBE’s filing of a letter rather than a petition for dismissal, the alleged failure of the parties to correct EAMS by identifying the proper parties via formal petitions, the alleged failure of the parties to file formal petitions to dismiss non-liable parties, the setting of a November 20, 2025 teleconference rather than an in-person hearing, and the alleged delay of a proposed settlement as a result of the foregoing.

We note that none of the items outlined by the WCJ above reflect sanctionable conduct under section 5813 or WCAB Rule 10421(b).

With respect to the setting of telephonic versus in-person hearings and corrections to the Official Address Record, these items are within the purview of the WCJ and the WCJ has authority to order the corrections. Thus, any delays could have been remedied or diminished through actions by the WCJ.

Moreover, WCAB Rule 10750 requires that a separate notice of hearing be served. (Cal. Code Regs., tit. 8, § 10750.) Here, despite the WCJ's belief that she provided notice to the parties that appearances at the hearings were to be in person, the official EAMS notices from the WCAB did not state that appearances were in person. In order to override or contradict the official EAMS notice, the WCJ must serve, or cause to be served, a notice of hearing that clearly designates the hearing as in person and clearly identifies the name of the person who is to appear. We do not wish to imply that parties should not follow all orders by a WCJ or otherwise obviate parties' obligation to comply with court orders, nevertheless, due process requires that a notice of the hearing clearly state that it be in person and/or that a particular person must appear. Thus, to the extent that a basis for the NIT was a failure to appear in person, the NIT is invalid.

Further, in light of the case of *Perez v. Chicago Dogs* (2015) 90 Cal.Comp.Cases 830, 836-837 (Appeals Bd. en banc) (*Chicago Dogs*), it is well established that in workers' compensation proceedings, pleadings are liberally construed and may be amended to proof. In *Chicago Dogs*, we observed the following:

“The workers' compensation system ‘was intended to afford a simple and nontechnical path to relief.’ Generally, ‘the informality of pleadings in workers' compensation proceedings before the Board has been recognized.’ ‘[I]t is an often-stated principle that the Act disfavors application of formalistic rules of procedure that would defeat an employee's entitlement to rehabilitation benefits.’ Courts have repeatedly rejected pleading technicalities as grounds for depriving the Board of jurisdiction. ‘Necessarily, failure to comply with the rules as to details is not jurisdictional.’

Therefore, in workers' compensation proceedings, it is settled law that (1) pleadings may be informal; (2) claims should be adjudicated based on substance rather than form; (3) pleadings should liberally construed so as not to defeat or undermine an injured employee's right to make a claim; and (4) technically deficient pleadings, if they give notice and are timely, normally do not deprive the Board of jurisdiction.”

(*Id.* at pp. 838-839.)

Taking into consideration *Chicago Dogs*, CBE Law Group's filing of a letter rather than a formal petition for dismissal does not rise to the level of sanctionable behavior. We again note that the WCJ has the authority to order corrections to the record, especially here where the WCJ was well aware that Southeast, Markel, State National, and Packard were not properly parties and had never been joined, and it was applicant's error in identifying Markel initially which triggered the confusion.

We also find it necessary to underscore that during the December 10, 2025 trial, the WCJ did not take any evidence. In the NIT and the WCJ's Opinion on Decision, various emails, telephone calls, and letters in support of the F&O for sanctions, fees, and costs were referenced. As discussed above, while a party's filing of a letter rather than a formal pleading can be appropriate, emails are not acceptable pleadings unless they are admitted into evidence. (Cal. Code Regs., tit., 8 § 10803(a).)

As explained in *Hamilton v. Lockheed Corporation* (2001) 66 Cal.Comp.Cases 473, 476 (Appeals Bd. en banc), a decision "must be based on admitted evidence in the record" (*Id.* at p. 478) and must be supported by substantial evidence. (Lab. Code, §§ 5903, 5952, subd. (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. Workers' Comp. Appeals Bd.* (1970) 1 Cal.3d 627 [35 Cal.Comp.Cases 16].) An adequate and complete record is necessary to understand the basis for the WCJ's decision. (Lab. Code, § 5313; see also Cal. Code Regs., tit. 8, § 10787.) "It is the responsibility of the parties and the WCJ to ensure that the record is complete when a case is submitted for decision on the record. At a minimum, the record must contain, in properly organized form, the issues submitted for decision, the admissions and stipulations of the parties, and admitted evidence." (*Hamilton, supra*, at pp. 473, 475.) 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." (*Id.* at p. 475.) This "enables the parties, and the Board if reconsideration is sought, to ascertain the basis for the decision, and makes the right of seeking reconsideration more meaningful." (*Id.* at p. 476, citing *Evans v. Workmen's Comp. Appeals Bd.* (1968) 68 Cal.2d 753, 755 [33 Cal.Comp.Cases 350, 351].)

In light of the foregoing, we do not believe there is substantial evidence to justify the WCJ's decision to issue sanctions, attorney's fees, and costs.

Lastly, we note that the WCJ dismissed Southeast, Markel, State National, and Packard on December 10, 2025. Given their dismissal, the WCJ had no jurisdiction over them at the time of the February 18, 2026 F&O. As such, any sanctions, attorney's fees, and costs levied against said entities through the said F&O are rendered void.

Accordingly, we grant the Petition and rescind the February 18, 2026 F&O.

For the foregoing reasons,

IT IS ORDERED that defendants' Petition for Reconsideration of the February 18, 2026 Findings and Order is **GRANTED**.

IT IS FURTHER ORDERED, as the Decision After Reconsideration of the Workers' Compensation Appeals Board, that the February 18, 2026 Findings and Order is **RESCINDED**.

WORKERS' COMPENSATION APPEALS BOARD

/s/ ANNE SCHMITZ, DEPUTY COMMISSIONER

I CONCUR,

/s/ KATHERINE WILLIAMS DODD, COMMISSIONER

/s/ JOSÉ H. RAZO, COMMISSIONER



DATED AND FILED AT SAN FRANCISCO, CALIFORNIA

MAY 19, 2026

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

**BERENICE LUA DAMIAN
LAW OFFICES OF SCOTT WARMUTH
CBE LAW GROUP
RESOLUTION PARTNERS**

RL/cs

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