

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

MIRIAM CARDONA, *Applicant*

vs.

**COUNTY OF LOS ANGELES AUDITOR CONTROLLER, permissibly self-insured,
administered by SEDGWICK, *Defendants***

**Adjudication Numbers: ADJ13363828; ADJ9457659; ADJ9993085
Marina del Rey District Office**

**OPINION AND ORDER
DENYING PETITION FOR
RECONSIDERATION**

Defendant, County of Los Angeles, seeks reconsideration of the Findings of Fact and Award (F&A) issued on February 20, 2026, by the workers' compensation administrative law judge (WCJ). By the F&A, as relevant here, the WCJ found that it was not proper for defendant to take attorney's fees from the accrued permanent disability benefits owed to applicant before commuting the balance of the attorney's fees to the far end of the stipulated Award because it constituted an interruption of benefits to applicant. As a result, the WCJ awarded applicant the full amount of the accrued permanent disability indemnity owed at the time of the Award, less sums paid by defendant.

Defendant contends that the WCJ erred by awarding applicant the full accrued benefits because it was contrary to the stipulations entered into by the parties and defendant should be found to owe no additional accrued benefits to applicant.

Applicant filed an opposition to defendant's Petition for Reconsideration, which we treat as an Answer. 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 for Reconsideration and the Answer and the contents of the Report of the WCJ. Based on our review of the record, and as discussed below, we will deny reconsideration.

FACTUAL BACKGROUND

We will briefly review the relevant facts.

Applicant, while employed as a mental health service coordinator, claimed injury to multiple body parts arising out of and occurring in the course of employment by defendant during the period from January 1, 2014 to June 15, 2020. Defendant initially denied applicant's claim.

The parties executed Stipulations with Request for Award (Stipulations) settling applicant's case in chief. As relevant here, they stipulated that:

3. The injury(ies) caused permanent disability of 59% for which Indemnity is payable at \$290.00 per week beginning 11/8/2023 in the sum of \$99,542.50, less credit for such payments previously made.

* * *

6. Applicant's attorney requests a fee of \$14,931.37.

Fees to be commuted as follows:

FAR END OF AWARD AS NECESSARY TO AVOID INTERRUPTION IN APPLICANT'S BENEFITS.

(Stipulations, p. 6, ¶¶ 3, 6.)

On May 1, 2024, the WCJ issued an Award approving the Stipulations. As relevant here, the Award states, "Permanent disability indemnity in accordance with paragraph 3 above, Less the sum of \$14,931.37, payable to applicant's attorney as the reasonable value of services rendered," with the box checked next to "Fees are to be commuted pursuant to Paragraph 6." (Award, ¶ B.) At the time the Award was approved, defendant had paid no permanent disability benefits. (Def. Exh. B, Payment Listing, p. 2.)

On May 23, 2024, defendant issued a "Notice Regarding Start of Permanent Disability Benefits" informing applicant it would pay permanent disability benefits in the amount of \$1,398.22 for the period from November 8, 2023 to May 29, 2024. (App. Exh. 3, Notice of Start of Permanent Disability, p. 1.) Defendant indicated that "the sum of [applicant's] accrued permanent disability benefits is less [her] attorney's fee of \$14,931.37 and less interest saved by [defendant] per commutation of \$1,432.91, leaving a balance of \$81,780.00 for 282.00 weeks remaining." (App. Exh. 3, p. 1.)

However, from November 8, 2023 to May 1, 2024, the date of the Award, applicant was owed accrued benefits of \$7,291.43. (See Opinion on Decision, p. 5, ¶ 1; Petition, p. 3, lines 19-21.)

On June 7, 2024, applicant filed a Petition to Set Aside Stipulations, which was subsequently withdrawn.

On January 2, 2025, applicant filed a petition for penalties for defendant's failure to pay the Award properly.

On January 27, 2026, the matter proceeded to trial on the following sole issue:

Based on the language of the Stipulation with Request for Award, at Paragraph 6, and the Award, is it proper for defendant to take the partial attorney's fees from accrued permanent disability and commute the balance to the far end of the Award?

(Minutes of Hearing, January 27, 2026, p. 2, lines 11-13.)

All other issues were deferred. No witnesses were called to testify and the matter stood submitted.

Thereafter, the WCJ issued the F&A finding, in part, that it was not proper for defendant to take the partial attorney's fees from the accrued permanent disability benefits and commute the balance to the far end of the Award, as this constituted an interruption of benefits to applicant. Accordingly, the WCJ found applicant was entitled to the full amount of the accrued permanent disability benefits owing at the time of the Award on May 1, 2024, less sums already paid by defendant.

Defendant then sought reconsideration of the F&A.

DISCUSSION

I.

Former 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 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 March 16, 2026, and 60 days from the date of transmission is May 15, 2026. This decision is issued by or on May 15, 2026, so that we have timely acted on the petition as required by section 5909(a).

Here, according to the proof of service for the Report and Recommendation by the workers’ compensation administrative law judge, the Report was served on March 16, 2026, and the case was transmitted to the Appeals Board on March 16, 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 March 16, 2026.

II.

It is universally accepted that “all workers’ compensation statutes are to be liberally construed in favor of the injured worker.” (*Claxton v. Waters* (2004) 34 Cal.4th 367, 373; *County of Kern v. Workers’ Comp. Appeals Bd.* (2011) 200 Cal.App.4th 509, 517 [76 Cal.Comp.Cases 1037]; Lab. Code, § 3202.)

Pursuant to section 5100, the WCJ must determine whether to commute compensation payable as a lump sum and order it to be paid forthwith “if such commutation is necessary for the protection of the person entitled thereto or for the best interest of the applicant.” (Lab. Code, § 5100.) Considerations attendant to a commutation of attorney’s fees include an applicant’s ability to live with reduced periodic payments, or without periodic indemnity payments entirely, and

whether or not commutation will avoid inequity and not otherwise cause undue expense or hardship to the applicant. (*Ibid.*; *Hulse v. Workers' Comp. Appeals Bd.* (1976) 63 Cal.App.3d 221, 226 [41 Cal.Comp.Cases 691].)

By definition, a commuted award of permanent disability indemnity accelerates the weekly payments of indemnity and reduces them to a lump sum at present value, payable immediately. (Lab. Code, §§ 5100, 5101(b).) Commutation off the “far end of the award” refers to commuting sufficient *final payments* to pay a lien. (*Classic Cabinets v. Workers Comp. Appeals Bd.* (2000) 65 Cal.Comp.Cases 631, 634, citing *Price v. Workers' Comp. Appeals Bd.* (1992) 10 Cal.App.4th 959, 965 [57 Cal.Comp.Cases 743].)

Section 5803 provides, “[t]he 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.)

Under the Appeals Board’s enforcement authority in section 5803, we retain jurisdiction to enforce the terms of stipulations as written. The legal principles governing stipulations with request for award 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].) In *Camacho v. Target Corp.* (2018) 24 Cal.App.5th 291 [83 Cal.Comp.Cases 1014], the Court of Appeal stated that:

We interpret a contract to give effect to the mutual intention of the parties at the time they formed the contract. (Civ. Code, § 1636; *Hess [v. Ford Motor Co.]* (2002) 27 Cal.4th 516,] 524 [117 Cal. Rptr. 2d 220, 41 P.3d 46].) We discern the parties’ intention based on the written contract alone, if possible, but may also consider the circumstances under which the contract was made and its subject matter. (Civ. Code, §§ 1639, 1647; *Hess*, at p. 524.) We consider the contract as a whole, and interpret contested provisions in their context, not in isolation, with the aim of giving effect to all provisions, if doing so is reasonably possible. (Civ. Code, § 1641; *People v. Doolin* (2009) 45 Cal.4th 390, 413, fn. 17 [87 Cal. Rptr. 3d 209, 198 P.3d 11]; *City of Atascadero v. Merrill Lynch, Pierce, Fenner & Smith, Inc.* (1998) 68 Cal.App.4th 445, 473 [80 Cal. Rptr. 2d 329] [“Courts must interpret contractual language in a manner which gives force and effect to *every* provision, and not in a way [that] renders some clauses nugatory, inoperative or meaningless”].)

In interpreting a contract, we give the words their ordinary and popular meaning, unless the parties or usage have given the words a specialized or technical meaning. (Civ. Code, § 1644; *Mountain Air Enterprises, LLC v. Sundowner Towers, LLC* (2017) 3 Cal.5th 744, 752 [220 Cal. Rptr. 3d 650, 398 P.3d 556].)

(*Camacho, supra*, at p. 306.)

With these principles in mind, we consider the language of the Stipulations to determine whether applicant was entitled to payment of the full amount of accrued permanent disability benefits at the time of the Award on May 1, 2024. Specifically, the WCJ found it was inappropriate for defendant to satisfy a portion of attorney fees from the accrued permanent disability benefits owed to applicant before commuting the remaining balance from the far end of the Award. Based on the WCJ's analysis of the merits of defendant's arguments, and for the reasons discussed below, we find no basis to disturb the WCJ's findings.

By the terms of the Stipulations, as relevant here, applicant is entitled to \$290.00 per week beginning November 8, 2023, for a total of \$99,542.50. (Stipulations, p. 6, ¶ 3.) The Stipulations also provide that applicant's attorney's fees totaled \$14,931.37, and attorney's fees would be commuted from the "FAR END OF AWARD AS NECESSARY TO AVOID INTERRUPTION IN APPLICANT'S BENEFITS." (Stipulations, p. 6, ¶ 6.)

Defendant claims that the Stipulations language "as necessary to avoid interruption in applicant's benefits" is "sufficiently clear" regarding how benefits were to be paid to applicant after payment of the applicant attorney's fee. (Petition, p. 5, ¶ 5.) We disagree with defendant's characterization of the language. Examining the actual language of the Stipulations, there is no reference to commuted attorney's fees as payable from accrued permanent disability benefits or for reduction of the weekly rate due to commutation of attorney's fees that would warrant defendant's interpretation of how payment was to be made of the Award. Defendant effectively commuted from the front end of the Award by exhausting applicant's accrued permanent disability benefits to pay attorney's fees *before* commuting the remaining balance to the far end of the Award, which was not provided for by the terms of the Stipulations.

Defendant also asserts that "attorney's fees are not a separate species of benefits, rather attorney's fees are derived from permanent disability benefits. Thus, commuting attorney's fees is akin to commuting permanent disability benefits." (Petition, p. 3, lines 24- 27). Defendant misconstrues the issue, which is not that commuting the attorney's fees on the far end was inappropriate *per se*, but that applying all of applicant's accrued permanent disability benefits

toward attorney's fees before commuting the balance from the far end was improper. We agree with the WCJ that such action resulted in an interruption of benefits contrary to the plain language of the Stipulations at paragraph 6 because applicant was deprived of permanent disability benefits for the period from November 8, 2023 to May 29, 2024. (Opinion on Decision, p. 5, ¶ 3.)

Moreover, the WCJ had the discretion to determine whether the language of the Stipulations was consistent with section 5100. (Lab. Code §, 5100.) As explained by the WCJ in the Report:

The rule regarding any commutation is, "is it necessary for the protection of the person entitled thereto, *OR FOR THE BEST INTEREST OF THE APPLICANT*". (*emphasis added*) (See Labor Code Section 5100 (a).)

It is the opinion of this court that it was not in the best interest of the Applicant for her not to have received the full amount of the accrued permanent disability when the Award was paid.

(Report, p. 3, ¶ 4-p. 4, ¶ 2.)

We also recognize that the statutory language instructs us to "avoid inequity" and consider whether the commutation "will not cause undue expense or hardship" to applicant. (Lab. Code §, 5100(b).) Here, not allowing applicant to receive benefits for the accrued period from November 8, 2023 to May 1, 2024 in order to satisfy the attorney's fees, where the Stipulations provided for commutation on the "far end," is manifestly inequitable and would result in the exact type of "undue hardship" proscribed by section 5100.

Defendant bore the burden of providing evidence to establish that its execution of the Award with respect to attorney's fees was proper, and that the WCJ abused his discretion. Defendant offered no such evidence. Defendant presented no witnesses nor produced other documentary evidence to show why it was necessary to apply all of applicant's accrued permanent disability benefits toward attorney's fees before commuting the remainder to the far end. We discern no abuse of discretion on the part of the WCJ in finding it was not in applicant's best interest to not receive the full amount of the accrued permanent disability benefits when the Award was paid. (See Lab. Code, § 5100.)

Accordingly, we deny defendant's Petition for Reconsideration.

For the foregoing reasons,

IT IS ORDERED that defendant's Petition for Reconsideration of the Findings of Fact and Award issued on February 20, 2026 is **DENIED**.

WORKERS' COMPENSATION APPEALS BOARD

/s/ JOSEPH V. CAPURRO, COMMISSIONER

I CONCUR,

/s/ CRAIG L. SNELLINGS, COMMISSIONER

/s/ JOSÉ H. RAZO, COMMISSIONER



DATED AND FILED AT SAN FRANCISCO, CALIFORNIA

MAY 15, 2026

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

**MIRIAM CARDONA
WACHTEL LAW
ZGRABLICH & MONTGOMERY
DEPARTMENT OF INDUSTRIAL RELATIONS, OFFICE OF THE DIRECTOR –
LEGAL UNIT
SUBSEQUENT INJURIES BENEFITS TRUST FUND**

DC/cs

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